

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 2022

## **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 2022, 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.

### **Basis for Disclaimer of Conclusion**

As disclosed in Note 1.2 to the interim consolidated financial statements, regarding the Group's ability to continue its operations as a going concern, the Group has sustained operating losses for a number of consecutive years. The Group had net loss from operation in the consolidated statements of comprehensive income for the nine-month period ended 30 September 2022 of Baht 561 million (the Company only: Baht 442 million). As at 30 September 2022, the Group's total current liabilities exceeded its total current assets by Baht 3,411 million (the Company only: Baht 3,792 million) and the Group had deficit of Baht 3,296 million (the Company only: Baht 2,370 million) and capital deficit in consolidated financial statements of Baht 85 million. The major current liabilities of the Group consisted of the followings:

- Bank overdraft and short-term loans from financial institutions amounting to Baht 3,631 million (the Company only: Baht 2,184 million),
- Trade and other payables amounting to Baht 860 million (the Company only: Baht 979 million), and
- Current portion of long-term loans from financial institutions amounting to Baht 1,088 million (the Company only: Baht 1,088 million), which became payable on demand since the Group was unable to maintain certain financial ratios as specified in the Credit Facility Agreement, as described in Note 10 to the interim consolidated financial statements.

Since November 2021, the Group's equity has been lower than 50% of paid-up share capital. As a result, the Company's securities are marked "C" (Caution). Up to the present, the Group has suffered from a lack of financial liquidity and working capital for purchasing raw materials for productions to fulfill purchase orders from customers and settling liabilities that will come due. The Group's management has implemented various plans, including negotiating with financial institutions to obtain additional working capital, planning to dispose of or rent out assets that are not core assets in its operations, selling lease agreements to Real Estate Investment Trust (REIT), selling and leasing back assets. In addition, the Group is considering adjusting the production and distribution strategies and reducing manufacturing costs and other expenses to increase the Group's liquidity. Currently, these plans are still in progress.

These factors indicate significant uncertainties which may have potential interaction of the uncertainties and their possible cumulative effect on the financial statements which cast significant doubt to the Group's ability to continue as a going concern. These depend on the success of plans to seek additional sources of funds, settle liabilities within due dates and improve business operations of the Group.

### **Disclaimer of Conclusion**

Because of the significance of the matters described in the Basis for Disclaimer of Conclusion section of my report, to consolidated financial information of Kulthorn Kirby Public Company Limited and its subsidiaries, and the separate financial information of Kulthorn Kirby Public Company Limited as at 30 September 2022 and for the three-month and nine-month periods then ended, I do not express a conclusion on the interim financial information referred to above.

Natteera Pongpinitpinyo

Certified Public Accountant (Thailand) No. 7362

EY Office Limited

Bangkok: 14 November 2022

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

**Statements of financial position**

**As at 30 September 2022**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
	As at	As at	As at	As at	
	<u>Note</u>	<u>30 September 2022</u>	<u>31 December 2021</u>	<u>30 September 2022</u>	<u>31 December 2021</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		29,710	19,315	1,822	1,023
Trade and other receivables	2, 3	651,339	1,062,210	294,171	576,390
Short-term loans to related parties	2	-	-	-	10,000
Inventories	4	1,392,118	1,565,871	814,938	976,574
Current tax assets		6,898	13,399	1,258	849
VAT receivable		66,819	42,047	62,122	37,405
Other current assets		81,811	85,720	40,719	47,324
<b>Total current assets</b>		<b>2,228,695</b>	<b>2,788,562</b>	<b>1,215,030</b>	<b>1,649,565</b>
<b>Non-current assets</b>					
Investments in subsidiaries	5	-	-	2,086,872	2,086,872
Property, plant and equipment	6	3,506,934	3,766,776	2,148,937	2,284,042
Right-of-use assets		73,133	64,858	5,386	2,241
Goodwill on business combination	7	-	-	-	-
Other intangible assets		56,637	67,008	35,378	40,744
Deferred tax assets		19,683	33,440	-	11,815
Other non-current assets		1,165	1,054	888	883
<b>Total non-current assets</b>		<b>3,657,552</b>	<b>3,933,136</b>	<b>4,277,461</b>	<b>4,426,597</b>
<b>Total assets</b>		<b>5,886,247</b>	<b>6,721,698</b>	<b>5,492,491</b>	<b>6,076,162</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 2022**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 September 2022	31 December 2021	30 September 2022	31 December 2021
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from					
financial institutions	8	3,631,375	3,670,903	2,183,884	2,028,050
Trade and other payables	2, 9	859,531	1,095,920	979,480	1,279,470
Short-term loans from related parties	2	-	-	741,000	736,000
Current portion of long-term loans	10	1,087,675	420,000	1,087,675	420,000
Current portion of lease liabilities		23,814	15,947	1,594	2,819
Income tax payable		2,068	-	-	-
Dividend payable		888	891	884	887
Other current financial liabilities		-	3,112	-	3,112
Other current liabilities		33,985	28,640	12,913	12,263
<b>Total current liabilities</b>		<b>5,639,336</b>	<b>5,235,413</b>	<b>5,007,430</b>	<b>4,482,601</b>
<b>Non-current liabilities</b>					
Long-term loans, net of current portion	10	-	682,850	-	682,850
Lease liabilities, net of current portion		45,565	20,093	3,822	689
Deferred tax liabilities		51,715	61,633	6,407	-
Provision for long-term employee benefits		234,405	220,090	113,221	106,368
<b>Total non-current liabilities</b>		<b>331,685</b>	<b>984,666</b>	<b>123,450</b>	<b>789,907</b>
<b>Total liabilities</b>		<b>5,971,021</b>	<b>6,220,079</b>	<b>5,130,880</b>	<b>5,272,508</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 2022**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	As at	As at	As at	As at
	<u>30 September 2022</u>	<u>31 December 2021</u>	<u>30 September 2022</u>	<u>31 December 2021</u>
	(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	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
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	(3,415,644)	(2,913,839)	(2,490,385)	(2,066,975)
Other components of shareholders' equity	<u>802,972</u>	<u>887,560</u>	<u>531,996</u>	<u>550,629</u>
<b>Total shareholders' equity (capital deficits)</b>	<u>(84,774)</u>	<u>501,619</u>	<u>361,611</u>	<u>803,654</u>
<b>Total liabilities and shareholders' equity</b>	<u>5,886,247</u>	<u>6,721,698</u>	<u>5,492,491</u>	<u>6,076,162</u>

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

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Directors  
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**Kulthorn Kirby Public Company Limited and its subsidiaries****Statements of comprehensive income****For the three-month period ended 30 September 2022**

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

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenue from contracts with customers	12	1,433,070	1,620,300	721,325	800,436
Rental income		688	392	3,132	3,175
Other income		548	5,639	4,165	11,417
<b>Total revenues</b>		<u>1,434,306</u>	<u>1,626,331</u>	<u>728,622</u>	<u>815,028</u>
<b>Expenses</b>					
Cost of sales and services		1,450,526	1,581,602	741,786	816,983
Selling and distribution expenses		20,836	16,898	10,403	7,124
Administrative expenses		114,385	109,553	61,535	64,851
Loss on exchange		4,835	33,520	2,055	24,866
<b>Total expenses</b>		<u>1,590,582</u>	<u>1,741,573</u>	<u>815,779</u>	<u>913,824</u>
<b>Operating loss</b>		<u>(156,276)</u>	<u>(115,242)</u>	<u>(87,157)</u>	<u>(98,796)</u>
Finance income		5	9	-	213
Finance cost		<u>(54,038)</u>	<u>(46,701)</u>	<u>(45,147)</u>	<u>(34,882)</u>
<b>Loss before income tax</b>		<u>(210,309)</u>	<u>(161,934)</u>	<u>(132,304)</u>	<u>(133,465)</u>
Income tax		<u>(7,708)</u>	<u>1,311</u>	<u>(19,470)</u>	<u>(425)</u>
<b>Loss for the period</b>		<u>(218,017)</u>	<u>(160,623)</u>	<u>(151,774)</u>	<u>(133,890)</u>
<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		<u>(1,079)</u>	<u>3,503</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(1,079)</u>	<u>3,503</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the period</b>		<u>(1,079)</u>	<u>3,503</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>		<u>(219,096)</u>	<u>(157,120)</u>	<u>(151,774)</u>	<u>(133,890)</u>
<b>Basic loss per share (Baht)</b>					
Loss attributable to equity holders of the Company	11	<u>(0.15)</u>	<u>(0.11)</u>	<u>(0.10)</u>	<u>(0.09)</u>

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

(Unaudited but reviewed)

**Kulthorn Kirby Public Company Limited and its subsidiaries****Statements of comprehensive income****For the nine-month period ended 30 September 2022**

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

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenue from contracts with customers	12	4,766,755	4,941,043	2,330,520	2,519,354
Rental income		2,062	1,441	9,592	9,725
Gain on exchange		32,312	-	35,812	-
Other income		11,008	42,099	19,017	49,949
<b>Total revenues</b>		<u>4,812,137</u>	<u>4,984,583</u>	<u>2,394,941</u>	<u>2,579,028</u>
<b>Expenses</b>					
Cost of sales and services		4,836,419	4,709,840	2,476,182	2,488,185
Selling and distribution expenses		59,655	56,993	30,112	24,776
Administrative expenses		319,143	313,343	185,765	197,913
Loss on exchange		-	52,973	-	43,699
<b>Total expenses</b>		<u>5,215,217</u>	<u>5,133,149</u>	<u>2,692,059</u>	<u>2,754,573</u>
<b>Operating loss</b>		<u>(403,080)</u>	<u>(148,566)</u>	<u>(297,118)</u>	<u>(175,545)</u>
Finance income		15	39	49	788
Finance cost		<u>(151,922)</u>	<u>(135,151)</u>	<u>(126,752)</u>	<u>(102,364)</u>
<b>Loss before income tax</b>		<u>(554,987)</u>	<u>(283,678)</u>	<u>(423,821)</u>	<u>(277,121)</u>
Income tax		<u>(5,906)</u>	<u>4,319</u>	<u>(18,222)</u>	<u>2,958</u>
<b>Loss for the period</b>		<u>(560,893)</u>	<u>(279,359)</u>	<u>(442,043)</u>	<u>(274,163)</u>
<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		<u>(25,500)</u>	<u>6,805</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		<u>(25,500)</u>	<u>6,805</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the period</b>		<u>(25,500)</u>	<u>6,805</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>		<u>(586,393)</u>	<u>(272,554)</u>	<u>(442,043)</u>	<u>(274,163)</u>
<b>Basic loss per share (Baht)</b>					
Loss attributable to equity holders of the Company	11	<u>(0.37)</u>	<u>(0.19)</u>	<u>(0.29)</u>	<u>(0.18)</u>

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**

**For the nine-month period ended 30 September 2022**

(Unit: Thousand Baht)

<b>Consolidated financial statements</b>									
<u>Other components of shareholders' equity</u>									
<u>Other comprehensive income</u>									
Exchange									
differences on									
translation of									
financial									
statements in									
foreign currency									
Revaluation									
surplus on									
assets									
Total other									
components of									
shareholders'									
equity									
Total									
shareholders'									
equity									
Retained earnings (deficits)									
Appropriated									
Unappropriated									
Surplus									
from business									
combination									
under common									
control									
Issued and									
fully paid-up									
share capital									
Share premium									
<b>Balance as at 1 January 2021</b>	1,500,000	700,000	207,898	120,000	(2,431,901)	7,435	887,666	895,101	991,098
Loss for the period	-	-	-	-	(279,359)	-	-	-	(279,359)
Other comprehensive income for the period	-	-	-	-	-	6,805	-	6,805	6,805
Total comprehensive income for the period	-	-	-	-	(279,359)	6,805	-	6,805	(272,554)
Transfer revaluation surplus on assets to retained earnings (deficits)	-	-	-	-	12,905	-	(12,905)	(12,905)	-
<b>Balance as at 30 September 2021</b>	<u>1,500,000</u>	<u>700,000</u>	<u>207,898</u>	<u>120,000</u>	<u>(2,698,355)</u>	<u>14,240</u>	<u>874,761</u>	<u>889,001</u>	<u>718,544</u>
<b>Balance as at 1 January 2022</b>	1,500,000	700,000	207,898	120,000	(2,913,839)	16,722	870,838	887,560	501,619
Loss for the period	-	-	-	-	(560,893)	-	-	-	(560,893)
Other comprehensive income for the period	-	-	-	-	-	(25,500)	-	(25,500)	(25,500)
Total comprehensive income for the period	-	-	-	-	(560,893)	(25,500)	-	(25,500)	(586,393)
Transfer revaluation surplus on assets to retained earnings (deficits)	-	-	-	-	59,088	-	(59,088)	(59,088)	-
<b>Balance as at 30 September 2022</b>	<u>1,500,000</u>	<u>700,000</u>	<u>207,898</u>	<u>120,000</u>	<u>(3,415,644)</u>	<u>(8,778)</u>	<u>811,750</u>	<u>802,972</u>	<u>(84,774)</u>

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 2022**

(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 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>
<b>Balance as at 1 January 2022</b>	1,500,000	700,000	120,000	(2,066,975)	550,629	803,654
Loss for the period	-	-	-	(442,043)	-	(442,043)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(442,043)	-	(442,043)
Transfer revaluation surplus on assets to retained earnings (deficits)	-	-	-	18,633	(18,633)	-
<b>Balance as at 30 September 2022</b>	<u>1,500,000</u>	<u>700,000</u>	<u>120,000</u>	<u>(2,490,385)</u>	<u>531,996</u>	<u>361,611</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 2022**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities</b>				
Loss before tax	(554,987)	(283,678)	(423,821)	(277,121)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Unrealised loss (gain) on exchange	(18,069)	45,947	(17,084)	35,075
Loss (gain) on fair value adjustments of financial instrument	(3,111)	3,020	(3,111)	3,020
The reduction of inventory to net realisable value (reversal)	(11,242)	(18,299)	(8,011)	(1,568)
Allowance for expected credit losses (reversal)	1,413	3,691	(3,417)	5,319
Depreciation and amortisation	276,915	284,416	142,296	137,822
Amortise right-of-use assets	11,179	15,118	1,933	3,024
Reversal of allowance for impairment loss on assets	-	(151)	-	-
Amortise deferred revenue from sales and lease back	(52)	(167)	-	-
Loss (gain) on sales of property, plant and equipment	(200)	3,144	(634)	(595)
Loss on write-off of property, plant and equipment	338	671	52	25
Provision for long-term employee benefits	14,990	20,142	6,853	8,487
Write-off of lease liabilities	(1,000)	-	(1,000)	-
Dividend income	(4)	(7)	(4)	(7)
Subsidies income from government grants	(458)	(1,375)	(458)	(1,375)
Finance income	(15)	(39)	(49)	(788)
Finance cost	151,922	135,151	126,752	102,364
Profit (loss) from operating activities before changes in operating assets and liabilities	(132,381)	207,584	(179,703)	13,682
Operating assets (increase) decrease				
Trade and other receivables	412,801	25,206	287,664	(24,548)
Inventories	184,995	(426,400)	169,647	(288,236)
Other current assets	(11,750)	(26,180)	(17,263)	(39,070)
Other non-current assets	(111)	7	(6)	-
Operating liabilities increase (decrease)				
Trade and other payables	(222,102)	451,871	(286,719)	528,844
Other current liabilities	5,852	10,895	1,106	(4,381)
Cash flows from (used in) operating activities	237,304	242,983	(25,274)	186,291
Cash paid for long-term employee benefits	(675)	(5,219)	-	(3,340)
Interest received	15	39	146	895
Interest paid	(152,449)	(135,671)	(127,279)	(102,909)
Tax refund received	4,287	3,128	-	-
Corporate income tax paid	(6,898)	(8,119)	(1,258)	(427)
<b>Net cash flows from (used in) operating activities</b>	<b>81,584</b>	<b>97,141</b>	<b>(153,665)</b>	<b>80,510</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 2022**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Cash flows from investing activities</b>				
Proceeds from sales of property, plant and equipment	200	6,294	641	2,241
Acquisition of property, plant and equipment and intangible assets	(6,424)	(81,540)	(2,761)	(51,292)
Decrease in short-term loans to related parties	-	-	10,000	15,000
Dividend income	4	7	4	7
<b>Net cash flows from (used in) investing activities</b>	<b>(6,220)</b>	<b>(75,239)</b>	<b>7,884</b>	<b>(34,044)</b>
<b>Cash flows from financing activities</b>				
Increase in bank overdrafts and short-term loans from financial institutions	7,479,529	7,202,083	3,538,893	2,820,881
Decrease in bank overdrafts and short-term loans from financial institutions	(7,515,628)	(7,186,131)	(3,379,967)	(2,868,963)
Increase in short-term loans from intercompany	-	-	5,000	-
Repayment of long-term loans	(15,175)	(7,446)	(15,175)	(7,446)
Cash received from sales and lease back	30,381	-	-	-
Payment of principal portion of lease liabilities	(15,457)	(16,467)	(2,171)	(2,818)
<b>Net cash flows from (used in) financing activities</b>	<b>(36,350)</b>	<b>(7,961)</b>	<b>146,580</b>	<b>(58,346)</b>
<b>Decrease in translation adjustments</b>	<b>(28,619)</b>	<b>(17,377)</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>10,395</b>	<b>(3,436)</b>	<b>799</b>	<b>(11,880)</b>
Cash and cash equivalents at beginning of period	19,315	28,864	1,023	13,226
<b>Cash and cash equivalents at end of period</b>	<b>29,710</b>	<b>25,428</b>	<b>1,822</b>	<b>1,346</b>

**Supplemental disclosures of cash flows information**

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

Other payable from acquisitions of fixed assets	1,020	6,645	137	239
Other receivables from sales of fixed assets	-	-	13,800	17,766
Transfer right-of-use assets to fixed assets	-	1,855	-	-
Transfer promissory notes to long-term loan from debt restructuring	-	20,000	-	20,000
Offset other receivables from sales of fixed assets with trade and other payables	460	372	438	16,511
Increase in right-of-use assets	19,415	96	5,077	-

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

Dividend payable	888	891	884	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 2022**

**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. The Group had net loss from operation in the consolidated statements of comprehensive income for the nine-month period ended 30 September 2022 of Baht 561 million (the Company only: Baht 442 million). As at 30 September 2022, the Group’s total current liabilities exceeded its total current assets by Baht 3,411 million (the Company only: Baht 3,792 million), the Group had deficit of Baht 3,296 million (the Company only: Baht 2,370 million) and capital deficit in consolidated financial statements of Baht 85 million. The major current liabilities of the Group consisted of the bank overdraft and short-term loans from financial institutions amounting to Baht 3,631 million (the Company only: Baht 2,184 million), trade and other payables amounting to Baht 860 million (the Company only: Baht 979 million), and current portion of long-term loans from financial institutions amounting to Baht 1,088 million (the Company only: Baht 1,088 million), which became payable on demand since the Group was unable to maintain certain financial ratios as specified in the Credit Facility Agreement, as described in Note 10.

Since November 2021, the Group’s equity has been lower than 50% of paid-up share capital. As a result, the Company’s securities are marked “C” (Caution). Up to the present, the Group has suffered from a lack of financial liquidity and working capital for purchasing raw materials for productions to fulfill purchase orders from customers and settling liabilities that will come due. The Group’s management has implemented various plans, including negotiating with financial institutions to obtain additional working capital, planning to dispose of or rent out assets that are not core assets in its operations, selling lease agreements to Real Estate Investment Trust (REIT), selling and leasing back assets. In addition, the Group is considering adjusting the production and distribution strategies and reducing manufacturing costs and other expenses to increase the Group’s liquidity. Currently, these plans are still in progress and the Group’s ability to continue as a going concern depends on the success of the plans. However, the Group’s management believes that the Group will be able to continue as a going concern. Management has therefore decided to prepare the Group’s interim financial statements under the going concern basis. Accordingly, such financial statements do not include any adjustments relating to the value of assets at expected sale price and the amount of liabilities to be repaid, as well as reclassifications, which may be necessary should the Group be unable to continue its operations as a going concern.

### **1.3 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.

### **1.4 Basis of consolidation**

The interim consolidated financial statements included the financials 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 2021. There have been no change in the composition of its subsidiaries during the period.

### **1.5 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 2021.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, do not have any significant impact on the Group's financial statements.

## **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. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

(Unaudited but reviewed)

Summaries significant business transactions with related parties as follows.

(Unit: Thousand Baht)

For the three-month period ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<i><u>Transactions with subsidiaries</u></i>				
<i>(eliminated from the consolidated financial statements)</i>				
Purchases of goods	-	-	141,989	206,380
Sales and service income and scrap sales	-	-	28,548	51,922
Other income	-	-	4,190	4,078
Rental income	-	-	3,080	3,125
Interest expenses	-	-	11,158	5,664
Other expenses	-	-	10,761	1,608
<i><u>Transactions with related parties</u></i>				
Sales and service income and scrap sales	94,718	127,139	49,611	53,889
Purchases of goods	2,174	7,600	2,210	7,566
Other expenses	3,370	925	1,869	741

(Unit: Thousand Baht)

For the nine-month period ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<i><u>Transactions with subsidiaries</u></i>				
<i>(eliminated from the consolidated financial statements)</i>				
Purchases of goods	-	-	522,597	644,114
Sales and service income and scrap sales	-	-	92,985	146,915
Other income	-	-	10,790	10,056
Rental income	-	-	9,441	9,576
Interest expenses	-	-	31,499	16,797
Other expenses	-	-	31,031	7,994
<i><u>Transactions with related parties</u></i>				
Sales and service income and scrap sales	393,371	391,380	141,214	150,500
Purchases of goods	10,155	25,822	9,844	25,605
Other expenses	9,820	10,582	3,264	2,472

(Unaudited but reviewed)

The outstanding balances of the accounts as at 30 September 2022 and 31 December 2021 between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2022	2021	2022	2021
<b><u>Trade and other receivables - related parties</u></b>				
<b>(Note 3)</b>				
Subsidiary companies	-	-	97,200	215,212
Related companies (related by common director/ shareholder)	83,203	145,780	4,901	15,913
<b>Total trade and other receivables - related parties</b>	<b>83,203</b>	<b>145,780</b>	<b>102,101</b>	<b>231,125</b>
<b><u>Trade and other payables - related parties</u></b>				
<b>(Note 9)</b>				
Subsidiary companies	-	-	518,588	650,925
Related companies (related by common director/ shareholder)	9,731	6,441	5,962	3,012
<b>Total trade and other payables - related parties</b>	<b>9,731</b>	<b>6,441</b>	<b>524,550</b>	<b>653,937</b>

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

During the nine-month period ended 30 September 2022, short-term loans between the Company and its subsidiaries had the following movements:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	Increase	Decrease	Balance as at
	1 January	during the period	during the period	30 September
	2022			2022
<b><u>Short-term loans to subsidiary</u></b>				
Kulthorn Materials and Controls Co., Ltd.	10,000	-	10,000	-
Total	10,000	-	10,000	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at			Balance as at
	1 January	Increase	Decrease	30 September
	2022	during the period	during the period	2022
<b><u>Short-term loans from subsidiaries</u></b>				
Kulthorn Premier Co., Ltd.	461,000	-	-	461,000
Kulthorn Kirby Foundry Co., Ltd.	155,000	-	-	155,000
Kulthorn Steel Co., Ltd.	120,000	-	-	120,000
Kulthorn Materials and Controls Co., Ltd.	-	5,000	-	5,000
Total	<u>736,000</u>	<u>5,000</u>	<u>-</u>	<u>741,000</u>

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

During the three-month and nine-month periods ended 30 September 2022 and 2021, 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	10,481	10,579	3,672	3,678
Post-employment benefits	1,329	1,457	984	1,139
Total	<u>11,810</u>	<u>12,036</u>	<u>4,656</u>	<u>4,817</u>

(Unit: Thousand Baht)

	For the nine-month period ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	30,113	28,270	10,046	8,965
Post-employment benefits	3,976	4,114	2,950	3,246
Total	<u>34,089</u>	<u>32,384</u>	<u>12,996</u>	<u>12,211</u>

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

The Group has outstanding guarantee obligations with its related parties, as described in Note 14.2.

### 3. Trade and other receivables

The outstanding balance of trade accounts receivable as at 30 September 2022 and 31 December 2021 categorised by their aging from due dates are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
<u>Trade receivables - related parties</u>				
Not yet due	69,086	127,516	12,420	24,175
Overdue				
Less than 3 months	13,978	15,403	1,995	25,661
3 - 6 months	-	-	-	8,061
6 - 12 months	-	-	-	1,325
Total	83,064	142,919	14,415	59,222
Less: Allowance for expected credit losses	-	-	(110)	(3,286)
Total trade receivables - related parties	83,064	142,919	14,305	55,936
<u>Trade receivables - unrelated parties</u>				
Not yet due	432,627	754,229	124,737	300,968
Overdue				
Less than 3 months	139,938	160,015	67,335	43,764
3 - 6 months	2,888	787	-	787
6 - 12 months	22	507	22	304
Over 12 months	9,034	13,036	2,804	2,431
Total	584,509	928,574	194,898	348,254
Less: Allowance for expected credit losses	(17,230)	(15,817)	(3,069)	(3,310)
Total trade receivables - unrelated parties	567,279	912,757	191,829	344,944
Total trade receivables - net	650,343	1,055,676	206,134	400,880
<u>Other receivables</u>				
Other receivables - related parties	139	2,861	87,796	175,189
Other receivables - unrelated parties	857	3,673	241	321
Total other receivables	996	6,534	88,037	175,510
Total trade and other receivables - net	651,339	1,062,210	294,171	576,390

(Unaudited but reviewed)

#### 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 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2022	164,597	91,937
Reversal of reduction of inventory to net realisable value during the period	(11,242)	(8,011)
Balance as at 30 September 2022	<u>153,355</u>	<u>83,926</u>

#### 5. Investments in subsidiaries

As at 30 September 2022 and 31 December 2021, 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
	2022	2021	2022	2021	2022	2021
			(%)	(%)		
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					<u>3,629,879</u>	<u>3,629,879</u>
Less: Allowance for impairment loss on investments in subsidiaries					<u>(1,543,007)</u>	<u>(1,543,007)</u>
Total investments in subsidiaries - net					<u>2,086,872</u>	<u>2,086,872</u>

The company did not received dividend during the nine-month period ended 30 September 2022 and 2021.

(Unaudited but reviewed)

## 6. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2022</b>	3,766,776	2,284,042
Acquisitions during the period - at cost	4,559	2,322
Write-off during the period - net book value at write-off date	(798)	(497)
Depreciation for the period	(266,485)	(136,930)
Translation adjustment	2,882	-
<b>Net book value as at 30 September 2022</b>	<b>3,506,934</b>	<b>2,148,937</b>

The Group pledged their land and buildings thereon with financial institutions as collateral to secure loans as discussed in Note 10.

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 8.

## 7. Goodwill on business combination

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	30 September 2022	31 December 2021
Goodwill on business combination	37,620	37,620
Less: Accumulated impairment loss	(37,620)	(37,620)
Net book value	-	-

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated		Separate	
		financial statements		financial statements	
		30 September 2022	31 December 2021	30 September 2022	31 December 2021
Bank overdrafts	5.82 - 6.25	98,212	137,101	32,640	21,582
Short-term loans	4.20 - 4.68	1,120,000	1,045,000	845,000	770,000
Trust receipts	3.25 - 7.21	1,366,183	1,596,541	604,205	664,927
Packing credit	3.25 - 5.70	1,046,980	892,261	702,039	571,541
<b>Total</b>		<b>3,631,375</b>	<b>3,670,903</b>	<b>2,183,884</b>	<b>2,028,050</b>

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.

**9. Trade and other payables**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
Trade payables - related parties	4,735	2,971	514,594	638,883
Trade payables - unrelated parties	533,574	588,978	255,975	256,575
Other payables - related parties	4,996	3,470	6,299	11,109
Other payables - unrelated parties	203,765	406,436	140,617	318,537
Accrued interest expenses to related parties	-	-	3,657	3,945
Accrued interest expenses to unrelated parties	1,068	1,736	493	732
Accrued expenses - unrelated parties	111,393	92,329	57,845	49,689
<b>Total trade and other payables</b>	<b>859,531</b>	<b>1,095,920</b>	<b>979,480</b>	<b>1,279,470</b>

(Unaudited but reviewed)

## 10. Long-term loans

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	30 September 2022	31 December 2021
Long-term loans	1,087,675	1,102,850
Less: Current portion	(1,087,675)	(420,000)
Long-term loans, net of current portion	<u>-</u>	<u>682,850</u>

Movement of long-term loans during the nine-month period ended 30 September 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated and Separate financial statements
<b>Balance as at 1 January 2022</b>	1,102,850
Less: Repayment during the period	<u>(15,175)</u>
<b>Balance as at 30 September 2022</b>	<u><u>1,087,675</u></u>

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.

In March 2022, 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 2022. The Group executed the Fourth Amendment Agreement to the Credit Facility Agreement for such loan repayment extension with the three financial institutions on 29 April 2022.

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 2021 and June 2022, 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 2021 and 30 June 2022.

As at 31 December 2021 and 30 June 2022, the Group was able to comply with all conditions as specified in the waiver letters and the Credit Facility Agreement.

However, as at 30 September 2022 the Group was unable to maintain interest bearing debt to EBITDA plus extraordinary item and non-cash items ratio and debt to equity ratio, as specified in the Credit Facility Agreement, resulting in the long-term becoming payable on demand. The Group therefore classified total balance of loan as current portion due within one year. The classification of such liabilities to current liabilities is in accordance with Thai Financial Reporting Standards.

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

In addition, during the year 2021, the Company entered into debt restructuring agreements with a financial institution to convert the outstanding principal and interest obligations under the promissory notes that were due totaling Baht 40 million into 24 monthly installment payments. The debt is divided into 2 parts whereby the first half totaling Baht 20 million shall be paid in the first installment on 20 January 2021 and the latter half totaling Baht 20 million shall be paid in the first installment on 20 October 2021. The loan is subject to interest at a prime rate of 1.5% per annum.

**11. 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.

**12. Revenue from contracts with customers**

(Unit: Thousand Baht)

	For the three-month period ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Type of goods or service:</b>				
Sales of goods	1,363,212	1,592,376	719,196	798,234
Service income	64,219	16,749	1,695	1,608
Income from scrap sales	5,639	11,175	434	594
Total revenue from contracts with customers				
- recognised at a point in time	<u>1,433,070</u>	<u>1,620,300</u>	<u>721,325</u>	<u>800,436</u>

(Unit: Thousand Baht)

	For the nine-month period ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Type of goods or service:</b>				
Sales of goods	4,659,761	4,867,607	2,324,809	2,510,019
Service income	93,773	49,712	4,197	6,806
Income from scrap sales	13,221	23,724	1,514	2,529
Total revenue from contracts with customers				
- recognised at a point in time	<u>4,766,755</u>	<u>4,941,043</u>	<u>2,330,520</u>	<u>2,519,354</u>

(Unaudited but reviewed)

### 13. 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 2022 and 2021, respectively

(Unit: Million Baht)

	For the three-month period ended 30 September												Consolidated	
	Compressors and parts		Enameled wire		Steel sheet		Steel coil center		Total Segments		Adjustments and eliminations		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Revenue</b>														
External customers	785	823	282	358	205	284	161	155	1,433	1,620	-	-	1,433	1,620
Inter-segment	48	72	29	81	91	114	40	43	208	310	(208)	(310)	-	-
<b>Total revenue</b>	<u>833</u>	<u>895</u>	<u>311</u>	<u>439</u>	<u>296</u>	<u>398</u>	<u>201</u>	<u>198</u>	<u>1,641</u>	<u>1,930</u>	<u>(208)</u>	<u>(310)</u>	<u>1,433</u>	<u>1,620</u>
<b>Operating results</b>														
<b>Segment gross profit (loss)</b>	(23)	(31)	(6)	17	6	44	(1)	(4)	(24)	26	7	12	(17)	38
Other income													1	7
Loss on exchange													(5)	(33)
Selling and distribution expenses													(21)	(17)
Administrative expenses													(114)	(109)
Finance cost													(54)	(47)
<b>Loss before income tax</b>													(210)	(161)
Income tax													(8)	1
<b>Loss for the period</b>													<u>(218)</u>	<u>(160)</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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<b>Revenue</b>													
External customers	2,461	2,565	971	1,056	831	866	504	454	4,767	4,941	-	-	4,767	4,941
Inter-segment	150	197	127	197	316	323	139	173	732	890	(732)	(890)	-	-
<b>Total revenue</b>	<u>2,611</u>	<u>2,762</u>	<u>1,098</u>	<u>1,253</u>	<u>1,147</u>	<u>1,189</u>	<u>643</u>	<u>627</u>	<u>5,499</u>	<u>5,831</u>	<u>(732)</u>	<u>(890)</u>	<u>4,767</u>	<u>4,941</u>
<b>Operating results</b>														
<b>Segment gross profit (loss)</b>	(167)	(11)	22	67	47	151	13	13	(85)	220	16	11	(69)	231
Other income													13	44
Gain (loss) on exchange													32	(53)
Selling and distribution expenses													(60)	(57)
Administrative expenses													(319)	(313)
Finance cost													(152)	(135)
<b>Loss before income tax</b>													(555)	(283)
Income tax													(6)	4
<b>Loss for the period</b>													(561)	(279)

## **14. Commitment and contingent liabilities**

### **14.1 Capital commitments**

As at 30 September 2022, the Group has capital commitments of approximately Baht 20.9 million (31 December 2021: Baht 8.7 million) (the Company only: Baht 20.4 million, 31 December 2021: Baht 8.1 million), relating to the construction of factory building and purchase and installation of machinery.

### **14.2 Guarantees**

- a) As at 30 September 2022, 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 38 million or equivalent to Baht 208 million (31 December 2021: RMB 60 million or equivalent to Baht 319 million).
- b) As at 30 September 2022, there were outstanding bank guarantees of approximately Baht 55 million (31 December 2021: Baht 53 million), the Company only: Baht 20 million (31 December 2021: Baht 20 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 42 million (31 December 2021: Baht 40 million), the Company only: Baht 7.2 million (31 December 2021: Baht 7.2 million) and to guarantee import duty, natural gas agreements and others amounting to Baht 13 million (31 December 2021: Baht 13 million), the Company only: Baht 12.8 million (31 December 2021: Baht 12.8 million).

## **15. Financial Instrument**

### **15.1 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.

## **16. Approval of interim financial statements**

These interim financial statements have been authorised for issue by the Company's authorised directors on 14 November 2022.