



**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](http://www.kst-hatyai.com)

TRADE REGISTER NUMBER : 0107537002231

No. KST 060/24

February 22, 2024

**Subject:** Clarification on the operating results for the year ended December 31, 2023

**To:** Managing Director and Director of the Stock Exchange of Thailand

**Refer:** Regulation of the Stock Exchange of Thailand regarding the preparation and submission of financial statements and reports on the financial status and operating results of listed companies, (B.E. 2544, 2001)

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 its subsidiary according to the financial statements for the year ended December 31, 2023.

The overview of the consolidated operating results of the Company and its subsidiary for the year 2023 as follows:

List	Million Baht	
	Consolidated Financial Statements	
	31 December 2023	31 December 2022
Revenue From sales of goods	2,496.63	3,147.30
Revenue From rendering services	1.24	0.42
Cost of goods sold	(2,347.22)	(2,821.87)
Cost of rendering of services	(1.14)	(0.36)
Gross profit	149.51	325.48
% Gross profit	5.98%	10.34%
Profit for the period	102.96	107.42
% Profit for the period	4.12	3.41



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### Operating results:

For the year ended December 31, 2023, the Company and its subsidiary had a net profit of Baht 102.96 million compared to last year which net profit of Baht 107.04 million, the change decreased by 3.81 percent. The clarifications on the changes in the operating results of the Company and its subsidiaries are as follows:

1. Revenue from sales of goods and rendering of services for the year 2023 amounting to Baht 2,497.87 million, decreased by 20.64 percent when compared to the same period last year. The decrease is due to the global economic slowdown. As a result, the Company's customers delayed their orders because they were still unable to drain their inventory. In addition, the Company must reduce the price of products sold for the product to be competitive in the market.

2. Cost of sales of goods and rendering and services for the year 2023 amounting to Baht 2,348.36 million, decreased by 16.79 percent when compared to the same period last year. The rate of decrease in cost of goods sold. The decline was less than the rate of decline in sales revenue as customers delayed their orders. As a result, the Company had to reduce its production capacity, resulting in an increase in the cost of producing products per unit.

3. As a result of the reasons mentioned in items 1 and 2, gross profit margins in 2023 were 5.98 percent, a decrease of 10.34 percent compared to the year 2022.

4. During the second quarter of 2023, the Company received compensation income from insurance companies amounting to Baht 151.69 million. According to the ammonia leak incident from the cold system that occurred on November 29, 2022, as a result, the temperature of frozen seafood products in cold storage was below the standard for a period (affecting some products). Therefore, the Company proceeded to claim such damages from the insurance company. The incident had little impact on business operations, including the company is still able to produce products and deliver them to its customers as usual.

5. Cost of distribution for the year 2023 amounting to Baht 50.57 million, decreased compared to 2022 amounting to Baht 110.16 million, or a decrease of 59.58 percent, as the problem of container shortage has eased. As a result, export expenses (freight) also decreased.

6. Loss of foreign exchange for the year 2023 amounting to Baht 3.62 million, decreased by 66.04 percent when compared to the same period last year. The decrease is due to the strong volatility of the Thai baht against the US dollar from the beginning of the year to the present. The Company has prepared the forward contract as a hedge.



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7. Financial cost for the year 2023 amounting to Baht 41.01 million when compared to the same period last year amounting to Baht 12.86 million due to loans from financial institutions for business use and investment, as well as an increase in the interest rates of commercial banks in Thailand from 1.5–2.9 percent in 2022 to 3.3-4.0 percent in 2023.

Please be informed accordingly,

Yours Sincerely,

Mr. Chaiwat Laotepitak

Managing Director