

Kulthorn Kirby Public Company Limited  
and its subsidiaries  
Review report and interim financial information  
For the three-month and six-month periods ended  
30 June 2023

## **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 June 2023, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, the related consolidated statements of changes in shareholders' equity and cash flows for the six-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 six-month period ended 30 June 2023 of Baht 500 million (the Company only: Baht 423 million). As at 30 June 2023, the Group's total current liabilities exceeded its total current assets by Baht 3,579 million (the Company only: Baht 4,175 million) and the Group had deficit of Baht 3,824 million (the Company only: Baht 2,942 million). The major current liabilities of the Group consisted of the followings:

- Bank overdraft and short-term loans from financial institutions amounting to Baht 3,435 million (the Company only: Baht 2,148 million),
- Trade and other payables amounting to Baht 591 million (the Company only: Baht 963 million), and
- Current portion of long-term loans from financial institutions amounting to Baht 1,078 million (the Company only: Baht 1,068 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 11 to the interim consolidated financial statements.

In addition, the Group's equity is less than 50% of paid-up capital and, as a result, the Company's securities are marked with "C" (Caution) sign.

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). 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 June 2023 and for the three-month and six-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: 11 August 2023

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

**Statements of financial position**

**As at 30 June 2023**

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		As at	As at	As at	As at
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		57,401	21,436	40,160	4,360
Trade and other receivables	2, 3	413,393	608,974	80,824	205,167
Short-term loan to related party	2	-	-	-	60,885
Short-term loan to unrelated party	4	43,451	-	43,451	-
Inventories	5	939,220	1,162,838	553,108	668,085
Current tax assets		2,098	8,075	274	1,443
VAT receivable		35,200	72,950	27,277	67,146
Other current assets		79,622	80,590	41,906	39,009
<b>Total current assets</b>		<b>1,570,385</b>	<b>1,954,863</b>	<b>787,000</b>	<b>1,046,095</b>
<b>Non-current assets</b>					
Investments in subsidiaries	6	-	-	2,017,233	2,017,233
Property, plant and equipment	7	4,508,668	4,959,882	2,763,951	2,923,011
Right-of-use assets		54,682	65,999	4,202	4,998
Goodwill on business combination	8	-	-	-	-
Other intangible assets		43,170	53,240	29,992	33,566
Deferred tax assets		14,581	17,066	-	-
Other non-current assets		1,122	1,097	803	870
<b>Total non-current assets</b>		<b>4,622,223</b>	<b>5,097,284</b>	<b>4,816,181</b>	<b>4,979,678</b>
<b>Total assets</b>		<b>6,192,608</b>	<b>7,052,147</b>	<b>5,603,181</b>	<b>6,025,773</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 June 2023**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	As at	As at	As at	As at	
	<u>Note</u>	<u>30 June 2023</u>	<u>31 December 2022</u>	<u>30 June 2023</u>	<u>31 December 2022</u>
		(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	9	3,435,158	3,706,320	2,147,756	2,196,868
Trade and other payables	2, 10	590,980	666,177	962,664	890,144
Short-term loans from related parties	2	-	-	766,000	766,000
Current portion of long-term loans	11	1,078,467	1,088,148	1,067,643	1,082,803
Current portion of lease liabilities		18,115	18,624	1,642	1,620
Dividend payable		888	888	884	884
Other current financial liabilities		-	79	-	-
Other current liabilities		25,707	25,226	15,499	12,693
<b>Total current liabilities</b>		<u>5,149,315</u>	<u>5,505,462</u>	<u>4,962,088</u>	<u>4,951,012</u>
<b>Non-current liabilities</b>					
Long-term loans, net of current portion	11	47,665	21,576	-	-
Lease liabilities, net of current portion		9,832	18,469	2,589	3,406
Deferred tax liabilities		340,786	373,912	172,577	186,623
Provision for long-term employee benefits		229,756	221,407	112,117	107,996
<b>Total non-current liabilities</b>		<u>628,039</u>	<u>635,364</u>	<u>287,283</u>	<u>298,025</u>
<b>Total liabilities</b>		<u>5,777,354</u>	<u>6,140,826</u>	<u>5,249,371</u>	<u>5,249,037</u>

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 June 2023**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	As at 30 June 2023 (Unaudited but reviewed)	As at 31 December 2022 (Audited)	As at 30 June 2023 (Unaudited but reviewed)	As at 31 December 2022 (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	(3,943,606)	(3,638,575)	(3,061,764)	(2,723,066)
Other components of shareholders' equity	<u>1,830,962</u>	<u>2,021,998</u>	<u>1,095,574</u>	<u>1,179,802</u>
<b>Total shareholders' equity</b>	<u>415,254</u>	<u>911,321</u>	<u>353,810</u>	<u>776,736</u>
<b>Total liabilities and shareholders' equity</b>	<u>6,192,608</u>	<u>7,052,147</u>	<u>5,603,181</u>	<u>6,025,773</u>

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 June 2023**

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

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenue from contracts with customers	13	832,325	1,498,745	345,417	735,636
Rental income		688	1,326	3,111	3,130
Other income		2,704	9,972	3,528	4,876
<b>Total revenues</b>		<b>835,717</b>	<b>1,510,043</b>	<b>352,056</b>	<b>743,642</b>
<b>Expenses</b>					
Cost of sales and services		856,326	1,562,217	403,163	818,337
Selling and distribution expenses		13,407	19,626	5,370	10,528
Administrative expenses		211,068	109,768	104,654	58,264
Loss on exchange		2,339	5,022	2,779	35
<b>Total expenses</b>		<b>1,083,140</b>	<b>1,696,633</b>	<b>515,966</b>	<b>887,164</b>
<b>Operating loss</b>		<b>(247,423)</b>	<b>(186,590)</b>	<b>(163,910)</b>	<b>(143,522)</b>
Finance income		13	10	2	-
Finance cost		(68,042)	(50,487)	(60,732)	(42,782)
<b>Loss before income tax</b>		<b>(315,452)</b>	<b>(237,067)</b>	<b>(224,640)</b>	<b>(186,304)</b>
Income tax		538	(423)	2,938	(604)
<b>Loss for the period</b>		<b>(314,914)</b>	<b>(237,490)</b>	<b>(221,702)</b>	<b>(186,908)</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		-	(959)	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		-	(959)	-	-
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>(959)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>(314,914)</b>	<b>(238,449)</b>	<b>(221,702)</b>	<b>(186,908)</b>
<b>Basic loss per share (Baht)</b>					
Loss attributable to equity holders of the Company	12	(0.21)	(0.16)	(0.15)	(0.12)

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 six-month period ended 30 June 2023**

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

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenue from contracts with customers	13	1,882,148	3,333,685	775,307	1,609,195
Rental income		1,376	1,374	6,423	6,460
Gain on exchange		-	37,147	-	37,867
Gain on disposal of investment in indirect subsidiary	6	106,687	-	-	-
Other income		7,081	10,460	10,751	14,852
<b>Total revenues</b>		<u>1,997,292</u>	<u>3,382,666</u>	<u>792,481</u>	<u>1,668,374</u>
<b>Expenses</b>					
Cost of sales and services		1,991,100	3,385,893	886,678	1,734,396
Selling and distribution expenses		30,393	38,819	13,477	19,709
Administrative expenses		371,964	204,758	208,415	124,230
Loss on exchange		3,672	-	5,126	-
<b>Total expenses</b>		<u>2,397,129</u>	<u>3,629,470</u>	<u>1,113,696</u>	<u>1,878,335</u>
<b>Operating loss</b>		<u>(399,837)</u>	<u>(246,804)</u>	<u>(321,215)</u>	<u>(209,961)</u>
Finance income		13	10	2	49
Finance cost		(130,571)	(97,884)	(115,759)	(81,605)
<b>Loss before income tax</b>		<u>(530,395)</u>	<u>(344,678)</u>	<u>(436,972)</u>	<u>(291,517)</u>
Income tax		30,641	1,802	14,046	1,248
<b>Loss for the period</b>		<u>(499,754)</u>	<u>(342,876)</u>	<u>(422,926)</u>	<u>(290,269)</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		-	(24,421)	-	-
Exchange differences on translation of financial statements in foreign currency recycled to profit or loss due to loss of control		3,687	-	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		3,687	(24,421)	-	-
<b>Other comprehensive income for the period</b>		<u>3,687</u>	<u>(24,421)</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>		<u>(496,067)</u>	<u>(367,297)</u>	<u>(422,926)</u>	<u>(290,269)</u>
<b>Basic loss per share (Baht)</b>					
Loss attributable to equity holders of the Company	12	<u>(0.33)</u>	<u>(0.23)</u>	<u>(0.28)</u>	<u>(0.19)</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 six-month period ended 30 June 2023**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>								
						<u>Other components of shareholders' equity</u>			
						<u>Other comprehensive income</u>			
	Issued and fully paid-up share capital	Share premium	Surplus from business combination under common control	<u>Retained earnings (deficits)</u>		Exchange differences on translation of financial statements in foreign currency	Revaluation surplus on assets	Total other components of shareholders' equity	Total shareholders' equity
			Appropriated	Unappropriated					
<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	-	-	-	-	(342,876)	-	-	-	(342,876)
Other comprehensive income for the period	-	-	-	-	-	(24,421)	-	(24,421)	(24,421)
Total comprehensive income for the period	-	-	-	-	(342,876)	(24,421)	-	(24,421)	(367,297)
Transfer revaluation surplus on assets to retained earnings (deficits)	-	-	-	-	34,720	-	(34,720)	(34,720)	-
<b>Balance as at 30 June 2022</b>	<u>1,500,000</u>	<u>700,000</u>	<u>207,898</u>	<u>120,000</u>	<u>(3,221,995)</u>	<u>(7,699)</u>	<u>836,118</u>	<u>828,419</u>	<u>134,322</u>
<b>Balance as at 1 January 2023</b>	1,500,000	700,000	207,898	120,000	(3,638,575)	(3,687)	2,025,685	2,021,998	911,321
Loss for the period	-	-	-	-	(499,754)	-	-	-	(499,754)
Other comprehensive income for the period	-	-	-	-	-	3,687	-	3,687	3,687
Total comprehensive income for the period	-	-	-	-	(499,754)	3,687	-	3,687	(496,067)
Transfer revaluation surplus on assets to retained earnings (deficits)	-	-	-	-	194,723	-	(194,723)	(194,723)	-
<b>Balance as at 30 June 2023</b>	<u>1,500,000</u>	<u>700,000</u>	<u>207,898</u>	<u>120,000</u>	<u>(3,943,606)</u>	<u>-</u>	<u>1,830,962</u>	<u>1,830,962</u>	<u>415,254</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 six-month period ended 30 June 2023**

(Unit: Thousand Baht)

	<b>Separate financial statements</b>					<b>Total shareholders' equity</b>
	<b>Issued and fully paid-up share capital</b>	<b>Share premium</b>	<b>Retained earnings (deficits)</b>		<b>Other components of shareholders' equity</b>	
			<b>Appropriated</b>	<b>Unappropriated</b>	<b>Other comprehensive income</b>	
				<b>Revaluation surplus on assets</b>		
<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	-	-	-	(290,269)	-	(290,269)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(290,269)	-	(290,269)
Transfer revaluation surplus on assets to retained earnings (deficits)	-	-	-	11,708	(11,708)	-
<b>Balance as at 30 June 2022</b>	<u>1,500,000</u>	<u>700,000</u>	<u>120,000</u>	<u>(2,345,536)</u>	<u>538,921</u>	<u>513,385</u>
<b>Balance as at 1 January 2023</b>	1,500,000	700,000	120,000	(2,723,066)	1,179,802	776,736
Loss for the period	-	-	-	(422,926)	-	(422,926)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(422,926)	-	(422,926)
Transfer revaluation surplus on assets to retained earnings (deficits)	-	-	-	84,228	(84,228)	-
<b>Balance as at 30 June 2023</b>	<u>1,500,000</u>	<u>700,000</u>	<u>120,000</u>	<u>(3,061,764)</u>	<u>1,095,574</u>	<u>353,810</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 six-month period ended 30 June 2023**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities</b>				
Loss before tax	(530,395)	(344,678)	(436,972)	(291,517)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Unrealised loss (gain) on exchange	3,875	(19,540)	4,426	(20,745)
Gain on fair value adjustments of financial instrument	(79)	(3,127)	-	(3,111)
The reduction of inventory to net realisable value (reversal)	7,190	(3,038)	16,634	(2,101)
Allowance for expected credit losses	3,884	5,142	3,670	2,574
Write-off of doubtful accounts	11,898	-	-	-
Depreciation and amortisation	301,775	185,231	163,188	94,910
Amortise right-of-use assets	6,989	6,691	796	1,237
Amortise deferred revenue from sales and lease back	-	(52)	-	-
Loss (gain) on sales of property, plant and equipment	1,738	(200)	-	(453)
Loss on write-off of property, plant and equipment	72	52	-	52
Provision for long-term employee benefits	10,074	9,993	4,538	4,569
Write-off of lease liabilities	374	(1,000)	-	(1,000)
Gain on disposal of investment in indirect subsidiary	(106,687)	-	-	-
Dividend income	(2)	(2)	(2)	(2)
Subsidies income from government grants	(917)	(917)	(917)	(917)
Finance income	(13)	(10)	(2)	(49)
Finance cost	130,571	97,885	115,758	81,605
Loss from operating activities before changes in operating assets and liabilities	(159,653)	(67,570)	(128,883)	(134,948)
Operating assets (increase) decrease				
Trade and other receivables	179,462	235,191	111,282	284,664
Inventories	202,092	261,245	103,495	196,625
Other current assets	46,632	3,844	38,415	(3,183)
Other non-current assets	(25)	(225)	67	-
Operating liabilities increase (decrease)				
Trade and other payables	(40,977)	(204,141)	73,246	(297,182)
Other current liabilities	4,772	(648)	3,723	1,354

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 six-month period ended 30 June 2023**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities (continued)</b>				
Cash flows from operating activities	232,303	227,696	201,345	47,330
Cash paid for long-term employee benefits	(1,725)	(705)	(417)	-
Interest received	561	10	2	146
Interest paid	(112,582)	(98,404)	(94,389)	(82,248)
Corporate income tax paid	<u>(2,098)</u>	<u>(5,176)</u>	<u>(274)</u>	<u>(696)</u>
<b>Net cash flows from (used in) operating activities</b>	<u>116,459</u>	<u>123,421</u>	<u>106,267</u>	<u>(35,468)</u>
<b>Cash flows from investing activities</b>				
Proceeds from sales of property, plant and equipment	280	200	-	460
Acquisition of property, plant and equipment and intangible assets	(7,011)	(4,125)	(5,401)	(1,562)
Decrease in short-term loans to related parties	-	-	-	10,000
Decrease in cash from disposal of investment in indirect subsidiary	(266,767)	-	-	-
Dividend income	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
<b>Net cash flows from (used in) investing activities</b>	<u>(273,496)</u>	<u>(3,923)</u>	<u>(5,399)</u>	<u>8,900</u>
<b>Cash flows from financing activities</b>				
Increase in bank overdrafts and short-term loans from financial institutions	3,849,837	5,164,982	1,092,581	2,051,844
Decrease in bank overdrafts and short-term loans from financial institutions	(3,648,689)	(5,231,342)	(1,141,693)	(2,010,640)
Cash received from long-term loan	35,803	-	-	-
Repayment of long-term loans	(19,395)	(10,064)	(15,160)	(10,064)
Payment of principal portion of lease liabilities	<u>(9,705)</u>	<u>(8,100)</u>	<u>(796)</u>	<u>(1,475)</u>
<b>Net cash flows from (used in) financing activities</b>	<u>207,851</u>	<u>(84,524)</u>	<u>(65,068)</u>	<u>29,665</u>
<b>Decrease in translation adjustments</b>	<u>(14,849)</u>	<u>(25,195)</u>	<u>-</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	35,965	9,779	35,800	3,097
Cash and cash equivalents at beginning of period	<u>21,436</u>	<u>19,315</u>	<u>4,360</u>	<u>1,023</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>57,401</u></u>	<u><u>29,094</u></u>	<u><u>40,160</u></u>	<u><u>4,120</u></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 (continued)**

**For the six-month period ended 30 June 2023**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Supplemental disclosures of cash flows information</b>				
1) Non-cash related transactions for investing activities				
Other payable from acquisitions of fixed assets	485	1,366	485	24
Other receivables from sales of fixed assets	-	-	2,350	13,800
Transfer fixed assets to inventories	5,152	-	5,152	-
Transfer right-of-use assets to fixed assets	2,470	-	-	-
Transfer short-term loan to related party				
to short-term loan to unrelated party	60,885	-	60,885	-
Offset short-term loans to unrelated party				
with trade and other payables	9,128	-	9,128	-
Offset other receivables from sales of fixed assets				
with trade and other payables	5	460	11,450	438
Increase in right-of-use assets	560	18,644	-	5,077
2) Non-cash related transactions for financing activities				
Dividend payable	888	888	884	884

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

**Kulthorn Kirby Public Company Limited and its subsidiaries**  
**Notes to interim consolidated financial statements**  
**For the three-month and six-month periods ended 30 June 2023**

**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 six-month period ended 30 June 2023 of Baht 500 million (the Company only: Baht 423 million). As at 30 June 2023, the Group’s total current liabilities exceeded its total current assets by Baht 3,579 million (the Company only: Baht 4,175 million) and the Group had deficit of Baht 3,824 million (the Company only: Baht 2,942 million). The major current liabilities of the Group consisted of the bank overdraft and short-term loans from financial institutions amounting to Baht 3,435 million (the Company only: Baht 2,148 million), trade and other payables amounting to Baht 591 million (the Company only: Baht 963 million), and current portion of long-term loans from financial institutions amounting to Baht 1,078 million (the Company only: Baht 1,068 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 11.

In addition, the Group’s equity is less than 50% of paid-up capital and, as a result, the Company’s securities are marked with “C” (Caution) sign.

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). 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 2022. However, during the period, there was change in the composition of its subsidiary as described in Note 6.

### **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 2022.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023, 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.

Significant business transactions with related parties are summarised below.

(Unit: Thousand Baht)

	For the three-month period ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Transactions with subsidiaries</u>				
<i>(eliminated from the consolidated financial statements)</i>				
Purchases of goods	-	-	61,696	174,253
Sales and service income and scrap sales	-	-	16,102	23,181
Other income	-	-	2,443	3,033
Rental income	-	-	3,060	3,081
Interest expenses	-	-	13,790	11,015
Other expenses	-	-	23,342	10,536
<u>Transactions with related parties</u>				
Sales and service income and scrap sales	76,729	133,076	23,150	45,608
Purchases of goods	2,542	1,944	2,403	1,609
Other expenses	1,261	1,969	236	529

(Unit: Thousand Baht)

	For the six-month period ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Transactions with subsidiaries</u>				
<i>(eliminated from the consolidated financial statements)</i>				
Purchases of goods	-	-	162,410	380,608
Sales and service income and scrap sales	-	-	35,149	64,437
Other income	-	-	5,352	6,600
Rental income	-	-	6,319	6,361
Interest expenses	-	-	26,885	20,341
Other expenses	-	-	38,195	20,270
<u>Transactions with related parties</u>				
Sales and service income and scrap sales	173,969	298,653	54,666	91,603
Purchases of goods	6,653	7,981	6,379	7,634
Other expenses	3,164	6,450	611	1,395



(Unaudited but reviewed)

The outstanding balances of the accounts as at 30 June 2023 and 31 December 2022 between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
<b><u>Trade and other receivables - related parties</u></b>				
<b>(Note 3)</b>				
Subsidiary companies	-	-	31,239	24,724
Related companies (related by common director/ shareholder)	67,979	87,243	1,063	3,305
<b>Total trade and other receivables - related parties</b>	<b>67,979</b>	<b>87,243</b>	<b>32,302</b>	<b>28,029</b>
<b><u>Trade and other payables - related parties</u></b>				
<b>(Note 10)</b>				
Subsidiary companies	-	-	632,657	528,501
Related companies (related by common director/ shareholder)	9,998	8,807	7,371	6,640
<b>Total trade and other payables - related parties</b>	<b>9,998</b>	<b>8,807</b>	<b>640,028</b>	<b>535,141</b>

### **Short-term loan to related party**

During the six-month period ended 30 June 2023, short-term loan to related party had the following movements:

	(Unit: Thousand Baht)			
	Separate financial statements			
	Balance as at			Balance as at
	1 January	Increase	Decrease	30 June
	2023	during the period	during the period	2023
<b><u>Short-term loan to subsidiary</u></b>				
Suzhou Kulthorn Magnet Wire Co., Ltd.	60,885	-	(60,885)	-

During the six-month period ended 30 June 2023, short-term loan to subsidiary was reclassified to short-term loan to unrelated party as a result of disposal on investment in such subsidiary during the period as described in Note 6.

**Short-term loans from related parties**

During the six-month period ended 30 June 2023, short-term loans from related parties had the following movements:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at		Balance as at	
	1 January	Increase	Decrease	30 June
	2023	during the period	during the period	2023
<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.	30,000	-	-	30,000
Total	766,000	-	-	766,000

**Directors and management's remuneration**

During the three-month and six-month periods ended 30 June 2023 and 2022, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	For the three-month period ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	8,827	9,795	4,381	3,200
Post-employment benefits	1,373	1,324	954	983
Total	10,200	11,119	5,335	4,183

(Unit: Thousand Baht)

	For the six-month period ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	19,623	19,632	9,391	6,374
Post-employment benefits	2,015	2,647	1,173	1,966
Total	21,638	22,279	10,564	8,340

**Guarantee obligations with related parties**

The Group has outstanding guarantee obligations with its related parties, as described in Note 15.2.

**3. Trade and other receivables**

The outstanding balance of trade accounts receivable as at 30 June 2023 and 31 December 2022 categorised by their aging from due dates are as follows:

	(Unit: Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
<u>Trade receivables - related parties</u>				
Not yet due	52,212	71,274	9,874	4,246
Overdue				
Less than 3 months	15,589	15,784	1,733	462
3 - 6 months	141	63	144	63
Total	67,942	87,121	11,751	4,771
Less: Allowance for expected credit losses	-	-	(106)	(7)
Total trade receivables - related parties	67,942	87,121	11,645	4,764
<u>Trade receivables - unrelated parties</u>				
Not yet due	255,265	383,395	36,698	110,373
Overdue				
Less than 3 months	88,243	136,371	10,988	66,749
3 - 6 months	1,198	2,082	1,131	486
6 - 12 months	472	131	337	-
Over 12 months	13,833	13,320	2,590	2,575
Total	359,011	535,299	51,744	180,183
Less: Allowance for expected credit losses	(15,297)	(14,649)	(3,407)	(3,072)
Total trade receivables - unrelated parties	343,714	520,650	48,337	177,111
Total trade receivables - net	411,656	607,771	59,982	181,875
<u>Other receivables</u>				
Other receivables - related parties	37	122	20,657	23,265
Other receivables - unrelated parties	1,700	1,081	185	27
Total other receivables	1,737	1,203	20,842	23,292
Total trade and other receivables - net	413,393	608,974	80,824	205,167

**4. Short-term loans to unrelated party**

As at 30 June 2023, the Group had a short-term loan to Suzhou Kulthorn Magnet Wire Co., Ltd., which was originally due for repayment in April 2023. However, such company partially repaid the loan amounting to Baht 43.5 million in July 2023. The remaining outstanding amounts are deemed to be uncollectible. As a result, the Group has considered establishing an allowance for expected credit losses amounting to Baht 3.2 million to account for the uncollectible portion of the loan.

Movements of the short-term loans to unrelated party during the six-month period ended 30 June 2023 are summarised below:

	Consolidated and separated financial statements
Balance as at 1 January 2023	-
Transferred from short-term loan to related party	60,885
Offset with trade and other payable	(9,128)
Unrealised loss on exchange rate	(5,070)
Total	46,687
Less: Allowance for expected credit losses	(3,236)
Balance as at 30 June 2023	43,451

**5. Reduction of inventory to net realisable value**

Movements in the reduction of inventory to net realisable value account during the six-month period ended 30 June 2023 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2023	169,745	97,413
Reduction of inventory to net realisable value during the period	7,190	16,634
Balance as at 30 June 2023	176,935	114,047

## 6. Investments in subsidiaries

As at 30 June 2023 and 31 December 2022, the Company has long-term investments in ordinary share of the following companies:

Company's name	(Unit: Thousand Baht)					
	Paid-up capital		Shareholding percentage		Cost	
	30 June	31 December	30 June	31 December	30 June	31 December
	2023	2022	2023	2022	2023	2022
			(%)	(%)		
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					(1,612,646)	(1,612,646)
Total investments in subsidiaries - net					2,017,233	2,017,233

The company did not received dividend during the six-month period ended 30 June 2023 and 2022.

### Disposal of investment in indirect subsidiary

On 14 January 2023, the subsidiaries entered into share transfer and loan agreements detailed as follow:

1. Kulthorn Materials and Controls Co., Ltd., (a subsidiary) to transfer all shares of Suzhou Kulthorn Magnet Wire Co., Ltd. (another subsidiary held through Phelps Dodge Suzhou Holding, Inc.) to Good Lucky Corporation Limited at a price of CNY 0.
2. Suzhou Kulthorn Magnet Wire Co., Ltd. (the subsidiary) borrowed from Suzhou Yangmeigu Investment Co., Ltd. amounting to CNY 55 million (or equivalent to Baht 273 million) with 6-month period and interest of 10 percent per annum. The loan is secured by mortgage of such subsidiary's land and factory building.

The subsidiary has already transferred its shares in Suzhou Kulthorn Magnet Wire Co., Ltd. to the buyer on 23 February 2023. The Group realised gain on disposal of such investment in the consolidated financial statements totaling Baht 107 million.

(Unaudited but reviewed)

The net asset value of Suzhou Kulthorn Magnet Wire Co., Ltd. on the disposal date (23 February 2023), is as follow:

(Unit: Thousand Baht)

<u>Asset</u>	
Cash and cash equivalents	266,767
Trade accounts receivable - net	1,374
Inventories - net	19,488
Property, plant and equipment - net	159,632
Right of use - net	2,070
Intangible assets - net	3,257
Other assets	161
Total assets	<u>452,749</u>
<u>Liabilities</u>	
Loans from financial institution	196,037
Loans from unrelated party	276,372
Loans from related party	56,784
Trade accounts payable - unrelated party	17,857
Other payables - related party	8,927
Accrued expenses - unrelated party	1,781
Interest payable - related party	6,302
Other liabilities	3,374
Total liabilities	<u>567,434</u>
Net asset value	(114,685)
Add: Exchange differences on translation of financial statements in foreign currency recycled to profit or loss due to loss of control	<u>7,998</u>
The Company's interest in the subsidiary in the consolidated financial statements	<u>(106,687)</u>
Selling price	-
Less: The Company's interest in the subsidiary in the consolidated financial statements	<u>(106,687)</u>
Gain on disposal of investment in indirect subsidiary in consolidated financial statements	<u>106,687</u>

## 7. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2023 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2023</b>	4,959,882	2,923,011
Acquisitions during the period - at cost	6,233	5,706
Transfer from right-of-use assets	2,470	-
Transfer out to inventories	(5,152)	(5,152)
Decrease from disposal of investment in indirect subsidiary	(159,632)	-
Disposal/write-off during the period - net book value at disposal/write-off date	(2,085)	-
Depreciation for the period	(294,924)	(159,614)
Translation adjustment	1,876	-
<b>Net book value as at 30 June 2023</b>	<b>4,508,668</b>	<b>2,763,951</b>

The Group pledged their land and buildings thereon with financial institutions as collateral to secure loans as discussed in Note 11.

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 9.

During the year 2023, the Group has mortgaged machinery to secure the short-term credit facilities as described in Note 9.

## 8. Goodwill on business combination

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	30 June 2023	31 December 2022
Goodwill on business combination	37,620	37,620
Less: Accumulated impairment loss	(37,620)	(37,620)
Net book value	-	-

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

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated		Separate	
		financial statements		financial statements	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
Bank overdrafts	6.34 - 7.34	170,719	124,968	50,212	31,091
Short-term loans	4.20 - 7.02	1,110,000	1,120,000	835,000	845,000
Trust receipts	5.45 - 7.02	1,389,152	1,321,700	581,657	567,048
Packing credit	5.45 - 7.02	765,287	1,139,652	680,887	753,729
<b>Total</b>		<b>3,435,158</b>	<b>3,706,320</b>	<b>2,147,756</b>	<b>2,196,868</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. 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.

In June 2566, the Group executed the Fifth Amendment Agreement to the Credit Facility Agreement. This amendment involved the mortgage of machinery to secure the short-term credit facilities with two financial institutions.

**10. Trade and other payables**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Trade payables - related parties	6,117	5,401	614,280	524,030
Trade payables - unrelated parties	322,045	420,639	141,743	210,833
Other payables - related parties	3,881	3,406	7,722	6,882
Other payables - unrelated parties	165,531	148,222	121,422	93,579
Accrued interest expenses to related parties	-	-	18,026	4,229
Accrued interest expenses to unrelated parties	8,602	1,423	8,381	808
Accrued expenses - unrelated parties	84,804	87,086	51,090	49,783
<b>Total trade and other payables</b>	<b>590,980</b>	<b>666,177</b>	<b>962,664</b>	<b>890,144</b>



**11. Long-term loans**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Long-term loans	1,126,132	1,109,724	1,067,643	1,082,803
Less: Current portion	(1,078,467)	(1,088,148)	(1,067,643)	(1,082,803)
Long-term loans, net of current portion	<u>47,665</u>	<u>21,576</u>	<u>-</u>	<u>-</u>

Movement of long-term loans during the six-month period ended 30 June 2023 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Balance as at 1 January 2023</b>	1,109,724	1,082,803
Increase during the period	35,803	-
Less: Repayment during the period	(19,395)	(15,160)
<b>Balance as at 30 June 2023</b>	<u>1,126,132</u>	<u>1,067,643</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.

In June 2023, the Group received a waiver letter from three financial institutions, approving an extension of the principle repayment period for an additional 9 months, starting from 31 March 2023 for the principal amount from the two financial institutions. The Group is required to start the repayment on 31 December 2023 with total amount of Baht 360 million. After that, the Group has to repay Baht 90 million on a quarterly basis, starting from 31 March 2024. The Group signed the Fifth Amendment Agreement to the Credit Facility Agreement, which allowed them to extend the repayment period with all three financial institutions on 29 June 2023.

The loan is subject to interest at the rate with reference to average MLR - 1.5% per annum, 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.

As at 31 December 2022 and 30 June 2023 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.

During the year 2022, Kulthorn Steel Co., Ltd. (a subsidiary) entered into machines sales and leaseback agreement with a financial institution, which was deemed to be a financing transaction and is not true sell. The agreement has principle of Baht 29.6 million and monthly repayment for 60 periods. The first payment was in July 2022 and it is subject to interest at 3.25% per annum.

On 23 February 2023, Kulthorn Premier Co., Ltd. (a subsidiary) entered into a long-term loan agreement with a financial institution to obtain loan amounting to Baht 35.8 million. The agreement term of such loan is 10 years and is secured by mortgage of the subsidiary's land thereon.

## 12. 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.

## 13. Revenue from contracts with customers

(Unit: Thousand Baht)

	For the three-month period ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Type of goods or service:</b>				
Sales of goods	816,767	1,490,777	344,083	734,048
Service income	13,696	5,186	1,075	1,178
Income from scrap sales	1,862	2,782	259	410
Total revenue from contracts with customers				
- recognised at a point in time	<u>832,325</u>	<u>1,498,745</u>	<u>345,417</u>	<u>735,636</u>

(Unit: Thousand Baht)

	For the six-month period ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Type of goods or service:</b>				
Sales of goods	1,848,978	3,296,549	772,268	1,605,613
Service income	27,367	29,554	2,140	2,502
Income from scrap sales	5,803	7,582	899	1,080
Total revenue from contracts with customers				
- recognised at a point in time	<u>1,882,148</u>	<u>3,333,685</u>	<u>775,307</u>	<u>1,609,195</u>

#### 14. 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 six-month periods ended 30 June 2023 and 2022, respectively

(Unit: Million Baht)

	For the three-month period ended 30 June												Consolidated	
	Compressors and parts		Enameled wire		Steel sheet		Steel coil center		Total Segments		Adjustments and eliminations		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Revenue</b>														
External customers	399	773	165	301	148	258	120	167	832	1,499	-	-	832	1,499
Inter-segment	31	52	15	47	59	110	22	40	127	249	(127)	(249)	-	-
<b>Total revenue</b>	<u>430</u>	<u>825</u>	<u>180</u>	<u>348</u>	<u>207</u>	<u>368</u>	<u>142</u>	<u>207</u>	<u>959</u>	<u>1,748</u>	<u>(127)</u>	<u>(249)</u>	<u>832</u>	<u>1,499</u>
<b>Operating results</b>														
<b>Segment gross profit (loss)</b>	(32)	(90)	2	10	13	15	(8)	2	(25)	(63)	(127)	-	(24)	(63)
Other income													3	11
Loss on exchange													(2)	(5)
Selling and distribution expenses													(14)	(20)
Administrative expenses													(211)	(110)
Finance cost													(68)	(50)
<b>Loss before income tax</b>													(316)	(237)
Income tax													1	-
<b>Loss for the period</b>													<u>(315)</u>	<u>(237)</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month period ended 30 June

	Compressors and parts		Enameled wire		Steel sheet		Steel coil center		Total Segments		Adjustments and eliminations		Consolidated financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Revenue</b>														
External customers	870	1,676	399	689	350	626	263	343	1,882	3,334	-	-	1,882	3,334
Inter-segment	62	102	36	98	135	225	55	99	288	524	(288)	(524)	-	-
<b>Total revenue</b>	<u>932</u>	<u>1,778</u>	<u>435</u>	<u>787</u>	<u>485</u>	<u>851</u>	<u>318</u>	<u>442</u>	<u>2,170</u>	<u>3,858</u>	<u>(288)</u>	<u>(524)</u>	<u>1,882</u>	<u>3,334</u>
<b>Operating results</b>														
<b>Segment gross profit (loss)</b>	(124)	(144)	6	28	16	41	(16)	14	(118)	(61)	9	9	(109)	(52)
Gain on disposal of investment in indirect subsidiary													107	-
Other income													8	12
Gain (loss) on exchange													(4)	37
Selling and distribution expenses													(30)	(39)
Administrative expenses													(372)	(205)
Finance cost													(131)	(98)
<b>Loss before income tax</b>													(531)	(345)
Income tax													31	2
<b>Loss for the period</b>													<u>(500)</u>	<u>(343)</u>

## **15. Commitment and contingent liabilities**

### **15.1 Capital commitments**

As at 30 June 2023, the Group has capital commitments of approximately Baht 21.5 million (31 December 2022: Baht 21.4 million) (the Company only: Baht 20.9 million, 31 December 2022: Baht 20.8 million), relating to the construction of factory building and purchase and installation of machinery.

### **15.2 Guarantees**

As at 30 June 2023, there were outstanding bank guarantees of approximately Baht 55 million (31 December 2022: Baht 55 million), the Company only: Baht 20 million (31 December 2022: 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 2022: Baht 42 million), the Company only: Baht 7.2 million (31 December 2022: Baht 7.2 million) and to guarantee import duty, natural gas agreements and others amounting to Baht 13 million (31 December 2022: Baht 13 million), the Company only: Baht 12.7 million (31 December 2022: Baht 12.8 million).

## **16. Financial Instrument**

### **16.1 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.

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

These interim financial statements have been authorised for issue by the Company's authorised directors on 11 August 2023.