



## 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. KST145/26

May 15, 2026

**Subject:** Clarification of the operating results for the three-month period ended March 31, 2026

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

**Refer:** Regulations of the Stock Exchange of Thailand regarding the preparation and submission of financial statements and reports on the financial position and performance 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”) and its subsidiaries (collectively referred to as “the Group”) would like to clarify the operating results of the Group according to the financial statements for the three-month period ended March 31, 2026.

### **Business Overview and Industry Outlook Relevant to the Group**

For the first quarter of 2026, the frozen seafood business continued to face pressure from high raw material costs. Seafood raw materials remain highly sensitive to weather conditions and seasonal factors, resulting in ongoing fluctuations in both supply volume and raw material prices. At the same time, the business has also been affected by rising operating costs in other areas, including energy costs, transportation expenses, labor costs, and administrative expenses, all of which have impacted the Group’s profitability and cost management efficiency. Nevertheless, the Group continues to focus on diversifying its sources of revenue and strengthening its business foundation through the development of a modern cold storage service business utilizing an Automated Storage and Retrieval System (AS/RS), alongside expansion into the frozen fruit product segment, particularly frozen durian products, which have received favorable responses from international markets. Such initiatives are intended to capture market opportunities and reduce reliance on a single core business segment.

The frozen seafood industry continues to benefit from consumer behavior trends emphasizing convenience in food consumption and product preservation, as well as growing demand for ready-to-cook and ready-to-eat food products across several regions, particularly in the United States, Europe, and Asia. However, operators continue to face pressure from volatile raw material costs, energy prices, labor expenses, and international freight costs. Meanwhile, the frozen fruit industry continues to demonstrate growth prospects in line with increasing consumer demand for tropical fruits in international markets, as well as rising demand for health-oriented and processed agricultural products with extended shelf life,



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particularly in Asian markets, the Middle East, and countries with increasing imports of processed agricultural products. For the cold storage warehouse business, demand continues to be supported by the expansion of the frozen food industry, modern retail businesses, and logistics operations, resulting in continued strong demand for chilled and frozen storage facilities. Operators are increasingly focusing on warehouse management efficiency, product quality control, and energy cost management.

In this regard, operators within the industry must continue to closely monitor key factors that may affect business operations, including exchange rate volatility, energy prices, freight costs, and the economic conditions of trading partner countries, as well as environmental measures and food safety standards imposed by importing countries, all of which may impact the competitiveness of the business going forward.

### Operating Results

UNIT: Million baht	Consolidated financial statements		+(-)	
	Three-month period ended		Million Baht	%
	31 March 2026	31 March 2025		
Revenue of sales	521.95	627.49	(105.54)	-16.82%
Revenue of service	6.89	0.20	6.69	3345.00%
Cost of sales	-495.25	-580.83	85.58	-14.73%
Cost of Service	-7.18	-0.02	(7.16)	35800.00%
<b>Gross profit</b>	<b>26.41</b>	<b>46.84</b>	<b>(20.43)</b>	<b>-43.62%</b>
Gain (loss) on foreign exchange	5.79	4.44	1.35	30.41%
Other income	1.70	1.52	0.18	11.84%
Distribution costs	-15.98	-20.02	4.04	-20.18%
Administrative expenses	-19.93	-21.55	1.62	-7.52%
<b>Operating profit (loss)</b>	<b>-2.01</b>	<b>11.23</b>	<b>(13.24)</b>	<b>-117.90%</b>
Finance costs	-10.22	-7.37	(2.85)	38.67%
Share of profit (loss) of associate	-2.02	-0.15	(1.87)	1246.67%
Tax income (expense)	-3.82	-7.68	3.86	-50.26%
<b>Net profit (loss)</b>	<b>-18.07</b>	<b>-3.97</b>	<b>-14.10</b>	<b>355.16%</b>
<b>Earnings (loss) per share (in Baht)</b>	<b>-2.41</b>	<b>-0.53</b>	<b>-1.88</b>	<b>355.16%</b>

### Revenue from Sales and Services

The Group reported revenue from sales of 521.95 million baht, representing a decrease of 105.54 million baht, or 16.82 percent, compared to the same period of the previous year. In addition, revenue from services amounted to 6.89 million baht, representing an increase of 6.69 million baht, or 3,345.00 percent, compared to the same period of the previous year. The Group's revenue structure can be categorized as follows:

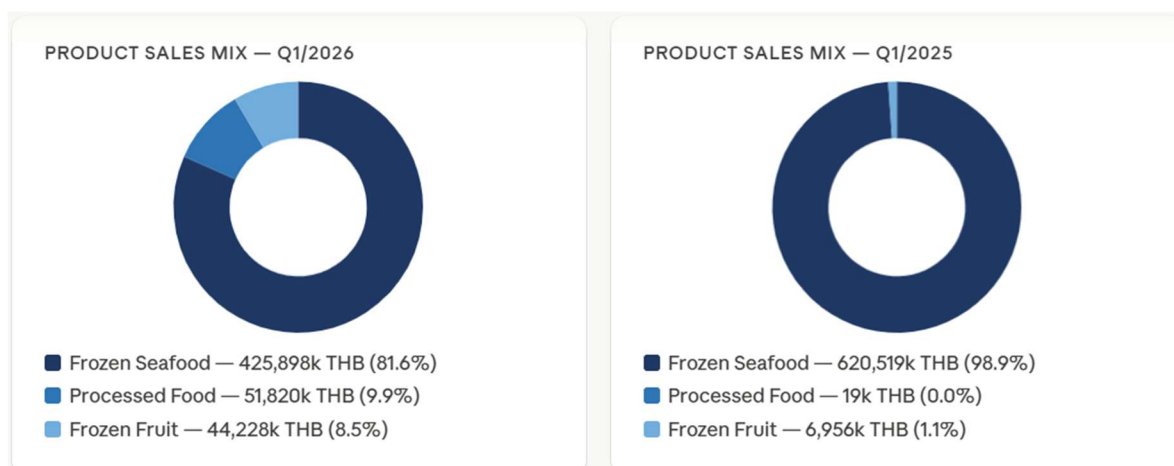


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### 1. Frozen Seafood Products

The Group recorded revenue from frozen seafood products of 425.90 million baht, representing a decrease of 194.62 million baht, or 31.36 percent, compared to the same period of the previous year. The decrease was attributable to the slowdown in export volumes resulting from the global economic conditions, the impact of international conflicts, and exchange rate volatility. Nevertheless, revenue from this product segment continued to account for a high proportion of 81.60 percent of total sales revenue, resulting in a significant decline in the Group's overall revenue.

### 2. Processed Food Products

The Group recorded revenue from processed food products of 51.82 million baht, representing an increase of 51.80 million baht, or 259,000.00 percent, compared to the same period of the previous year. The Group expanded its business from frozen seafood products by developing value-added products from raw materials, which have received favorable responses from the domestic market.

### 3. Frozen Fruit Products

The Group recorded revenue from frozen fruit products (durian) of 44.23 million baht, representing an increase of 37.27 million baht, or 535.49 percent, compared to the same period of the previous year. The increase was attributable to strong customer demand in the Chinese and Taiwanese markets, resulting in significant sales growth.

### 4. Frozen Storage Business

The Group recorded revenue from the cold storage business of 6.89 million baht. Since the frozen storage business commenced operations on April 1, 2025, no revenue from such business was recognized during the first quarter of 2025.

### Costs of Sales and Services

The Group reported a cost of sales of 495.25 million baht, representing a decrease of 85.58 million baht, or 14.73 percent, compared to the same period of the previous year. The decrease in cost of sales was in line with the decline in sales revenue. Meanwhile, the cost of services amounted to 7.18 million baht, representing an increase of 7.16 million baht, or 35,800.00 percent, compared to the same



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period of the previous year, in line with revenue recognition from the cold storage business, which commenced full operations from the second quarter of 2025.

### **Gain on Foreign Exchange**

The Group recorded a gain on foreign exchange of 5.79 million baht, representing an increase of 1.35 million baht, or 30.41 percent, compared to the same period of the previous year. The increase was attributable to the Group's foreign exchange risk management through forward contracts.

### **Distribution Costs**

The Group recorded distribution costs of 15.98 million baht, representing a decrease of 4.04 million baht, or 20.18 percent, compared to the same period of the previous year, in line with the decline in sales volume.

### **Administrative Expenses**

The Group recorded administrative expenses of 19.93 million baht, representing a decrease of 1.62 million baht, or 7.52 percent, compared to the same period of the previous year. The decrease was attributable to the Group's continuous cost control measures to align with current economic conditions.

### **Finance Costs**

The Group recorded finance costs of 10.22 million baht, representing an increase of 2.85 million baht, or 38.67 percent, compared to the same period of the previous year. The increase was attributable to higher interest expenses arising from short-term borrowings from financial institutions used as working capital for raw material procurement and business operations support.

### **Gross Profit and Gross Profit Margin**

The Group recorded gross profit of 26.41 million baht, representing a decrease of 20.43 million baht, or 43.62 percent, compared to the same period of the previous year. The gross profit margin was 4.99 percent, decreasing from 7.46 percent in the same period of the previous year. The decline was mainly attributable to higher energy costs, as well as uncertainties arising from economic conditions and international conflicts, which resulted in slower purchase orders and adversely affected the Group's profitability.

### **Net Loss and Net Loss Margin**

The Group reported a net loss of 18.07 million baht, representing an increase of 14.10 million baht, or 355.16 percent, compared to the same period of the previous year. The net loss margin was 3.42 percent, increasing from 0.63 percent in the same period as the previous year. The increase in net loss was mainly attributable to higher raw material costs during the first quarter of 2026, which adversely affected the Group's profitability.



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### Financial Position

#### **Assets**

The Group reported total assets of 2,257.13 million baht, representing an increase of 131.60 million baht, or 6.19 percent, compared to the same period of the previous year. Current assets increased mainly from higher inventories and raw materials used in business operations, as well as an increase in trade receivables due to product sales occurring toward the end of the quarter. However, non-current assets decreased, mainly due to the reduction in deferred tax assets resulting from the reversal of allowance for diminution in inventory value.

#### **Liabilities**

The Group reported total liabilities of 1,852.23 million baht, representing an increase of 144.09 million baht, or 8.44 percent, compared to the same period of the previous year. Current liabilities increased mainly from short-term borrowings used as working capital for business operations. Meanwhile, non-current liabilities increased because of the subsidiary's reclassification of loans following the extension of debt repayment terms for an additional one-year period.

#### **Equity**

The Group reported total equity of 404.90 million baht, representing a decrease of 12.49 million baht, or 2.99 percent, compared to the same period of the previous year. The decrease was mainly attributable to the Group's net loss for the first quarter of 2026, which caused equity to decline from the same period of the previous year.

### Factors That May Affect Future Operations or Growth

#### **1. Volatility of Raw Material Prices**

Raw materials used in the Group's production process are directly related to agricultural and fisheries output, which may be affected by weather conditions, natural disasters, aquatic animal diseases, and seasonal supply fluctuations. Such factors may cause volatility in raw material prices and could adversely affect the Group's production costs and profit margins.

#### **2. Energy and Utility Costs**

The frozen food and cold storage businesses are highly dependent on electricity consumption, particularly for refrigeration systems and product storage. Accordingly, changes in electricity tariffs, energy prices, and utility costs may directly affect the Group's operating costs and profitability.

#### **3. Foreign Exchange Fluctuations**

As the Group's principal revenue is generated in foreign currencies from export sales, fluctuations in exchange rates may significantly affect revenue and operating results, particularly during periods of volatility in the Thai Baht against major trading currencies.

#### **4. Changes in Consumer Behavior**

The growing trend toward healthy food consumption, ready-to-eat meals, and processed agricultural products continues to support the frozen food industry. At the same time, consumers are



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placing greater emphasis on product quality, food safety, and sustainability. Therefore, the Group must continuously develop products, create added value, and enhance product standards to meet market demand and maintain long-term competitiveness.

### **5. Industry Competition**

Competition in both domestic and international markets, particularly in terms of pricing, product quality, and service efficiency, may affect the Group's competitiveness and operating performance. Accordingly, the Group remains committed to continuously improving product quality, cost management, and operational efficiency to maintain competitiveness and achieve sustainable long-term growth.

### **6. Economic Conditions and Purchasing Power of Trading Partners**

The slowdown of the global economy, inflationary pressures, and reduced purchasing power in trading partner countries may affect purchase orders and demand for imported frozen food products. Meanwhile, the recovery of the tourism and restaurant sectors in many countries continues to support global food consumption. The Group continues to closely monitor economic conditions to adjust its business strategies appropriately in response to changing market conditions.

### **Sustainability Development**

During the first quarter of 2026, the Company placed significant emphasis on sustainable business operations alongside enhancing operational efficiency, cost management, and the application of technology to support long-term growth. Key developments were made in production process improvement, clean energy utilization, environmental management, and enhancement of internal digital systems, as summarized below:

#### **1. Enhancement of Production Efficiency and Resource Management**

The Group continuously implemented projects to improve production efficiency within its factories, with a focus on reducing costs and optimizing resource utilization through production line improvements, workflow management enhancements, and increased use of machinery to support operations.

#### **2. Promotion of Clean Energy Utilization and Environmental Impact Reduction**

The Group emphasized efficient energy utilization and support for clean energy initiatives by implementing a solar roof power generation project within its factory premises. The project aims to reduce electricity costs, decrease reliance on external energy sources, and support environmentally friendly business operations.

#### **3. Development of Wastewater Treatment Systems and Environmental Management**

The Group implemented projects to improve wastewater treatment systems within its factories to enhance wastewater management efficiency and accommodate increased wastewater inflow volumes. These improvements also support compliance with environmental standards and requirements imposed by relevant authorities.



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#### 4. Organizational Development through Digital Technology and AI

The Group continued to develop its internal information technology systems to improve operational efficiency and support future business growth. The Group is currently in the process of upgrading its ERP system to integrate data across all departments into a unified platform, reduce operational redundancies, and enhance data management efficiency. In addition, the Group has begun applying AI technology to support certain operational processes to reduce repetitive tasks and enable personnel to focus more on value-added and analytical work. The implementation of AI remains subject to appropriate supervision and oversight by responsible personnel within each operational function.

Please be informed accordingly.



Yours Sincerely,

(Mr. Chaiwat Laoteppitak)

Managing Director