



**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 126/23

May 15, 2023.

**Subject** Clarification on the operating results for the three-month period ended March 31, 2023 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, 2023.

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

*(million baht)*

	Consolidated Statements	
	For the three-month period	
	ended 31 March	
	2023	2022
Revenue from sale of goods	542	489
Cost of goods sold	(534)	(451)
Gross profit	<b>8</b>	<b>38</b>
% Gross profit	<b>1.5%</b>	<b>7.8%</b>
Loss for the period	<b>(38)</b>	<b>(0.3)</b>
% Loss for the period	<b>-7.0%</b>	<b>-0.1%</b>



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### Operating results:

For the three-month period ended March 31, 2023, the Company had net loss of Baht 38 Million compared to the same period last year which had net loss of Baht 0.3 Million, signifies a 12,567 percent increase.

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

1. Revenue from sales of goods and rendering of services amounting Baht 542 million, increased by 11 percent when compared to the same period last year. The increase is due to higher sales volume, expansion of customer base.

2. Cost of sales of goods and rendering of services amounting Baht 534 million, increased by 18 percent when compared to the same period last year, from the cost price of main raw materials increased.

3. The ratio of cost of sales of goods and rendering of services to revenue from sales of goods and rendering of services is 99 percent and 92 percent for three-month period ended March 31, 2023 and 2022, respectively. The gross profit margin is 1.5 percent and 7.8 percent for the three-month period ended March 31, 2023 and 2022, respectively.

4. Distribution costs decreased by 37% due to export-related expenses. Especially the freight rates that have decreased. compared to the same quarter of the previous year

5. Profit (loss) from exchange rate Loss increased by 711% compared to the same period last year. due to exchange rate fluctuations.

6. Finance costs have increased by 287 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