

Kulthorn Kirby Public Company Limited  
and its subsidiaries  
Review report and interim financial information  
For the three-month and nine-month periods ended  
30 September 2021

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of Kulthorn Kirby Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Kulthorn Kirby Public Company Limited and its subsidiaries as at 30 September 2021, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Kulthorn Kirby Public Company Limited for the same periods (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 *Interim Financial Reporting*.

## **Emphasis of Matters**

### Material Uncertainty related to Going Concern

I draw attention to Note 1.2 to the interim consolidated financial statements regarding the ability of the Group to continue as a going concern. The Group has sustained operating losses for a number of consecutive years, and as at 30 September 2021, the Group's total current liabilities exceed its total current assets by Baht 2,209 million (the Company only: Baht 2,587 million) and the Group has deficit of Baht 2,578 million (the Company only: Baht 1,762 million). In addition, the Group's equity is less than 50% of paid-up share capital, which causes the Company's securities will be marked with "C" (Caution) sign. Currently, the Group is in the process of implementing operational plans to change its strategies and business operating model and seeking additional sources of funds. The Group's management believes that the Group will be able to continue as a going concern.

Additionally, as disclosed in Note 1.3 to the interim consolidated financial statements, the Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation significantly affects the Group's business activities in terms of supply chains and operational delays, and this is significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future, including compliance with debt covenants. The Group's management has continuously monitored ongoing developments and is evaluating the impact on the financial statements. The impact subject to changes in circumstances in the future.

In addition, as disclosed in Note 22 to the interim consolidated financial statements, the Group is seeking a corrective action and fulfilling the regulations of the Stock Exchange of Thailand in the event that the Company's securities will be marked with "C" (Caution) sign.

The above circumstances indicate that there are significant uncertainties which may raise substantial doubt about the Group's ability to continue as a going concern. This will depend on the success of plans to improve business operations and seeking additional sources of funds, including the impact of the COVID-19 situation.

My conclusion is not modified in respect of these matters.

Sarinda Hirunprasurtwutti

Certified Public Accountant (Thailand) No. 4799

EY Office Limited

Bangkok: 10 November 2021

**Kulthorn Kirby Public Company Limited and its subsidiaries**

**Statements of financial position**

**As at 30 September 2021**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	As at	As at	As at	As at
	<u>Note</u> 30 September 2021 (Unaudited but reviewed)	31 December 2020 (Audited)	30 September 2021 (Unaudited but reviewed)	31 December 2020 (Audited)
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	25,428	28,864	1,346	13,226
Trade and other receivables	2, 3 1,077,066	1,095,836	735,802	726,441
Short-term loans to related parties	2 -	-	15,000	30,000
Inventories	4 1,684,034	1,239,335	1,092,168	802,364
Current tax assets	7,482	6,548	427	829
VAT receivable	46,597	33,294	40,398	24,087
Other current assets	5 107,782	91,347	62,186	38,598
<b>Total current assets</b>	<b>2,948,389</b>	<b>2,495,224</b>	<b>1,947,327</b>	<b>1,635,545</b>
<b>Non-current assets</b>				
Investments in subsidiaries	6 -	-	2,086,872	2,086,872
Property, plant and equipment	7 3,859,394	4,047,319	2,327,057	2,418,862
Right-of-use assets	8 64,004	80,796	2,933	5,957
Goodwill on business combination	9 -	-	-	-
Other intangible assets	10 70,436	80,118	42,456	47,543
Deferred tax assets	32,790	28,562	10,134	7,176
Other non-current assets	1,054	1,061	883	883
<b>Total non-current assets</b>	<b>4,027,678</b>	<b>4,237,856</b>	<b>4,470,335</b>	<b>4,567,293</b>
<b>Total assets</b>	<b>6,976,067</b>	<b>6,733,080</b>	<b>6,417,662</b>	<b>6,202,838</b>

The accompanying notes are an integral part of the financial statements.

**Kulthorn Kirby Public Company Limited and its subsidiaries**

**Statements of financial position (continued)**

As at 30 September 2021

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
	As at	As at	As at	As at	
	<u>Note</u> 30 September 2021 (Unaudited but reviewed)	31 December 2020 (Audited)	30 September 2021 (Unaudited but reviewed)	31 December 2020 (Audited)	
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from					
financial institutions	11	3,573,640	3,550,847	2,068,844	2,119,739
Trade and other payables	2, 12	1,221,558	751,507	1,654,760	1,127,025
Short-term loans from related parties	2	-	-	481,000	481,000
Current portion of long-term loans	13	310,000	400,000	310,000	400,000
Current portion of lease liabilities	14	16,300	21,362	3,559	3,668
Dividend payable		891	891	887	887
Other current financial liabilities		3,509	489	3,509	489
Other current liabilities		31,729	22,376	11,718	17,474
<b>Total current liabilities</b>		<b>5,157,627</b>	<b>4,747,472</b>	<b>4,534,277</b>	<b>4,150,282</b>
<b>Non-current liabilities</b>					
Long-term loans, net of current portion	13	777,854	675,300	777,854	675,300
Lease liabilities, net of current portion	14	19,554	31,055	799	3,508
Deferred tax liabilities		43,230	43,820	-	-
Provision for long-term employee benefits		259,258	244,335	112,141	106,994
<b>Total non-current liabilities</b>		<b>1,099,896</b>	<b>994,510</b>	<b>890,794</b>	<b>785,802</b>
<b>Total liabilities</b>		<b>6,257,523</b>	<b>5,741,982</b>	<b>5,425,071</b>	<b>4,936,084</b>

The accompanying notes are an integral part of the financial statements.

**Kulthorn Kirby Public Company Limited and its subsidiaries****Statements of financial position (continued)**

As at 30 September 2021

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	As at	As at	As at	As at
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity (continued)</b>				
<b>Shareholders' equity</b>				
Share capital				
Registered				
1,500,000,000 ordinary shares of Baht 1 each	1,500,000	1,500,000	1,500,000	1,500,000
Issued and fully paid up				
1,500,000,000 ordinary shares of Baht 1 each	1,500,000	1,500,000	1,500,000	1,500,000
Share premium	700,000	700,000	700,000	700,000
Surplus from business combination under common control	207,898	207,898	-	-
Retained earnings (deficits)				
Appropriated - statutory reserve	120,000	120,000	120,000	120,000
Unappropriated	(2,698,355)	(2,431,901)	(1,881,744)	(1,619,155)
Other components of shareholders' equity	889,001	895,101	554,335	565,909
<b>Total shareholders' equity</b>	<b>718,544</b>	<b>991,098</b>	<b>992,591</b>	<b>1,266,754</b>
<b>Total liabilities and shareholders' equity</b>	<b>6,976,067</b>	<b>6,733,080</b>	<b>6,417,662</b>	<b>6,202,838</b>

The accompanying notes are an integral part of the financial statements.

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Directors  
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(Unaudited but reviewed)

**Kulthorn Kirby Public Company Limited and its subsidiaries****Statements of comprehensive income****For the three-month period ended 30 September 2021**

(Unit: Thousand Baht except loss per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenue from contracts with customers	17, 18	1,620,300	1,283,632	800,436	724,782
Rental income		392	392	3,175	3,295
Other income		5,639	8,278	11,417	9,802
Gain on exchange		-	146	-	-
<b>Total revenues</b>		<b>1,626,331</b>	<b>1,292,448</b>	<b>815,028</b>	<b>737,879</b>
<b>Expenses</b>					
Cost of sales and services		1,581,602	1,286,114	816,983	752,686
Selling and distribution expenses		16,898	17,078	7,124	7,711
Administrative expenses		109,553	99,515	64,851	63,871
Loss on exchange		33,520	-	24,866	726
<b>Total expenses</b>		<b>1,741,573</b>	<b>1,402,707</b>	<b>913,824</b>	<b>824,994</b>
<b>Operating loss</b>		<b>(115,242)</b>	<b>(110,259)</b>	<b>(98,796)</b>	<b>(87,115)</b>
Finance income		9	8	213	428
Finance cost		(46,701)	(46,787)	(34,882)	(36,297)
<b>Loss before income tax</b>		<b>(161,934)</b>	<b>(157,038)</b>	<b>(133,465)</b>	<b>(122,984)</b>
Income tax	15	1,311	(5,513)	(425)	26
<b>Loss for the period</b>		<b>(160,623)</b>	<b>(162,551)</b>	<b>(133,890)</b>	<b>(122,958)</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Exchange differences on translation of					
financial statements in foreign currency		3,503	4,073	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		3,503	4,073	-	-
<b>Other comprehensive income for the period</b>		<b>3,503</b>	<b>4,073</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>(157,120)</b>	<b>(158,478)</b>	<b>(133,890)</b>	<b>(122,958)</b>
<b>Basic loss per share (Baht)</b>					
Loss attributable to equity holders of the Company	16	(0.11)	(0.11)	(0.09)	(0.08)

The accompanying notes are an integral part of the financial statements.

**Kulthorn Kirby Public Company Limited and its subsidiaries****Statements of comprehensive income****For the nine-month period ended 30 September 2021**

(Unit: Thousand Baht except loss per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenue from contracts with customers	17, 18	4,941,043	4,054,068	2,519,354	2,304,500
Rental income		1,441	1,091	9,725	10,085
Other income		42,099	15,688	49,949	16,719
<b>Total revenues</b>		<b>4,984,583</b>	<b>4,070,847</b>	<b>2,579,028</b>	<b>2,331,304</b>
<b>Expenses</b>					
Cost of sales and services		4,709,840	3,928,699	2,488,185	2,249,963
Selling and distribution expenses		56,993	55,942	24,776	26,630
Administrative expenses		313,343	342,939	197,913	226,523
Loss on exchange		52,973	20,425	43,699	6,222
Allowance for impairment of assets		-	63,968	-	56,338
<b>Total expenses</b>		<b>5,133,149</b>	<b>4,411,973</b>	<b>2,754,573</b>	<b>2,565,676</b>
<b>Operating loss</b>		<b>(148,566)</b>	<b>(341,126)</b>	<b>(175,545)</b>	<b>(234,372)</b>
Finance income		39	69	788	1,435
Finance cost		(135,151)	(156,727)	(102,364)	(121,462)
<b>Loss before income tax</b>		<b>(283,678)</b>	<b>(497,784)</b>	<b>(277,121)</b>	<b>(354,399)</b>
Income tax	15	4,319	(3,961)	2,958	171
<b>Loss for the period</b>		<b>(279,359)</b>	<b>(501,745)</b>	<b>(274,163)</b>	<b>(354,228)</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Revaluation surplus on assets		-	1,130,409	-	720,090
Less: Income tax effect		-	(212,609)	-	(144,018)
		-	917,800	-	576,072
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	917,800	-	576,072
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		6,805	3,171	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		6,805	3,171	-	-
<b>Other comprehensive income for the period</b>		<b>6,805</b>	<b>920,971</b>	<b>-</b>	<b>576,072</b>
<b>Total comprehensive income for the period</b>		<b>(272,554)</b>	<b>419,226</b>	<b>(274,163)</b>	<b>221,844</b>
<b>Basic loss per share (Baht)</b>					
Loss attributable to equity holders of the Company	16	(0.19)	(0.33)	(0.18)	(0.24)

The accompanying notes are an integral part of the financial statements.





(Unaudited but reviewed)

**Kulthorn Kirby Public Company Limited and its subsidiaries**

**Statements of changes in shareholders' equity (continued)**

**For the nine-month period ended 30 September 2021**

(Unit: Thousand Baht)

<b>Separate financial statements</b>						
	Issued and fully paid-up share capital	Share premium	Retained earnings (deficits)		Other components of shareholders' equity	Total shareholders' equity
			Appropriated	Unappropriated	Other comprehensive income Revaluation surplus on assets	
<b>Balance as at 1 January 2020</b>	1,500,000	700,000	120,000	(1,177,831)	-	1,142,169
Loss for the period	-	-	-	(354,228)	-	(354,228)
Other comprehensive loss for the period	-	-	-	-	576,072	576,072
Total comprehensive loss for the period	-	-	-	(354,228)	576,072	221,844
Transfer revaluation surplus on assets to retained earnings (deficits)	-	-	-	6,324	(6,324)	-
<b>Balance as at 30 September 2020</b>	<u>1,500,000</u>	<u>700,000</u>	<u>120,000</u>	<u>(1,525,735)</u>	<u>569,748</u>	<u>1,364,013</u>
<b>Balance as at 1 January 2021</b>	1,500,000	700,000	120,000	(1,619,155)	565,909	1,266,754
Loss for the period	-	-	-	(274,163)	-	(274,163)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(274,163)	-	(274,163)
Transfer revaluation surplus on assets to retained earnings (deficits)	-	-	-	11,574	(11,574)	-
<b>Balance as at 30 September 2021</b>	<u>1,500,000</u>	<u>700,000</u>	<u>120,000</u>	<u>(1,881,744)</u>	<u>554,335</u>	<u>992,591</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Kulthorn Kirby Public Company Limited and its subsidiaries****Cash flow statements****For the nine-month period ended 30 September 2021**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities</b>				
Loss before tax	(283,678)	(497,784)	(277,121)	(354,399)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Unrealised loss (gain) on exchange	45,947	(1,212)	35,075	(2,772)
Loss on fair value adjustments of financial instrument	3,020	-	3,020	-
Reversal of the reduction of inventory to net realisable value	(18,299)	(55,127)	(1,568)	(27,944)
Allowance for expected credit losses (reversal)	3,691	(2,381)	5,319	(1,590)
Depreciation and amortisation	284,416	257,966	137,822	118,286
Amortise right-of-use assets	15,118	22,675	3,024	3,504
Allowance for impairment loss on assets (reversal)	(151)	63,968	-	56,338
Amortise deferred revenue from sales and lease back	(167)	(167)	-	-
Loss (gain) on sales of property, plant and equipment	3,144	(550)	(595)	(992)
Loss on write-off of property, plant and equipment	671	-	25	-
Provision for long-term employee benefits	20,142	19,610	8,487	8,348
Dividend income	(7)	(4)	(7)	(4)
Subsidies income from Government grants	(1,375)	(7,029)	(1,375)	(7,029)
Finance income	(39)	(69)	(788)	(1,435)
Finance cost	135,151	156,727	102,364	121,461
Profit (loss) from operating activities before changes in operating assets and liabilities	207,584	(43,377)	13,682	(88,228)
Operating assets (increase) decrease				
Trade and other receivables	25,206	66,659	(24,548)	71,121
Inventories	(426,400)	257,147	(288,236)	38,995
Other current assets	(26,180)	(55,375)	(39,070)	(46,024)
Other non-current assets	7	(189)	-	284
Operating liabilities increase (decrease)				
Trade and other payables	451,871	60,058	528,844	280,218
Other current liabilities	10,895	1,126	(4,381)	(1,459)
Cash flows from operating activities	242,983	286,049	186,291	254,907
Cash paid for long-term employee benefits	(5,219)	(30,461)	(3,340)	(21,844)
Interest received	39	69	895	1,640
Interest paid	(135,671)	(155,250)	(102,909)	(122,353)
Tax refund received	3,128	7,938	-	-
Corporate income tax paid	(8,119)	(5,794)	(427)	(701)
<b>Net cash flows from operating activities</b>	<b>97,141</b>	<b>102,551</b>	<b>80,510</b>	<b>111,649</b>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Kulthorn Kirby Public Company Limited and its subsidiaries****Cash flow statements (continued)****For the nine-month period ended 30 September 2021**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Cash flows from investing activities</b>				
Proceeds from sales of property, plant and equipment	6,294	1,326	2,241	1,198
Acquisition of property, plant and equipment and intangible assets	(81,540)	(431,923)	(51,292)	(368,086)
Cash received from Government grants	-	3,634	-	3,634
Decrease in short-term loans to related parties	-	-	15,000	15,000
Dividend income	7	4	7	4
<b>Net cash flows used in investing activities</b>	<b>(75,239)</b>	<b>(426,959)</b>	<b>(34,044)</b>	<b>(348,250)</b>
<b>Cash flows from financing activities</b>				
Increase in bank overdrafts and short-term loans from financial institutions	7,202,083	4,754,761	2,820,881	2,282,889
Decrease in bank overdrafts and short-term loans from financial institutions	(7,186,131)	(4,512,424)	(2,868,963)	(2,083,442)
Decrease in short-term loans from related parties	-	-	-	(5,200)
Repayment of long-term loans	(7,446)	-	(7,446)	-
Payment of principal portion of lease liabilities	(16,467)	(31,778)	(2,818)	(3,158)
<b>Net cash flows from (used in) financing activities</b>	<b>(7,961)</b>	<b>210,559</b>	<b>(58,346)</b>	<b>191,089</b>
<b>Decrease in translation adjustments</b>	<b>(17,377)</b>	<b>(9,698)</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(3,436)</b>	<b>(123,547)</b>	<b>(11,880)</b>	<b>(45,512)</b>
Cash and cash equivalents at beginning of period	28,864	137,916	13,226	51,426
<b>Cash and cash equivalents at end of period</b>	<b>25,428</b>	<b>14,369</b>	<b>1,346</b>	<b>5,914</b>

**Supplemental disclosures of cash flows information**

## 1) Non-cash related transactions for investing activities

Other payable from acquisitions of fixed assets	6,645	10,254	239	6,351
Other receivable from sales of fixed assets	-	-	17,766	35,847
Revaluation surplus on assets	-	1,130,409	-	720,090
Transfer right-of-use assets to fixed assets	1,855	6,631	-	-
Transfer promissory notes to long-term loan from debt restructuring	20,000	-	20,000	-
Offset other receivable from sales of fixed assets with trade and other payables	372	-	16,511	-
Right-of-use assets decrease from termination of lease contract	96	-	-	-

## 2) Non-cash related transactions for financing activities

Dividend payable	891	891	887	887
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The accompanying notes are an integral part of the financial statements.

## **Kulthorn Kirby Public Company Limited and its subsidiaries**

### **Notes to interim financial statements**

#### **For the three-month and nine-month periods ended 30 September 2021**

## **1. General information**

### **1.1 Corporate information**

Kulthorn Kirby Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of hermetic compressors. The registered address of the Company is 126 Soi Chalongkrung 31, Chalongkrung Road, Khwaeng Lamplatew, Khet Latkrabang, Bangkok.

### **1.2 Fundamental accounting assumptions**

The Group has sustained operating losses for a number of consecutive years, and as at 30 September 2021, the Group’s total current liabilities exceed its total current assets by Baht 2,209 million (the Company only: Baht 2,587 million) and the Group has deficit of Baht 2,578 million (the Company only: Baht 1,762 million). In addition, the Group’s equity is less than 50% of paid-up share capital, which causes the Company’s securities will be marked with “C” (Caution) sign. Currently, the Group is in the process of implementing operational plans to change its strategies and business operating model and seeking additional sources of funds. The Group’s management believes that the Group will be able to continue as a going concern. Management has therefore decided that it is correct and appropriate to prepare the Group’s financial statements for the three-month and nine-month periods ended 30 September 2021 under the going concern basis. Accordingly, such financial statements do not include any adjustments relating to the realisation of the recoverable amount and classification of the assets or the amount and classification of liabilities that might be necessary should the Group be unable to continue its operations as a going concern.

### **1.3 Coronavirus disease 2019 Pandemic**

The COVID-19 pandemic is adversely impacting most businesses and industries. This situation significantly affects the Group’s business activities in terms of supply chains and operational delays, and this is significantly impacting the Group’s financial position, operating results, and cash flows at present, and is expected to do so in the future. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

#### **1.4 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language interim financial statements.

#### **1.5 Basis of consolidation**

The interim consolidated financial statements included the financial statements of Kulthorn Kirby Public Company Limited and its subsidiaries ("the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2020. There have been no change in the composition of its subsidiaries during the period.

#### **1.6 New financial reporting standards**

##### **a) Financial reporting standards that became effective in the current period**

During the period, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

##### **b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

## 1.7 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2020.

## 2. Related party transactions

During the period, the Group had significant business transactions with related parties mainly in respect of sales and purchases of goods. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Group and those related parties, are summarised below.

(Unit: Thousand Baht)

	For the three-month period ended 30 September				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
<i><u>Transactions with subsidiaries</u></i>					
<i>(eliminated from the consolidated financial statements)</i>					
Purchases of goods	-	-	206,380	173,092	Market price
Sales and service income and scrap sales	-	-	51,922	14,769	Approximate market price
Other income	-	-	4,078	1,687	Mutually agreed price as stipulated in the contract
Rental income	-	-	3,125	3,245	Mutually agreed price as stipulated in the contract
Interest expenses	-	-	5,664	6,183	Interest rate at 4.60 - 6.13 percent per annum (2020: 4.60 - 7.25 percent per annum)
Interest income	-	-	213	428	Interest rate at 4.25 percent per annum (2020: 4.25 percent per annum)
Other expenses	-	-	1,608	2,991	Mutually agreed price as stipulated in the contract
<i><u>Transactions with related parties</u></i>					
Sales and service income and scrap sales	127,139	120,489	53,889	58,346	Approximate market price
Purchases of goods	7,600	11,277	7,566	11,274	Market price
Rental expense	1,892	667	-	-	Mutually agreed price as stipulated in the contract
Other expenses	925	4,649	741	1,803	Mutually agreed price as stipulated in the contract
Other income	261	30	30	30	Mutually agreed price as stipulated in the contract

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month period ended 30 September				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
<u>Transactions with subsidiaries</u>					
<i>(eliminated from the consolidated financial statements)</i>					
Purchases of goods	-	-	644,114	600,042	Market price
Sales and service income and scrap sales	-	-	146,915	72,131	Approximate market price
Other income	-	-	10,056	5,667	Mutually agreed price as stipulated in the contract
Rental income	-	-	9,576	9,936	Mutually agreed price as stipulated in the contract
Rental expense	-	-	100	-	Mutually agreed price as stipulated in the contract
Interest expenses	-	-	16,797	18,433	Interest rate at 4.60 - 6.13 percent per annum (2020: 4.60 - 7.25 percent per annum)
Interest income	-	-	788	1,433	Interest rate at 4.25 percent per annum (2020: 4.25 percent per annum)
Other expenses	-	-	7,994	4,258	Mutually agreed price as stipulated in the contract
<u>Transactions with related parties</u>					
Sales and service income and scrap sales	391,380	384,096	150,500	175,966	Approximate market price
Purchases of goods	25,822	33,293	25,605	32,049	Market price
Rental expense	3,225	2,000	-	-	Mutually agreed price as stipulated in the contract
Other expenses	10,582	7,426	2,472	2,965	Mutually agreed price as stipulated in the contract
Other income	599	390	90	90	Mutually agreed price as stipulated in the contract



(Unaudited but reviewed)

The outstanding balances of the accounts as at 30 September 2021 and 31 December 2020 between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
<b><u>Trade and other receivables - related parties</u></b>				
<b>(Note 3)</b>				
Subsidiary companies	-	-	249,646	219,533
Related companies (related by common director/ shareholder)	97,723	134,340	24,335	46,158
<b>Total trade and other receivables - related parties</b>	<b>97,723</b>	<b>134,340</b>	<b>273,981</b>	<b>265,691</b>
<b><u>Trade and other payables - related parties</u></b>				
<b>(Note 12)</b>				
Subsidiary companies	-	-	982,314	719,335
Related companies (related by common director/ shareholder)	12,710	13,340	8,099	11,325
<b>Total trade and other payables - related parties</b>	<b>12,710</b>	<b>13,340</b>	<b>990,413</b>	<b>730,660</b>

**Short-term loans to and short-term loans from related parties**

During the nine-month period ended 30 September 2021, short-term loans between the Company and its subsidiaries had the following movements:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 1 January 2021	Increase during the period	Decrease during the period	Balance as at 30 September 2021
<b><u>Short-term loans to subsidiary</u></b>				
Kulthorn Materials and Controls Co., Ltd.	30,000	-	(15,000)	15,000
Total	30,000	-	(15,000)	15,000

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 1 January 2021	Increase during the period	Decrease during the period	Balance as at 30 September 2021
<b><u>Short-term loans from subsidiaries</u></b>				
Kulthorn Premier Co., Ltd.	461,000	-	-	461,000
Kulthorn Kirby Foundry Co., Ltd.	20,000	16,000	(16,000)	20,000
Kulthorn Materials and Controls Co., Ltd.	-	7,500	(7,500)	-
Total	481,000	23,500	(23,500)	481,000

(Unaudited but reviewed)

### **Directors and management's remuneration**

During the three-month and nine-month periods ended 30 September 2021 and 2020, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	For the three-month period ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	10,579	6,976	3,678	1,860
Post-employment benefits	1,457	1,239	1,139	1,003
Total	<u>12,036</u>	<u>8,215</u>	<u>4,817</u>	<u>2,863</u>

(Unit: Thousand Baht)

	For the nine-month period ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	28,270	21,506	8,965	7,216
Post-employment benefits	4,114	3,745	3,246	3,111
Total	<u>32,384</u>	<u>25,251</u>	<u>12,211</u>	<u>10,327</u>

### **Guarantee obligations with related parties**

The Group has outstanding guarantee obligations with its related parties, as described in Note 19.3.

### **3. Trade and other receivables**

The outstanding balance of trade accounts receivable as at 30 September 2021 and 31 December 2020 categorised by their aging from due dates are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Trade receivables - related parties</u>				
Not yet due	69,893	99,889	33,709	68,599
Overdue				
Less than 3 months	22,639	28,198	28,645	17,040
3 - 6 months	34	223	10,096	-
6 - 12 months	-	1,037	-	-
Over 12 months	1,037	-	-	-
Total	<u>93,603</u>	<u>129,347</u>	<u>72,450</u>	<u>85,639</u>
Less: Allowance for expected credit losses	-	-	(5,708)	(1,464)
Total trade receivables - related parties	<u>93,603</u>	<u>129,347</u>	<u>66,742</u>	<u>84,175</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
<u>Trade receivables - unrelated parties</u>				
Not yet due	824,682	837,808	401,239	432,986
Overdue				
Less than 3 months	158,010	128,124	56,824	27,856
3 - 6 months	4,528	750	4,305	-
6 - 12 months	309	3,898	273	-
Over 12 months	13,094	7,957	2,468	2,184
Total	1,000,623	978,537	465,109	463,026
Less: Allowance for expected credit losses	(22,126)	(18,435)	(3,484)	(2,409)
Total trade receivables - unrelated parties	978,497	960,102	461,625	460,617
Total trade receivables - net	1,072,100	1,089,449	528,367	544,792
<u>Other receivables</u>				
Other receivables - related parties	4,120	4,993	207,239	181,516
Other receivables - unrelated parties	846	1,394	196	133
Total other receivables	4,966	6,387	207,435	181,649
Total trade and other receivables - net	1,077,066	1,095,836	735,802	726,441

#### 4. Reduction of inventory to net realisable value

Movements in the reduction of inventory to net realisable value account during the nine-month period ended 30 September 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2021	168,896	77,431
Reversal of reduction of inventory to net realisable value during the period	(18,299)	(1,568)
Balance as at 30 September 2021	150,597	75,863

#### 5. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
Advance payment	36,528	21,911	31,292	12,167
Income tax refundable	26,700	26,736	18,829	18,000
Others	44,554	42,700	12,065	8,431
Total	107,782	91,347	62,186	38,598

## 6. Investments in subsidiaries

As at 30 September 2021 and 31 December 2020, the Company has long-term investments in ordinary share of the following companies:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	30 September	31 December	30 September	31 December	30 September	31 December
	2021	2020	2021	2020	2021	2020
			(%)	(%)		
Kulthorn Kirby Foundry Company Limited	575,000	575,000	100	100	739,999	739,999
Kulthorn Premier Company Limited	1,260,000	1,260,000	100	100	1,936,751	1,936,751
Kulthorn Steel Company Limited	400,000	400,000	100	100	399,999	399,999
kulthorn Materials and Controls Company Limited	650,000	650,000	100	100	540,630	540,630
Kulthorn Research and Development Company Limited	12,500	12,500	100	100	12,500	12,500
Total					3,629,879	3,629,879
Less: Allowance for impairment loss on investments in subsidiaries					(1,543,007)	(1,543,007)
Total investments in subsidiaries - net					2,086,872	2,086,872

The company did not received dividend during the three-month and nine-month periods ended 30 September 2021 and 2020.

## 7. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
<b>Net book value as at 1 January 2021</b>	4,047,319	2,418,862
Acquisitions during the period - at cost	71,362	41,031
Transfer from right-of-use assets (Note8)	1,855	-
Disposals during the period - net book value at disposal date	(9,810)	(76)
Write-off during the period - net book value at write-off date	(671)	(25)
Depreciation for the period	(274,247)	(132,735)
Reverse allowance for impairment loss during the period	151	-
Translation adjustment	23,435	-
<b>Net book value as at 30 September 2021</b>	<b>3,859,394</b>	<b>2,327,057</b>

(Unaudited but reviewed)

The Group pledged their land and buildings thereon with financial institutions as collateral to secure loans as discussed in Note 13.

In addition, the Group entered into negative pledge memorandums, which are part of the short-term credit facility agreements with 3 financial institutions. Under these memorandums, the Company and its subsidiaries are not allowed to dispose, transfer, mortgage or provide any lien on their land and buildings thereon and machinery, except to use as collateral for the syndicated loans to pay off the debts to those financial institutions as described in Note 11.

## 8. Right-of-use assets

Movements of the right-of-use assets account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2021</b>	80,796	5,957
Amortisation for the period	(15,118)	(3,024)
Transfer to fixed assets (Note 7)	(1,855)	-
Decrease from termination of lease contract during the period	(96)	-
Translation adjustment	277	-
<b>Net book value as at 30 September 2021</b>	<b>64,004</b>	<b>2,933</b>

## 9. Goodwill on business combination

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	30 September 2021	31 December 2020
Goodwill on business combination	37,620	37,620
Less: Accumulated impairment loss	(37,620)	(37,620)
Net book value	-	-

**10. Other intangible assets**

Movements of the other intangible assets account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2021</b>	80,118	47,543
Acquisitions during the period - at cost	31	-
Amortisation for the period	(10,169)	(5,087)
Translation adjustment	456	-
<b>Net book value as at 30 September 2021</b>	<u>70,436</u>	<u>42,456</u>

**11. Bank overdrafts and short-term loans from financial institutions**

		(Unit: Thousand Baht)			
	Interest rate (percent per annum)	Consolidated financial statements		Separate financial statements	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
Bank overdrafts	5.82 - 5.88	153,200	124,682	43,421	29,943
Short-term loans	4.20 - 4.65	1,065,000	1,085,000	790,000	810,000
Trust receipts	2.00 - 9.60	1,406,960	1,257,847	659,179	624,500
Packing credit	2.10 - 5.70	948,480	1,083,318	576,244	655,296
Total		<u>3,573,640</u>	<u>3,550,847</u>	<u>2,068,844</u>	<u>2,119,739</u>

In March 2021, the Company entered into the debt restructuring agreement with a financial institution, to convert the outstanding obligation of principal and interest under the promissory notes that were due totaling Baht 20 million into a monthly payment of 24 installments, with the first installment starting from 20 January 2021, as described in Note 13.

The Group entered into negative pledge memorandums, which are part of the short-term credit facility agreements with 3 financial institutions. Under the agreements, the Group is required to comply with certain conditions including maintaining interest bearing debt to EBITDA plus extraordinary item and non-cash items ratio not exceeding 5:1 for the consolidated financial statements and debt to equity ratio for the consolidated financial statements not exceeding 2.75:1, based on the financial statements as at 30 June and 31 December. The Group is not allowed to dispose, transfer, mortgage or provide any lien on their assets, both existing and to be acquired in the future, except to use as collateral for the syndicated loan to pay off the debt to those financial institutions.

(Unaudited but reviewed)

## 12. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Trade payables - related parties	8,247	10,936	977,645	722,278
Trade payables - unrelated parties	781,353	478,739	384,059	251,013
Other payables - related parties	4,463	2,404	10,918	6,456
Other payables - unrelated parties	331,409	176,498	235,112	111,843
Accrued interest expenses to related parties	-	-	1,850	1,926
Accrued interest expenses to unrelated parties	1,360	1,894	527	995
Accrued expenses - unrelated parties	94,726	81,036	44,649	32,514
<b>Total trade and other payables</b>	<b>1,221,558</b>	<b>751,507</b>	<b>1,654,760</b>	<b>1,127,025</b>

## 13. Long-term loans

(Unit: Thousand Baht)

	Consolidated and Separate	
	financial statements	
	30 September 2021	31 December 2020
Long-term loans	1,087,854	1,075,300
Less: Current portion	(310,000)	(400,000)
<b>Long-term loans, net of current portion</b>	<b>777,854</b>	<b>675,300</b>

Movement of long-term loans during the nine-month period ended 30 September 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated and Separate financial statements
<b>Balance as at 1 January 2021</b>	1,075,300
Add: Addition from debt restructuring	20,000
Less: Repayment during the period	(7,446)
<b>Balance as at 30 September 2021</b>	<b>1,087,854</b>

In December 2016, the Group entered into a Credit Facility Agreement with three financial institutions to obtain long-term syndicated loans facility amounting to Baht 2,000 million.

During the year 2020, the Group entered into the Second Amendment Agreement to the Credit Facility Agreement to extend the repayment period of the outstanding principal for one year, starting from 31 March 2020.

Subsequently, in March 2021, the Group received a waiver letter from three financial institutions, approving an extension of the principal repayment period for additional one year, starting from 31 March 2021. The Group executed the Third Amendment Agreement to the Credit Facility Agreement for such loan repayment extension with the three financial institutions on 30 April 2021.

The loan is subject to interest at the rate with reference to THBFIX+3%, and interest is to be paid on a monthly basis.

Under the loan agreement, the Group has to comply with certain conditions including maintaining interest bearing debt to EBITDA plus extraordinary item and non-cash items ratio for the consolidated financial statements not exceeding 5:1 and debt to equity ratio for the consolidated financial statements not exceeding 2.75:1, based on the financial statements as at 30 June and 31 December.

In December 2020 and June 2021, the Group received waiver letters from three financial institutions, approving a waiver for certain financial conditions including a waiver maintenance of the interest bearing debt to EBITDA plus extraordinary items and non-cash items ratio and debt to equity ratio as at 31 December 2020 and 30 June 2021.

As at 31 December 2020 and 30 June 2021, the Group was able to comply with all conditions as specified in the waiver letters and the loan agreement.

The above long-term loans from financial institutions are secured by mortgage of the Group's properties and plant thereon.

In addition, in March 2021, the Company entered into the debt restructuring agreement with a financial institution, to convert the outstanding obligation of principal and interest under the promissory notes that were due totaling Baht 20 million into a monthly payment in 24 installments, with the first installment starting from 20 January 2021. The loan is subject to interest at Prime Rate - 1.5% per annum.



(Unaudited but reviewed)

**14. Lease liabilities**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Lease payments	38,885	57,571	4,556	7,625
Less: Deferred interest expenses	(3,031)	(5,154)	(198)	(449)
Total	35,854	52,417	4,358	7,176
Less: Portion due within one year	(16,300)	(21,362)	(3,559)	(3,668)
Lease liabilities - net of current portion	<u>19,554</u>	<u>31,055</u>	<u>799</u>	<u>3,508</u>

The Group entered into the lease agreements for rental of land, machinery, office equipment and motor vehicles for use in their operation, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally between 2 and 6 years.

**15. Income tax**

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax for the three-month and nine-month periods ended 30 September 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month period ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	146	158	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(1,457)	5,355	425	(26)
<b>Income tax reported in profit or loss</b>	<u>(1,311)</u>	<u>5,513</u>	<u>425</u>	<u>(26)</u>

	(Unit: Thousand Baht)			
	For the nine-month period ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	499	460	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(4,818)	3,501	(2,958)	(171)
<b>Income tax reported in profit or loss</b>	<u>(4,319)</u>	<u>3,961</u>	<u>(2,958)</u>	<u>(171)</u>

**16. Loss per share**

Basic loss per share is calculated by dividing loss for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

**17. Revenue from contracts with customers**

(Unit: Thousand Baht)

	For the three-month period ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Type of goods or service:</b>				
Sales of goods	1,592,376	1,268,611	798,234	722,697
Service income	16,749	11,755	1,608	609
Income from scrap sales	11,175	3,266	594	1,476
Total revenue from contracts with customers				
- recognised at a point in time	1,620,300	1,283,632	800,436	724,782

(Unit: Thousand Baht)

	For the nine-month period ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Type of goods or service:</b>				
Sales of goods	4,867,607	3,994,092	2,510,019	2,299,987
Service income	49,712	43,565	6,806	2,205
Income from scrap sales	23,724	16,411	2,529	2,308
Total revenue from contracts with customers				
- recognised at a point in time	4,941,043	4,054,068	2,519,354	2,304,500

**18. Segment information**

The Group is organised into business units based on its products and services. During the current period, the Group has not changed the organisation of their reportable segments.

The following tables present revenue and profit (loss) information regarding the Group's operating segments for the three-month and nine-month periods ended 30 September 2021 and 2020, respectively.

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month period ended 30 September												Consolidated financial statements	
	Compressors and parts		Enameled wire		Steel sheet		Steel coil center		Total Segments		Adjustments and eliminations			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Revenue</b>														
External customers	823	763	358	227	284	178	155	116	1,620	1,284	-	-	1,620	1,284
Inter-segment	72	27	81	32	114	84	43	56	310	199	(310)	(199)	-	-
<b>Total revenue</b>	<u>895</u>	<u>790</u>	<u>439</u>	<u>259</u>	<u>398</u>	<u>262</u>	<u>198</u>	<u>172</u>	<u>1,930</u>	<u>1,483</u>	<u>(310)</u>	<u>(199)</u>	<u>1,620</u>	<u>1,284</u>
<b>Operating results</b>														
<b>Segment gross profit (loss)</b>	(31)	(51)	17	6	44	20	(4)	12	26	(13)	12	10	38	(3)
Other income													7	9
Gain (loss) on exchange													(33)	1
Selling and distribution expenses													(17)	(17)
Administrative expenses and allowance for impairment													(109)	(100)
Finance cost													(47)	(47)
<b>Loss before income tax</b>													(161)	(157)
Income tax													1	(6)
<b>Loss for the period</b>													<u>(160)</u>	<u>(163)</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month period ended 30 September													
	Compressors and parts		Enameled wire		Steel sheet		Steel coil center		Total Segments		Adjustments and eliminations		Consolidated financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Revenue</b>														
External customers	2,565	2,404	1,056	714	866	545	454	391	4,941	4,054	-	-	4,941	4,054
Inter-segment	197	113	197	134	323	302	173	178	890	727	(890)	(727)	-	-
<b>Total revenue</b>	<u>2,762</u>	<u>2,517</u>	<u>1,253</u>	<u>848</u>	<u>1,189</u>	<u>847</u>	<u>627</u>	<u>569</u>	<u>5,831</u>	<u>4,781</u>	<u>(890)</u>	<u>(727)</u>	<u>4,941</u>	<u>4,054</u>
<b>Operating results</b>														
<b>Segment gross profit (loss)</b>	(11)	(1)	67	26	151	66	13	33	220	124	11	1	231	125
Other income													44	17
Loss on exchange													(53)	(20)
Selling and distribution expenses													(57)	(56)
Administrative expenses and allowance for impairment													(313)	(407)
Finance cost													(135)	(157)
<b>Loss before income tax</b>													(283)	(498)
Income tax													4	(4)
<b>Loss for the period</b>													<u>(279)</u>	<u>(502)</u>

## 19. Commitment and contingent liabilities

### 19.1 Capital commitments

As at 30 September 2021, the Group has capital commitments of approximately Baht 10.4 million (31 December 2020: Baht 17.8 million) (the Company only: Baht 9.7 million, 31 December 2020: Baht 11.0 million), relating to the construction of factory building and purchase and installation of machinery.

### 19.2 Long-term service commitments

- a) The Group has commitments relating to service agreements payable in the future as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
<u>Payable:</u>				
In up to 1 year	13.1	9.7	4.5	3.0
In over 1 year	10.7	-	3.8	-

- b) The Group has commitments related to sales commissions payable to sale agents at the rate stipulated in the agreements or rate agreed between parties.

### 19.3 Guarantees

- a) As at 30 September 2021, the Company and Kulthorn Materials and Controls Company Limited have contingent liability relating to the guarantee of credit facility of Suzhou Kulthorn Magnet Wire Co., Ltd. to an oversea branch of a commercial bank amounting to RMB 60 million or equivalent to Baht 319 million (31 December 2020: RMB 60 million or equivalent to Baht 282 million).
- b) As at 30 September 2021, there were outstanding bank guarantees of approximately Baht 53.0 million (31 December 2020: Baht 49.3 million), the Company only: Baht 20.00 million (31 December 2020: Baht 20.0 million) issued by the banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business of the Group. These include letter of guarantee to guarantee electricity usage amounting to Baht 40.0 million (31 December 2020: Baht 36.3 million), the Company only: Baht 7.2 million (31 December 2020: Baht 7.2 million) and to guarantee import duty, natural gas agreements and others amounting to Baht 13.0 million (31 December 2020: Baht 13.0 million), the Company only: Baht 12.8 million (31 December 2020: Baht 12.8 million).

## 20. Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from purchases and sales of goods in foreign currencies. The Group seeks to reduce this risk by entering into forward exchange contracts which generally mature within one year, when they consider appropriate.

Below is the summary of the Group's foreign currencies-denominated financial assets/liabilities.

As at 30 September 2021						
Foreign currency	Consolidated financial statements		Separate financial statements		Exchange rate	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	Buying	Selling
	(Million)	(Million)	(Million)	(Million)	(Baht per one foreign currency unit)	
US dollar	7	24	7	14	33.7538	34.0908
Japanese yen	-	21	-	19	0.2997	0.3071
RMB	1	17	-	39	5.1761	5.3219

As at 31 December 2020						
Foreign currency	Consolidated financial statements		Separate financial statements		Exchange rate	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	Buying	Selling
	(Million)	(Million)	(Million)	(Million)	(Baht per one foreign currency unit)	
US dollar	11	9	10	6	29.8674	30.2068
Japanese yen	-	18	-	12	0.2869	0.2945
RMB	-	-	-	15	4.5447	4.6927

### Forward exchange contracts

The Group had outstanding forward exchange contract with maturities less than one year as follows:

As at 30 September 2021					
Consolidated and Separate financial statements					
Foreign currency	Bought amount	Sold amount	Contractual maturity date	Contractual exchange rate	
	(Million)	(Million)		Bought amount	Sold amount
(Baht per one foreign currency unit)					
US Dollar	7.4	7.5	15 December 2021 - 4 April 2022	32.53 - 33.23	31.26 - 33.82

As at 31 December 2020					
Consolidated and Separate financial statements					
Foreign currency	Bought amount	Sold amount	Contractual maturity date	Contractual exchange rate	
	(Million)	(Million)		Bought amount	Sold amount
(Baht per one foreign currency unit)					
US Dollar	0.6	0.5	19 January - 29 June 2021	30.03 - 31.69	29.98 - 30.13

**21. Financial Instrument****21.1 Fair value of financial instrument**

Most of the Group's financial instruments are classified as short-term or have interest rates that are close to market rate. Therefore, the carrying amounts of these financial instruments is estimated to approximate their fair value.

**21.2 Fair value hierarchy**

As at 30 September 2021, the Group had the assets and liabilities that were measured at fair value using different level of input as follow:

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
	Level 2	Level 2
<b>Assets measured at fair value</b>		
Land	952.1	740.7
Land improvement and buildings	1,067.1	515.3
<b>Liabilities measured at fair value</b>		
Derivatives		
Foreign currency forward contracts	(3.5)	(3.5)

During the current period, there were no changes in the methods and assumptions used to estimate the fair value of financial instruments, and there were no transfers within the fair value hierarchy.

**22. Event after the reporting period**

On 10 November 2021, the Board of Director's Meeting no. 4/2564 considered seeking a corrective action for the Company's situation and compliance with the regulations of the Stock Exchange of Thailand in the event that the Company's securities will be marked with "C" (Caution) sign. In this regard, the Company will propose an approach to solve the situation to the meeting in order to provide information to investors and related parties (Public Presentation).

**23. Approval of interim financial statements**

These interim financial statements have been authorised for issue by the Company's authorised directors on 10 November 2021.