



KIANG HUAT SEA GULL TRADING FROZEN FOOD PUBLIC COMPANY LIMITED

4/2 MOO 3 ASIA HIGHWAY NO. 43, NAMOM, SONGKHLA 90310, THAILAND

TEL : 0-7422-2333 FAX : 0-7422-2300-1 www.kst-hatyai.com

TRADE REGISTER NUMBER : 0107537002231

No. KST 034/22

February 28, 2022

Subject Clarification on the operating results for the year ended December 31, 2021 with change more than 20 percent from the same period last year

To Managing Director and Director of the Stock Exchange of Thailand

Refer Regulation of the Stock Exchange of Thailand in regard with the preparation and submission of the financial statements and reports

According to the regulation of the Stock Exchange of Thailand as mentioned above, Kiang Huat Sea Gull Trading Frozen Food Public Company Limited (“the Company”) would like to clarify the operating results of the Company and the Company’s subsidiary for the year ended December 31, 2021.

The overview of the consolidated operating results of the Company and its subsidiary for year 2021 is as follows:

	Million Baht	
	Consolidated Financial Statements	
	31 Dec 2021	31 Dec 2020
Revenue from sales of goods	2,476	1,671
Revenue from rendering services	9	5
Cost of sales of goods	(2,259)	(1,712)
Cost of rendering of services	(7)	(4)
Gross profit (loss)	219	(40)
% Gross profit (loss)	8.81%	-2.39%
Profit (loss) for the period	40	(148)
% Profit (loss) for the period	1.61%	-8.83%



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Operating results:

For the year ended December 31, 2021, the Company and its subsidiary had net profit of Baht 40 Million compared to last year which had net loss of Baht 148 Million, signifies a 127 percent increase. The clarifications on the changes of the Company and its subsidiary's operating results are as follows:

1. Revenue from sales of goods and rendering of services amounting Baht 2,486 million, increased by 48 percent when compared to the same period last year. The increase is due to increase in sales volume, expansion of customer base, increase in selling price and depreciation of Thai Baht.

2. Cost of sales of goods and rendering of services amounting Baht 2,267 million, increased by 32 percent when compared to the same period last year, in line with the increase of revenue from sales of goods and rendering of services. The increase rate of cost is lower than that of revenue with the decrease in raw material price in the third quarter of the year 2021.

3. The ratio of cost of sales of goods and rendering of services to revenue from sales of goods and rendering of services is 91 percent and 102 percent for the year ended December 31, 2021 and 2020, respectively. The gross profit margin is 8.81 percent and the gross loss margin is 2.37 percent for the year ended December 31, 2021 and 2020, respectively.

4. Distribution costs have increased by 104 percent due to rising export-related costs, especially freight rate, mainly from container shortage.

5. Loss on foreign exchange has increased by 137 percent due to unrealised loss from forward exchange contract.

6. Finance costs have increased by 82 percent due to increase in short term borrowings from financial institutions mainly for the purpose of raw materials purchasing.

Please be informed accordingly.

Yours Sincerely,

Mr. Chaiwat Laoteppitak

Managing Director