



11 November 2020

Subject: Management Discussion and Analysis of the Operating Performance for the three-month period ended September 30, 2020

To: The President
 The Stock Exchange of Thailand

Quarterly Summary

(Unit: Million Baht)

Statement of comprehensive income	Q3/2020	Q2/2020	Q3/2019	% QoQ	% YoY
Revenue from contracts with customers	1,292.5	1,257.2	1,261.5	2.8	2.5
Cost of Sales	1,286.1	1,195.2	1,320.2	7.6	(2.6)
Gross Profit	6.3	62.0	(58.7)	(89.8)	110.7
Selling Expenses	17.1	19.2	26	(10.9)	(34.2)
Administrative expenses	97.8	115.6	135.5	(15.4)	(27.8)
Gain (Loss) on exchange	0.1	(1.0)	3.3	1.1	(96.9)
Finance Cost	48.5	55.0	53.5	(11.8)	(9.4)
Loss for the period	162.6	176.8	271.2	(8.0)	(40.1)

Operating Performance for the three-month period ended September 30, 2020

- Sales revenue of Baht 1,292.5 million slightly increased by 2.8% QoQ or Bath 35.3 million and 2.5% YoY or Bath 31 million, respectively, due to the higher sales of compressors and parts especially from the air conditioner market.
- Cost of sales was Baht 1,286.1 million which was 99.5% of sales revenue, increased from the previous quarter which cost of sales was equivalent to 95.1% of sales revenue as a result of an increase in a copper price in the market. However, by comparing this quarter with the same quarter in the last year which was 105.6% of sales revenue, the gross profit has been positive continuously.
- Gross profit of Baht 6.3 million decreased by 89.8% QoQ. However, by comparing this quarter with the same quarter in the last year which was Bath (58.7) million, gross profit increased by 110.7% due to more effective cost control of production management.
- Selling expenses of Baht 17.1 million decreased by 10.9% QoQ or Baht 2.1 million and 34.2% YoY or Baht 8.9 million, respectively, as a result of more effective sales and distribution expenses management.
- Administrative expenses of Baht 97.8 million decreased by 15.4% QoQ or Baht 17.8 million and 27.8% YoY or Baht 37.7 million, respectively, as a result of more effective cost control measures.



บริษัท กุลธอร์นเคอร์บี้ จำกัด (มหาชน)

KULTHORN KIRBY PUBLIC COMPANY LIMITED

ทะเบียนเลขที่ 0107537002150
สำนักงานใหญ่ 126 ซอยชดองกรุง 31 ถนนชดองกรุง
แขวงลำปลาทิว เขตลาดกระบัง กรุงเทพฯ 10520

Tel : (662) 326-0831, 739-4893
Fax : (662) 326-0837, 739-4892
E-mail : kkc@kulthorn.com, kkpc@loxinfo.co.th
www.kulthorn.com

126 SOI CHALONG KRUNG 31, CHALONG KRUNG ROAD, KHWAENG LAM PLA THIO, KHET LAT KRABANG, BANGKOK 10520 THAILAND

LEADING MANUFACTURER IN HERMETIC COMPRESSOR FOR REFRIGERATION & AIR CONDITIONING SINCE 1980

- Gain on exchange by Baht 0.1 million increased by Baht 0.9 million as a result of more effective risk management of the exchange rate. However, by comparing this quarter with the same quarter in the last year, gain on exchange decreased by Bath 3.2 million.
- Financial cost of Baht 48.5 million decreased by 11.8% QoQ or Baht 6.5 million and 9.4% YoY or Baht 5.0 million, respectively, as a result of the decline in interest rates.
- Net Loss of Baht 162.6 million decreased by 8.0% QoQ and 40.1% YoY respectively. As the Group is in the process of implementing operational plans to change its strategies and future business model, the loss continuously declines.

Financial Position

(Unit: Million Baht)

	30 September 2020		31 December 2019		Change	
	Amount	%	Amount	%	Amount	%
Current Assets	2,427.7	36.0	2,771.9	44.3	(344.2)	(12.4)
Non-current assets	4,309.9	64.0	3,490.9	55.7	819.0	23.5
Total Assets	6,737.6	100.0	6,262.8	100.0	474.8	7.6
Current liabilities	4,501.2	66.8	5,225.8	83.4	(724.4)	(13.9)
Non-current liabilities	1,089.9	16.2	297.9	4.8	792.0	265.9
Total liabilities	5,591.1	83.0	5,523.7	88.2	67.4	1.2
Total shareholders' equity	1,146.5	17.0	739.1	11.8	407.4	55.1
Total liabilities and shareholders' equity	6,737.6	100.0	6,262.8	100.0	474.8	7.6

- Total assets as of 30 September 2020 increased by Bath 474.8 million from 31 December 2019 due to the change in Thai Accounting Standard No. 16 (Revised 2018), Property, Plant and Equipment which resulted in the value of land stated at the revalued amount and building and equipment are stated at cost or revalued amount less accumulated depreciation and allowance for loss on impairment of assets.
- Total liabilities as of 30 September 2020 increased by Bath 67.4 million from 31 December 2019. Due to the application of TFRS 16, lease liabilities presented as an increasing amount.
- Total shareholders' equity as of 30 September 2020 increased by Bath 407.4 million from 31 December 2019, which is equivalent to 55.1% as a result of change in Thai Accounting Standard No. 16 (Revised 2018), Property, Plant and Equipment.

Yours Sincerely,
Kulthorn Kirby Public Company Limited

(Mr. Surath Pralongsil)
Executive Vice President Finance