

**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 271/23

November 13, 2023

**Subject:** Clarification on the operating results for the three-month and nine-month period ended September 30, 2023, which changed more than 20 percent from the same period last year

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

**Refer:** Regulations of the Stock Exchange of Thailand 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 regulations of the Stock Exchange of Thailand, Kiang Huat Sea Gull Trading Frozen Food Public Company Limited (“ the Company”) would like to clarify the Company's operating results according to the financial statements for the three-month and nine-month period ended September 30, 2023.

The overview of the Company's consolidated operating results for the three-month and nine-month period as follows:

*(million baht)*

	Consolidated Statements			
	For the three-month period		For the nine-month period	
	ended 30 September		ended 30 September	
	2023	2022	2023	2022
Revenue from sale of goods	655.37	1,039.31	1,987.94	2,459.99
Revenue from rendering of services	0.00	0.41	0.38	0.41
Cost of goods sold	(601.70)	(889.46)	(1,867.64)	(2,163.13)
Cost of services rendered	0.00	(0.36)	(0.37)	(0.36)
Gross profit	53.67	149.90	120.31	296.91
% Gross profit	8.2%	14.4%	6.1%	12.1%
Profit for the period	0.26	83.67	112.46	126.85
% Profit for the period	0.04%	8.05%	5.66%	5.16%



## 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

### Operating results:

For the three-month and nine-month period ended September 30, 2023, the Company had a net profit of Baht 0.26 Million for the three-month period and Baht 112.46 Million for the nine-month period compared to the same period last year, this represents a decrease of 99.69 percent for the three-month period and 11.34 percent for the nine-month period. Therefore, the Company would like to clarify the reasons for the change in the Company's operating results as follows:

1. Revenue from sales of goods and rendering of services for the three-month and nine-month period declined by 36.97 percent and 19.19 percent, respectively. Compared to the same period last year due to the global economic slowdown. As a result, the Company's customers delayed placing their orders because they were unable to drain their stock.

2. Cost of sales of goods and rendering and services for the three-month and nine-month periods declined by 32.41 percent and 13.66 percent, respectively. Compared to the same period last year, the decline in the cost of sales decreased less than the decline in revenue. This was caused by the company having to reduce product production capacity due to the delay in placing orders. As a result, the cost of production per unit increases.

3. As a result of the reasons mentioned in items 1 and 2, gross profit margins were 0.04 percent and 5.66 percent for the three-month and nine-month period ended September 30, 2023, respectively.

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 of time (affecting some products). Therefore, the Company proceeded to claim such damages with 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 decreased by 62.66 percent for the three-month period and 55.96 percent for the nine-month period due to lower export-related expenses due to no shortage of cargo containers.

6. Gain (loss) from the exchange rate increased by 9.80 percent for the three-month period, and loss decreased by 8.11 percent for the nine-month period of 2023 due to the significant volatility of the baht against the US dollar since the beginning of the year to the present.



**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

7. Financial cost increased by 292.44 percent for the three-month period and 294.20 percent for the nine-month period 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 by 2.0–2.5 percent.

Please be informed accordingly,

Yours Sincerely,

Mr. Chaiwat Laoteppitak

Managing Director