

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 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 September 2023, 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 2023 of Baht 846 million (the Company only: Baht 656 million). As at 30 September 2023, the Group's total current liabilities exceeded its total current assets by Baht 3,758 million (the Company only: Baht 4,322 million) and the Group had deficit of Baht 4,092 million (the Company only: Baht 3,132 million). The major current liabilities of the Group consisted of the followings:

- Bank overdraft and short-term loans from financial institutions amounting to Baht 3,500 million (the Company only: Baht 2,166 million),
- Trade and other payables amounting to Baht 576 million (the Company only: Baht 979 million), and
- Current portion of long-term loans from financial institutions amounting to Baht 1,066 million (the Company only: Baht 1,055 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 shareholders' equity is less than 50% of paid-up share capital and, as a result, the Company's securities have been marked with "C" (Caution) sign since May 2023.

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 September 2023 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 2023

Kulthorn Kirby Public Company Limited and its subsidiaries

Statements of financial position

As at 30 September 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 September 2023</u>	<u>31 December 2022</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Assets					
Current assets					
Cash and cash equivalents		56,975	21,436	14,061	4,360
Trade and other receivables	2, 3	354,781	608,974	56,295	205,167
Short-term loan to related party	2	-	-	-	60,885
Inventories	5	912,027	1,162,838	549,064	668,085
Current tax assets		3,008	8,075	470	1,443
VAT receivable		34,580	72,950	26,937	67,146
Other current assets		64,207	80,590	27,735	39,009
Total current assets		<u>1,425,578</u>	<u>1,954,863</u>	<u>674,562</u>	<u>1,046,095</u>
Non-current assets					
Investments in subsidiaries	6	-	-	2,017,233	2,017,233
Property, plant and equipment	7	4,366,122	4,959,882	2,687,921	2,923,011
Right-of-use assets		51,184	65,999	3,794	4,998
Goodwill on business combination	8	-	-	-	-
Other intangible assets		39,724	53,240	28,193	33,566
Deferred tax assets		-	17,066	-	-
Other non-current assets		1,112	1,097	803	870
Total non-current assets		<u>4,458,142</u>	<u>5,097,284</u>	<u>4,737,944</u>	<u>4,979,678</u>
Total assets		<u><u>5,883,720</u></u>	<u><u>7,052,147</u></u>	<u><u>5,412,506</u></u>	<u><u>6,025,773</u></u>

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

We, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

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Directors

Kulthorn Kirby Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 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 September 2023</u>	<u>31 December 2022</u>	<u>30 September 2023</u>	<u>31 December 2022</u>	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	9	3,500,150	3,706,320	2,166,036	2,196,868
Trade and other payables	2, 10	576,332	666,177	979,400	890,144
Short-term loans from related parties	2	-	-	779,000	766,000
Current portion of long-term loans	11	1,065,932	1,088,148	1,055,053	1,082,803
Current portion of lease liabilities		16,753	18,624	1,568	1,620
Dividend payable		888	888	884	884
Other current financial liabilities		-	79	-	-
Other current liabilities		23,998	25,226	14,960	12,693
Total current liabilities		5,184,053	5,505,462	4,996,901	4,951,012
Non-current liabilities					
Long-term loans, net of current portion	11	45,486	21,576	-	-
Lease liabilities, net of current portion		6,652	18,469	2,252	3,406
Deferred tax liabilities		343,996	373,912	177,886	186,623
Provision for long-term employee benefits		234,793	221,407	114,386	107,996
Total non-current liabilities		630,927	635,364	294,524	298,025
Total liabilities		5,814,980	6,140,826	5,291,425	5,249,037

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Directors

Kulthorn Kirby Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 2023

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	As at	As at	As at	As at
	<u>30 September 2023</u>	<u>31 December 2022</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
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	(4,211,511)	(3,638,575)	(3,251,702)	(2,723,066)
Other components of shareholders' equity	<u>1,752,353</u>	<u>2,021,998</u>	<u>1,052,783</u>	<u>1,179,802</u>
Total shareholders' equity	<u>68,740</u>	<u>911,321</u>	<u>121,081</u>	<u>776,736</u>
Total liabilities and shareholders' equity	<u>5,883,720</u>	<u>7,052,147</u>	<u>5,412,506</u>	<u>6,025,773</u>
	-	-	-	-

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

Directors

We, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

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Directors

Kulthorn Kirby Public Company Limited and its subsidiaries

Statements of comprehensive income

For the three-month period ended 30 September 2023

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

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit or loss:					
Revenues					
Revenue from contracts with customers	13	680,182	1,433,070	238,380	721,325
Rental income		690	688	3,113	3,132
Other income		525	548	3,431	4,165
Total revenues		681,397	1,434,306	244,924	728,622
Expenses					
Cost of sales and services		629,230	1,450,526	198,344	741,786
Selling and distribution expenses		13,640	20,836	6,520	10,403
Administrative expenses		103,645	114,385	62,741	61,535
Other expenses	14	188,363	-	136,996	-
Loss on exchange		1,834	4,835	2,247	2,055
Total expenses		936,712	1,590,582	406,848	815,779
Operating loss		(255,315)	(156,276)	(161,924)	(87,157)
Finance income		-	5	-	-
Finance cost		(73,408)	(54,038)	(65,496)	(45,147)
Loss before income tax		(328,723)	(210,309)	(227,420)	(132,304)
Income tax		(17,791)	(7,708)	(5,309)	(19,470)
Loss for the period		(346,514)	(218,017)	(232,729)	(151,774)
Other comprehensive income:					
<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		-	(1,079)	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		-	(1,079)	-	-
Other comprehensive income for the period		-	(1,079)	-	-
Total comprehensive income for the period		(346,514)	(219,096)	(232,729)	(151,774)
Basic loss per share (Baht)					
Loss attributable to equity holders of the Company	12	(0.23)	(0.15)	(0.16)	(0.10)

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

We, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

Directors

(Unaudited but reviewed)

Kulthorn Kirby Public Company Limited and its subsidiaries**Statements of comprehensive income****For the nine-month period ended 30 September 2023**

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

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Profit or loss:					
Revenues					
Revenue from contracts with customers	13	2,562,330	4,766,755	1,013,687	2,330,520
Rental income		2,066	2,062	9,536	9,592
Gain on exchange		-	32,312	-	35,812
Gain on disposal of investment in indirect subsidiary	6	106,687	-	-	-
Other income		7,606	11,008	14,182	19,017
Total revenues		<u>2,678,689</u>	<u>4,812,137</u>	<u>1,037,405</u>	<u>2,394,941</u>
Expenses					
Cost of sales and services		2,620,330	4,836,419	1,085,022	2,476,182
Selling and distribution expenses		44,033	59,655	19,997	30,112
Administrative expenses		312,630	319,143	177,604	185,765
Other expenses	14	351,342	-	230,548	-
Loss on exchange		5,506	-	7,373	-
Total expenses		<u>3,333,841</u>	<u>5,215,217</u>	<u>1,520,544</u>	<u>2,692,059</u>
Operating loss		<u>(655,152)</u>	<u>(403,080)</u>	<u>(483,139)</u>	<u>(297,118)</u>
Finance income		13	15	2	49
Finance cost		<u>(203,979)</u>	<u>(151,922)</u>	<u>(181,255)</u>	<u>(126,752)</u>
Loss before income tax		<u>(859,118)</u>	<u>(554,987)</u>	<u>(664,392)</u>	<u>(423,821)</u>
Income tax		<u>12,850</u>	<u>(5,906)</u>	<u>8,737</u>	<u>(18,222)</u>
Loss for the period		<u>(846,268)</u>	<u>(560,893)</u>	<u>(655,655)</u>	<u>(442,043)</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		-	(25,500)	-	-
Exchange differences on translation of financial statements in foreign currency recycled to profit or loss due to loss of control		<u>3,687</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>3,687</u>	<u>(25,500)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period		<u>3,687</u>	<u>(25,500)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>(842,581)</u>	<u>(586,393)</u>	<u>(655,655)</u>	<u>(442,043)</u>
Basic loss per share (Baht)					
Loss attributable to equity holders of the Company	12	<u>(0.56)</u>	<u>(0.37)</u>	<u>(0.44)</u>	<u>(0.29)</u>

The accompanying notes are an integral part of the financial statements. The directors, in the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

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Directors

(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 2023

(Unit: Thousand Baht)

Consolidated financial statements									
	Issued and fully paid-up share capital		Share premium	Surplus from business combination under common control	Retained earnings (deficits)		Other components of shareholders' equity		
					Appropriated	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Revaluation surplus on assets	Total other components of shareholders' equity
Balance as at 1 January 2022	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)	-
Balance as at 30 September 2022	<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>
Balance as at 1 January 2023	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	-	-	-	-	(846,268)	-	-	-	(846,268)
Other comprehensive income for the period	-	-	-	-	-	3,687	-	3,687	3,687
Total comprehensive income for the period	-	-	-	-	(846,268)	3,687	-	3,687	(842,581)
Transfer revaluation surplus on assets to retained earnings (deficits)	-	-	-	-	273,332	-	(273,332)	(273,332)	-
Balance as at 30 September 2023	<u>1,500,000</u>	<u>700,000</u>	<u>207,898</u>	<u>120,000</u>	<u>(4,211,511)</u>	<u>-</u>	<u>1,752,353</u>	<u>1,752,353</u>	<u>68,740</u>

We, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

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

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Directors

(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 2023

(Unit: Thousand Baht)

	Separate financial statements				Other components of	Total
	Issued and fully paid-up share capital	Share premium	Retained earnings (deficits)		shareholders' equity	
			Appropriated	Unappropriated	Other comprehensive income	
				Revaluation surplus on assets	shareholders' equity	
Balance as at 1 January 2022	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)	-
Balance as at 30 September 2022	<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>
Balance as at 1 January 2023	1,500,000	700,000	120,000	(2,723,066)	1,179,802	776,736
Loss for the period	-	-	-	(655,655)	-	(655,655)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(655,655)	-	(655,655)
Transfer revaluation surplus on assets to retained earnings (deficits)	-	-	-	127,019	(127,019)	-
Balance as at 30 September 2023	<u>1,500,000</u>	<u>700,000</u>	<u>120,000</u>	<u>(3,251,702)</u>	<u>1,052,783</u>	<u>121,081</u>

We, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

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

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Directors

(Unaudited but reviewed)

Kulthorn Kirby Public Company Limited and its subsidiaries**Cash flow statements****For the nine-month period ended 30 September 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>
Cash flows from operating activities				
Loss before tax	(859,118)	(554,987)	(664,392)	(423,821)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Unrealised loss (gain) on exchange	4,927	(18,069)	5,418	(17,084)
Gain on fair value adjustments of financial instrument	(79)	(3,111)	-	(3,111)
The reduction of inventory to net realisable value (reversa	3,239	(11,242)	18,232	(8,011)
Allowance for expected credit losses	4,391	1,413	4,666	(3,417)
Write-off of doubtful accounts	11,898	-	-	-
Depreciation and amortisation	450,787	276,915	244,157	142,296
Amortise right-of-use assets	10,487	11,179	1,205	1,933
Amortise deferred revenue from sales and lease back	-	(52)	-	-
Loss (gain) on sales of property, plant and equipment	1,736	(200)	-	(634)
Loss on write-off of property, plant and equipment	208	338	-	52
Provision for long-term employee benefits	15,111	14,990	6,807	6,853
Write-off of lease liabilities	374	(1,000)	-	(1,000)
Gain on disposal of investment in indirect subsidiary	(106,687)	-	-	-
Dividend income	(5)	(4)	(5)	(4)
Subsidies income from government grants	(1,375)	(458)	(1,375)	(458)
Finance income	(13)	(15)	(2)	(49)
Finance cost	203,979	151,922	181,255	126,752
Loss from operating activities before changes in operating assets and liabilities	(260,140)	(132,381)	(204,034)	(179,703)
Operating assets (increase) decrease				
Trade and other receivables	238,090	412,801	132,949	287,664
Inventories	233,255	184,995	105,959	169,647
Other current assets	45,260	(11,750)	36,837	(17,263)
Other non-current assets	(16)	(111)	67	(6)
Operating liabilities increase (decrease)				
Trade and other payables	(54,168)	(222,102)	92,027	(286,719)
Other current liabilities	3,522	5,852	3,643	1,106

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

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Directors

(Unaudited but reviewed)

Kulthorn Kirby Public Company Limited and its subsidiaries**Cash flow statements (continued)****For the nine-month period ended 30 September 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>
Cash flows from operating activities (continued)				
Cash flows from (used in) operating activities	205,803	237,304	167,448	(25,274)
Cash paid for long-term employee benefits	(1,725)	(675)	(417)	-
Interest received	561	15	2	146
Interest paid	(194,551)	(152,449)	(162,041)	(127,279)
Tax refund received	17,406	4,287	16,088	-
Corporate income tax paid	<u>(3,008)</u>	<u>(6,898)</u>	<u>(471)</u>	<u>(1,258)</u>
Net cash flows from (used in) operating activities	<u>24,486</u>	<u>81,584</u>	<u>20,609</u>	<u>(153,665)</u>
Cash flows from investing activities				
Proceeds from sales of property, plant and equipment	282	200	-	641
Acquisition of property, plant and equipment and intangible assets	(9,099)	(6,424)	(7,473)	(2,761)
Decrease in short-term loans to related parties	-	-	-	10,000
Decrease in short-term loans to unrelated parties	43,347	-	43,347	-
Decrease in cash from disposal of investment in indirect subsidiary	(266,767)	-	-	-
Dividend income	<u>5</u>	<u>4</u>	<u>5</u>	<u>4</u>
Net cash flows from (used in) investing activities	<u>(232,232)</u>	<u>(6,220)</u>	<u>35,879</u>	<u>7,884</u>
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans from financial institutions	5,489,422	7,479,529	1,656,546	3,538,893
Decrease in bank overdrafts and short-term loans from financial institutions	(5,223,271)	(7,515,628)	(1,687,378)	(3,379,967)
Increase in short-term loans from intercompany	-	-	13,000	5,000
Cash received from long-term loan	35,803	-	-	-
Repayment of long-term loans	(34,109)	(15,175)	(27,750)	(15,175)
Cash received from sales and lease back	-	30,381	-	-
Payment of principal portion of lease liabilities	<u>(14,248)</u>	<u>(15,457)</u>	<u>(1,205)</u>	<u>(2,171)</u>
Net cash flows from (used in) financing activities	<u>253,597</u>	<u>(36,350)</u>	<u>(46,787)</u>	<u>146,580</u>
Decrease in translation adjustments	<u>(10,312)</u>	<u>(28,619)</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	35,539	10,395	9,701	799
Cash and cash equivalents at beginning of period	<u>21,436</u>	<u>19,315</u>	<u>4,360</u>	<u>1,023</u>
Cash and cash equivalents at end of period	<u><u>56,975</u></u>	<u><u>29,710</u></u>	<u><u>14,061</u></u>	<u><u>1,822</u></u>

The accompanying notes are an integral part of the financial statements. We, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

.....
Directors

(Unaudited but reviewed)

Kulthorn Kirby Public Company Limited and its subsidiaries**Cash flow statements (continued)****For the nine-month period ended 30 September 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>
Supplemental disclosures of cash flows information				
1) Non-cash related transactions for investing activities				
Other payable from acquisitions of fixed assets	1,571	1,020	1,571	137
Other receivables from sales of fixed assets	-	-	-	13,800
Transfer fixed assets to inventories	5,170	-	5,170	-
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	13,800	438
Increase in right-of-use assets	560	19,415	-	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.

We, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

.....
Directors

Kulthorn Kirby Public Company Limited and its subsidiaries
Notes to interim consolidated financial statements
For the three-month and nine-month periods ended 30 September 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 nine-month period ended 30 September 2023 of Baht 846 million (the Company only: Baht 656 million). As at 30 September 2023, the Group’s total current liabilities exceeded its total current assets by Baht 3,758 million (the Company only: Baht 4,322 million) and the Group had deficit of Baht 4,092 million (the Company only: Baht 3,132 million). The major current liabilities of the Group consisted of the bank overdraft and short-term loans from financial institutions amounting to Baht 3,500 million (the Company only: Baht 2,166 million), trade and other payables amounting to Baht 576 million (the Company only: Baht 979 million), and current portion of long-term loans from financial institutions amounting to Baht 1,066 million (the Company only: Baht 1,055 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 shareholders’ equity is less than 50% of paid-up share capital and, as a result, the Company’s securities have been marked with “C” (Caution) sign since May 2023.

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.

1.6 New financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users.

The management of the Group believes that adoption of these amendments will 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 September			
	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	-	-	44,228	141,989
Sales and service income and scrap sales	-	-	10,831	28,548
Other income	-	-	2,897	4,190
Rental income	-	-	3,059	3,080
Interest expenses	-	-	14,582	11,158
Other expenses	-	-	15,693	10,761
<u>Transactions with related parties</u>				
Sales and service income and scrap sales	66,500	94,718	32,849	49,611
Purchases of goods	3,612	2,174	3,588	2,210
Other expenses	2,955	3,370	1,721	1,869

(Unit: Thousand Baht)

	For the nine-month period ended 30 September			
	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	-	-	206,638	522,597
Sales and service income and scrap sales	-	-	45,980	92,985
Other income	-	-	8,249	10,790
Rental income	-	-	9,378	9,441
Interest expenses	-	-	41,467	31,499
Other expenses	-	-	53,888	31,031
<u>Transactions with related parties</u>				
Sales and service income and scrap sales	240,469	393,371	87,515	141,214
Purchases of goods	10,265	10,155	9,967	9,844
Other expenses	6,119	9,820	2,332	3,264

(Unaudited but reviewed)

The outstanding balances of the accounts as at 30 September 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 September 2023	31 December 2022	30 September 2023	31 December 2022
<u>Trade and other receivables - related parties</u>				
(Note 3)				
Subsidiary companies	-	-	22,265	24,724
Related companies (related by common director/ shareholder)	59,654	87,243	1,423	3,305
Total trade and other receivables - related parties	59,654	87,243	23,688	28,029
<u>Trade and other payables - related parties</u>				
(Note 10)				
Subsidiary companies	-	-	657,270	528,501
Related companies (related by common director/ shareholder)	14,581	8,807	11,219	6,640
Total trade and other payables - related parties	14,581	8,807	668,489	535,141

Short-term loan to related party

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

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

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

(Unit: Thousand Baht)

	Separate financial statements			Balance as at 30 September 2023
	Balance as at 1 January 2023	Increase during the period	Decrease during the period	
<u>Short-term loans from subsidiaries</u>				
Kulthorn Premier Co., Ltd.	461,000	6,000	-	467,000
Kulthorn Kirby Foundry Co., Ltd.	155,000	4,000	-	159,000
Kulthorn Steel Co., Ltd.	120,000	-	-	120,000
Kulthorn Materials and Controls Co., Ltd.	30,000	3,000	-	33,000
Total	766,000	13,000	-	779,000

Directors and management's remuneration

During the three-month and nine-month periods ended 30 September 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 September			
	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	8,855	10,481	4,572	3,672
Post-employment benefits	1,356	1,329	953	984
Total	10,211	11,810	5,525	4,656

(Unit: Thousand Baht)

	For the nine-month period ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	28,598	30,113	13,963	10,046
Post-employment benefits	3,371	3,976	2,126	2,950
Total	31,969	34,089	16,089	12,996

Guarantee obligations with related parties

The Group has outstanding guarantee obligations with its related parties, as described in Note 16.2.

3. Trade and other receivables

The outstanding balance of trade accounts receivable as at 30 September 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 September 2023	31 December 2022	30 September 2023	31 December 2022
<u>Trade receivables - related parties</u>				
Not yet due	48,727	71,274	5,400	4,246
Overdue				
Less than 3 months	10,617	15,784	389	462
3 - 6 months	169	63	169	63
6 -12 months	141	-	144	-
Total	59,654	87,121	6,102	4,771
Less: Allowance for expected credit losses	-	-	(251)	(7)
Total trade receivables - related parties	59,654	87,121	5,851	4,764
<u>Trade receivables - unrelated parties</u>				
Not yet due	222,069	383,395	16,729	110,373
Overdue				
Less than 3 months	72,241	136,371	15,058	66,749
3 - 6 months	1,181	2,082	1,181	486
6 - 12 months	1,161	131	1,161	-
Over 12 months	13,758	13,320	2,726	2,575
Total	310,410	535,299	36,855	180,183
Less: Allowance for expected credit losses	(15,804)	(14,649)	(4,259)	(3,072)
Total trade receivables - unrelated parties	294,606	520,650	32,596	177,111
Total trade receivables - net	354,260	607,771	38,447	181,875
<u>Other receivables</u>				
Other receivables - related parties	-	122	17,837	23,265
Other receivables - unrelated parties	521	1,081	11	27
Total other receivables	521	1,203	17,848	23,292
Total trade and other receivables - net	354,781	608,974	56,295	205,167

6. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost	
	30 September	31 December	30 September	31 December	30 September	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 nine-month period ended 30 September 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 nine-month period ended 30 September 2023 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	<hr/>	<hr/>
Net book value as at 1 January 2023	4,959,882	2,923,011
Acquisitions during the period - at cost	9,407	8,863
Transfer from right-of-use assets	2,470	-
Transfer out to inventories	(5,170)	(5,170)
Decrease from disposal of investment in indirect subsidiary	(159,632)	-
Disposal/write-off during the period - net book value at disposal/write-off date	(2,221)	-
Depreciation for the period	(440,490)	(238,783)
Translation adjustment	1,876	-
	<hr/>	<hr/>
Net book value as at 30 September 2023	4,366,122	2,687,921

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 September 2023	31 December 2022
	<hr/>	<hr/>
Goodwill on business combination	37,620	37,620
Less: Accumulated impairment loss	(37,620)	(37,620)
	<hr/>	<hr/>
Net book value	-	-
	<hr/> <hr/>	<hr/> <hr/>

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 September 2023	31 December 2022	30 September 2023	31 December 2022
Bank overdrafts	7.30 - 7.55	207,591	124,968	46,027	31,091
Short-term loans	4.20 - 7.10	1,110,000	1,120,000	835,000	845,000
Trust receipts	5.65 - 7.10	1,359,282	1,321,700	569,431	567,048
Packing credit	5.45 - 7.02	823,277	1,139,652	715,578	753,729
Total		3,500,150	3,706,320	2,166,036	2,196,868

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 2023, 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 September 2023	31 December 2022	30 September 2023	31 December 2022
Trade payables - related parties	8,319	5,401	636,366	524,030
Trade payables - unrelated parties	291,694	420,639	111,278	210,833
Other payables - related parties	6,262	3,406	12,071	6,882
Other payables - unrelated parties	182,975	148,222	143,492	93,579
Accrued interest expenses to related parties	-	-	20,052	4,229
Accrued interest expenses to unrelated parties	4,590	1,423	4,199	808
Accrued expenses - unrelated parties	82,492	87,086	51,942	49,783
Total trade and other payables	576,332	666,177	979,400	890,144

11. Long-term loans

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Long-term loans	1,111,418	1,109,724	1,055,053	1,082,803
Less: Current portion	(1,065,932)	(1,088,148)	(1,055,053)	(1,082,803)
Long-term loans, net of current portion	<u>45,486</u>	<u>21,576</u>	<u>-</u>	<u>-</u>

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

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2023	1,109,724	1,082,803
Increase during the period	35,803	-
Less: Repayment during the period	(34,109)	(27,750)
Balance as at 30 September 2023	<u>1,111,418</u>	<u>1,055,053</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 September 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 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Type of goods or service:				
Sales of goods	638,251	1,411,623	237,256	719,196
Service income	18,068	15,808	883	1,695
Income from scrap sales	23,863	5,639	241	434
Total revenue from contracts with customers				
- recognised at a point in time	<u>680,182</u>	<u>1,433,070</u>	<u>238,380</u>	<u>721,325</u>

(Unit: Thousand Baht)

	For the nine-month period ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Type of goods or service:				
Sales of goods	2,487,229	4,708,172	1,009,524	2,324,809
Service income	45,435	45,362	3,023	4,197
Income from scrap sales	29,666	13,221	1,140	1,514
Total revenue from contracts with customers				
- recognised at a point in time	<u>2,562,330</u>	<u>4,766,755</u>	<u>1,013,687</u>	<u>2,330,520</u>

14. Other expenses

During the period, the Group has suffered from a lack of financial liquidity and working capital for purchasing raw materials for productions as described in note 1.2. As a result, the Group could not produce according to normal capacity. Therefore, in order to present the production cost accurately and reasonably, the Group has allocated the idle fixed overheads cost of Baht 351 million (the company only: Baht 231 million) from production cost and recognised such idle conversion as other expenses in the statement of comprehensive income.

15. 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 2023 and 2022, 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>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>
Revenue														
External customers	318	785	158	282	93	205	111	161	680	1,433	-	-	680	1,433
Inter-segment	27	48	11	29	45	91	13	40	96	208	(96)	(208)	-	-
Total revenue	<u>345</u>	<u>833</u>	<u>169</u>	<u>311</u>	<u>138</u>	<u>296</u>	<u>124</u>	<u>201</u>	<u>776</u>	<u>1,641</u>	<u>(96)</u>	<u>(208)</u>	<u>680</u>	<u>1,433</u>
Operating results														
Segment gross profit (loss)	41	(23)	6	(6)	-	6	-	(1)	47	(24)	4	7	51	(17)
Other income													2	1
Loss on exchange													(2)	(5)
Selling and distribution expenses													(14)	(21)
Administrative expenses													(104)	(114)
Other expenses													(188)	-
Finance cost													(73)	(54)
Loss before income tax													(328)	(210)
Income tax													(18)	(8)
Loss for the period													(346)	(218)

(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>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>
	Revenue													
External customers	1,188	2,461	557	971	443	831	374	504	2,562	4,767	-	-	2,562	4,767
Inter-segment	89	150	47	127	180	316	68	139	384	732	(384)	(732)	-	-
Total revenue	<u>1,277</u>	<u>2,611</u>	<u>604</u>	<u>1,098</u>	<u>623</u>	<u>1,147</u>	<u>442</u>	<u>643</u>	<u>2,946</u>	<u>5,499</u>	<u>(384)</u>	<u>(732)</u>	<u>2,562</u>	<u>4,767</u>
Operating results														
Segment gross profit (loss)	(83)	(167)	12	22	16	47	(16)	13	(71)	(85)	13	16	(58)	(69)
Gain on disposal of investment in indirect subsidiary													107	-
Other income													10	13
Gain (loss) on exchange													(6)	32
Selling and distribution expenses													(44)	(60)
Administrative expenses													(313)	(319)
Other expenses													(351)	-
Finance cost													(204)	(152)
Loss before income tax													(859)	(555)
Income tax													13	(6)
Loss for the period													<u>(846)</u>	<u>(561)</u>

16. Commitment and contingent liabilities

16.1 Capital commitments

As at 30 September 2023, the Group has capital commitments of approximately Baht 22 million (31 December 2022: Baht 21 million) (the Company only: Baht 21 million, 31 December 2022: Baht 21 million), relating to the construction of factory building and purchase and installation of machinery.

16.2 Guarantees

As at 30 September 2023, there were outstanding bank guarantees of approximately Baht 51 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 39 million (31 December 2022: Baht 42 million), the Company only: Baht 7 million (31 December 2022: Baht 7 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 13 million (31 December 2022: Baht 13 million).

17. Financial Instrument

17.1 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.

18. Approval of interim financial statements

These interim financial statements have been authorised for issue by the Company's authorised directors on 14 November 2023.