



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 093/22

May 17, 2022

Subject Clarification on the operating results for the three-month period ended March 31, 2022 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 for the three-month period ended March 31, 2022.

The overview of the consolidated operating results of the Company for three-month period is as follows:

<i>(million baht)</i>	Consolidated statements	
	For the three-month period ended 31 March	
	2022	2021
Revenue from sale of goods	489	411
Revenue from rendering services	-	0.3
Cost of goods sold	(451)	(422)
Cost of services rendered	-	(0.2)
Gross profit (loss)	38	(11)
% Gross profit (loss)	7.8%	-2.7%
Profit (loss) for the period	(0.3)	(54)
%Profit (loss) for the period	▼ -0.1% ▼	-13.1%

Operating results:

For the three-month period ended March 31, 2022, the Company had net loss of Baht 0.3 Million compared to the same period last year which had net loss of Baht 54 Million, signifies a 99 percent increase.

The clarifications on the changes of the Company's operating results are as follows:



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1. Revenue from sales of goods and rendering of services amounting Baht 489 million, increased by 19 percent when compared to the same period last year. The increase is due to higher sales volume, expansion of customer base, selling price increase, and depreciation of Thai Baht.

2. Cost of sales of goods and rendering of services amounting Baht 451 million, increased by 7 percent when compared to the same period last year, are 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 better management of raw materials.

3. The ratio of cost of sales of goods and rendering of services to revenue from sales of goods and rendering of services is 92 percent and 103 percent for three-month period ended March 31, 2022 and 2021, respectively. The gross profit margin is 7.8 percent and the gross loss margin is 2.7 percent for the three-month period ended March 31, 2022 and 2021, respectively.

4. Distribution costs have increased by 59 percent due to higher export-related costs, especially freight rate, mainly from container shortage.

5. Finance costs have increased by 42 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