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. KST316/26

November 16, 2026

Subject: Clarification of the operating results for the nine-month period ended September 30, 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 nine-month period ended September 30, 2026.

Business and Industry Overview Relevant to the Group

For the first nine months of 2026, the overall frozen seafood industry continued to face ongoing challenges. Although Thailand's overall exports expanded during the quarter, the main driver was a variety of product groups, whereas exports of agricultural products and agro-industrial goods in the first nine months of 2026 contracted compared with the same period of the prior year, reflecting persistently high-cost pressures and intensifying competition from competing producer countries. In the shrimp industry, Thai operators continued to face price competition from countries with lower production costs, particularly Ecuador, together with a shift in demand in the Japanese and United States markets toward ready-to-eat processed shrimp products. As a result, exports of fresh, chilled, and frozen shrimp have yet to show a clear recovery. Nevertheless, China remains an important market with continued growth potential, while the United States market continues to demand imported food products, although operators must still closely monitor the outcome of negotiations and United States import tariff policy.

In terms of operating costs, the Group continued to be affected by electricity costs, which are a major cost of the freezing and cold storage process, international freight and logistics costs, and volatility in the Thai baht exchange rate, which affects export revenue. In addition, erratic weather conditions and the risk of epidemics in aquatic animals remain factors that may affect the volume and price of raw materials going forward. The Group therefore continues to focus on managing raw material costs, improving production efficiency, and quality control in accordance with international standards, to maintain its competitiveness and profit margin amid continuing challenging market conditions.

The Group's frozen durian business was affected by erratic weather conditions, which caused durian to bear fruit in multiple batches and across multiple areas simultaneously. This resulted in an oversupply in the market and a continued decline in orchard-gate durian prices. In addition, quality problems were found in some of the produce, such as abnormally large fruit and holes bored by insect pests, which affected grading and selling prices. Although this situation benefits the Group's raw material costs in sourcing durian for its frozen processing operations, the Group must place greater importance on raw material quality selection and stricter standards inspection.

On the export side, the Chinese market continues to show a high level of demand for durian consumption, as China is the world's largest durian consumer market, and Thailand's fresh durian exports to China in 2026 remained strong in line with increased production volume. However, competition from regional competitor countries, particularly Vietnam and Malaysia, continues to intensify, while the government has accelerated measures to absorb southern durian output through exports, value-added processing, and the expansion of alternative markets. This is consistent with the direction of the Group's frozen durian business, which serves as a channel to help relieve oversupply and add value to agricultural products.

For the Group's frozen storage business utilizing the Automated Storage and Retrieval System (AS/RS), located in Songkhla Province, this quarter was affected by port improvement works in Songkhla, which reduced the volume of goods passing through the port and resulted in a lower profit margin for the cold storage warehousing business during the improvement period. However, once the port improvement works are completed, industry operators are expected to once again require cold storage space to hold inventory pending export, and to manage the large volumes of goods entering the market at the same time in line with demand from destination markets. In addition, the modern cold storage business and related logistics businesses continue to show a growth trend in line with the overall expansion of the frozen and chilled food industry. The Group's AS/RS system holds an advantage in terms of modernity, precision in inventory management, and higher space utilization efficiency compared with traditional cold storage systems, enabling it to effectively meet the needs of operators seeking to upgrade their storage standards. This business therefore plays an important role in strengthening the Group, both in diversifying its sources of revenue and in reducing reliance on revenue from its core production and export business alone.

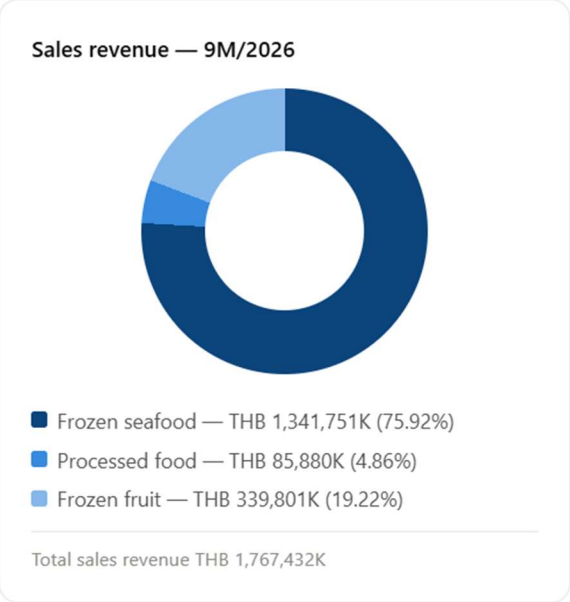
Operators in the industry must continue to closely monitor key factors that may affect business operations, including volatility in exchange rates, energy prices and international freight costs, the direction of United States trade policy and import tariff measures, the economic conditions and purchasing power of trading partner countries, particularly China, price and quality competition from competitor producing countries, erratic weather conditions that may affect raw material volumes, and the food safety standards of importing countries, all of which are factors affecting the competitiveness of the business going forward.

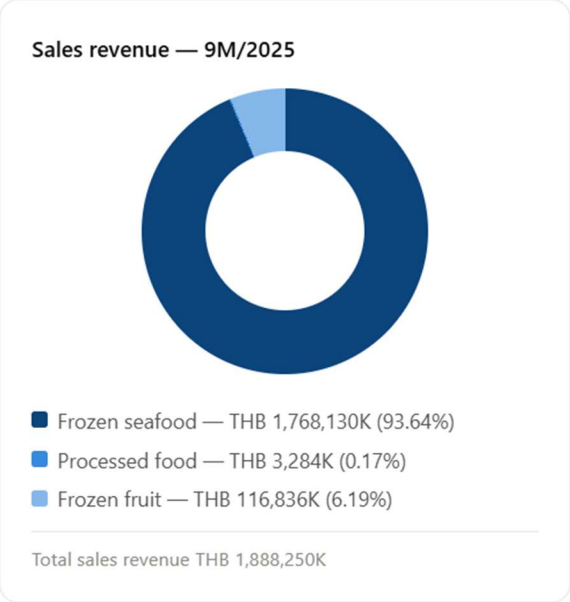
Operating Results

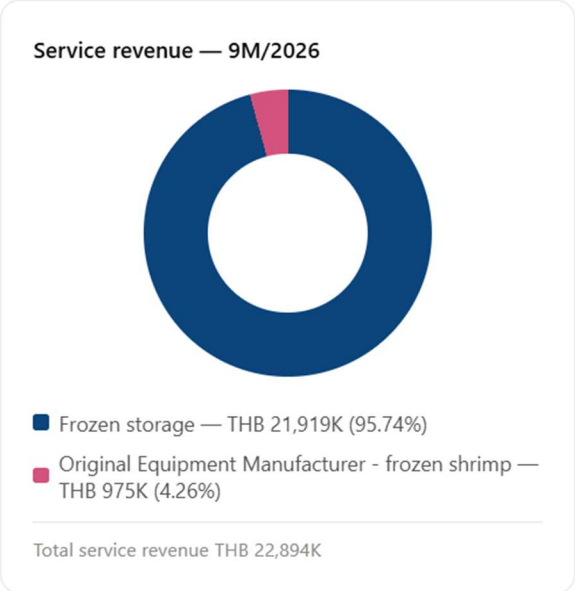
UNIT: Million baht	Consolidated financial statements							
	Three-month period ended		+(-)		Nine-month period ended		+(-)	
	30 September 2026	30 September 2025	Million Baht	%	30 September 2026	30 September 2025	Million Baht	%
Revenue from sales of goods	664.17	673.62	(9.45)	-1.40%	1,767.43	1,888.25	(120.82)	-6.40%
Revenue from rendering of services	8.72	7.21	1.51	20.94%	22.90	15.40	7.50	48.70%
Costs of sales of goods	(609.84)	(661.21)	(51.37)	-7.77%	(1,655.49)	(1,814.86)	(159.37)	-8.78%
Costs of rendering of services	(9.25)	(11.93)	(2.68)	-22.46%	(24.65)	(25.98)	(1.33)	-5.12%
Gross profit	**53.80**	**7.69**	**46.11**	**599.61%**	**110.19**	**62.81**	**47.38**	**75.43%**
Gain (loss) on foreign exchange	2.47	1.92	0.55	28.65%	8.16	6.15	2.01	32.68%
Compensation and other income	1.87	2.21	(0.34)	-15.38%	349.24	5.38	343.86	6391.45%
Distribution costs	(19.09)	(20.18)	(1.09)	-5.40%	(53.18)	(56.78)	(3.60)	-6.34%
Administrative expenses	(20.90)	(21.23)	(0.33)	-1.55%	(74.59)	(64.75)	9.84	15.20%
Operating profit (loss)	**18.15**	**(29.59)**	**47.74**	**161.34%**	**339.82**	**(47.19)**	**387.01**	**820.11%**
Finance costs	(9.99)	(11.45)	(1.46)	-12.75%	(30.79)	(28.88)	1.91	6.61%
Share of profit (loss) of associate	1.21	(0.78)	1.99	255.13%	(0.44)	(2.93)	(2.49)	-84.98%
Tax income (expense)	(8.95)	1.75	(10.70)	-611.43%	(50.25)	(4.67)	45.58	976.02%
Profit (loss) for the period	**0.42**	**(40.07)**	**40.49**	**101.05%**	**258.34**	**(83.67)**	**342.01**	**408.76%**
Earnings (loss) per share (in Baht)	0.06	(5.34)	5.40	101.05%	34.45	(11.16)	45.60	408.76%

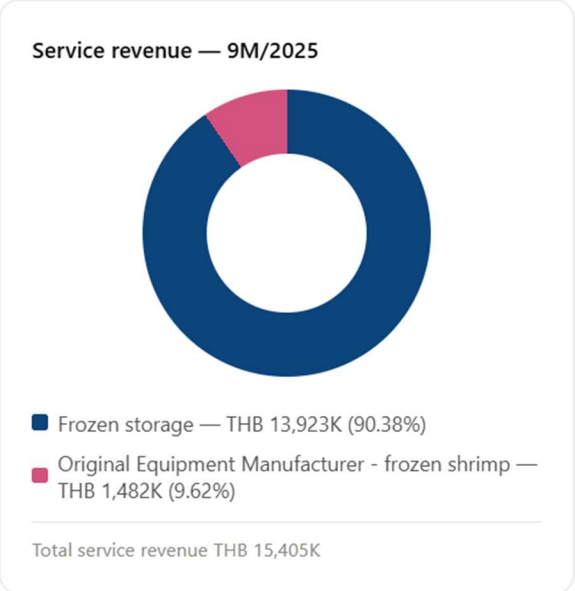
Revenue from Sales and Services

The Group recorded sales revenue of 1,767.43 million baht, a decrease of 120.82 million baht, or 6.40 percent, from the same period of the prior year, and service revenue of 22.90 million baht, an increase of 7.50 million baht, or 48.70 percent, from the same period of the prior year. The Group's revenue structure can be broken down as follows:









1. Frozen Seafood Products

The Group recorded revenue from sales of frozen seafood products of 1,341.75 million baht, a decrease of 426.38 million baht, or 24.11 percent, from the same period of the prior year, due to increased market competition, combined with relatively high raw material prices in the early part of the year, which affected both selling prices and sales volume. This product group continued to account for as much as 75.92 percent of total sales revenue, and its decline therefore resulted in a decrease in total sales revenue, even though the frozen fruit (durian) and processed food businesses grew.

2. Processed Food Products

The Group recorded revenue from sales of processed food products of 85.88 million baht, an increase of 82.60 million baht, or 2,515.10 percent, from the same period of the prior year. The Group extended its business from frozen seafood products by developing raw materials into value-added products, which have received a favorable response from the domestic market.

3. Frozen Fruit Products

The Group recorded revenue from sales of frozen fruit (durian) products of 339.80 million baht, an increase of 222.96 million baht, or 190.84 percent, from the same period of the prior year, due to a favorable response to these products from customers in China and Taiwan, together with the durian oversupply situation, which benefited raw material sourcing.

4. Frozen Storage Business

The Group recorded revenue from its cold storage business of 21.92 million baht, an increase of 8.00 million baht, or 57.43 percent, from the same period of the prior year. This was because the Group only commenced operation of the cold storage business in the second quarter of 2025, such that revenue for the first nine-month period of 2025 comprised only revenue from the second quarter onwards, whereas for the first nine-month period of 2026, revenue was recognized from the first quarter through

the third quarter. This resulted in an increase in revenue from the cold storage business compared to the same period of the prior year.

Cost of Sales and Services

The Group recorded cost of sales of 1,655.49 million baht, a decrease of 159.37 million baht, or 8.78 percent, from the same period of the prior year. The decrease in cost of sales was consistent with the decline in sales revenue. Cost of services amounted to 24.65 million baht, a decrease of 1.33 million baht, or 5.12 percent, from the same period of the prior year. Both costs decreased because of the Group's improved cost management during the third quarter of 2026.

Gain on Exchange Rate

The Group recorded a gain on exchange rate of 8.16 million baht, an increase of 2.01 million baht, or 32.68 percent, from the same period of the prior year, as the Group managed its foreign exchange risk through forward contracts, and the Thai baht depreciated during the third quarter of 2026.

Distribution Costs

The Group recorded distribution costs of 53.18 million baht, a decrease of 3.60 million baht, or 6.34 percent, from the same period of the prior year, consistent with the decline in sales volume.

Administrative Expenses

The Group recorded administrative expenses of 74.59 million baht, an increase of 9.84 million baht, or 15.20 percent, from the same period of the prior year, due to the payment of special remuneration to employees in recognition of their dedication in performing their duties during the flood event and in jointly accelerating the restoration of business operations following the impact of the flood on the Group.

Finance Costs

The Group recorded finance costs of 30.79 million baht, an increase of 1.91 million baht, or 6.61 percent, from the same period of the prior year, due to increased interest costs arising from short-term borrowings from financial institutions used as working capital for the procurement of raw materials and to support business operations.

Gross Profit and Gross Profit Margin

The Group recorded gross profit of 110.19 million baht, an increase of 47.38 million baht, or 75.43 percent, from the same period of the prior year, with a gross profit margin of 6.15 percent, an increase from the gross profit margin of 3.30 percent recorded in the same period of the prior year. This was mainly due to the decline in costs resulting from improved cost management, which improved the Group's profitability.

Net Profit and Net Profit Margin

The Group recorded net profit of 258.34 million baht, an increase of 342.01 million baht, or 408.76 percent, from the same period of the prior year, with a net profit margin of 14.43 percent, compared to a net loss margin of 4.40 percent in the same period of the prior year. This was mainly due

to the Group's recognition of insurance compensation income during the second quarter of 2026 in respect of the flood event that occurred in late 2025.

Financial Position

Assets

The Group recorded total assets of 2,325.87 million baht, an increase of 200.33 million baht, or 9.42 percent, from 31 December 2025. Current assets increased in respect of inventory and raw materials used in business operations, as well as an increase in trade receivables. However, non-current assets decreased, mainly due to a decrease in deferred tax assets resulting from the reversal of the allowance for inventory devaluation.

Liabilities

The Group recorded total liabilities of 1,643.21 million baht, a decrease of 64.94 million baht, or 3.80 percent, from 31 December 2025, as the Group had sufficient operating cash flow to repay its debts as scheduled, as a result of sales of goods to customers and the timely collection of payments for goods.

Shareholders' Equity

The Group recorded total shareholders' equity of 682.65 million baht, an increase of 265.26 million baht, or 63.55 percent, from 31 December 2025, mainly due to the significant increase in net profit arising from the recognition of insurance compensation income in respect of the flood event in late 2025, which increased shareholders' equity compared to the same period of the prior year.

Factors That May Affect Future Operations or Growth

1. United States Trade Policy and Import Tariff Measures

The United States remains a key export market for frozen seafood. The outcome of tariff negotiations and changes in United States trade policy following the third quarter of 2026 may affect the costs and price competitiveness of Thai products relative to competitor countries, as well as the ordering behavior of importers, who may accelerate imports in advance and then slowdown in subsequent periods.

2. Price Pressure and Demand in the Frozen Shrimp Market

Thailand’s shrimp exports in the first 9 months of 2026 continued to contract in both volume and value, reflecting slow demand recovery, price competition from low-cost producers such as Ecuador, and growing popularity of processed shrimp products in key markets. These factors may affect order volumes and the profit margin of the Group’s frozen seafood business.

3. Durian Prices and Production Volume in the Next Season

The oversupply and decline in durian prices in 2026 affect farmers' incomes and may affect orchard care and production volume in the next season. At the same time, simultaneous fruiting of multiple batches due to erratic weather makes forecasts of raw material volume and prices highly uncertain, which may affect the raw material procurement plan and costs of the frozen durian business.

4. Competition and Demand in the Chinese Market

China is the world's largest durian consumer market and an important market for the Group. However, competition from Vietnam and Malaysia, together with China's increasingly strict quality requirements and inspection of imported goods, may affect export volume and prices, while the purchasing power of Chinese consumers may decline due to the slowdown of the domestic economy.

5. Energy Costs, Freight Costs, and Geopolitical Situations

The freezing and cold storage businesses have electricity as a significant cost. If the conflict in the Middle East is prolonged and causes energy prices or ocean freight rates to rise, this may affect the Group's production, storage, and export transportation costs.

6. Exchange Rate Volatility

The Group's main revenue is denominated in foreign currencies. Volatility in the Thai baht, under the direction of global monetary policy and economic uncertainty, may affect revenue and operating results, as well as price competitiveness.

7. Erratic Weather, Floods, and Aquatic Animal Epidemics

Erratic weather affects both aquatic animal and fruit production, particularly in the South, which is entering the late-year rainy season with risks of flooding and shrimp epidemics that may affect raw material volumes, as well as the continuity of transportation and the Group's operations.

8. Food Safety and Sustainability Standards of Importing Countries

Importing countries are imposing stricter standards on food safety, traceability, and the environment, such as United States measures affecting seafood imports from certain sources. The Group must therefore continue to maintain production standards and certifications in line with these requirements, which may affect operating costs.

9. Demand and Competition in the Cold Storage Warehousing Business

Demand for cold storage continues to be supported by growth in the frozen food industry and agricultural output. However, the trend of additional investment in cold storage and processing plants by both the public and private sectors to accommodate output may increase competition in this business going forward. Nevertheless, the Group has an advantage from its AS/RS system, which improves the efficiency of inventory management.

Sustainability Developments

1. Energy Management and the Use of Renewable Energy

1.1 The Group continues to increase its use of solar energy, thereby reducing its reliance on externally sourced electricity. In the third quarter of 2026, electricity consumption from the electricity authority decreased by approximately 10 percent compared with the previous year and declined continuously every month, reflecting the effectiveness of renewable energy use, and resulting in a

reduction of more than 5 percent in greenhouse gas emissions from electricity use. Total electricity consumption nevertheless increased in line with the increase in production volume.

1.2 In respect of energy conservation, the Group has initiated a project to manage the fuel consumption of goods transportation vehicles and employee shuttle vehicles, using a route management system to plan vehicle routes and allocate the number of trips appropriately. This is expected to reduce fuel consumption and greenhouse gas emissions, while improving efficiency and reducing transportation operating costs.

2. Organizational Development through Digital Technology and Artificial Intelligence (AI)

The Group continues to place importance on applying digital technology and artificial intelligence (AI) in its business operations, promoting personnel development through training to improve management efficiency and work performance in every department, including the analysis and monitoring of resource usage data and the preparation and management of documents using artificial intelligence, in order to support more accurate strategic decision-making, strengthen competitiveness, and support sustainable growth.

3. Participation in Social and Community Development

The Group has continuously carried out public benefit activities in accordance with its policy on participation in community and social development, by supporting education, participating in community consultation activities, and regularly taking part in public activities for social development and sustainability. This quarter, the Group provided funding to co-organize a sports competition and supported activities that promote educational opportunities for educational institutions in the community, as education is an important foundation for improving quality of life and strengthening the surrounding society.

4. Support for Religious Activities and Places of Worship in the Community

The Group has supported and participated in religious activities in the community, including supporting places of worship through donations of items for ceremonies and participation in related public benefit activities, to help preserve religion and carry on the good culture and traditions of the local area on important occasions and ceremonies. The Group also remains committed to conducting business with responsibility to society and the community, together with the principles of good corporate governance.

5. Review of Corporate-Level Policies

The Board of Directors considered and approved the annual review of corporate-level policies in line with the principles of good corporate governance, by revising the definition of a subsidiary to cover cases where the Company has controlling power, adjusting the maximum board composition to be consistent with the Board of Directors Charter, allowing notices of meetings to be sent through electronic channels, and adjusting the practices under the Business Code of Conduct to be consistent with the Anti-Corruption Policy, including on the acceptance of gifts and entertainment and on anonymous

whistleblowing channels. The Operating Policy, Anti-Corruption Policy, Personal Data Protection Policy, and Sustainability Policy and Targets remain appropriate and were therefore not amended.

6. Review of Charters

The Board of Directors considered and approved the review of the Board of Directors Charter and the Chief Executive Officer Charter in order to strengthen the governance structure, by requiring that the Chairman of the Board and the highest-ranking executive must not be the same person, so as to clearly separate the governance and management functions; prescribing the continuous term of office of independent directors; providing for a Company Secretary to support the Board in performing its duties; tightening the criteria for appointing directors to fill vacancies; accommodating meetings and the delivery of meeting documents through electronic media; and requiring that the performance of the Chief Executive Officer be evaluated annually.

7. Setting the 2027 Board of Directors Meeting Schedule

The Board of Directors considered and approved in advance the 2027 meeting schedule, with the key agenda for each meeting clearly specified, covering consideration of quarterly and annual financial statements, the convening of shareholders' meetings, the review of the vision, mission, core values, policies and charters, and the approval of the business plan and budget, so that directors can prepare and perform their duties effectively.

8. Setting the Plan for the Preparation of the 2026 Form 56-1 One Report

The Board of Directors acknowledged the plan for the preparation of the 2026 Form 56-1 One Report, which clearly sets out the steps for its preparation, review, and submission of information to the Stock Exchange of Thailand, so that disclosure is accurate, complete, and timely.

9. Anti-Corruption

In the third quarter of 2026, the Group received no complaints relating to corruption whatsoever. The Group continues to maintain whistleblowing channels in accordance with its Anti-Corruption Policy and to protect whistleblowers by keeping their identities undisclosed, to support a corporate culture committed to the principles of good governance.

Please be informed accordingly.

Yours Sincerely,

(Mr. Chaiwat Laoteppitak)

Managing Director