

2023 One Report

Compressor solutions that exceed expectations.









- AZ
- AZA
- CKV
- CQE





- AW
- KA
- LA









- WJ







Family

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BRISTOL COMPRESSORS™



CONTENTS

			Page
Messag	ge fro	m the Chairman	1
Summa	ary of	f the company's financial information	2
Part 1	Bu	siness Operations and Overall result	
	1.	Business Structure and Operations	3
	2.	Risk Management	21
	3.	Kulthorn Kirby's Sustainability	27
	4.	Management Discussion and Analysis: MD & A	30
	5.	Other References	50
Part 2	Co	prporate Governance	
	6.	Corporate Governance Policy	51
	7.	Corporate Governance Structure and Important Information	71
		about the Board, Sub Committees, Management, Employees, and Others	
	8.	Key Performance Reports on Corporate Governance	77
	9.	Internal Audit and Controls, Related party transactions	82
Part 3	Finar	ncial Statements	88
Attachi	ment	1	162



Message from Chairman



In 2023, many important factors still presented challenges to the refrigeration and air conditioning compressor industry and related businesses. The main issues included the high price of key raw materials, steel and copper, the financial markets interest rates, the fluctuations in the global exchange rates which stem from China reopening, inflation, war, and the high energy prices. These factors resulted in a higher cost of living and a price increase for electricity and fuel. As a result, our company needs to adjust our sales price to reflect the increasing cost of production.

This coming year will be a year of adjusting and improving to reach our company's goal to meet the market demand and customer satisfaction by adapting our business strategies and models under the ever-changing markets. We will try our best to meet the demand for our Bristol products by continuing to refine our production line to automation to lower production costs and increase the quantity of our production. We also continue our collaboration with foreign experts to invent new products to meet our customer's needs. This is all made possible by the collaboration of our employees, stakeholders, and the support from our customers.

On behalf of the Board of Directors and the Management, I would like to thank our shareholders, business partners, customers, financial institutes, and all stakeholders for their continued trust and support. I would like to personally extend my gratitude to our executives and employees for their effort and dedication so that we are thriving through this challenging time together. I firmly believe that our Company will continue to grow in the best interest of shareholders and stakeholders to attain sustainable growth and performance in the future.

> Sutee Simakulthorn Chairman

Summary of the company's financial information

Consolidated Financial Statements (Thousand Baht)

	2023	2022	2021	2020	2019
Total assets	5,116,347	7,052,147	6,721,698	6,733,081	6,262,741
Total liabilities	5,792,484	6,140,827	6,220,079	5,741,983	5,523,693
Shareholder's equity	(676,137)	911,321	501,619	991,098	739,048
Sales and services income	3,176,091	6,085,181	6,670,331	5,580,113	5,939,976
Total revenues	3,297,469	6,133,737	6,714,359	5,599,476	5,961,300
Gross income (loss)	59,547	(65,846)	154,481	173,818	(208,527)
Net income (loss)	(1,280,995)	(807,678)	(521,325)	(638,202)	(1,123,729)
Financial Ratio (%)					
Net profit margin	(38.85)	(13.17)	(7.76)	(11.04)	(18.85)
Return on equity	(189.46)	(88.69)	(103.78)	(64.39)	(152.05)
Return on total assets	(25.04)	(11.46)	(7.75)	(9.48)	(17.94)
Per share data (Baht)					
Net income (loss)	(0.854)	(0.538)	(0.348)	(0.425)	(0.875)
Dividend	*	_	_	_	_
Book value	(0.45)	0.61	0.33	0.66	0.49

^{*} The Board of Directors Meeting No. 3/2024, held on 29 April 2024 resolved to propose the Ordinary Shareholders meeting No. 45/2024, to be held on 29 May 2024 approving the dividend omission for 2023's operational results.



Part 1 Business Operations and Overall Result

Business Structure and Operation

Business Overview and Policy

Kulthorn Kirby Company Limited ("the Company") was established on 24 March 1980 by the cooperation between Simakulthorn Group, Kirby Group Australia, refrigerator producers in Thailand, and the Industrial Finance Corporation of Thailand to operate as a manufacturer and seller of the motor compressor, reciprocating type for refrigeration products i.e., refrigerators, freezers, water coolers, and commercial refrigerators. The Company is the first motor compressor manufacturer in Thailand.

The Company was listed on the Stock Exchange of Thailand on 22 February 1991 and later expanded its production to the motor compressor for air conditioning products. Furthermore, the Company and other investors invested and established new companies to produce major parts of compressors to replace imported parts in order to reduce production costs and improve product quality. The company has continuously grown its business and reached its 41th anniversary on 13 January 2023.

To become the leader in motor compressor manufacturing, the company sets up a business to operate the process as follows.

To be the leader in the reciprocating motor compressor and related businesses in response to World demand.

Mission:

- 1. To manufacture quality motor compressors with on-time delivery at a competitive price.
- 2. To strengthen and improve the partner's relationship and satisfaction.
- 3. To increase product development capability in order to serve and fulfill customers' needs.
- 4. To enhance the knowledge and improve the quality of life of the company's staff at all levels.
- 5. To conduct its business under good corporate governance and commit to social and environmental responsibility principles.

(KK) BEST " Values "

- 1. Quality First Doing it right the first time
- 2. Continued Learning and self-improvement
- 3. Participative management and Team working
- 4. Social awareness and environmental responsibility

Business Strategies:

- 1. Reduce cost to maintain competitive ability.
- 2. Develop products conforming to market demands.
- 3. Focus on innovation with environmentally friendly solutions.
- 4. Reinforce the knowledge and ability of the staff.
- 5. Expand existing markets and penetrate new markets.
- 6. Invest and acquire the business through M&A.
- 7. Increase the advantage networks of Backward Vertical Integration.
- 8. Support activities that fortify responsibility in society and the environment.
- 9. Increase competitive advantages by increasing production capacities.
- 10. Apply information technology for operating data to increase efficient business management.
- 11. Develop a management system to be Quality Management System by TQM.

Change and Main Development













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(1)































KMP #







BRISTOL





13 October 2018, Kulthorn Kirby Public Co., Ltd. (KKC) has signed an asset purchase agreement with BRISTOL COMPRESSORS INTERNATIONAL, LLC with the contract amount of USD 4 million. The purchase consists of machines, production facilities including brand, patents, knowhow and crucial staff. The production lines were relocated from the United State of America to Thailand. This will extend our compressor capacity from the maximum range of 10HP to 25HP. This will focus on commercial and residential air conditioners and the commercial refrigeration market.

In 2019, the Company renovated plants and facilities to support Bristol production lines. All machines were shipped from the United State of America to Thailand and completely installed. In addition, the majority of machines have been calibrated and tested up to Bristol's standards.



BRISTOL COMPRESSORS – AMERICAN BRAND MADE IN THAILAND

On 10 September 2020, Kulthorn Kirby Public Company Limited officially commenced production of Bristol Compressors using processes replicated from the Virginia plant in the USA. The compressor's products range from 1.5HP to 25HP for air-conditioning, from 9,000 to 287,400 Btu/hr for heat pump applications, and from 5,200 to 40,100 Btu/hr for commercial refrigeration products.

Kulthorn Kirby Public Company Limited is committed to fully supporting Bristol's worldwide customers throughout the transition. This will include not only ramping up production and reintroducing the new Bristol brand to the market, but also re-establishing and reinforcing the existing supply chain.



Sustainable Growth

1980 : Kulthorn Kirby Co., Ltd. (KKC) was established on March 24 1981 : Production of AE compressors commenced on August 8 1982 : Grand opening on January 13 and starting the production 1989 : Starting the production of AZ small refrigerator compressors : Kulthorn Kirby Foundry Co., Ltd. (KKF) was established on November 24 1990 : Kulthorn Controls Co., Ltd. was established on August 31 1991 : Registered on the Stock Exchange of Thailand's list on February 22 1993 : Starting the production of non-CFC and AW (12.5 HP) compressors 1998 : CE mark, CB, and ISO 9002: 1994 certified : ISO 14001:1996 certified 2000 2001 : Starting the production of WJ compressor, the company's proud invention : ISO 9001:2000 certified and UL approved : OHSAS 18001:1999 certified 2002 2004 : Hold the share of 80% of Kulthorn Premier Co., Ltd. (KPC). Producing and selling small hermetic compressors under the license of Sanyo Universal Electric Co., Ltd. Japan 2005 : ISO 17025:1999 and ISO 14001:2004 certified 2006 : 20th million compressors were produced. : Hold the share 100% of Kulthorn Premier Co., Ltd. (KPC) on 29 September 2006. 2007 : Kulthorn Steels Co., Ltd. was established for steels coil center 2008 : Starting the production of KA and LA compressors for large air conditioners 2009 : Starting the production of CA compressors for large refrigerators : Thailand Kaizen awards (Excellence Technique - Automation) from Technology Promotion Association (TPA) - Thai Japan 2010 : 30th million compressor and 5th million AW compressor were produced. : Golden Award (Thailand 5S Award) from the Technology Promotion Association (TPA) - Thai Japan : Thailand Kaizen awards (Excellence Technique - Automation) from Technology Promotion Association (TPA) - Thai Japan : Hold the share 100% of Kulthorn Materials and Controls Co., Ltd. and its subsidiaries (Kulthorn Metal Products Co., Ltd. and Suzhou Kulthorn Magnet Wire Co., Ltd.) 2011 : ISO/IEC 26000 Certificate 2012 : KKC celebrated its 30th anniversary on January 13 2013 : Non-CFC awards of Thailand from the Government Department of Industrial Works : Thailand Kaizen awards (Golden awards - Automation) from Technology Promotion Association (TPA) - Thai Japan : ISO/IEC 17025:2005 Certificate from Thai Industrial standard institute ministry of industry : Our Skills Our Future awards of Thailand from the Department of Skill Development

: Hearing Conservation in the Establishment awards (Level 2) from the Ministry of public

health



- 2014 : Thailand Kaizen awards (Bronze awards Office) from Technology Promotion Association (TPA) - Thai Japan
 - : 40th million compressors were produced.
- 2015 : Thaipat Institute granted a Certificate of ESG 100 COMPANY to certify KKC as one of the 100 Public Company Limited of Environmental, Social, and Governance Carefulness on 27 May 2015.
 - : Thailand Kaizen Silver awards and Golden awards from Technology Promotion Association (TPA) - Thai Japan
- 2016 : Thailand Kaizen Silver awards from Technology Promotion Association (TPA) - Thai Japan : 46th million compressors were produced.
- 2017 : Kulthorn Research and Development Co., Ltd. was established as Research and development center on 13 January 2017.
 - : Thailand Kaizen Golden awards from Technology Promotion Association (TPA) -Thai Japan
 - : 48th million compressors were produced.
- 2018 : Thailand Kaizen Silver awards from Technology Promotion Association (TPA) -Thai Japan - KKC signed an asset purchase agreement with BRISTOL COMPRESSORS INTERNATIONAL, LLC
- 2020 : KKC Officially commenced the production of Bristol Compressors on 10 September 2020



The Company's information

Kulthorn Kirby Public Company Limited

Head Office / Factory : 126 Soi Chalong Krung 31, Chalong Krung Road,

Khwaeng Lam Pla Thio, Khet Lat Krabang, Bangkok 10520

Tel: +66 (0)2326 0831, +66 (0)2739 4893 Fax: +66 (0)2326 0837, +66 (0)2739 4892

E-mail: kkc@kulthorn.com http://www.Kulthorn.com

Nature of Business : Manufacturer of Reciprocating Compressors

for Refrigeration and Air Conditioning Products

Registered No. : 0107537002150
Registered Capital : Baht 1,500 Million
Paid up Capital : Baht 1,500 Million

Issued Shares : Ordinary 1,500,000,000 Shares, Par Value at Baht 1/share

Subsidiary Companies

1. Kulthorn Premier Company Limited

Head Office/Factory : 446/3 Moo 9, Nong Kee, Kabin Buri, Prachin Buri 25110

Tel: +66(0)3720 4835-41 Fax: +66(0)3720 4844

Branch 129 Soi Chalong Krung 31, Chalong Krung Road, Khwaeng

Lam Pla Thio, Khet Lat Krabang, Bangkok 10520 Tel: +66(0)2326 0612 Fax: +66(0)2326 0802

Nature of Business : Manufacturer of Reciprocating Compressor

Issued Shares : Ordinary 12,600,000 shares, Par Value at Baht 100/share

Shareholding by KKC : 100%

2. Kulthorn Kirby Foundry Company Limited

Head Office/Factory : 1 Moo 22 Suwintawong Road, Saladaeng,

Bang Nam Priao, Chachoengsao 24000

Tel: +66(0)38593016-9 Fax: +66(0)38593015

Branch : 42/2 Moo 1, Suwintawong Road, Klong Udom Cholajorn,

Amphur Muang, Chachoengsao 24000

Tel: +66(0)3884 6072-4 Fax: +66(0)3884 5677

Nature of Business : Manufacturer of Quality Iron Casting

Issued Shares : Ordinary 5,750,000 shares, Par Value at Baht 100/share

Shareholding by KKC : 100%



3. Kulthorn Steel Company Limited

Head Office/Factory : 124 Soi Chalong Krung 31, Chalong Krung Road,

Khwaeng Lam Pla Thio, Khet Lat Krabang,

Bangkok 10520,

Tel: +66(0)2326 0851 Fax: +66(0)2326 0766

Nature of Business : Steel Coil Center

Issued Shares : Ordinary 4,000,000 shares, Par Value at Bath 100/share

Shareholding by KKC : 100%

4. Kulthorn Materials and Controls Company Limited

Head Office/Factory : 1/2 Moo 22 Suwintawong Road. Saladang,

Bangnumpreaw, Chachoengsao 24000

Tel: +66(0)3859 3030-3 Fax: +66(0)3859 3028

Nature of Business : Manufacturer of Enameled Copper Wire

Issued Shares : Ordinary 6,500,000 shares, Par Value at Bath 100/share

Shareholding by KKC : 100%

5. Kulthorn Metal Products Company Limited

Head Office/Factory : 60 Moo 6 Lam Pakchee, Nong Jork, Bangkok 10530

> Tel: +66(0)2739 6638-9, +66(0)2326 0314-7 Fax: +66(0)2739 6643, +66(0)2326 0318

Issued Shares : Ordinary 1,500,000 shares, Par Value at Bath 100/share

: 100% by Kulthorn Steel Company Limited Shareholding

6. Kulthorn Research and development Company Limited

Head Office / Factory : 126 Soi Chalong Krung 31, Chalong Krung Road,

Khwaeng Lam Pla Thio, Khet Lat Krabang, Bangkok 10520

Tel: +66 (0)2326 0831, +66 (0)2739 4893 Fax: +66 (0)2326 0837, +66 (0)2739 4892

Nature of Business Research & Development for motor compressors and related

products

Issued Shares : Ordinary 500,000 shares, Par Value at Bath 100/share,

and 25% paid up

Shareholding by KKC : 100%



Group of Company's Shareholding Structure

At present, the company has 6 subsidiary companies

- Kulthorn Premier Company Limited (KPC)
- Kulthorn Kirby Foundry Company Limited (KKF)
- Kulthorn Steel Company Limited (KSC)
- Kulthorn Materials and Controls Company Limited (KMC)
- Kulthorn Metal Products Company Limited (KMP) (Operation closed)
- Kulthorn Research and Development Company Limited (KRD)

The structure of the company and its subsidiary is as follow.



Shareholders

Major Shareholders

List of major shareholders (shareholding in excess of 0.50%) As of the record date for shareholders registered on 15 March 2023

		Number of	%
		Shareholding	
1.	Simakulthorn Company	970,036,641	64.669
2.	Heatcraft Subco Pty Ltd.	65,255,000	4.350
3.	State Street Europe Limited	52,800,800	3.520
4.	Ms. U-rai Khemumnaj	49,883,059	3.326
5.	1st Lt Supakorn Chantasasawat	42,241,618	2.816
6.	UBS AG Singapore Branch	26,523,929	1.768
7.	Ms. Pojanee Khemumnaj	18,539,241	1.236
8.	Mr. Thaweechat Jurangkul	13,231,600	0.882
9.	Mr. Danaisak Somprasong	9,206,600	0.614
10.	Mr. Wiboon Sereeyothin	7,540,000	0.503
11.	Others	244,518,812	16.301
	Total	1,500,000,000	100.000

Dividend Payment Policy

By the dividend policy of the company, in the normal case, the Board of Directors may propose the shareholder meeting to consider the dividend payment of the year at the rate of approximately 60 percent of the net profits after tax of the company statements.

For subsidiary companies, Board of Directors of each company may propose the shareholder meeting to consider the dividend payment of the year of the net profits after tax of the company statements.

Company paid the dividend in the current 5 years as follows

	2023	2022	2021	2020	2019
Net profit per share (Baht)	(0.85)	(0.54)	(0.35)	(0.30)	(0.95)
Dividend per share (Baht)	-	-	-	-	-
Dividend payment/net profit (%)	-	-	-	-	-



Business Overview of the Company and its Subsidiaries.

The Company is the manufacturer and seller of reciprocating compressors for refrigeration and air conditioning products, and the subsidiaries are the manufacturers and sellers of related materials and parts and the research & development provider for reciprocating compressors, details are as follows:

- Kulthorn Kirby Public Company Limited is the manufacturer and seller of motor compressor, reciprocating type for refrigeration products i.e. refrigerators, freezers, water coolers, commercial refrigerators, and air conditioners. The reciprocating compressor can be used with many types of refrigerants including Ozone Friendly Substance such as R290, R134a, R404A, R407C, R410A, R507, R600a, R448, R1234yf and R32 with the sizes from 1/20 horsepower to 10 horsepower. The Company also produces Condensing Unit which is the component of refrigeration products, electrical motor parts, and other motor compressor parts.
- **Kulthorn Premier Company Limited** is the manufacturer of the motor compressors.
- Kulthorn Kirby Foundry Company Limited is the manufacturer of the quality iron casting for motor compressor and automotive parts.
- Kulthorn Steel Company Limited is the Steel Coil Center for the manufacturer of motor compressor, electrical motor, and other parts and the manufacturer of the forging, Heat Treatment metal parts.
- Kulthorn Materials and Controls Company Limited is the manufacturer of the enameled copper wire.
- **Kulthorn Metal Products Company Limited** (Operation closed)
- Suzhou Kulthorn Magnet Wire Company Limited is the manufacturer of the enameled copper wire and motor parts of compressor.

Kulthorn Research and Development Company Limited is the research and development provider for motor compressor and related parts.

The Company and all subsidiary companies are in sole business activity is to manufacture and then sell the components and parts for refrigeration and air conditioning products.

Income from sales of motor compressors by company and subsidiary

1. Sales of motor compressors by Kulthorn Kirby Public Company Limited

Sales quantity (sets)

Motor Compressors for	Cooling Capacity			Sales quantity (sets)			
Wiotor Compressors for	(B.T.U. / Hrs)	20	23	2022		2021	
Refrigerator, Freezer, Water Cooler	160 - 900	11,198	3.50%	30,917	4.44%	39,275	4.73%
Refrigerator, Commercial Refrigerator	900 – 5,000	83,709	26.13%	164,538	23.61%	254,085	30.59%
Commercial Refrigerator, Air Conditioners	5,000 – 35,000	224,924	70.22%	485,556	69.66%	536,078	64.55%
Large Size Air Conditioner	37,000 – 120,000	477	0.15%	15,981	2.29%	1,111	0.13%
Total		320,308	100%	696,992	100%	830,549	100%

Sales amount (Thousand Baht)

Motor Compressors for	Cooling Capacity	Sales amount (Thousand Baht)					
Wiotor Compressors for	(B.T.U. / Hrs)	202	3	2022		202	1
Refrigerator, Freezer, Water Cooler	160 – 900	12,923	1.12%	41,056	1.38%	45,476	1.85%
Refrigerator, Commercial Refrigerator	900 – 5,000	194,007	16.88%	925,415	31.02%	528,509	21.47%
Commercial Refrigerator, Air Conditioner	5,000 – 35,000	937,039	81.51%	1,887,626	63.26%	1,876,439	76.21%
Large Size Air Conditioner	37,000 – 120,000	5,690	0.49%	129,484	4.34%	11,706	0.48%
Total		1,149,659	100%	2,983,218	100%	2,462,130	100%

2. Sales of motor compressors by Kulthorn Premier Company Limited (Subsidiary)

Motor Compressors for Refrigerator, Freezer,	Sales transaction				
Water Coolers (Sizes 106-1775 B.T.U. / Hrs)	2023	2022	2021		
Sales quantity (sets)	138,575	159,273	220,123		
Sales amount (Thousand Baht)	205,630	219,704	242,655		



Revenue structure by products of the Company and Subsidiaries

Products	Operate by	% of holding shares	2023 Revenue (Million Baht)	%	2022 Revenue (Million Baht)	%	2021 Revenue (Million Baht)	%
1 Compressors and parts	KKC KPC KRD	100	1,480.72	47	3,158.64	52	3,457.83	52
2 Enameled wires	KMC	100	703.45	22	1,264.25	21	1,396.82	21
3 Steels sheets and forming	KSC	100	514.84	16	1,007.42	17	1,194.66	18
4 Casting parts	KKF	100	476.55	15	654.85	11	621.02	9
5 Metal parts	KMP	100	0.53	-	-	-	-	-
Total			3,176.09	100	6,085.18	100	6,670.33	100

: Kulthorn Kirby Public Company Limited KKC

KPC : Kulthorn Premier Company Limited

KKF : Kulthorn Kirby Foundry Company Limited

KSC : Kulthorn Steel Company Limited

: Kulthorn Materials and Controls Company Limited KMC

KMP : Kulthorn Metal Products Company Limited

: Kulthorn Research and Development Company Limited KRD

Revenue from external customers by locations (Thousand Baht)

	2023	2022	2021
Thailand	2,213,506	4,015,956	4,268,358
Hong Kong	526,298	1,095,335	1,354,897
China	5,840	241,807	304,349
Indonesia	1,848	16,776	29,563
Saudi Arabia	15,421	46,850	81,272
Others	413,178	668,457	631,892
Total	3,176,091	6,085,181	6,670,331

Characteristics of Business

Motor compressors available around the world consist of many designed types but it's recommended the 3 types of widely use for the household market by cooling capability (horse power), characteristics of products, and product applications as follows:

Туре	Reciprocating (RE)	Rotary (RO)	Scroll (SL)
Size	1/20 HP to 25 HP	1 HP to 7 HP	1.5 HP to 30 HP
Application	Household refrigerator, Freezer, commercial	Small tonnage air conditioner, Room air	Air conditioner and heat pumps
	Refrigerator, ice machine, water cooler, air condition and heat pumps	conditioner, Package air conditioner and heat pumps	
Strength	Machine efficiency, reliability, and durability in high- ambient temperatures. Wide range of HP to be chosen from to suit with various applications	Energy saving and low cost, Twin Rotary types (Similar to Scroll)	Energy saving and high efficiency
Weakness	Noisy and more expensive than rotary type	Moderate cooling efficiency, and unreliable.	Costly and a few manufacturers

Reciprocating and rotary compressors are widely used in household refrigerators, freezer, commercial refrigerator, ice machine, water cooler, and air conditioner.



- Industrial Overview of Reciprocating Compressors

Reciprocating compressor is the first type of compressors that has been used for a longer period of time when compared to other types of compressors. Reciprocating compressors offer a wide range of horse power, enabling users to select compressors with appropriate horse power that is suitable with various applications of refrigerators and air-conditioners. It also has been developed to be more energysaving and environmentally-conscious products.

Reciprocating compressors can be divided into hermetic, semi-hermetic, and open types. Hermetic types are mainly used in household refrigerators, commercial refrigerators and freezers, while semi-hermetic, and open types are mainly used in commercial refrigeration and air conditioning applications.

Hermetic types dominate the entire reciprocating compressor market. Most hermetic reciprocating compressors are less than 0.5 kW and are used in household refrigerators, freezers, and light commercial refrigeration systems. All major producers now have product portfolios compatible with various refrigerants such as R290, R134a, R404A, R407C, R410A, R507, R600a, R448, R1234yf, and R32

The effects from Global Warming Potential and Worldwide energy saving project reflect to have some changing of the designed parts of motor compressor in order to serve high efficiency for energy saving and using the environment friendly refrigerants.

However, competitions among manufacturers are very intense. There are significant on going challenges from Chinese manufacturers. They are the biggest players who hold competitive advantages due to their production capacity and their use of mergers and acquisitions in expanding the capacities.

- Market Overview of Reciprocating Compressors

Use of reciprocating compressors has been gradually decreased in the air conditioning industry while the usage of scroll, screw, and even rotary compressors has been increasing. Reciprocating compressors have a large number of parts, which upturns their initial cost as well as production expenses. This is another factor behind the declining numbers of reciprocating compressors used in air conditioning equipment. As a result, the lower number of hermetic-type reciprocating compressors are used in the global air conditioner market today. Most of these units are produced in the United States of America by only major manufacturers such as Tecumseh, Copeland (Emerson), Bristol, and by Kulthorn Kirby from Thailand manufacturer.

Reciprocating compressors are still expectable as a standard in the refrigeration sector due to their high reliability and performance under harsh working conditions. Reciprocating compressors also dominate the household refrigerator market. In the commercial and industrial sectors, the main applications are the refrigerations for food and perishables, cold storage chains, and process cooling. In fact, the rising income levels in emerging countries and also the effects of the rising climate worldwide, it appears that there are higher demands of buying household refrigerators and room air conditioners. However, the unclear world economic situation and a slightly turndown of China economic growth has slowed the demands.

World's Major Hermetic Compressor Manufacturers

Embraco (Nidec) Brazil, China, Italy, Slovakia

China Donper

Panasonic Singapore, China LG Korea, China

Tecumseh Brazil, France, India

Jiaxipera/Huayi/Cubigol China, Spain Korea, China Samsung

Secop Slovenia, China, Germany, Austria

Kulthorn Kirby Thailand

Compressor manufacturing industry has a relatively high competition in both domestic and international markets. During 2023, even though the continued risings of production cost including raw materials were highly unstable but the effects from excessive production capacity in China manufacturers led to remain a competition of price discounts. As a result, most of manufacturers including the Company applied strategies to reduce cost and to maintain a competitive advantage including keeping close customer relationship, new models offering, and improving production efficiency to respond customers' demand of higher quality products at the cheaper prices.

Marketing and Competitions

Customers of the Company are divided into 3 types, as follows:

- (1) Large industrial Original Equipment Manufacturers (OEM) for refrigerators, commercial refrigerators, and air conditioners. The Company supplies products directly to both local and international markets excluding markets in Australia and New Zealand.
- (2) Small manufacturers of air conditioners and refrigerators. The Company appoints local distributors to supply its products to local manufacturers and exports directly to the other international manufacturers.
 - (3) Spare parts traders for an aftermarket business.

The Company's key marketing strategy is clearly differentiated among other manufacturers since the Company does not manufacture finished products, as such refrigerators, water coolers, freezers or air-conditioners to compete with its customers. The Company sells its products domestically and internationally, where the domestic sales and international sales is approximately 35% and 65% of total revenues from sales respectively. The Company determines its products prices by considering various factors as important as competitions and customers' demands.



Motor compressor of Kulthorn Kirby in the market

Products of Kulthorn Kirby are Hermetic Reciprocation Compressor with widely ranges of displacement to cover all requirements of the market as follows.

Company	Model	Horse Power (HP)	Application	Refrigerant
Kulthorn Premier Company Limited	C–Q	1/8	Refrigeration & Freezer	R134a, R600a
Kulti Prer Comj Lim	С-В	1/3	Refrigeration & Freezer	R134a, R600a. R404a, R290
	AZ	1/20 – 1/5	Refrigeration & Freezer	R134a
	AZA	1/20 – 1/5	Refrigeration & Freezer	R134a, R600a, R404a, R290, R507
	AE	1/20 – 5/8	Refrigeration & Freezer	R134a, R600a, R404a, R290 ,R507, R1234yf, R22
p	AEL	1/3 – 5/8	Commercial Refrigeration	R134a, R600a, R404a, R290, R507, R22
imite	BA	1/3 - 5/8	Commercial Refrigeration	R134a, R600a, R404a, R290, R507
oany I	CA	1/3 – 5/8	Commercial Refrigeration	R134a, R404a, R290, R507
Com	WJ	5/8 – 1	Commercial Refrigeration	R134a, R404a, R290, R407c, R22
Kulthom Kirby Public Company Limited	AW	1 – 2.5	Residential & Commercial AC	R134a, R404a, R410a, R407c, R22, R32, R448A, R449A
Kirb	KA	3 – 5	Residential & Commercial AC	R22, R404a, R134a
ılthorn	LA	8 – 10	Residential & Commercial AC	R22, R404A
Kı	Bristol J	3/4 – 4 1/4	Residential & Commercial AC	R22, R407C, R404A, R410A, R448A, R449A, R454B
	Bristol B	1 - 3	Residential & Commercial AC	R22, R407C, R404A, R410A, R448A, R449A, R454B
	Bristol B, A	1-5	Residential & Commercial AC	R404A, R448A, R449A
	Bristol A	2 1/2 – 6	Residential & Commercial AC	R22, R407C, R404A, R410A, R448A, R449A, R454B

The compressor business has been intense competition both locally and internationally. This has been affected by the excessive production capacity of Chinese manufacturers prominent the competition over the discounted prices. Under such circumstance, the Company has engaged many strategies to respond to customers' needs and pricing requirement, develop strong relationship with its customers, improve productivity, offer new features products, as well as lower the product costs. Pricing program of the Company is determined by various factors such as changing production costs and methods which can be impacted by the fluctuation of material costs including steel and copper to aluminum, competitive landscape, and customer order quantity. The Company still faced extreme competition when compared with sales prices of China manufacturer, and which caused to decrease sales of the company in 2023.



Promotional privileges

The Company has been granted certain promotional privileges according to the Investment Promotion Act B.E. 2520 as approved by the Board of Investment with significant privileges as follows:

	t B.E. 2320 as approved by the Board of Investment with significant pr	Certificate No.	Certificate No.
		58-2173-0-00-1-0	60-1261-1-05-1-0
1.	Promotional privileges for	Manufacturing of	Manufacturing of
		compressors for	compressors
		electrical	and/or motors for
		appliances	electrical
			appliances
2.	The significant privileges are		
	2.1 Exemption of corporate income tax on net profit from promotional	From 31 January	-
	operation which does not exceed 100 percent of investment,	2020	
	excluding land and working capital for a period of 5 years,	until 30 January	
	commencing as from the date of earning operating income.	2025	
	In case that the Company has loss during the exemption of corporate		
	income tax on net income, it can carry forward loss from operations to		
	offset against income after exemption period, for a period of 5 years		
	commencing as from the expiration of exemption period.		
	2.2 Exemption of corporate income tax on net profit from promotional	-	Not yet
	operation which does not exceed 50 percent of investment for		commenced
	productivity improvement, excluding land and working capital for a		
	period of 3 years, commencing as from the date of earning operating		
	income.		
	In case that the Company has loss during the exemption of corporate		
	income tax on net income, it can carry forward loss from operations to		
	offset against income after exemption period, for a period of 5 years		
	commencing as from the expiration of exemption period.		
	2.3 Exemption from import duty on raw materials and essential materials	Granted	Granted
	imported for use specifically in producing for export for a period of 1		
	year as from the date of first import.		
	2.4 Exemption from import duty on imported machinery as approved by	Granted	Granted
	the Board.		
	2.5 Dividend paid from those investment promoted operations which are	Granted	Granted
	exempted from corporate income tax are in turn exempted from		
	inclusion in the determination of income tax.		
3.	Date of first earning operating income.	31 January 2020	Not yet
			commenced

The Company has to comply with certain conditions and restrictions specified under the promotion certificates.

Sales of the Company amounting to approximately Baht 1,254 million for the year ended 31 December 2023 (2022: Baht 2,993 million) included revenue from manufacturing and sales derived from promoted operations of approximately Baht 406 million (2022: Baht 928 million).



2. Risk Management

- Risks associated with costs of raw materials by fluctuation of world trade prices

The Company engages in the manufacture of motor compressor business, of which major raw materials for production are copper and steel. The prices of major raw materials of the Company and its subsidiaries impact the costs of product. This affects stride any changing in the trading market prices of copper or steel will direct the cost of products and the gross profit ratio of the Company.

To prevent the Company from materials procurement problems, the Company has been sourcing materials from various suppliers, who are able to supply substitute products with the most comparable quality. Sourcing from a choice of suppliers provide the Company with several significantly positives, including maintaining its competitiveness, enhancing the success of its business operation, reducing a chance of a supply shortage of raw materials, as well as fulfilling the needs of customers. Furthermore, the Company deploys efficient inventory control and closely monitors impacts from the varying market prices.

- Risks associated with technology

Motor compressors in the world market are available in many types and designs. The top recommended technologies are three types of designs mainly reciprocating, rotary, scroll. Reciprocating and rotary compressors are widely used in household refrigerators, freezer, water cooler, commercial refrigerator and room air conditioners.

Reciprocating compressor is the first type of compressors that have been used for the longest period of time. The reciprocating technology has been developed and updated to run with environmentally-friendly refrigerants. Although the reciprocating type has disadvantage for less energy saving capabilities, as well as higher manufacturing costs compared to both rotary and scroll types, the reciprocating type of compressor is at superior when compared to rotary and scroll types in terms of cooling efficiency and durability especially in high ambient temperatures. The reciprocating compressors are well-accepted in a certain niche market such the Middle East customers. The Company aims to make efficient product technology and production of motor compressor corresponding with market needs and to comply with the rules and regulation of refrigerants in relation to environmental concerns. The company established an in-house R&D working team focusing on the product development that can be served to customers' demand relatively compared with other world's leading compressor manufactures.

- Risks associated with a continued loss of the group

The Company had continuously lost for 6 years due to the changes in the industry structure and the intense competition of free trade. This caused a high pressure on the refrigeration, air conditioners, and freezers industries continuously, and also had led to a decrease in sales volume. Thus, the company is unable to maintain the financial ratio according to the conditions of the financial institution. The Company would like to clarify each concerned topic and the solutions as following:

Problems in the air conditioner, refrigerators, freezers, and compressors industries in Thailand

The Ministry of Finance announced the imported duty reduction and exemption of customs duties under Section 12 of the Customs Tariff Decree in 1987. The announcements were compulsory on 13 Nov. 2017 including a reduction in the tax rate on products derived from importing raw materials into the production, mixing, assembly, packaging, or any other operation in the manner of the industry in the free zone in accordance with the law on Thai customs. The industry who is in the free trade zone under the law of the industrial estate authority of Thailand which is sold or consumed in the country to reduce the customs duty rate down to 0 percent.

Manufacturing of refrigerators, air conditioners, freezers, spare parts, refrigeration equipment, and also compressor industry in Thailand has been particularly affected due to products imported from some countries especially from China. With a high capacity of resources as well as the Chinese government that supports and subsidizes exports, China was able to reduce their costs less than their actual costs resulting in a huge number of products at a much lower price. In consequence, Thailand has signed Bi-Lateral Free Trade Agreement with China due to Thai manufacturers have lost their competitiveness. This arrangement helped reducing the import tax between Thailand and China from 60% to 5% which causing Thai air conditioner/refrigerator manufacturers to import ready-made air conditioners from China instead of doing their own manufacturing. The manufacturers also wind-down their factories causing the compressor manufacturers in Thailand losing their customers.

Although the Company realized this disadvantage and well understand of their business situation, the Company is currently in the process of adjusting and improving its performance. The Company has a business plan and holistic management measures as follows:

Bristol's project started in 2018. With the Bristol project, the Company's product line of compressors expands the range from 10 hp to 25 hp and this can increase the Company's gross profit margins. The Company also acquired intellectual property from Bristol Compressor International, LLC which results in a significant cost reduction in research and development processes. In consequence, this new line of compressors allows the Company to expand into the new markets included the United States, Europe and etc., mainly in packaged air conditioner segment. The new markets will increase the total sales and profits of the Company.

- For current products, the Company focuses on research and development to obtain a compressor model that can meet the market demand, respond to changes in legal requirements as well as environmental regulations related to refrigerants, and increasing efficiency in terms of energy-saving to make the Company's products more competitive in the market by the establishment of Kulthorn Research and Development Co., Ltd., (KRD)
- The Company has a short-term policy for production's cost reduction by reducing the cost of raw materials, waste, and consumables used in the factory and other production expenses to improve the operating result.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2023, the balances of financial assets and liabilities denominated in foreign currencies are summarized below.

As at 31 December 2023

		Consolidated financial statements		Separate financial statements		ge rate
Foreign currency	Financial assets	Financial liabilities	Financial assets	Financial liabilities	Buying	Selling
1 oreign currency	(Million)	(Million)	(Million)	(Million)	(Baht p	
					fore	ign
					currenc	y unit)
US dollar	0.5	2	0.4	1	34.0590	34.3876
Japanese yen	-	9	-	5	0.2388	0.2458
RMB	-	0.4	-	0.4	4.7395	4.8747

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Company's loss before tax to a reasonably possible change in US dollar exchange rates, with all other variables held constant. The impact on the Company's loss before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2023. The Company's exposure to foreign currency changes for all other currencies is not material.

	20	023
	Change in	Effect on profit
Currency	FX rate	before tax
	(%)	(Thousand Baht)
US dollar	+5	(2,790)
	- 5	2,790

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its long-term loans from financial institutions. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

As at 31 December 2023, significant financial assets and liabilities classified by type of interest rate are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht) Consolidated financial statements as at 31 December 2023

	Consolidated interior statements as at 51 December 2025					
	Fixed in	iterest rates	Floating	Non-		Effective
	Within		Interest	interest		interest
	1 year	1 - 5 years	rate	bearing	Total	rate
						(% per annum)
Financial assets						
Cash and cash equivalents	-	-	7	10	17	0.15 - 0.60
Trade and other receivables	-	-	-	305	305	-
	-		7	315	322	•
Financial liabilities						
Bank overdrafts and short-term loans						
from financial institutions	3,280	-	173	-	3,453	4.20 - 7.59
Trade and other payables	-	-	-	624	624	-
Lease liabilities	14	5	-	-	19	5.50 - 6.85
Long-term loans	5	43	1,061	-	1,109	Average MLR-1.5% MRR-3.45,%,6.27%
	3,299	48	1,234	624	5,205	-
					-	



(Unit: Million Baht) Separate financial statements as at 31 December 2023

	Separate infancial statements as at 51 December 2025					
	Fixed in	nterest rates	Floating			Effective
	Within		Interest	Non-interest		interest
	1 year	1 - 5 years	rate	bearing	Total	rate
				·		(% per annum)
Financial assets						
Cash and cash equivalents	-	-	-	4	4	-
Trade and other receivables	-	-	-	51	51	-
	-			55	55	-
Financial liabilities						
Bank overdrafts and short-term loans						
from financial institutions	2,111	-	55	-	2,166	4.20 - 7.79
Trade and other payables	-	-	-	1,034	1,034	-
Short-term loans from related parties	770	-	-	-	770	6.50 - 7.80
Lease liabilities	1	2	-	-	3	6.85
Long-term loans	-	-	1,055	-	1,055	Average MLR-1.5%
	2,882	2	1,110	1,034	5,028	-
						-

Interest rate sensitivity

The following table demonstrates the sensitivity of the Company's loss before tax to a reasonably possible change in interest rates on that portion of floating rate loans from financial institutions affected as of 31 December 2023.

	2	2023
Currency	Change in FX rate	Effect on profit before tax
	(%)	(Thousand Baht)
Baht	+1	(10,546)
	- 1	10,546

The above analysis has been prepared assuming that the amounts of the floating rate loans from financial institutions and all other variables remain constant over one year. Moreover, the floating sides of these loans are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest payable for the full 12-month period of the sensitivity calculation.

Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of electronic parts and therefore require a continuous supply of copper. The Group is exposed to changes in the price of copper on its forecast copper purchases.

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans, and lease contracts. Approximately 96.1% of the Group's debt will mature in less than one year on 31 December 2023 (2022: 99%) (the Company only: 99.9% 2022: 99.9%) based on the carrying value of borrowings reflected in the financial statements.

The table below summarizes the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2023 based on contractual undiscounted cash flows:

(Unit: Thousand Baht) Consolidated financial statements

	As at 31 December 2023			
	Less than	1 to 5		
	1 year	years	Total	
Non-derivatives				
Bank overdraft and short-term loans from financial				
institutions	3,453,166	-	3,453,166	
Trade and other payables	623,313	-	623,313	
Lease liabilities	15,101	4,583	19,684	
Long-term loans	1,065,570	43,255	1,108,825	
Total non-derivatives	5,157,150	47,838	5,204,988	

(Unit: Thousand Baht) Separate financial statements

	As at 31 December 2023			
	Less than 1	1 to 5		
	year	years	Total	
Non-derivatives				
Bank overdraft and short-term loans from financial				
institutions	2,165,983	-	2,165,983	
Trade and other payables	1,034,075	-	1,034,075	
Short-term loans from related parties	770,000	-	770,000	
Lease liabilities	1,656	2,039	3,695	
Long-term loans	1,054,603	-	1,054,603	
Total non-derivatives	5,026,317	2,039	5,028,356	

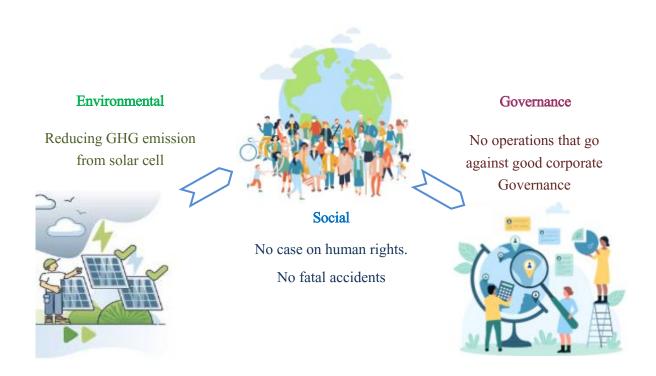
3. Kulthorn Kirby's Sustainability

3.1 Sustainability Policy

Kulthorn Kirby Public Company Limited (Kulthorn Kirby) is determined to operate, enhance our performance, and develop our products for sustainability along with underlining to improve our personnel, and also maintain the best relationship with our suppliers under good corporate governance while taking into consideration the impact on stakeholders, environment, and society.

3.2 Sustainability Approach

Kulthorn Kirby has adopted the sustainable development strategy to achieve the company's sustainable business goal that extends to the economy, environment, and society by focusing on developing the products and bringing innovation to respond to customers' needs. In addition, Kulthorn Kirby is seeking to use alternative power sources and dispose of waste and recycle when possible to lessen the impact on communities and improve the quality of life of personnel and surrounding communities.



Sustainable Development Goals: SDGs

Environmental









Social







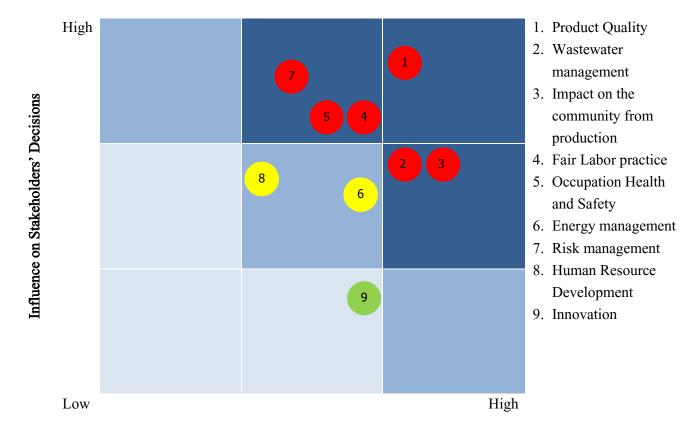






Governance

Identifying Materiality of Kulthorn Kirby Group 3.3



Significance to Kulthorn Kirby Group

Low Significance and influence

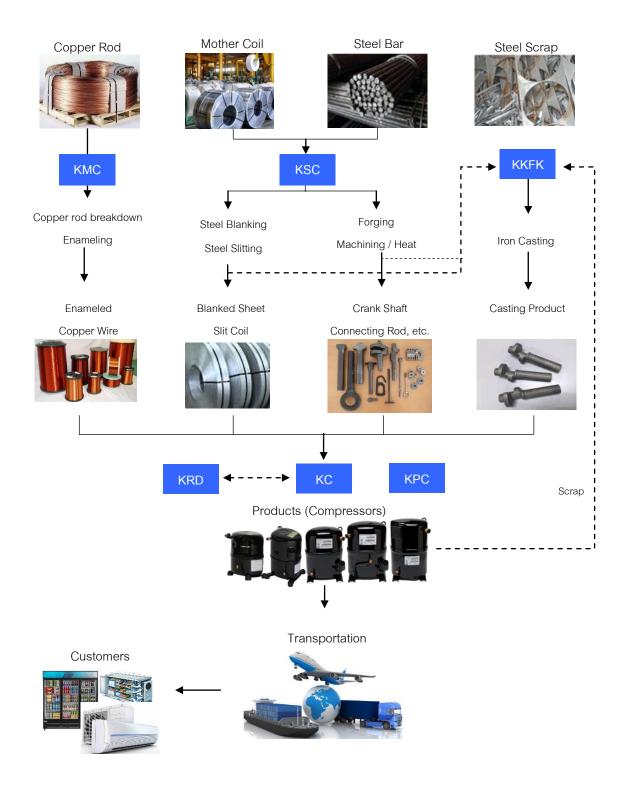


Moderate Significance and influence



High Significance and influence

3.4 Sustainable Supply Chain





4. Management Discussion and Analysis: MD & A

4.1 Summarized financial information

- Statements of comprehensive income for the year ended 31 December 2023 2022 and 2021

		((Unit : Baht)	
	2023	2022	<u>2021</u>	
Revenues				
Revenue from contracts with customers	3,176,090,939	6,085,180,568	6,670,327,521	
Other income				
Gain on exchange	-	-	_	
Interest income	-	-	52,307	
Others	121,377,731	48,556,415	41,322,021	
Total revenues	3,297,468,670	6,133,736,983	6,711,701,849	
Cost of sales and services	3,116,544,246	6,151,026,848	6,515,850,134	
Gross profit	59,546,693	(65,846,280)	195,851,715	
Gross profit margin	1.87%	(1.07%)	2.31%	
Operating expenses				
Selling and distribution expenses	52,013,435	75,891,558	81,742,741	
Administrative expenses	1,010,455,630	485,773,738	411,121,743	
Loss on exchange	442,537	-	35,024,909	
Impairment loss on assets	38,437,651	-	-	
Total expenses	1,101,349,253	561,665,296	527,889,393	
Loss before finance cost and income tax	(920,424,829)	(578,955,161)	(329,380,612)	
Finance cost	(284,731,945)	(209,554,881)	(183,856,878)	
Loss before income tax	(1,205,156,774)	(788,473,180)	(513,185,183)	
Income tax	(75,837,985)	(19,204,837)	(8,139,461)	
Loss for the year	(1,280,994,759)	(807,678,017)	(521,324,644)	
Other comprehensive income:				
Exchange differences on translation of		(20,409,061)	9,286,670	
financial statements in foreign currency	-	(20,409,001)	9,200,070	
Exchange differences on translation of	3,687,044			
financial statements in foreign currency				
recycled to profit or loss due to loss of control				
Other comprehensive income not to be reclassified	=	-	22,558,506	
Revaluation surplus on assets	-	1,547,236,154	-	
Actuarial gain	5,474,995	-	-	
Changes in revaluation of assets arising from	(394,531,528)	-	<u>-</u>	
impairment loss on assets				
Less: Income tax effect	78,906,306	(309,447,231)	-	
Other comprehensive income for the year	(306,463,183)	1,217,379,862	31,845,176	
Total comprehensive income for the year	(1,587,457,942)	409,701,845	(489,479,468)	
Earning per share (Baht per share)	(0.85)	(0.54)	(0.35)	
Weighted average number of ordinary shares	1,500,000,000	1,500,000,000	1,500,000,000	



- Statements of financial position (Consolidated) as of 31 December 2023 2022 and 2021 Unit: Baht				
	2023	2022	2021	
Assets				
Current assets				
Cash and cash equivalents	17,347,720	21,436,263	19,314,611	
Trade and other receivables	304,490,566	608,974,101	1,062,210,082	
Inventories	812,588,238	1,162,837,827	1,565,871,148	
Current tax assets	4,165,965	8,075,480	13,398,796	
VAT receivable	31,264,674	72,949,745	42,047,137	
Other current assets	63,336,605	80,590,026	85,720,477	
Total current assets	1,233,193,768	1,954,863,442	2,788,562,251	
Non-current assets				
Property, plant and equipment	3,800,207,862	4,959,882,068	3,766,776,239	
Right-of-use assets	47,642,784	65,998,800	64,858,273	
Other intangible assets	33,049,268	53,239,936	67,007,870	
Advance payment for purchase of fixed assets	-	-	=	
Deferred tax assets	-	17,065,941	33,439,404	
Other non-current assets	2,252,918	1,096,922	1,054,144	
Total non-current assets	3,883,152,832	5,097,283,667	3,933,135,930	
Total assets	5,116,346,600	7,052,147,109	6,721,698,181	
	3,110,340,000	7,032,147,109	0,721,098,181	
Liabilities and shareholders' equity				
Current liabilities	2 452 165 002	2 706 210 566	2 (70 002 20)	
Bank overdrafts and short-term loans from financial institutions	3,453,165,883	3,706,319,566	3,670,903,296	
Trade and other payables	623,313,349	666,177,244	1,095,919,790	
Current portion of long-term loans	1,065,569,837	1,088,148,369	420,000,000	
Current portion of liabilities under financial lease agreements	14 294 066	19 (22 (92	15 047 404	
Current portion of lease liabilities Other current liabilities	14,384,066 18,503,829	18,623,683 26,192,912	15,947,404	
Total current liabilities	5,174,936,964	5,505,461,774	32,642,215 5,235,412,705	
Non-current liabilities	3,174,930,904	3,303,401,774	3,233,412,703	
Long-term loans, net of current portion	12 255 221	21,576,093	602 050 400	
Liabilities under financial lease agreements, net of current portion	43,255,231	21,370,093	682,850,488	
Lease liabilities, net of current portion	4,401,840	18,468,763	20,092,788	
Deferred tax liabilities	353,777,590	373,911,852	61,633,247	
Provision for long-term employee benefits	216,112,331	221,408,041	220,090,212	
Total non-current liabilities	617,546,992	635,364,749	984,666,735	
Total liabilities	5,792,483,956	6,140,826,523	6,220,079,440	
	3,792,483,930	0,140,820,323	0,220,079,440	
Shareholders' equity Parietared 1 500 000 000 andingry shares of Baht 1 cash (2561 2560) Basis	istand 1 200 000 000	andinamy ahamas af I	Oabt Laaab)	
Registered 1,500,000,000 ordinary shares of Baht 1 each (2561-2560 : Regi	istered 1,200,000,000	ordinary snares of f	sant i each)	
Issued and fully paid up 1,500,000,000 ordinary shares of Baht 1 each	1,500,000,000	1,500,000,000	1,500,000,000	
(2561-2560: Registered 1,200,000,000 ordinary shares of Baht 1 each)	700 000 000	700 000 000	700 000 000	
Share premium Surplus from business combination under common control	700,000,000	700,000,000 207,897,949	700,000,000 207,897,949	
Surplus from business combination under common control Retained earnings (deficits)	207,897,949	207,897,949	407,097,949	
Appropriated - statutory reserve	120,000,000	120,000,000	120,000,000	
Unappropriated Other components of shareholders' equity	(4,562,116,349) 1,358,081,044	(3,638,575,108) 2,021,997,745	(2,913,838,887) 887,559,679	
Total shareholders' equity	(676,137,356)	911,320,586	501,618,741	
- •				
Total liabilityes and shareholders' equity	5,116,346,600	7,052,147,109	6,721,698,181	



- Statements of cash flow (Consolidated) 31 December 2023 2022 and 2021

- Statements of cash flow (Consolidated) 31 December 2023 202	22 tild 2021		Unit : Baht
	2023	2022	2021
Cash flows from operating activities			
Loss before tax	(1,205,156,774)	(788,473,180)	(513,185,183)
Adjustments to reconcile profit before tax to	(, ., ., ., ., .,	(,,	(1, 11, 11,
net cash provided by (paid from) operating activities:			
Depreciation and amortisation	600,473,136	367,060,648	383,785,693
Allowance for impairment loss on property plant and equipment (reversal)	=	-	(150,415)
Depreciation of right-of-use assets	14,028,063	17,542,216	19,676,663
Loss on modification and termination of lease contracts	-	-	96,233
Allowance for expected credit losses (reversal)	2,351,602	(1,168,112)	(2,617,921)
Write-off of lease liabilities	374,260	(1,000,000)	-
Reduction of inventory to net realisable value (reversal)	5,337,212	5,147,594	(4,298,680)
Loss (gain) on sales of property, plant and equipment	1,735,521	(396,114)	3,144,101
Loss on write-off property, plant and equipment	412,301	752,117	2,431,726
Allowance for impairment loss on assets	38,437,651	-	-
Write-off withholding tax	1,003,626	1,064,496	1,796,170
Amortize deferred revenue from sales and lease back	-	(51,735)	(222,014)
Dividend income	(4,680)	(4,165)	(6,729)
Provision for long-term employee benefits	21,095,926	19,986,939	26,671,855
Subsidies income from Government grants	(1,833,565)	(1,833,565)	(1,375,174)
Loss on fair value adjustments of financial instruments	(78,832)	(3,032,613)	2,622,922
Finance income	(27,596)	(36,862)	(52,307)
Write-off of doubtful accounts	11,897,888	-	-
Gain on disposal of investment in indirect subsidiary	(106,687,232)	-	-
Unrealized loss (gain) on exchange	4,278,915	(21,428,951)	20,981,465
Finance cost	284,759,541	209,551,978	183,856,878
Loss from operating activities before changes in operating			
assets and liabilities	(327,603,037)	(196,319,309)	123,155,283
Operating assets (increase) decrease			
Trade and other receivables	288,100,796	454,548,731	37,964,778
Inventories	330,594,892	397,885,728	(322,237,139)
Other current assets	49,446,749	(16,659,928)	285,529
Other non-current assets	(1,155,996)	(42,778)	7,348
Operating liabilities increase (decrease)			
Trade and other payables	(37,135,798)	(411,250,202)	338,096,192
Other current liabilities	(2,402,577)	(1,531,390)	7,860,966
Cash flows from (used in) operating activities	299,845,029	226,630,852	185,132,957
Cash paid for long-term employee benefits	(20,916,641)	(18,669,110)	(22,360,942)
Cash received from interest income	575,097	36,863	52,307
Tax refund received	17,406,003	4,286,567	3,127,607
Cash paid for interest expenses	(242,328,553)	(210,273,330)	(183,969,007)
Cash paid for income tax	(4,165,965)	(8,075,481)	(14,124,963)
Net cash flows from (used in) operating activities	50,414,970	(6,063,639)	(32,142,041)



- Statements of cash flow (Consolidated) 31 December 2023 2022 and 2021 (continued)

			Unit : Baht
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets	(20,459,099)	(7,500,087)	(90,682,156)
Decrease in short-term loans to unrelated parties	43,347,278	-	-
Increase in short-term loans to related parties	(266,767,232)	-	-
Proceeds from sales of property, plant and equipment and intangible assets	282,257	401,337	6,294,926
Cash receipt from Government grants	-	-	-
Dividend income	4,680	4,165	6,729
Net cash flows used in investing activities	(243,592,116)	(7,094,585)	(84,380,501)
Cash flows from financing activities			
Increase in bank overdrafts and short-term loans			
from financial institutions	219,166,530	39,107,490	156,165,316
Repayment of long-term loans	(36,702,402)	(22,726,026)	(12,449,512)
Cash received from long-term loan (sales and leaseback)	35,803,010	29,600,000	-
Proceed from increase share capital	-	-	-
Payment of principal portion of lease liabilities	(18,866,352)	(20,192,351)	(21,789,473)
Preceed from sales and lease back	-	-	-
Dividend paid	-	-	-
Net cash flows from financing activities	199,400,786	25,789,113	121,926,331
Increase in translation adjustments	(10,312,183)	(10,509,237)	(14,953,450)
Net increase (decrease) in cash and cash equivalents	(4,088,543)	2,121,652	(9,549,661)
Cash and cash equivalents at beginning of year	21,436,263	19,314,611	28,864,272
Cash and cash equivalents at end of the year	17,347,720	21,436,263	19,314,611

4.2 Financial Ratio

	2023	2022	<u>2021</u>
Liquidity Ratio			
Current Ratio	0.24 Times	0.35 Times	0.53 Times
Quick Ratio	0.06 Times	0.11 Times	0.21 Times
Cash Ratio	- Times	- Times	- Times
Account Receivable Turnover	6.95 Times	9.99 Times	6.19 Times
Average Collection Period	52 Days	36 Days	58 Days
Inventory Turnover	3.16 Times	4.51 Times	6.97 Times
Inventory Cycle	114 Days	80 Days	52 Days
Payable Turnover	4.83 Times	9.24 Times	7.05 Times
Payable Cycle	74 Days	39 Days	51 Days
Cash Cycle	91 Days	77 Days	59 Days
Profitability Ratio			
Gross Profit	1.87 %	(1.08) %	2.31 %
Net Profit	(38.85) %	(13.17) %	(7.81) %
Return on Equity	(189.46) %	(88.69) %	(103.78) %
Efficiency Ratio			
Return on Assets	(25.04) %	(11.46) %	(7.75) %
Return on Fixed Assets	(15.85) %	(8.89) %	(13.25) %
Assets Turnover	0.54 Times	0.87 Times	1.72 Times
Financial Policy Ratio			
Debt to Equity Ratio	8.57 Times	6.74 Times	12.39 Times
Interest Coverage Ratio	3.23 Times	1.01 Times	1.79 Times
Dividend Payout	* %	** %	*** 0/0

^{*} In 2024, the Board of Directors Meeting No. 3/2024, held on 29 April 2024 unanimously proposed to the Shareholders meeting No. 45/2024 which will be held on 29 May 2024 to approve the dividend omission for 2023's operational results.

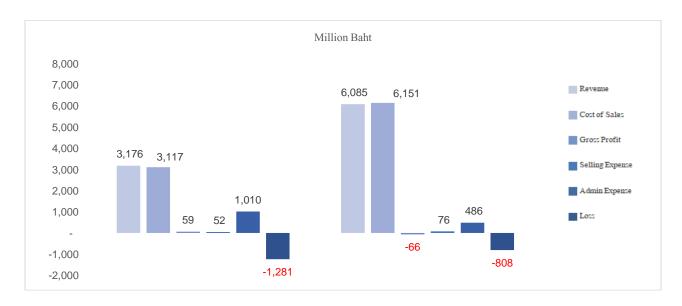
^{**} In 2023, the Shareholders meeting No. 44/2023, held on 26 April 2023 unanimously approve the dividend omission for 2022's operational results.

^{***}In 2022, the Shareholders meeting No. 43/2022, held on 20 April 2022 unanimously approve the dividend omission for 2021's operational results.



4.3 Management Discussion and analysis

Business overall



- Revenue from contracts with customers for the year 2023 amounted to 3,176.1 million baht, a decrease of 2,909.1 million baht or -47.8% from the same period last year.
- Cost of sales and services for the year 2023 was 3,116.5 million baht, representing 98.1% as a percent of revenue. The Group is adjusting its distribution strategy as well as reducing production costs and other expenses.
- Gross profit for the year 2023 amounted to 59 million baht or 1.9% of sales revenue. increasing from the same period last year, which has a loss of -1.1%. The company has negotiated with customers and adjusted the selling price.
- Selling expenses for the year 2023 amounted to 52 million baht, representing a rate of 1.6% compared to sales revenue, which has increased from the same period of the previous year by 1.2% However, the Group has a policy to continuously manage selling expenses.
- Administrative expenses for the year 2023 amounted to 1,010.4 million baht, representing a rate of 31.8% compared to sales revenue, an increase of 7.98% from the same period last year, due to the reclassification of some depreciation cost into administrative expenses.
- Financial expenses for the year 2023 amounted to 285 million baht, an increase of 3.4 million baht from the same period last year due to the fluctuation of interest date
- The company had a net loss for the year 2023 in the amount of 1,280.9 million baht, representing -40.3% of sales revenue. The loss increased from the same period last year, by (13.3%). The Group is in the process of changing strategies and operating models, including various measures and management policies to be more efficient.



Statement of Financial Position

(Unit: Million Baht)

	31 Decem	31 December 2023		31 December 2022		nge
	Amount	%	Amount	%	Amount	%
Current Assets	1,233.2	24.1%	1,954.9	27.7%	(721.7)	(36.9%)
Non-current assets	3,883.1	75.9%	5,097.3	72.3%	(1,214.2)	(23.8%)
Total Assets	5,116.3	100.0%	7,052.1	100.0%	(1,935.9)	(27.5%)
Current liabilities	5,174.9	101.1%	5,505.5	78.1%	(330.6)	(6.0%)
Non-current liabilities	617.5	12.1%	635.4	9.0%	(17.9)	(2.8%)
Total liabilities	5,792.4	113.2%	6,140.8	87.1%	(348.5)	(5.7%)
Total shareholders' equity	(676.1)	(13.2%)	911.3	12.9%	(1,587.4)	(174.2%)
Total liabilities and shareholders' equity	5,116.3	100.0%	7,052.1	100.0%	(1,935.9)	(27.5%)

- Total assets as of 31 December 2023 decreased by Baht 1,935.8 million from 31 December 2022. The decrease was due to a combination of a decrease in inventory and a decrease in noncurrent assets.
- Total liabilities as of 31 December 2023 decreased by Baht 348.3 million from 31 December 2022.
- Total shareholders' equity as of 31 December 2023 of Baht (676.1) million, a decrease from 31 December 2022 due to the revaluation of assets and operating loss.

The Group was unable to maintain interest bearing debt to EBITDA plus extraordinary item and noncash items ratio 5:1 and debt to equity ratio 2.75:1, as specified in the Credit Facility Agreement.

As disclosed in Note 1.2 to the consolidated financial statements, regarding the Group's ability to continue its operations as a going concern, The Group had net loss from operation in the consolidated statements of comprehensive income for the year period ended 31 December 2023 of Baht 1,281 million (the Company only: Baht 1,589 million). As at 31 December 2023, the Group's total current liabilities exceeded its total current assets by Baht 3,942 million (the Company only: Baht 4,457 million) and the Group had deficit of Baht 4,442 million (the Company only: Baht 4,008 million). And equity deficit of Baht 676 million (the Company only: Baht 934 million). The major current liabilities of the Group consisted of the bank overdraft and short-term loans from financial institutions amounting to Baht 3,453 million (the Company only: Baht 2,166 million), trade and other payables amounting to Baht 623 million (the Company only: Baht 1,034 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 mainly became payable on demand since the Group was unable to repay the long-term loans and unable to maintain certain financial ratios as specified in the Credit Facility Agreement, as described in Note 18.

In addition, as at 31 December 2023, the Group's shareholders' equity was lower than zero. However, the Company's Securities have been marked with "CB" (Business) sign since May 2023, as a result of the Group's shareholders' equity was less than 50% of paid-up share capital.



Management approach

The Group's management has implemented various plans, including negotiating with financial institutions to restructure debts, and to obtain new credit facilities from both financial institutions and directors/ shareholders. In addition, the Group has adjusted the production and distribution strategies and reducing manufacturing costs and other expenses to increase the Group's liquidity.

Management approach long term

The Group is working on strategic plans and distribution plans, that will reduce production costs and other expenses. In additional the Group is working to accelerate the delivery of products to customers to generate additional revenue and profits for the company.

Liquidity and sufficiency of capital

Liquidity ratios

On 31 December 2023, the Company had a liquidity ratio of 0.24 times, a decrease from that of last year. The Company has made credit facility agreements with 2 financial institutions which are the same financial institutions that provide long-term loans which the Company has used financial services from for many years. Due to a good relationship and good of the compressor industry, both financial institutions continue to support the Company in using credit as working capital for continued business operations.

Average inventory turnover and average inventory period

On 31 December 2023, the average inventory turnover of the Company is 3.16 times which is lower than 4.51 of last year. The average inventory period increased from 80 day to 114 days.

Gross Profit Margin

On 31 December 2023, the gross profit margin of the Company is 1,87% which was better than last year which was a loss of 1.08%. This was due to continuously reduced the manufacturing cost and other expenses.

Net Profit Margin

On 31 December 2023, the net profit margin of the Company is (38.85%) which was lower than last year at (13.17%). The Company is in the process of adjusting the strategy and future operating plans and looking for a new opportunity for additional funding sources.

Debt to Equity ratio

On 31 December 2023, the debt-to-equity ratio of the Company is 8.57 times comparted to the last years which was 6.74 times. The Company has higher current liabilities compare to current assets at Bath 3,941.7 million baht (subsidiaries: baht 3,905 million baht) and total accumulated loss of 4,442 million (subsidiaries: 4,144 million baht).

Credit Policy

The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. In addition, the Company does not have high concentrations of credit risk since it has a large customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for Company's various customer segments with similar credit risks. The Company classifies customer segments by customer type and rating, and coverage by letters of credit and other forms of credit insurance. Letters of credit and other forms of credit insurance are considered an integral part of trade receivables and taken into account in the calculation of impairment. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than 210 days and not subject to enforcement activity.

Allowance for diminution in inventory value

The management needs to exercise judgment and make estimates determining the allowance for diminution in inventory value for the products that their net value is lower than the cost and obsolete or aging goods. This depends on a detailed analysis of the life cycle of the product, fluctuation of raw material prices, market competition, economic conditions, and industrial conditions. This may create a risk to the allowance for diminution in inventory value. Methods and assumptions used by management in determining the allowance for diminution in inventory are as follows:

- Comparing the holding period and the movement of inventories to identify Company's products that indicate slower turnover
- Analyzing the net amount proceeds received from the sales of goods after the date record in the financial statements with the cost of the inventories
- Consider the actual loss from sales and write-off of inventories from the account incurred during the year compared with the allowance for diminution in the inventory value recorded at the end of the preceding year

Investments in subsidiaries

The Company recorded an allowance for impairment of investments in subsidiaries amounting to Baht 1,613 million in the separate financial statements (More details described in the notes to the financial statements no. 12). The determination of the allowance for impairment of investments is a critical accounting estimate. Which management team has to use high discretion to forecasting the future performance of subsidiaries including determining the discount rate and important assumptions. This will cause a risk associated with the value of investments in subsidiaries.

Assets and liabilities management

1. Trade and other receivables

	20.	22	2022		(Unit: Thou	· ·
		23			2021	
Trade receivables - related parties						
Not yet due	42,590	13.99 %	71,274	11.70 %	127,516	12.00 %
Overdue						
Less than 3 months	8,451	2.78 %	15,784	2.59 %	15,403	1.45 %
3 - 6 months	207	0.07 %	63	0.01 %	-	-
Over 6 months	324	0.11 %	-	-	-	-
Total trade receivables - related parties	51,572	16.94 %	87,121	14.31 %	142,919	13.45 %
Trade receivables - unrelated parties						
Not yet due	200,210	65.75 %	383,395	62.96 %	754,229	71.01 %
Overdue						
Less than 3 months	51,991	17.07 %	136,371	22.39 %	160,015	15.06 %
3 - 6 months	990	0.33 %	2,082	0.34 %	787	0.07 %
6-12 months	-	-	131	0.02 %	507	0.05 %
Over 12 months	12,647	4.15 %	13,320	2.19 %	13,036	1.23 %
Total	265,838	87.31 %	535,299	87.90 %	928,574	87.42 %
Less: Allowance for doubtful debts	(13,765)	(4.52 %)	(14,649)	(2.41 %)	(15,817)	(1.49 %)
Total trade receivables - unrelated parties	252,073	82.79 %	520,650	85.50 %	912,757	85.93 %
Total trade receivables - net	303,645	99.72 %	607,771	99.80 %	1,055,676	99.38 %
Other receivables			-			
Other receivables - related parties	-	-	122	0.02 %	2,861	0.27 %
Other receivables – unrelated parties	846	0.28 %	1,081	0.18 %	3,673	0.35 %
Total other receivables	846	0.28 %	1,203	0.20 %	6,534	0.62 %
Total trade and other receivables - net	304,491	100.00%	608,974	100.00%	1,062,210	100.00 %

2. Inventories

				(Unit: Tho	usand Baht)
2023	3	2022	2	202	1
					_
206,106	20.87 %	253,220	19.00 %	412,394	23.83 %
247,401	25.05 %	329,640	24.74 %	357,501	20.66 %
521,774	52.83 %	749,597	56.25 %	889,766	51.42 %
12,389	1.25 %	126	0.01 %	70,807	4.09 %
987,670	100 %	1,332,583	100 %	1,730,468	100 %
(175,082)	17.73 %	(169,745)	12.74 %	(164,597)	10.51 %
812,588		1,162,838		1,565,871	
	206,106 247,401 521,774 12,389 987,670 (175,082)	247,401 25.05 % 521,774 52.83 % 12,389 1.25 % 987,670 100 % (175,082) 17.73 %	206,106 20.87 % 253,220 247,401 25.05 % 329,640 521,774 52.83 % 749,597 12,389 1.25 % 126 987,670 100 % 1,332,583 (175,082) 17.73 % (169,745)	206,106 20.87 % 253,220 19.00 % 247,401 25.05 % 329,640 24.74 % 521,774 52.83 % 749,597 56.25 % 12,389 1.25 % 126 0.01 % 987,670 100 % 1,332,583 100 % (175,082) 17.73 % (169,745) 12.74 %	2023 2022 202 206,106 20.87 % 253,220 19.00 % 412,394 247,401 25.05 % 329,640 24.74 % 357,501 521,774 52.83 % 749,597 56.25 % 889,766 12,389 1.25 % 126 0.01 % 70,807 987,670 100 % 1,332,583 100 % 1,730,468 (175,082) 17.73 % (169,745) 12.74 % (164,597)



3. Property, plant and equipment

		Davalust's 1	i.a	Consoliuateu II	Consolidated financial statements				
		Revaluation bas	18		Cost basis				
	Land	Land improvement	Machinerica	Plant	Furniture, fixtures and office	Motor	Construction in progress and machine under	Total	
Cont/Domination to the second	Land	and plant	Machineries	equipment	equipment	vehicles	installation	Total	
Cost/ Revalued amount	052 142	2 770 465	9.766.657	1 225 164	211.056	110.001	292.776	14,448,251	
As at 1 January 2022 Additions	952,142	2,779,465	8,766,657 717	1,335,164 567	211,956 251	119,091	283,776 3,960	5,495	
Revaluations	-	-	1,547,236	307	231	-	3,900	1,547,236	
Transfer in (out)	-	12,506	1,547,230	3,051	293	-	(27,828)	1,347,230	
Transfer from right-of-use	-	12,300	11,976	3,031	293	-	(27,020)	-	
assets (Note 19)			3,441					3,441	
Disposals/write-off	-	-	(328)	(41,905)	(1,002)	-	(767)	(44,002)	
•	-	(16,832)	1 1	(41,903)	(486)	(297)			
Translation adjustment			(14,653)	1.006.055				(32,268)	
As at 31 December 2022	952,142	2,775,139	10,315,048	1,296,877	211,012	118,794	<i>'</i>	15,928,153	
Additions	-	-	92	277	44	-	19,265	19,678	
Transfer in (out)	-	3,257	9,099	10,722	1,353	-	(24,431)	-	
Transfer to inventory	-	-	-	-	-	-	(5,170)	(5,170)	
Transfer from right-of-use			- 4-0						
assets (Note 19)	-	-	2,470	-	-	-	-	2,470	
Disposals/write-off	-	-	(17,856)	(191)	(638)	-	(340)	(19,025)	
Translation adjustment	-	3,467	3,018	-	100	62	-	6,647	
Decreased from the sale of		(297,560)	(250.021)	_	(9.501)	(5,255)	_	(570 427)	
investments in subsidiaries			(259,031)	-	(8,591)			(570,437)	
As at 31 December 2023	952,142	2,484,303	10,052,840	1,307,685	203,280	113,601	248,465	15,362,316	
Accumulated depreciation									
As at 1 January 2022	-	1,622,729	7,391,664	1,283,984	191,882	115,479	-	10,605,738	
Depreciation for the year	-	105,742	220,708	17,180	8,206	1,261	-	353,097	
Disposals/ write-off	-	-	(314)	(41,905)	(995)	-	-	(43,214)	
Translation adjustment		(9,411)	(12,773)		(445)	(269)		(22,898)	
As at 31 December 2022	-	1,719,060	7,599,285	1,259,259	198,648	116,471	-	10,892,723	
Depreciation for the year	-	99,334	467,953	12,403	6,515	546	-	586,751	
Disposals/ write-off	-	-	(15,773)	(191)	(636)	-	-	(16,600)	
Translation adjustment		1,943	2,642	-	92	55	-	4,732	
Decreased from the sale of									
investments in subsidiaries		(167,708)	(227,151)		(7,867)	(4,748)		(407,474)	
As at 31 December 2023		1,652,629	7,826,956	1,271,471	196,752	112,324		11,060,132	
Allowance for impairment loss									
As at 1 January 2022	-	(62,948)	(11,510)	-	(743)	(536)	-	(75,737)	
Translation adjustment	-	-	119	-	40	30	-	189	
As at 31 December 2022		(62,948)	(11,391)	_	(703)	(506)		(75,548)	
Translation adjustment	_	-	(24)	_	(9)	(6)		(39)	
Increased	_	(132,690)	(261,841)	(1,830)	(309)	(80)		(429,720)	
Decreased from the sale of									
investments in subsidiaries	-	-	2,107	-	712	512	-	3,331	
As at 31 December 2023		(195,638)	(271,149)	(1,830)	(309)	(80)	(32,970)	(501,976)	
Net book value									
As at 31 December 2022	952,142	993,131	2,704,372	37,618	11,661	1,817	259,141	4,959,882	
	952,142	636,036	1,954,735	34,384	6,219	1,197	215,495	3,800,208	
As at 31 December 2023				- /=	=======================================	-,,-	-,	,,====	

2022 (Baht 242 million included in manufacturing cost, and the balance in administrative expenses) 2023 (Baht 280 million included in manufacturing cost, and the balance in administrative expenses)

Depreciation for the year

353,097 586,751



The Group arranged for an independent professional valuer to appraise the value of its land and buildings in 2020, and machineries in 2023 on an asset-by-asset basis. The basis of the revaluation was as follows:

- Land was revalued using the market approach.
- Land improvement and buildings were revalued using the depreciated replacement cost approach.
- Machineries were revalued using depreciated replacement cost approach.

The result of the revaluations in 2023 showed increases of Baht 1,547 million (the Company only: Baht 818 million) in the net book value of the Group's machineries. The Company recorded the revaluation increase in other comprehensive income and the cumulative increase is recognised as the "Revaluation surplus on assets" in the shareholders' equity.

As at 31 December 2023, certain items of plant and equipment of the Group were fully depreciated but are still in use. The gross carrying amount, before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to Baht 7,679 million (2022: Baht 7,047 million) (The Company only: Baht 4,597 million, 2022: Baht 4,183 million).

The Group pledged their land and buildings thereon, of which net book value amounted to approximately Baht 1,110 million (2022: Baht 1,095 million) (The Company's: Baht 985 million 2022: Baht 685 million) and machineries amount to approximately Baht 856 million, with financial institutions as collateral to secure loans as discussed in Note 18.

In addition, the Group has entered into negative pledge memorandums, which are part of the short-term credit facility agreements with 3 financial institutions. Under these memorandums, the Group is 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 discussed in Note 16.

Land is stated at revalued amount. Buildings and equipment are stated at cost or revalued amount less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land and buildings are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.



Differences arising from the revaluation are dealt with in the financial statements as follows:

When an asset's carrying amount is increased as a result of a revaluation of the Company's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognized in equity under the heading of "Revaluation surplus". However, a revaluation increase is recognized as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognized as an expense.

When an asset's carrying amount is decreased as a result of a revaluation of the Company's assets, the decrease is recognized in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus" in respect of the same asset.

Depreciation of plant and equipment is calculated by reference to their costs or the revalued amount, on the straight-line basis over the following estimated useful lives:

Land improvement and plant 10, 20, 30, 35, 40, 45 years

Machineries 5, 8, 10, 15 years

5 years Plant equipment

Furniture, fixtures and office equipment 3, 5, 10 years

Motor vehicles 5 years

Depreciation is included in determining income.

No depreciation is provided for land and construction in progress and machine under installation.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognized.



4. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

			Shareh	olding		
Company's name	Paid-up	capital	percentage		Cost	
	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					(2,237,711)	(1,612,646)
subsidiaries				=		
Total investments in subsidiaries - net				=	1,392,168	2,017,233

The company did not receive dividend during the year ended 31 December 2023 and 2022.

5. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate	2023		2021
	(percent per annum)			
Bank overdrafts	7.34 - 7.59	173,197	124,968	137,101
Short-term loans	4.20 - 7.10	1,110,000	1,120,000	1,045,000
Trust receipts	6.09 - 15.00	1,338,147	1,321,700	1,596,541
Packing credit	5.85 - 7.10	831,822	1,139,652	892,261
Total		3,453,166	3,706,320	3,670,903

The Company has entered into negative pledge memorandums, which are part of the short-term credit facility agreements with 3 financial institutions. Under the agreements, the Company 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 Company 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.

6. Trade and other payables

	(Unit: Thousand B		
	2023	2022	2021
Trade payables - related parties	8,654	5,401	2,971
Trade payables - unrelated parties	279,930	420,639	588,978
Other payables - related parties	14,271	3,406	3,470
Other payables - unrelated parties	204,576	148,222	406,436
Accrued interest expenses to related parties	-	-	-
Accrued interest expenses to unrelated parties	37,593	1,423	1,736
Accrued expenses - unrelated parties	78,591	87,086	92,329
Total trade and other payables	623,615	666,177	1,095,920

7. Long-term loans

(Unit: Thousand Baht)

	2023	2022	2021
Long-term loans	(1,108,825)	1,109,724	1,102,850
Less: current portion	(1,065,570)	(1,088,148)	(420,000)
Long- loans, net of current portion	43,255	21,576	682,850

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 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 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 2023 and 2022, the Group was unable to maintain interest bearing debt to EBITDA plus extraordinary item and non-cash items ratio and debt to equity ratio, as specified in the Credit Facility Agreement, Moreover, as at 31 December 2023, the Company was unable to repay the long-term loans amounting to Baht 370 million and also interest when they were due, 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 Reportion Standards.

On 1 March 2024, the Company received a dunning letter from a financial institution urging the Company to repay the debts and contact with the bank due to the Company's failure to adhere to the terms of the loan agreement. The Company is currently engaged in negotiations with the financial institutions to defer the repayment of both principal and interest.

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

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. The Company paid off all principal amount during the year 2023.

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.



8. Liabilities under lease agreements

8.1 The Company as a lessee

The Company has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 2 - 6 years and 33 years.

8.1.1 Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2023 and 2022 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements				
	Land and land improvement	Machinery and equipment	Office equipment	Motor vehicles	Total
1 January 2022	14,698	49,232	928	-	64,858
Additions	15,625	5,128	-	1,492	22,245
Transfer to fixed assets (Note 13)	-	(3,441)	-	-	(3,441)
Depreciation for the year	(6,631)	(9,822)	(928)	(161)	(17,542)
Translation adjustment	(121)		-	<u> </u>	(121)
31 December 2022	23,571	41,097	-	1,331	65,999
Additions	-	-	-	560	560
Transfer to fixed assets (Note 13)	-	(2,470)	-	-	(2,470)
Depreciation for the year	(7,003)	(6,775)	-	(250)	(14,028)
Decrease from sales of investment					
in subsidiary	(2,071)	-	-	-	(2,071)
Decrease from contract					
termination	-	(374)	-	-	(374)
Translation adjustment	27				27
31 December 2023	14,524	31,478	-	1,641	47,643

8.1.2 Lease liabilities

			(Unit: T	housand Baht)
	Consol	idated	Separate	
	financial s	tatements	financial statements	
	2023	2022	2023	2022
Lease payments	19,684	39,803	3,695	5,609
Less: Deferred interest expenses	(898)	(2,710)	(289)	(583)
Total	18,786	37,093	3,406	5,026
Less: Portion due within one year	(14,384)	(18,624)	(1,473)	(1,620)
Lease liabilities - net of current portion	4,402	18,469	1,933	3,406

A maturity analysis of lease payments is disclosed in Note 34.1 under the liquidity risk.

8.1.3 Expenses relating to leases that are recognized in profit or loss

(Unit: Thousand Baht) For the year ended 31 December 2023

	Consolidated	Separate
	financial statements	financial statements
Depreciation expense of right-of-use assets	14,554	1,620
Interest expense on lease liabilities	1,816	294
Expense relating to short-term leases	3,073	1,121
Expense relating to leases of low-value assets	561	-

8.1.4 Others

The Group had total cash outflows for leases for the year ended 31 December 2023 of Baht 23.8 million, (2022: Baht 28.3 million) (the Company only: Baht 3.0 million, 2022: Baht 5.0 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

9. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensations payable to employees' retirement and long service awards, was as follows:

> (Unit: Thousand Baht) Consolidated financial statements

	D -4!														
	Retirement benefits plan		Long service awards plan												
					Total										
	2023	2022	2023	2022	2023	2022									
Provision for long-term employee benefits at															
beginning of year	217,696	216,591	3,712	3,499	221,408	220,090									
Included in profit or loss:															
Current service cost	16,405	16,181	308	326	16,713	16,507									
Interest cost	3,508	3,425	1,417	55	4,925	3,480									
Actuarial loss (gain) arising from															
Financial assumptions changes	-	-	(118)	-	(118)	-									
Demographic assumptions changes	-	-	(6)	-	(6)	-									
Experience adjustments	-	-	(418)	-	(418)	-									
Included in other comprehensive income:															
Actuarial loss (gain) arising from															
Financial assumptions changes	(16,997)	-	-	-	(16,997)	-									
Demographic assumptions changes	(83)	-	-	-	(83)	-									
Experience adjustments	11,605	-	-	-	11,605	-									
Benefits paid during the year	(20,162)	(18,501)	(755)	(168)	(20,917)	(18,669)									
Reclassify long service awards plan to															
retirement benefits plan	161	-	(161)	-	-	-									
Provision for long-term employee benefits at															
end of year	212,133	217,696	3,979	3,712	216,112	221,408									



(Unit: Thousand Baht)

Separate financial statements

	Long service awards								
	Retirement benefits plan		plan		Total				
	2023	2022	2023	2022	2023	2022			
Provision for long-term employee benefits at									
beginning of year	104,965	103,648	3,032	2,720	107,997	106,368			
Included in profit or loss:									
Current service cost	7,121	7,188	261	269	7,382	7,457			
Interest cost	1,652	1,637	42	43	1,694	1,680			
Actuarial loss (gain) arising from									
Financial assumptions changes	-	-	(96)	-	(96)	-			
Demographic assumptions changes	-	-	(6)	-	(6)	-			
Experience adjustments	-	-	(526)	-	(526)	-			
Included in other comprehensive income:									
Actuarial loss (gain) arising from									
Financial assumptions changes	(7,645)	-	-	-	(7,645)	-			
Demographic assumptions changes	(43)	-	-	-	(43)	-			
Experience adjustments	(7,014)	-	-	-	(7,014)	-			
Benefits paid during the year	(7,823)	(7,508)	(418)	-	(8,241)	(7,508)			
Provision for long-term employee benefits at end									
of year	91,213	104,965	2,289	3,032	93,502	107,997			

The Group expects to pay Baht 24.4 million of long-term employee benefits during the next year (Separate financial statements: Baht 9.8 million) (2022: Baht 15.3 million, separate financial statements: Baht 8.3 million).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 7 years (Separate financial statements: 7 years) (2022: 8 years, separate financial statements: 8 years).



Management's Point of View

In 2023, the covid-19 pandemic had continued to slow down but other factors continued to affect the world's economy. The war, between Russia and Ukraine, still remains and lead to worldwide sanction and also resulted in high energy prices. US and China trade tension still remain and affect the global supply chain in some sectors.

For Kulthorn Kirby, the company received high demand for the AW compressors (for the air conditioning in the Middle East Market) and also for the Bristol compressors (for the U.S. market, Middle East, and Europe), similar to 2022 level. But due to the effect of external circumstances, coupled with the company's struggle with in-sufficient working capital that continued from 2022, not all purchase order was fulfilled:

- The company still suffered from in-sufficient cash flow and working capital in 2023. Production volume and revenue (reduced from 2022 by 48%) which restricted the production volume to reach the breakeven point.
- Prices of raw materials (such as copper) remain at high level in 2023, so this reduce the company's ability to buy more material for production.
- The company continued to increase our selling prices to all customers to reflect the high cost of raw material in 2023.

The management of the company remains confident and determine that these business strategies can help turn around the company's fortune and continue stable growth for the future.

- 1. Finalize additional working capital agreement and manage all financial transactions of the company and subsidiaries to allied with all conditions of the signed credit facilities agreement with Kasikorn Bank Public Company Limited, Bangkok Bank Public Company Limited, and ICBC (Thai) Bank Public Company Limited.
- 2. Liquidating the company's unused assets and non-core businesses.
- 3. Develop higher efficiency compressors as well as environmental friendly refrigerants.
- 4. Continue to develop lower cost yet still maintaining high-efficiency motor compressors such as the Aluminum motor compressor project which replaces copper.
- 5. Continue with improving production process efficiency and decreasing all costs/expenses in the company
- 6. Continue to develop local suppliers for Bristol compressors to shorten delivery time and decrease raw material cost.

With the above business strategies and plans, together with severe effect of global warming, the company is confident that there is still high demand for global usage of air conditioners in hot climate area. This will help to recapture the growth of air conditioning compressors (AW and Bristol) sales in the Middle East, Asia and US market to support the company's long term business in the future.

5. Other References

Registrar:

Thailand Securities Depository Co., Ltd. 93 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Dindeang, Bangkok 10400 Tel. +66 (0)2009 9000 Fax. +66 (0)2009 9001

Auditor:

Certified Public Accountant no. 7362 and/or Ms. Natteera Pongpinitpinyo Certified Public Accountant no. 4799 and/or Mrs. Sarinda Hirunprasurtwutti Certified Public Accountant no. 4604 Ms Siriwan Suratepin

EY Office Limited 33rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110 Tel. +66 (0)2264 0777 Fax. +66 (0)2264 0789-90

Law Consultant:

Chor. Chanasongkram Advocates & Solicitors 52/3 Phrasumene Road, Khwaeng Chana Songkram, Khet Phra Nakhon, Bangkok 10200 Tel. +66 (0)2282 2955-6 Fax. +66 (0)2281 3008



Part 2 Corporate Governance

Corporate Governance Policy

Kulthorn Kirby Public Company Limited ("KKC" or "the Company") is aware of the importance of Good Corporate Governance, which leads to a transparent management system that is able to be audited in order to maintain the confidence of shareholders, investors, stakeholders and related persons.

The Board of Directors (BOD) of the Company has prepared the Corporate Governance Policy and Business Ethics as guidance for the operation of the business and to provide guidelines for management and employees, as follows:

1. Rights of Shareholders

The Company emphasizes and recognizes the importance of the rights of all shareholders equitably. The rights that the Company provides for its shareholders as fundamental are as follows:

• Rights to get share certificate, sell, purchase or transfer the Company's shares

Thailand Securities Depository Co., Ltd. ("TSD") has been appointed as the Company's registrar to provide all services for all transactions related to registration of the Company's shares

Rights to propose agenda and enquiries for the Shareholders' Meeting

The Company is aware of the shareholders' rights and equitable treatment to the shareholders under the good corporate governance. It's the Company policy to allow the shareholders to propose matter(s) for consideration of the Board of Directors as agenda of the shareholders' meeting. The shareholders are allowed to submit any enquiries prior to the Annual General meeting of shareholders. Shareholders who would like to propose the agenda have to comply with the Company's procedures and criteria of the above matter. The Company allow the shareholders to propose the matter for consideration as agenda or submit the enquiries in advance since October of the current year to January of the next year and has specified the shareholding proportion of the shareholders entitled to propose the agenda must not be less than 0.5 percent of total number of the voting rights. The Company will notify and disclose contact channels and period for proposing agenda and enquiries via SET and also provide details of the procedures on the company' website (www.kulthorn.com).

Participation in the Shareholders' Meeting.

The Company is aware of the shareholders' rights and equitable treatment to participle in the shareholder's meeting, be informed conditions and procedures of meeting as well as having proxy to vote and comment in the meeting on behalf of the shareholders. The date, time and place of meeting will be set by consideration of Shareholders' convenience with the following process of meeting:

Before the Meeting Date

The shareholders will be informed on the date and agenda of the meeting via SET's communication system prior to the meeting date which been complied with SET's regulations. At the same time, the Company will also disclose the invitation letter as well as related documents in both languages, Thai and English, on the Company's website no less than 30 days before meeting date for the shareholders to have sufficient time for consideration. Same documents will be directly delivered to the shareholders by TSD, the Company's registrar, at least 7 days or 14 days before the meeting date depends on consideration matter that required by law and regulations. The invitation letter will contain facts, rationales, opinion from the Board of Directors for each agenda, conditions and procedures of meeting as well as other related document with sufficient information for shareholders' consideration. Moreover, the invitation letter will be 3 days continually published on the newspaper at least 3 days prior to the meeting date to be in line with law.

On the Meeting Date

Meeting procedures has been set to conform to regulations and considering on shareholders' convenience. The Company is aware of the equitable of shareholders' right and their comfort to participate in the shareholders' meeting. Appropriated methodology and equipment are sufficient for registration reviewed on required documents prior to commencement of the meeting.

In every Shareholders' Meeting, the Board of Directors, Chairman of all committees, the Company's management and external auditors will also present in the meeting. Chairman of the Board of Directors who is Chairman of the meeting will introduce all Board members and the management to the shareholders. The Chairman will also declare to the shareholders how to exercise their right and vote before commencement and conducts the meeting to be in line with the agenda without any additional topic from what have been expressed in the invitation letter. Voting cards will be provided for significant agenda. Voting result in term of approval, disapproval or abstain for each agenda will be transparently presented to the meeting. The shareholders will be encouraged to express their opinions and raise any questions, either in the agenda or any other questions related to the Company's business, at the meeting. All questions will be answered and taken in the minutes of meeting as well as the opinions from the shareholders.

After the Shareholders' Meeting

Resolutions of the meeting will be disclosed to SET on the next day after the meeting date. Full minutes of meeting of which contained the attendance record of the directors, summary of questions and answers during the meeting with voting details, approved, disapproved and sustained, of each agenda in both Thai & English will be sent to SET and related parties within 14 days after the meeting date as well as posed on the Company's website (www.kulthorn.com) for verification.



• Appointment / Dismission of Directors of the Company and Approve their Remuneration

According to the Company's Articles of Association, at the Annual General Meeting of Shareholders, one third (1/3) of the Directors has to be retired by rotation. Election for replacement is required. The retired directors are eligible to be re-elected for another term. And the shareholders have the rights to consider and approve the remuneration for all directors and members of sub-committees. Adequate Information of all candidates for being considered and appointed as directors or members of sub-committees was also delivered for shareholders' consideration.

The election of the Board of Directors shall be in accordance with the rules and procedures as follows:

- Each shareholder shall have one vote on each share.
- In voting, a shareholder shall vote in accordance with the number of votes each shareholder has under (1) for one or several directors. The said shareholder may not allot any number of his votes to any person.
- The person obtaining the highest and higher votes respectively shall be elected as directors equal to the number of directors required or ought to be elected at such a meeting. In the event that persons receiving votes in respective orders receive equal votes and the number of directors exceeds the positions required or ought to be, the chairman of the meeting shall have a casting vote.

Apart from the appointment of Directors, the shareholders also have rights to remove any director from the office before the expiration of his term of office by having votes of no less than three quarters (3/4) of the number of shareholders attending the meeting and having the rights to vote and the aggregate number of shares shall be no less than one half (1/2) of the shares held by all the shareholders attending the meeting and having the rights to vote.

Appointment of Auditors and approval of their remuneration

In every Annual General Meeting of Shareholders, one of the agenda is the appointment of Company's auditors and consideration of their remuneration. The Company will propose name of the auditors with sufficient details and remuneration for consideration of the shareholders.

Regularly and timely obtained adequate information, business performance and management policy.

The Company concerns on Shareholders' rights and not only disclosed Company's information via SET's communication system but also posed all significant and updated information on the Company's website (www.kulthorn.com).

Getting profit.

The Company will return profit to its shareholders by way of dividend payment. The Board of Directors of company will propose dividend payment is "no less than 60% of its separated net profit after corporate income tax subject to need for future investment and business plan, future necessity and appropriation. The Company's subsidiary companies have to pay dividend based on the resolution of its Board of Director meeting.

2. Equitable Treatment of Shareholders

The Company realizes to protect and due care for the interests of all major and minor shareholders as fairly basis. In addition, the Company sets policy for equitably treatment to all shareholders for attending and vote in the shareholders' meetings, sharing in profits, obtained adequate information, business performance and management policy. In the shareholders' meeting, each shareholder shall have one vote on each share. Proxy form requiring documents were delivered together with the invitation letter for shareholders who would like to appoint a proxy. Proxy form, which contains detail of voting as approve, disapprove or abstain, as well as details of 2 independent directors also are attached for shareholders consideration as alternative proxy. In addition, voting cards were provided for each agenda, especially, the agenda of appointment of directors of which been appointed by individual. In every shareholders meeting, the meetings were conducted to be in line with the agenda without any additional topic from what have been expressed in the invitation letter otherwise rights of the shareholders who could not participate in the meeting by themselves will be deprived.

The Company will inspect to ensure no inside information of which is material, undisclosed and confidential leak to public or be used from unauthorized for personal benefit. IT system has been implemented for a secure access for all users inside and outside the firewall in conjunction with the Company's own user authentication and security system. It was also set forth in the Company's Corporate Governance Policy to refuse directors, management and employees of the Company to use Company's inside information for personal benefits. The Directors and management of the Company had been informed on their duties and punishment regarding to report on securities holdings of themselves, their spouse and any minor children to the Stock Exchange of Thailand (SET) within 3 days from the transaction date according to the Securities and Exchange Act B.E. 2535. Any change in securities holdings, such directors and managements have to report the Company Secretary for coordination and preparing report submit to the Securities and Exchange Commission (SEC). In addition, the Company has set as a policy to report on securities holdings of directors in every meeting of the Board of Directors.

In case of conflict of interest, it is the Company's Policy to have the directors, management, employees and related parties to disclose such interests to the Audit Committee for consideration of the transaction to be complied to SET's regulations and any governing laws and regulations prior to further submit for consideration of either the Board of Directors or the shareholders. The directors who have conflict of interest will not participate in any agenda that they have conflict of interest. Moreover, any conflict of interest transactions with the connected persons will be disclosed in the Company's 56-1 One Report.

General practices for conflict of interest protection have been set in the Company's Business Ethics. Such practices have been delivered to all directors, management and employees.



3. Roles to Stakeholders

The support from each stakeholder should increase the competitiveness and ability to generate more benefit for long-term succession. The Company realized the importance of all stakeholders i.e. shareholders, employees of the Company and its subsidiaries, customers, competitors, lenders, societies and environment. Thus, general rules and practices have been set for directors, management and employees in the Company's Business Ethics for directors, managements, and employees to perform and disclosed on the Company's website (www.kulthorn.com) as well as providing more channels for the stakeholders to contact directly to the Company in order to provide either comments or recommendations which will be benefit to the Company.

4. Disclosure and Transparency

The Company has strong determination to reveal accurate complete, consistent and updated information, both financial and general information that related to Company's business. The Complete, consistent and updated information will truly reflect Company's financial performance and future business direction. Such information were disclosed to shareholders, investors and any related parties via SET's Communication system, Company's website (www.kulthorn.com), press release and Company's Annual Report as well as participated in the "Opportunity Day" which arranged by SET.

The Board of Directors has to ensure that the Company's disclosures are transparency and strictly complied by laws, Company's and any related regulations. The Board has Major concerned on transparency and disclosure in the following area:

Provide multi channels for disclosure of information

56-1 One Report

The Board of Directors ensure that 56-1 One Report contained adequate information with accuracy, clarity and could create understanding to the shareholders and related parties on the Company's operation and its performance for the previous year as well as the management structure, performance of the Board of Directors and all Committees.

Company's website

The Board of Directors is aware of the efficiency of website disclosure to the shareholders and related persons as well as equitably and easily of getting information. The Board of Directors therefore ensure the Company not only provide all significant information of the Company in the Company's Annual report but also on the Company's website (www.kulthron.com) in both languages, Thai and English. The disclosed information comprised of Corporate Governance Policy, Business Ethics, General News, Financial Statement as well as 56-1 One Report, etc.

Investor Relations

The Company realizes that its information, both financial and non-financial, affect the decision-making process for investors and stakeholders. Therefore, the management values accurate and full disclosure in a regular and timely manner, in accordance with SEC and SET regulations.

The Investor Relations department is not yet set up due to a few concerned activities then the Company assigned Mrs. Supanee Chantasasawat, the company secretary to communicate with investors, shareholders and stakeholders, and all investors can contact to the company by Website www.kulthorn.com

Tel. +66(0)2326-0831, +66(0)2739-4893 Fax +66(0)2326-0837, +66(0)2739-4892E-mail: companysecretary@kulthorn.com

Disclosure of Information of the Board of Directors and the Audit Committees

- Structure, Roles and Responsibilities of the Board as well as performance of the Board of Directors and the Audit committee.
- Directors and Management's Remunerations: Policy of Directors' Remuneration has been clearly and transparently set to be comparable to the general practice in same industry and be appealing enough to attract and retain qualified directors. The directors who also be appointed to be the member of any sub Committees will be paid appropriately more in accordance with the extra work. The Board of Directors will consider the remuneration and propose for approval from the meeting of shareholders. The remuneration of the Board of Directors, the Audit Committees and the Management have been disclosed in the Company's 56-1 One Report

Accountability to the Financial Statement

The Board of Directors is responsible for the Company's consolidated financial statements and any financial information which been disclosed in the Company's annual report. Such financial statements were prepared in accordance with the general acceptance-accounting standard in Thailand with appropriated financial policy. The reports were carefully considered and prepared with sufficient information in the notes to the financial statements. The financial statements have been audited and commented independently by the authorized auditors of SEC.

The Board of Directors also set out and maintained for the efficiency of the Company's internal control system to ensure that the financial information had been correctly and accurately booked and sufficient to maintain the Company's assets and be aware of weak point in order to prevent whether from any dishonesty or significant error. The Board of Directors had appointed the Audit Committee of which comprised independent directors to be responsible for the quality of the financial statements and the internal control system and disclosed such opinion in the Annual Report under the Report of the Audit Committee. The opinion of the Audit Committee has already been disclosed in the annual report. Moreover, Report of the Board of Directors' responsibility on the Company's Financial Statements was also attached in the Company's Annual Report.



5. Roles and Responsibilities of the Board of Directors

5.1 Composition

The Board of Directors has at least 4 members, and there are 11 members at the present.

The Board consists of Chairman, and other member of directors. The Board composed of independent directors with at least one-third of total numbers and shall at least 3 members. No less than one half of the total number of directors shall have residence within the Kingdom.

5.2 Qualifications

- 1. Has qualifications which comply to Public Company Act B.E. 2535, regulations of the Stock Exchange of Thailand, Securities and Exchange Commission, and Company's Articles of Association and any other related laws.
- 2. Does not run any business, which is competed with the Company, and not being a shareholder of any legal entities whose business is the Company's competitors except obtained approval from the shareholders.
- 3. Having leadership, vision, and independent consideration for best benefit of the Company and the shareholders.
- 4. Having various knowledge, experience, and specific skill that suitable for the Company business.
- 5. Having Integrity.
- 6. Having sufficient time for fully participated as a Director of the Company.

Qualifications of Independent Director (With a higher standard than the regulations of the Security Exchange of Thailand)

- 1. Shall not hold shares exceeding 0.5% of the total number of voting shares of the Company, its parent company, subsidiary, associated company, major shareholder or controlling person including shares held by related persons of such independent director.
- 2. Shall neither be nor have ever been a director with management authority, employee, staff member, advisor who receives a salary or be a controlling person of the Company, its parent company, subsidiary, associated company, same level subsidiary, major shareholder or controlling person unless the foregoing status ended not less than 2 years prior to the date of appointment to be an independent director.
- 3. Shall not be a person related by blood or legal registration as father, mother, spouse, sibling, or child, including spouse of child, of an executive, major shareholder, controlling person or person to be nominated as executive or controlling person of the Company or its subsidiary.
- 4. Shall neither have nor have ever had a business relationship with the Company, its parent company, subsidiary, associated company, major shareholder or controlling person, in a manner that may interfere with his/her independent judgment, and neither be nor have ever been a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associated company, major shareholder or controlling person, unless the foregoing status ended not less than 2 years prior to the date of appointment to be an independent director.

The term 'business relationship' in the preceding paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services, or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions which result in the Company or its counterparty being subject to indebtedness payable to the other party in the amount of 3 % or more of the net tangible assets of the Company or Baht 20 million or more, whichever is lower.

- 5. Shall neither be nor have ever been an auditor of the Company, its parent company, subsidiary, associated company, major shareholder or controlling person, and shall not be a significant shareholder, controlling person or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, associated company, major shareholder or controlling person, unless the foregoing status ended not less than 2 years prior to the date of appointment to be an independent director.
- 6. Shall neither be nor have ever been a provider of any professional service including legal advisor or financial advisor who receives service fees exceeding Baht 2 million per year form the Company, its parent company, subsidiary, associated company, major shareholder or controlling person, and shall not be a significant shareholder, controlling person or partner of the office of professional service provider, unless the foregoing status ended not less than 2 years prior to the date of appointment to be an independent director.
- 7. Shall not be a director appointed as representative of the director of the Company, the major shareholder or any other shareholder who is related person to the major shareholder.
- 8. Shall not undertake any business in the same nature and in competition with the business of the Company or its subsidiary, or shall not be a significant partner in a partnership, or an executive director, employee, staff member, advisor who receives a salary, or holds shares exceeding 1% of the total number of voting shares of another company which undertakes business in the same nature and in competition with the business of the Company or its subsidiary.
- 9. Shall not have any other characteristic that limits his/her ability to express independent opinions regarding the Company's business operations.

After having been appointed as an independent director with qualifications complying with the criteria under 1 to 9, the independent director may be assigned by the Board of Directors to take part in the business decisions of the Company, its parent company, subsidiary, associated company, major shareholder or controlling person, on condition that these actions must be collective decision and it's not mean that the independent director do a part of management.

Furthermore, in case of the amendment of Independent Director's qualifications which announced by the Board of Capital Market Supervisory or the Securities and Exchange Commission, such amendment will be complied.



5.3 Terms of positions

Pursuant to the Public Company Acts B.E. 2535, at first Annual General Meeting of Shareholders after the registration of the Company and at the first Annual General Meeting of Shareholders in every subsequent year one-third of the directors, who have been longest in office, shall retire. The retired directors are eligible to be re-elected for another term by obtaining majority approval from the Board of Directors and the Shareholders of company.

5.4 The Independent of the Board of Directors

Separation of CEO and President

For best benefit of the shareholders and to strike a balance of power within the Company, the positions of Chairman of the Board of Directors and President must not be attained by the same person. Roles and responsibility of the management have been clearly classified.

5.4.2 Balance between members

More than half of the members of the Board of Directors are not a part of executive team. Within this half, one third of the directors at least 3 members are independent and have no relations, business or personal, with the Company's executives. Free from executives' influences, they oversee the Company's direction with neutrality and pay careful attention to the rights of shareholder and stakeholder and to strike a balance of power within the Company.

5.4.3 Separate Roles and Responsibilities of the Board of Directors and President

The Board of Directors must take part in setting out the Company goals and carry out all the policies with an objective to optimize benefits to all shareholders and stakeholders without an obligation to personal benefits or any particular party. They must avoid all actions that may cause conflicts of interest between companies within the same umbrella. They have to operate the business with morality, responsibility, due care and integrity, as well as supervise the management to comply with Company's Objectives, Articles of Association, resolutions of the Board of Directors and shareholders' meeting along with rules and regulations stated by The Stock Exchange of Thailand and Office of the Securities and Exchange Commission (SEC). Their duties include:

- 1. Conduct business with responsibility, due care, and integrity uphold the duties according to the law, and Company's objectives, Articles of Association, resolutions of the Board of Directors and shareholders' meeting
- 2. Formulate policies and directions for the Company's operations. The Board must also supervise managerial and administrative departments to deliver all policies with effectiveness and efficiency
- 3. Consider and approve the Company's investment and annual budget
- 4. Appoint directors and Committee members to replace of those who will retire by rotation as well as consider the remuneration package for such directors and committee members, prior to propose for further consideration of the shareholders
- 5. Appoint audit committees to oversee administrative process and internal system to coincide with Company's policies, and propose to the Board of Directors prior to propose for further consideration of the shareholders
- 6. Appoint and consider remuneration package for top executives of the Company and appoint Company Secretary.
- 7. Summarize Profit & Loss Statement and Statement of Financial Position of the Company for every fiscal year's ended period. Authorize the statements and present them during the Annual General Meeting of Shareholders for further consideration
- 8. Nominate appropriated persons with remuneration for further consideration, proposed from the Audit Committee, and approval of shareholders for the appointment of the Company's auditors
- 9. Ensure the Company's to have written Corporate Governance Policy and Business Ethic as well as to ensure that there will be no conflicts of interest at the same time to establish systematic plans for internal control and risk management
- 10. Ensure that good corporate governance is implemented to demonstrate Company's commitment to operate the business with ethics and to bring fair treatment to all stakeholders
- 11. In case of entering into any direct or indirect transaction with the Company and subsidiaries, such director has to immediately inform his/her or related parties' personal interest to the Company
- 12. In case of holding the company's securities, such director has to immediately inform his/her changing of his/her holding of the company's shares.

Duties and responsibilities of the Chairman of the Board

- 1. To be responsible as the leader of the Board of Directors to oversee, monitor and supervise the operations of the Management and the Audit Committees to make them achieve the objectives pursuant to the specified plan
- 2. To act as the Chairman of the Board of Directors' meeting and the Shareholders' meeting
- 3. To have a casting vote in case the Board of Directors' meeting has a tie vote.



Roles and Responsibilities of President

Roles and responsibilities of the management have been clearly classified. The President will be the chairman of the management in terms of running the business of which will cover the following roles:

- 1. General operation management and control in business of the Company to comply with its objectives, policy and the Articles of Association
- 2. Consideration in business investment plans prior to propose to the Board of Directors for further approval in case of the over limit amount from the assigned authority.
- 3. Entering into any transaction binding the Company conforming to the Company's **Delegation of Authorities**
- 4. Carry out any assignment from the Board of Directors and/or the shareholders of the Company.

The delegation authorities of the President should not be delegated or further assigned that authorize the President or its attorney to approve any connected transactions between themselves or any persons who may have conflict of interest (according to the concept of conflict of interest of the Securities Exchange Commission's notification) with the Company or subsidiaries except such transactions are handled in line with the connected transaction procedure or policy which been approved by the Board of Directors of the Company shareholders' meeting to be complied to regulations of SET/ SEC or any related laws and regulations.

5.5 Transparency of Nomination

The Board of Directors select, and nominate appropriate candidates for positions of Chairman of the Board, members of the Board, the Audit committee and the President as well as consider the appropriate remuneration for such directors. In the case of a vacancy in the board of directors for reasons other than retire by rotation, the Board of Directors will elect a person as the substitute director. The resolution of the Board of Directors shall be by a vote of not less than 3/4 of the number of directors remaining. In case of a vacancy due to directors retire by rotation, the Board of Directors will select and nominate a person to Shareholders Meeting electing for director who shall obtain majority vote form shareholders who attend the meeting and have voting right. For election of independent directors, the Board of Directors will nominate any person who is fully complied with the qualifications of Independent Directors under the company's policy as well as complying to such requirements of SEC/SET as a minimum. Moreover, the Board of Directors of the Company has also appointed the Audit Committee's members to help the Board of Directors on its business either audit or consideration any significant matters.

Executive Succession Plan

The Company is aware of the importance of executive succession plan when any executive position is vacant. In order to create confidence for investors, shareholders and employees on the continuity operation of the Company, an Executive Succession Plan has been considered. The potential candidate will be selected, trained and developed to be ready to accommodate the vacant position in the future.

5.6 Directors' Remuneration

Policy of Directors' Remuneration have been clearly and transparently set to be comparable to the general practice in same industry and be appealing enough to tract and retain qualified directors. The directors who also be appointed to be the member of any sub Committees will be paid appropriately more in accordance with the extra work. The Board of Directors will consider the remuneration and propose for approval from the shareholders. The directors' remuneration by individual has been disclosed in the Company's annual information disclosure (Form 56-1) and the Annual Report.

5.7 Accountabilities of the Board of Directors

5.7.1 Set Policy and Business Direction

The Board of Directors involved and agreed on setting out the Company's vision, mission, Corporate Governance Policy, Business Ethics, strategies, goal, direction, business plan, budget, internal control and internal audit systems, including risk management. The Board has to ensure that the management had efficiently followed the Company's business plan and budget for profitability and economic value to the Company as well as for best stability to the shareholders. In addition, the Board of Directors has not only to ensure the Company and its management to oversee the value of all stakeholders, neither derive personal benefit nor create any rivalry with the Company and its subsidiaries, but also conducted the business with great awareness in ethical, moral and compliance to the Company's Articles of Associations as well as laws and regulations of the SET and the SEC.



5.7.2 Set up of Committees

For governing the management to comply with the approved policies and having better efficiency, the Board of Directors appointed the Audit committee and the Nomination and Remuneration Committees to help the Board for consideration in significant matters.

Audit Committee 1)

The Audit Committee's members have to be the independent directors who were elected by the Board of Directors and proposed for the Company's Board of Directors' and/or the shareholders' approval. The Audit Committee has at least 3 members.

Qualifications of Audit Committee

- 1. Has been appointed from the Board of Directors and/or the shareholders
- 2. The Members of the Audit Committee have to be the Independent director qualification from the SEC
- 3. Not being a person who has been empowered by the Board of Directors for any decision in the business operation of the Company, Parent Company, Subsidiary or affiliated Companies, Same-Level of Subsidiaries as well as any juristic person, major shareholder, or controlling person of the Company
- 4. Not being a director in parent Company Subsidiaries and any same-Level of subsidiaries which is a listed Company
- 5. Having sufficient knowledge, experience, and time to perform duties as the Audit Committee members
- 6. At least one member of the Audit Committee should have sufficient knowledge and experience to review the financial statement credibility and the Company has to put his/her name in the filing of 56-1 One Report. In addition, such qualification also has to be put in the committee certified letter which will be submitted to SET.

Term of the Audit Committee member is 3 years. The retired directors are eligible to be re-elected for another term by obtaining approval from Board of Directors and/or the Company's Shareholders.

Roles and Responsibilities of the Audit Committee

- 1. Review the Company's financial statement to ensure its accuracy and adequacy
- 2. Ensure that the Company has an appropriate and efficiency internal control, internal audit system, and consider the independence of the internal audit as well as to appoint, rotate or dismiss chief of internal audit of the Company or any other related function who takes responsibilities to internal audit
- 3. Ensure that the Company has complied to the Securities and Exchange Act, regulations of SEC/ SET and any other related regulations
- 4. Nominate appropriated and independent persons with remuneration for further consideration and approval of the Board of Directors and shareholders for the appointment of the Company's auditors
- 5. Arrange meeting with auditors without the management of the Company at least once a year
- 6. Review, comment and ensure that all connected transactions and any other conflict of interest transactions have been complied to laws, and regulations of SET/SEC as well as to ensure that the transactions are reasonable with best benefit to the Company
- 7. Provide the Audit Committee report for disclosure in the annual report of the Company with minimum contents as required by regulations of SET/SEC
- 8. Consider any other activities assigned by the Board of Directors.

2) The Nomination and Remuneration Committees

The Nomination and Remuneration Committee were appointed by the Board of Directors. The Committee has at least 3 members.

Duties and Responsibilities of the Nomination and Remuneration Committee

- 1. Consider and set criteria and nomination process of qualified candidates as directors and Top Management of the company.
- 2. Select directors and Top Management to take position in the Company.
- 3. Consider remuneration form and criteria for directors and Top Management of the Company.
- 4. Decide policy and managing process for Human Resources Management.
- 5. Review and amend the Charter of the Nomination and Remuneration Committees to proposed to the Board of Directors of the Company.
- 6. Perform the assignment form the Board of Directors.

5.7.3 Board of Directors' Meeting

The Board of Directors' Meeting schedule have been set as quarterly basis with certain meeting schedule will be sent to each director by the Company Secretary for preparation and arrangement for meeting participation. To comply with the Company's Articles of Association, unless any urgent matters, the invitation letter as well as meeting materials will be delivered by the Company Secretary to all directors not less than 10 days prior to the meeting date for consideration. However, additional unscheduled Board meetings may be called upon appropriate notice at any time either to address specific needs of the Company or to fulfill requirement of any directors.

5.8 Internal Control / Audit

The Company organized an internal audit department to review compliance control of all departments to investigate the errors and weaknesses and then proposes the suggestions to improve the operational efficiency. This is to ensure the consistent and appropriate compliance with existent internal control as well as strengthen the confidence of management and stakeholders. This department is independent and reports directly to the Audit Committee. The Company organized that good internal control allows the Company to notice irregularity and gives early warning for possible risks as well as manage risk to acceptable level.

The Company provides Internal control system in accordance with the system suggested by the Committee of Sponsoring Organizations of the Tread way Commission (COSO) that covers organizational and control environment, risk management, management control, information and communication and monitoring.

5.9 Operation of Business Risk

The Company has operated to serve business risk by mitigating any potential impact caused by economic, political changes, and domestic and global financial crisis. Policy also includes the criteria for risk prevention and detection will be designed from Top Management in the meeting. All concerning management therefore complied with the policy and implemented the risk prevention and mitigation measures in accordance with the designed prevention and detection of Top Management with the collaboration of concerned department as follows:

- 1. Preparation of risk prevention and detection by each department to support the Company's master business plan and to cope with business risks for the Company's goal achievement;
- 2. Each responsible department has prioritized the risks by evaluating the overall risk profile and its potential impact to the organization. The appropriate risk mitigation criteria shall be determined in conjunction with each department.
- 3. All prevention and detection shall be implemented and regularly followed up by the Top Executives comprising of each concerning management in a quarterly meeting as outlined in the risk management plan. All countermeasures shall be followed and reviewed by internal audit department to ensure that the final outcome is agreeable with the Company's proposed objectives.

Besides, the Company held risk management seminar and training for each business. The risk training also focused on concepts and principles of practicing on risk management throughout the organization which would contribute ensuring the sustainable growth of the Company as well as create long term value for stakeholders and shareholders.

5.10 Development of Directors and Management

To support and increase knowledgeable of the directors and Management, periodical training will be provided and especially the Director Accreditation Program (DAP) and Director Certification Program (DCP) arranged by the Thai Institute of Directors (IOD).

5.11 Company Secretary

The Board of Director considered and appointed a potential and experienced person as the Company Secretary proposed for further approval of the Board of Directors. Roles and responsibilities of the appointed Company Secretary are as follows:

- 1. Perform her duty with responsibility, due care and royalty as well as has to comply by laws and any other related regulation.
- 2. Support the Board of Directors for their activities including provided consultation with related to Company's Articles of Association, and any other regulations from related authorities.
- 3. Arrange meetings for Board of Directors, Committees and Shareholders as well as coordinate to ensure all resolutions have been implemented complying with Company's Objectives, Articles of Association, laws and related regulations.
- 4. Preparing and keeping important documents of the Company, i.e. a register of directors, notices calling directors' and shareholders' meetings as well as the reports of such meeting and the annual report, ect.
- 5. Keeping the report on interest filed by Directors and executives as well as submit a copy of such report to the Chairman and the Chairman of Audit Committee within seven business days from the date on which the Company has received the report.



5.12 Contact the Board of Director

Shareholders who wish to communicate directly with the Board of Directors, any committee of the Board or any individual director may submit their questions by:

- Sending Electronic Mail to

Board of Director: kkc-bod@kulthorn.com

Audit Committee: kkc-auditcom@kulthorn.com

- Mailing a letter to

Board of Director: Kulthorn Kirby Public Company Limited No. 126 Soi Chalong Krung 31,

Chalong Krung Road, Khwaeng Lam Pla Thio, Khet Lat Krabang, Bangkok

10520.

Audit Committee: Kulthorn Kirby Public Company Limited No. 126 Soi Chalong Krung 31,

Chalong Krung Road, Khwaeng Lam Pla Thio, Khet Lat Krabang, Bangkok

10520.

The Company Secretary will be responsible for forwarding those communications to the Board of Directors and relating directors or the standing committee and summarizing all directors' communications received during the most recent quarter to the Board. Communications to the Audit Committee will be delivered directly to the Audit Committee without any screening.

Business Ethics

Code of conduct for Management and Directors:

1 To the Company and Shareholder

- Act with honesty, including making any decision with good faith and fairness to major and minority shareholders for the best benefits of the Company and the shareholders.
- 1.2 Manage with the best skills and knowledge.
- 1.3 Protect any assets of the Company from illegitimately loss and damage.
- 1.4 Accurately and Completely Report the actual status and operating performance of the Company, consistently.
- Not disclose the confidentiality of the Company and not exploit the information and/or the confidentiality of the Company by misconduct.
- Eliminate the conflict of interests with caution and rationale, including disclosing the sufficient information.

2 To Employee

- Equally treat the employees with good manner and respect to a human dignity and basic human rights.
- 2.2 Award fare and appropriate benefits, base on the responsibility, skill & knowledge and performance of each employee.
- 2.3 Appoint and transfer, including reward and punish the employees with good faith, base on skill & knowledge and suitability of each employee.
- 2.4 Care for the working environment to be safe for life and health of employees.
- 2.5 Thoroughly and consistently encourage, support, train and develop knowledge and skill of employee.
- 2.6 Listen to opinion and suggestion, base on the professional knowledge of employees
- 2.7 Strictly follow any rules, regulations and codes related to employees.
- 2.8 Avoid any unfair action to employees and open for complain regarding any troubles or unfairness in order to come up with the right solutions.

To Customer

- Treat the customer with honest and fair, including disclose and provide accurate and sufficient information regarding goods and services to the customer without distortion.
- 3.2 Strictly Follow the conditions and liabilities to the customer, including treating and providing the service to customer with hospitality.
- 3.3 Instantly consider and fairly process the complaint of the customers for their satisfaction.
- 3.4 Keep the trade confidentiality of the customers from using for their own and/or related persons' benefits or misconduct.
- 3.5 Produce good quality of goods and services with consistently standard.
- Not overcharge the price, compared with the quality of goods and services and avoid an unfair trade conditions to the customers.

To Business Partner and/or Creditor

- Not request or accept or pay any non-good faith benefit to a business partner and/or a creditor.
- 4.2 In case of evidence of request or accept or pay any non-good faith benefit, the detail of information will be immediately revealed to a business partner and/or a creditor to mutually consider for the fair and prompt solution.
- Strictly follow any agreement and condition to a business partner and/or a creditor. In case of any bleach, the information will be immediately revealed to a business partner and/or a creditor to mutually consider for the solution.
- 4.4 Consistently and accurately report the financial data to the creditors on time.

To Trade Competitor

- Play by the rules. 5.1
- 5.2 Not seek for the confidentiality information of the trade competitor by misconduct or inappropriateness.
- 5.3 Not undermine the reputation of the trade competitor by accusing without any evidence support.

6 To Society

- 6.1 Do no harm to the country, national resource, environment or society as a whole.
- Frequently Support an activity that benefits a community and society as a whole or a creative activity to society.
- 6.3 Seriously build conscious and social responsibility among employees in any level, continuously.
- 6.4 Strictly act or supervise to act by the rules, regulation and codes, accordingly.

Code of conduct for Employee:

- 1. Work with honest, diligence, endeavor, discipline and responsibility for delegated duty.
- 2. Strictly and regularly act by the rules, regulations, the Company's code of conduct and related laws, including behaving as a good citizen under laws and orders of society for both in and out of the company.
- 3. Strictly keep the confidentiality of the Company, customers and business partners and do not disclose and confidentiality related to the Company or exploit the internal information of the company for their own and/or others' benefits.
- 4. Do not run or be partner or involve in any business or take any position in the business with the same business or competitive business or conflict of interests with the Company without the permission of the Company.
- 5. Utilize assets of the Company for the most effectiveness with care and maintain at the ready-to-use condition at all time, including not cause any damage or loss or use for their own and/or others'
- 6. Cooperate and assist in overall work, including any activity with the co-worker, respectfully.
- 7. Care for and act to maintain the working environment to be safe, clean and beautiful.
- 8. Keep and create the unity among Company and co-worker.
- 9. Not accuse the Company, management and/or co-worker.
- 10. Inform a supervisor or related agency in case of any misconduct in the company or illegal action or any action may cause the damage to the work, asset or reputation of the Company and/or co-worker.

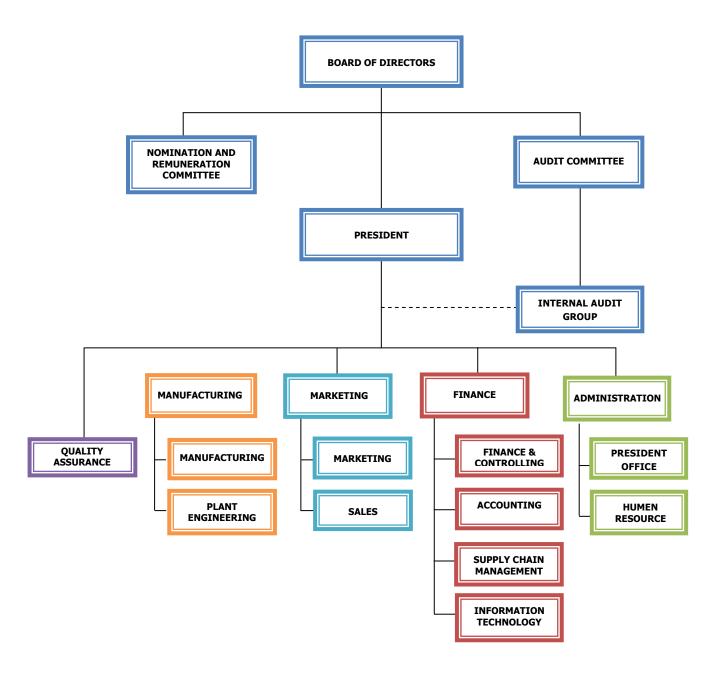
Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties mainly in respect of purchases and sales of goods. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Company and those related parties. All related details were disclosed in Note to consolidated financial statements no. 6



7. Corporate Governance Structure and Important Information about the Board, Sub Committees, Management, Employees and Others

Company Organization Chart as of 31 December 2023



Corporate Governance Structure

The Board of Director as of 31 December 2023

	Name	Position	Shareholding (%)
1.	Mr. Sutee Simakulthorn*	Chairman / Acting Executive Vice President	2.142
		(Finance)	
2.	Mr. Titisak Simakulthorn*	Director/President	0.483
3.	Mr. Abhijit Simakulthorn*	Director	0.483
4.	Mr. Sutas Simakulthorn*	Director/Nomination and Remuneration	2.819
		Committee	
5.	Mr. Kanok Suriyasat*	Director	-
6.	Mr. Prasan Tanprasert *	Director	-
7.	Mr. Tawatchai Jaranakarun	Independent Director and	$0.00009^{(1)}$
		Chairman of Audit Committee	
8.	Vice Admiral Naruedom Sa-ardyenTN.	Independent Director and	-
		Member of Audit Committee	
9.	Mr. Somlak Jiamtiranat	Independent Director/	-
		Chairman of the Nomination and Remuneration	
		Committee/ Member of Audit Committee	
10.	Mrs. Supanee Chantasasawat *	Director / Executive Vice President (Marketing)	0.483

Directors resigned before the expiration of the term of office.

- Mr. Promarat Simakulthorn (8 May 2023)

- Mrs. Benjawan Ratanaprayul (17 October 2023)

Authorized Director,

(1) shareholding by the spouse

Details of the director's profile appear in the attachment 1

The Audit Committee

As at 31 December 2023

1. Mr. Tawatchai Jaranakarun Chairman of the Audit Committee 2. Vice Admiral Naruedom Sa-ardyen RTN** Member of the Audit Committee 3. Mr. Somlak Jiamtiranat Member of the Audit Committee

The Audit Committee resigned before the expiration of the term of office.

- Mrs. Benjawan Ratanaprayul (17 October 2023)

^{**} The director who have adequate expertise and experience to review creditability of the financial reports.



The Nomination and Remuneration Committee

As at 31 December 2023

1.	Mr. Somlak Jiamtiranat	Chairman of the Nomination and Remuneration Committee
2.	Mr. Sutas Simakulthorn	Member of the Nomination and Remuneration Committee
3.	Pol Gen Pateep Tanprasert	Member of the Nomination and Remuneration Committee
4.	Ms. Araya Simakulthorn	Member of the Nomination and Remuneration Committee

The Management as of 31 December 2023

	Name	Position
1.	Mr. Titisak Simakulthorn	President/ Acting Executive Vice President (Manufacturing)
2.	Mrs. Supanee Chantasasawat	Executive Vice President (Marketing)
3.	Mr. Sutee Simakulthorn	Acting Executive Vice President (Finance)
4.	Ms. Araya Simakulthorn	Acting Executive Vice President (Administration)
5.	Mrs. Somjai Buakaew	Assistant Manager Financial Operations
6.	Ms. Narin Sakwichit	Accounting Manager

Details of the managements profile appear in the attachment 1

COMPANY SECRETARY: Pol Gen Pateep Tanprasert

The Board of Directors Meeting No. 2/2023 held on 10 May 2023 appointed Pol Gen Pateep Tanprasert to be Company Secretary, effective as from 11 May 2023.

Details of the company secretary profile appear in the attachment 1

Investor Relations

The Company realizes that its information, both financial and non-financial, affect the decision-making process for investors and stakeholders. Therefore, the management values accurate and full disclosure in a regular and timely manner, in accordance with SEC and SET regulations.

The Investor Relations department is not yet set up due to a few concerned activities then the Company assigned Mrs. Supanee Chantasasawat to communicate with investors, shareholders and stakeholders, and all investors can contact to the company by Website www.kulthorn.com

Tel. +66(0)2326-0831, +66(0)2739-4893

Fax +66(0)2326-0837, +66(0)2739-4892 E-mail: companysecretary@kulthorn.com

Remuneration to the Company's Executives in year 2023

To Directors

Remuneration to company's directors members of the audit committee and Nomination and Remuneration Committee as meeting allowance was Baht 2,112,000.

To Management

Remuneration to the Management, excluding the Finance Division Manager and the Accounting Department, Assistant Manager for 5 persons in terms of salary and bonus was Baht 14,185,000 together with the contribution for Provident Fund of Baht 1,334,718.22

Employees

The company has a total of 901 employees. In 2023, compensation has been paid to employees in the total amount of 230.98 million baht, including salary, overtime pay, bonuses, social security payments. and contributions to the provident fund, etc. In addition, 6 subsidiaries have paid remuneration to employees in the same manner as the Company in the total amount of 301.63 million baht.

	VVC	Subsidiaries Companies						
	KKC	KPC	KKF	KSC	KMC	KRD	KMP	
Operator/Service (person)	696	262	262	346	90	25	-	
Administrative staff (person)	35	10	9	16	10	7	-	
Officer (person)	170	112	51	57	34	4	-	
Total (person)	901	384	322	419	134	36	-	
Remuneration (million baht)	230.98	88.84	86.71	79.00	33.00	14.08	-	



Information about provident funds

Number of employees participating in the provident fund as of 31 December 2023

Company / Subsidiaries	Number of Employees	Yes/No PDV	Number of employees participating in PDV (person)	Ratio of employees participating in PDV / Total employees (%)
KKC	901	Yes	328	36.40
KPC	384	Yes	324	84.38
KKF	322	Yes	125	38.82
KSC	309	Yes	76	24.59
KMC	134	Yes	71	52.99
KRD	36	Yes	22	61.11
KMP	-	-	-	-

: Kulthorn Kirby Public Company Limited KKC

KPC : Kulthorn Premier Company Limited

KKF : Kulthorn Kirby Foundry Company Limited

KSC : Kulthorn Steel Company Limited

KMC : Kulthorn Materials and Controls Company Limited : Kulthorn Research and Development Company Limited KRD

KMP : Kulthorn Metal Products Company Limited

Chairman

Directors in subsidiaries companies

As of 31 December 2023

1)	Kulthorn	Premier	Company	Limited ((KPC)
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1.	roi Gen raicep Tanpiaseit	Chairman
2.	Mr. Sutee Simakulthorn	Managing Director

Mr. Titisak Simakulthorn 3. Director 4. Mr. Sutas Simakulthorn Director 5. Mrs. Supanee Chantasasawat Director

2) Kulthorn Kirby Foundry Company Limited (KKF)

Pol Gen Pateep Tanprasert Chairman

2. Mr. Somchai Chaiyasit Managing Director

Mr. Titisak Simakulthorn Director Mr. Sutee Simakulthorn 4. Director Mr. Abhijit Simakulthorn Director

3) Kulthorn Steel Company Limited (KSC)

Pol Gen Pateep Tanprasert Chairman

Mr. Titisak Simakulthorn Managing Director

3. Mr. Sutee Simakulthorn Director Mr. Sutas Simakulthorn Director Director Mrs. Supanee Chantasasawat

4) Kulthorn Materials and Control Company Limited (KMC)

Chairman Pol Gen Pateep Tanprasert

2. Mr. Somchai Chaiyasit Managing Director

3. Mr. Titisak Simakulthorn Director Mr. Sutee Simakulthorn 4. Director Mr. Sutas Simakulthorn Director

5) Kulthorn Metal Products Company Limited (KMP)

Pol Gen Pateep Tanprasert 1. Chairman

2. Mr. Titisak Simakulthorn Managing Director

3. Mr. Sutee Simakulthorn Director 4. Mr. Sutas Simakulthorn Director Mrs. Supanee Chantasasawat Director

6) Kulthorn Research and Development Company Limited (KRD)

Pol Gen Pateep Tanprasert Chairman

2. Mr. Titisak Simakulthorn Managing Director

Mr. Sutee Simakulthorn Director Mr. Sutas Simakulthorn 4. Director Mrs. Supanee Chantasasawat Director



8. Key Performance Reports on Corporate Governance

Nomination & Remuneration Committee Report

Kulthorn Kirby Public Company Limited has set up the Nomination & Remuneration Committee. consists of 4 directors.

1) Mr. Somlak Jiamtiranat	Chairman of the Nomination & Remuneration Committee
2) Pol Gen Pateep Tanprasert	Member of the Nomination & Remuneration Committee
3) Miss. Araya Simakulthorn	Member of the Nomination & Remuneration Committee
4) Mr. Sutas Simakulthorn	Member of the Nomination & Remuneration Committee

Nomination & Remuneration Committee performed their duties in accordance with the scope of duties and responsibilities assigned by the Board of Directors. During the year 2023, the Nomination & Remuneration Committee held 1 meetings which all directors attended. The meeting accordingly. A summary of important subjects as follows:

- 1. Consider the criteria for recruiting qualified persons to hold the position of the Company's director as well as select suitable persons for the position, and present to the Board of Directors in order to purpose to the shareholders' meeting for appointment.
- 2. Consider the compensation guidelines and compensation model of the Board of Directors, then propose to the shareholders' meeting for approval.
- 3. Consider the criteria for recruiting qualified persons for the position of senior Executive. including select suitable persons and present to the Board of Directors for approval.
- 4. Consider the compensation guidelines and compensation model of senior Executive and present to the Board of Directors for approval.
- 5. Promote, support and provide opportunities for the shareholders to propose an agenda, and to nominate person or persons to become directors in place of the retired directors in advance from November 6, 2023 - January 16, 2024.

Mr. Somlak Jiamtiranat Chairman of the Nomination & Remuneration Committee

Just

The Audit Committee's Report

The Audit Committee of Kulthorn Kirby Public Company Limited (the Company) consists of three independent directors who are qualified as independent directors. The qualifications of the independent directors are consistent with the requirements and best practices for the audit committee of The Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) by performing duties following the scope of responsibility assigned from the Board of Directors and per the Charter of the audit committee. In 2023, Mrs. Benjawan Ratanaprayul retired from the Committee before the expiration of term on the 17th of October, 2023 and on the 8th of November, 2023 the Committee appointed Mr. Somlak Jiamtiranat as a Committee in place of Mrs. Benjawan Ratanaprayul.

In 2023, there were seven meetings and a summary of operation reports is provided to the Board of Directors every quarter. The meeting attendance details of each audit committee are as follows:

		Number of Meetings	Number of Enter
Mr. Tawatchai Jaranakaran	the chairman	7	7
Vice Admiral Naruedom Sa-ardyen RTN.	member	7	7
Mrs. Benjawan Ratanaprayul	member	5	5
Mr. Somlak Jiamtiranat	member	1	1

In each meeting, the Audit Committee discussed with the management, the auditor, and the internal auditors. In addition, there was one meeting with the auditor without the management team attending the meeting for independent consultation. During the meetings the following was discussed about the operations that are importance of the preparation of financial statements, opinions, scope of work, plans, and annual auditing procedures of the auditors. The audit committee has expressed opinions and provided independent observations and recommendations as follows:

1. Reviewing the accuracy of financial reports and the sufficiency of information disclosure

The audit committee has reviewed the company's financial reports and its subsidiaries, both quarterly and for the year 2023, according to accounting standards set by the Federation of Accounting Professions. The review includes adequate disclosure of important information in the notes of financial statements per Thai Financial Reporting Standards (TFRS) which have been reviewed and audited by the auditor.

The audit committee reviewed that the company's financial reports were done according to the Federation of Accounting Professions Standards and were correct and complete due to Thai Financial Reporting Standards. The audit committee found the report reliable, the accounting policies used are suitable, and proper important information is disclosed. However, the auditor's report noticed significant uncertainties relating to the Kulthorn Group's ongoing performance but did not provide conditional comments on this case.



2. Reviewing the sufficiency of the internal control system

The audit committee has reviewed the audit report of the internal audit department and the auditor regarding the evaluation of the internal control system of the company and its subsidiaries. No significant issues were found. In addition, the management has continuously improved and been open to suggestions and recommendations from the audit committee, auditors, and internal auditors. This demonstrates the emphasis on internal controls of the company and therefore proves that the company has sufficient internal controls.

3. Reviewing risk management

The board of directors and the management give importance to risk management by considering the appropriateness of the business environment and changes in various areas to set operational measures and manage risks to prevent or mitigate the potential impact on business operations.

In the year 2023, the audit committee gave remarks and recommendations to the Board of Directors and the management about business risks in various fields such as the current competitive situation from both domestic and international, resource management, production costs, and liquidity management. The management acknowledged and defined risk management guidelines to prevent and mitigate the effects on the company's business operations.

4. Reviewing related transactions or transactions which might cause conflict of interests

The audit committee has reviewed the related transactions or transactions that may have conflicts of interest that are considered as related transactions under the notification of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). The results of the review of related party transactions found that the company has acted following general trade conditions, fair, and reasonable, and did not cause the transfer of benefits including complete and sufficient disclosure by adhering to good corporate governance policies and announcement of the Stock Exchange of Thailand (SET).

5. Good Corporate Governance

The audit committee has reviewed the company's operation to ensure that it complies with the Securities and Exchange Commission (SEC), the regulations of the Stock Exchange of Thailand (SET), and laws that are relevant to the company's businesses, as well as monitoring the compliance of corporate governance to create transparency and reliability.

6. The self-assessment of the Audit Committee

The audit committee reviewed and assessed their performance during the year 2023 that comply with the good corporate governance guidelines suggested by the Securities and Exchange Commission (SEC). The assessment results showed that the audit committee has effectively carried out its duties following the scope, duties, and responsibilities as stipulated in the Audit Committee's Charter.

7. Appointment of the external auditors and review of the audit fee for 2024

The audit committee considered and proposed to the company's Board of Directors to be further approved at the General Meeting of the shareholders, appointment of the EY Office Limited as the company's auditors for another year in 2024 by Ms. Siriwan Suratepin, a certified public accountant number 4604, and/or Mrs. Sarinda Hiranprasertwut, a certified public accountant number 4799, and/or Ms. Natteera Pongpinitpinyo, a certified public accountant number 7362. The audit reviewing fee is 3,380,000 baht.

In summary, the performance of the Audit committee in 2023 is just and independent and was able to perform duties and responsibilities specified in the charter of the audit committee by using knowledge, ability, and sufficient caution for the benefit of all stakeholders.

> April 29th, 2024 On behalf of the Audit Committee

Mr. Tawatchai Jaranakaran Chairman of the Audit Committee



Declaration of the Directors' Responsibility for the Financial Statements

The Board of Directors of the Kulthorn Kirby Public Company Limited (KKC) has prepared the Company's financial statements to show its financial status and performance for 2023 under the Public Company Limited Act of 1992, the Accounting Act of 2000, the Securities and Exchange Act of 1992 and the announcement of the Capital Market Supervisory Board concerning the criteria, conditions and reporting method for the disclosure of information on financial status and performance of companies that issue securities.

The Board recognizes its duties and responsibility for directing a listed company, particularly the responsibility for financial statements of the Company and its subsidiaries including financial information that appears in the annual report of 2023. Such statements have been prepared under generally accepted accounting principles, with a suitable accounting policy chosen and due discretion exercised for sensible estimation. Adequate significant information has been disclosed in the notes to these financial statements for transparent use by shareholders and general investors.

The Board has instituted and maintained effective practices for the risk of company business and internal control systems to become reasonably confident of accurate, complete and adequate accounting information to retain Company assets and prevent frauds or significant anomalies in operation.

The Audit Committee, acting on behalf of the Board, has been assigned responsibility for the quality of financial reports and internal control system and its opinions duly appear in its own report as shown in Annual Report.

It is our view that KKC's internal control system is, on the whole, satisfactory and can reasonably assure us that the financial statements of KKC and its subsidiaries ended December 31, 2023 are reliable in accordance with Thai Financial Reporting Standards, legally sound and acceptable to relevant regulations.

> Mr. Sutee Simakulthorn Chairman

Mr. Titisak Simakulthorn President

9. Internal Audit and Controls, Related party transactions

9.1 Internal Audit and Controls

9.1.1 Summary to internal audit observation by the Company Board of Directors

The Company independent of director (4 members) and audit committee (3 members) held the meeting and made observations for the internal audit and control of the Company by inquiring the information from the Executive management before the Audit Committee concluded 5 areas of significant importance; 1) Internal Audit and Controls, 2) Risk assessment, 3) Performance controls, 4) Information technology and Communication, and 5) the systematic follow up process. For all these important activities, there must be sufficient and effective. The Company provides the personnel to conduct these processes efficiently and effectively. The Company should extend the internal audit and control to all of its subsidiaries in order to protect its assets, belongings. This must protect from any executive and management from misused activities including and business transactions that could possibly cause any conflict of interest to the Company.

9.1.2 Summary of the Audit Committee that contains any difference from the Board of Director observations and comments.

- No -

9.1.3 Head of the Internal Audit Group and Head of performance controls section.

The Audit Committee has appointed Ms. Araya Simakulthorn as the Supervisor of the Company's internal audit team, and has hired AMT Solution Co., Ltd. which is an external party to conduct the Company's internal audit.

AMT Solution Co., Ltd. has assigned Mr. Supoj Pannoi as the main person responsible for carrying out the duties of the Company's internal audit.

The Board of Directors have reviewed the qualifications of AMT Solution Co., Ltd. and recognized that the company is sufficiently equipped with qualifications to carry out the mentioned tasks for the reason of their independency and their experiences in the works of an internal auditor. Hence, the Company has also established a team internally to cooperate with the internal audit consulting company.

In this regard, the consideration and approval to appoint, remove and transfer the Head of the Company's internal audit must be approved by the Audit Committee.



9.2 Related party transactions

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

(Unit: Million Baht)

	For the	e years ende	d 31 Decen	nber	
		ed financial	•		
_	staten	nents	staten		Pricing policy
	2023	2022	2023	2022	
Transactions with subsidiaries (eliminated from the	<u> </u>				
consolidated financial statements)					
Purchases of goods	-	-	255	623	Market price
Sales and service income and scraps sales	-	-	52	113	Approximate market price
Interest expenses	-	-	56	44	Interest rate at 6.50 - 7.80 percent per annum
Other income	-	-	11	13	Mutually agreed price as stipulated in the contract
Rental income	-	-	12	13	Mutually agreed price as stipulated in the contract
Other expenses	-	-	66	41	Mutually agreed price as stipulated in the contract
Transactions with related					
companies					
Sales and service income and scraps sales	291	536	102	181	Approximate market price
Purchases of goods	12	13	11	13	Market price
Rental expenses	3	3	-	-	Mutually agreed price as stipulated in the contract
Other expenses	7	11	3	4	Mutually agreed price as stipulated in the contract

The balances of the accounts as at 31 December 2023 and 2022 between the Group and those related parties are as follows:

			(Unit: T	Thousand Baht)
	Consolidated financial		Separate	financial
	statem	nents	staten	nents
	2023	2022	2023	2022
Trade and other receivables - related parties (Note 8)				
Subsidiaries	-	-	25,287	24,724
Related companies (related by common				
director/shareholder)	51,572	87,243	1,435	3,305
Total trade and other receivables - related parties	51,572	87,243	26,722	28,029
Trade and other payables - related parties (Note 17)				
Subsidiaries	-	-	658,282	528,501
Related companies (related by common director/				
shareholder)	22,925	8,807	20,738	6,640
Total trade and other payables - related parties	22,925	8,807	679,020	535,141

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

As at 31 December 2023 and 2022, the balance of short-term loans between the Company and its subsidiaries, and the movement are as follows:

(Unit:	Thousand	Baht)
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		Separate finance	cial statements	ŕ
	Balance as at	Increase	Decrease	Balance as at
	31 December	during	during	31 December
	2022	the year	the year	2023
Short-term loans to subsidiaries				
Kulthorn Materials and Controls Co., Ltd.	-	-	-	-
Suzhou Kulthorn Magnet Wire Co., Ltd.	60,855	-	(60,855)	-
Total	60,855	-	(60,855)	-
		Separate finan	cial statements	
		Separate finan	cial statements	
	Balance as at	Separate finand	cial statements Decrease	Balance as at
	Balance as at 31 December			Balance as at 31 December
		Increase	Decrease	
Short-term loans from subsidiaries	31 December	Increase during	Decrease during	31 December
Short-term loans from subsidiaries Kulthorn Premier Co., Ltd.	31 December	Increase during	Decrease during	31 December
	31 December 2022	Increase during the year	Decrease during the year	31 December 2023
Kulthorn Premier Co., Ltd.	31 December 2022 461,000	Increase during the year	Decrease during the year (90,000)	31 December 2023 461,000
Kulthorn Premier Co., Ltd. Kulthorn Kirby Foundry Co., Ltd.	31 December 2022 461,000 155,000	Increase during the year 90,000 4,000	Decrease during the year (90,000) (4,000)	31 December 2023 461,000 155,000

Directors and management's remuneration

During the years ended 31 December 2023 and 2022, the Group had employee benefit expenses payable to their directors and management as below:

(Unit: Million Baht)

	Consolidated financial						
		statements	Separate finan	icial statements			
	2023	2022	2023	2022			
Short-term employee benefits	37	43	18	16			
Post-employment benefits	7	5	3	4			
Total	44	48	21	20			

Guarantee obligations with related parties

The Group has outstanding guarantee obligations with its related parties, as described in Note 32.3 to the financial statements.

Type of Business and Relationship

No.	Related Company	Shareholder	Type of Business	Related Party Transactions	F0 ₁	r the year en (Millio	For the year ended 31 December (Million Baht)	mber	Policy formulation conditions and
						2023	2022	2021	selling price
-	Kulthom Dermier Co. 1 td	Kulthorn Kirby	Compressor and narte	The company buys parts for compressor	Buy	22.79	39.47	36.15	Normal business operation
-	National Conference Co., Eds.	100 %	Compressor and parts	production	Sell	14.15	19.51	55.68	for general public
·	Kulthorn Kirby Foundry	Kulthorn Kirby	Goeting moute	The company buys parts for production.	Buy	73.39	161.39	194.58	Normal business operation
1	Co., Ltd.	100 %	Casting parts	compressor and sell scraps to them	Sell	19.68	77.51	79.64	for general public
,,	Vilthoun Ctool Co I td	Kulthorn Kirby	Steels sheets and	The company buys steel coils and steel.	Buy	166.19	314.26	372.51	Normal business operation
n	Nuturotti Steet Co., Ltd.	100 %	forming	Processing and selling steel coils	Sell	18.12	15.05	47.33	for general public
-	Kulthorn Materials and	Kulthorn Kirby	Enomeled wires	The company buys enameled copper wire.	Buy	19.56	37.77	52.98	Normal business operation
۲	Control Co., Ltd	100 %		for use in the manufacture of compressors	Sell	90.0	0.01	0.04	for general public
v	Suzhou Kulthorn Magnet	ջինաժեն արդինե	seann belemen H	The company enameled copper wire and	Buy	4.19	70.35	164.36	Normal business operation
,	Wire Co., Ltd.	Nutrion Marchars		parts for compressor manufacturing	Sell	ı	ı	ı	for general public
٠	Kulthorn Research and	Kulthorn Kirby	Research and	Research and Develon the commessor	Buy	32.51	70.35	37.81	Normal business operation
>	Development Co., Ltd.	100 %	Development Co., Ltd.		Sell	-	-	-	for general public
٢	Thai Compressor	Simakulthorn Group	Potony Communication	Dower manufacturing for commenceas	Buy	-	ı	,	Normal business operation
-	Manufacturing Co., Ltd.	33.32%	with y compression		Sell	1.92	(0.01)	(0.02)	for general public
٥	V.146.000 Co. 1 td	Simakulthorn Group	Doolow of Commenced	Dicterior comments of commences	Buy	1.67	2.54	3.57	Normal business operation
o	Naturolii Co., Eta.	100%	Dealet of Compressor	Distribution company of compressor	Sell	76.76	135.58	141.18	for general public
	17 - O - : 17 - 14 14 - 14	Simakulthorn Group	Electric Motor	Parts manufacturing company for	Buy	5.0	5.38	6.13	Normal business operation
6	Numori Electric Co., Ltd.	100%	Production	electric motor	Sell	0.70	0.13	-	for general public
01	L+ 1 2 0 200 air all amo 41.77	Simakulthorn Group		TT.	Buy	-	80.0	80.0	Normal business operation
10	Naturon Engineer Co., Edd.	100%	sen eduibment Cumer	THE COMPANY SENS THE COMPLESSOR.	Sell		ı	•	for general public
11	Heateraft Subco Dtv I td	Foreign Investore	Tosseration of Compressor	The commany cells the commession	Buy	-	-	-	Normal business operation
11	ireatefait Succe 1 ty Ltd.	rotelgii ilivostors	Care of Compressor	The company sens are compressor.	Sell	-	-	0.97	for general public
2	Super Alloy Technologies	Simakulthorn Group	Assembly production	Buy wire assembly	Buy	5.26	4.78	22.25	Normal business operation
!	Co., Ltd.	100%	wires and other parts	for compressor motor	Sell	1.59	10.46	17.9	for general public



Necessity and Reasonableness of Connected Transactions

The auditor has considered the connected transactions for the fiscal year 2023 ending December 31, 2023 and is of the opinion that such connected transactions It is a transaction which is mainly related to the trading of goods. Such business transactions are in accordance with the commercial terms and criteria as agreed between the companies, and those persons or businesses which is normal business. These connected transactions can maximize the Company's benefits from competitive advantages with lower operating costs resulting from related business operations for similar product groups.

Related party transaction approval process

In the transaction in the event that the company has a purchase / sale transaction Goods and services between each other are set to be priced comparable to the market price charged to third parties. If there is no such price, the company will consider comparing the price of goods or services with outside prices. under the same or similar conditions. To ensure that the said price is reasonable and for the best interest of the company. In addition, the Audit Committee also acts as a reviewer of important related party transactions, and quarterly disclosure of related party transactions in the Board of Directors' meeting, to ensure that there is no conflict of interest between each other

Future related transactions policy

The Audit Committee and the Company jointly supervise the aforementioned related transactions that may occur in the future to ensure that they are reasonable and have a fair rate of return. However, due to the fact that most of the related-party transactions are in the course of normal business operations. In addition, the company has a policy to do business transactions that complement each other. Therefore, connected transactions with related companies are likely to occur continuously in the future. The company still adheres to reasonableness and takes into account the suitability of conditions and fair prices as the main principle.

Part 3 Financial Statements

Kulthorn Kirby Public Company Limited and its subsidiaries Report and consolidated financial statements 31 December 2023

Independent Auditor's Report

To the Shareholders of Kulthorn Kirby Public Company Limited

Disclaimer of Opinion

I have audited the accompanying consolidated financial statements of Kulthorn Kirby Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Kulthorn Kirby Public Company Limited for the same period.

I do not express an opinion on the financial statements referred to above because of the significance of the matter described in the Basis for Disclaimer of Opinion section of my report on the consolidated financial statements of Kulthorn Kirby Public Company Limited and its subsidiaries and the separate financial statements of Kulthorn Kirby Public Company Limited for the year ended 31 December 2023.

Basis for Disclaimer of Opinion

As disclosed in Note 1.2 to the 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 year ended 31 December 2023 of Baht 1,281 million (the Company only: Baht 1,589 million). As at 31 December 2023, the Group's total current liabilities exceeded its total current assets by Baht 3,942 million (the Company only: Baht 4,457 million). The Group had deficit of Baht 4,442 million (the Company only: Baht 4,008 million) and capital deficit of Baht 676 million (the Company only: Baht 934 million). The major current liabilities of the Group consisted of the followings:

- Bank overdraft and short-term loans from financial institutions amounting to Baht 3,453 million (the Company only: Baht 2,166 million),
- Trade and other payables amounting to Baht 623 million (the Company only: Baht 1,034 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 mainly became payable on demand since the Group was unable to maintain certain financial ratios and failed to meet its debts repayment obligations as stipulated in the Credit Facility Agreement, as described in Note 18 to the consolidated financial statements.



Up to the present, the Group has suffered from a lack of financial liquidity and working capital, making it difficult to purchase raw materials, cover production expenses necessary to fulfill purchase orders from customers and settle loans and liabilities that will come due. The Group's management has implemented various plans, including negotiations with financial institutions to restructure debts, and to obtain new credit facilities from both financial institutions and directors/ shareholders. In addition, the Group has adjusted the production and distribution strategies and reduced manufacturing costs and other expenses to increase the Group's liquidity. Currently, these plans are still in progress.

These matters involve multiple significant uncertainties, which may have the potential interaction and their possible cumulative effect on the financial statements, raising substantial doubt about the ability of the Group 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.

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. However, because of the matter described in the Basis for Disclaimer of Opinion section of my report involves multiple uncertainties, notwithstanding having obtained sufficient appropriate audit evidence regarding each of the individual uncertainties, it is not possible to form an opinion on the financial statements due to the potential interaction of the uncertainties and their possible cumulative effect on the financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

KULTHORN KIRBY PUBLIC COMPANY LIMITED

Evaluate the overall presentation, structure and content of the financial statements, including the

disclosures, and whether the financial statements represent the underlying transactions and events

in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or

business activities within the Group to express an opinion on the consolidated financial

statements. I am responsible for the direction, supervision and performance of the group audit. I

remain solely responsible for my report.

I communicate with those charged with governance regarding, among other matters, the planned scope

and timing of the audit and significant audit findings, including any significant deficiencies in internal

control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical

requirements regarding independence, and to communicate with them all relationships and other matters

that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

I am responsible for the audit resulting in this independent auditor's report.

Natteera Pongpinitpinyo

Certified Public Accountant (Thailand) No. 7362

EY Office Limited

Bangkok: 10 May 2024

Kulthorn Kirby Public Company Limited and its subsidiaries Statements of financial position

As at 31 December 2023

(Unit: Baht)

		Consolidated fina	ancial statements	Separate finan	icial statements
	Note	2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	7	17,347,720	21,436,263	3,605,365	4,359,511
Trade and other receivables	8	304,490,566	608,974,101	51,073,620	205,167,001
Short-term loans to related parties	6	-	-	-	60,885,043
Inventories	10	812,588,238	1,162,837,827	471,781,507	668,084,553
Current tax assets		4,165,965	8,075,480	665,903	1,443,358
VAT receivable		31,264,674	72,949,745	23,267,078	67,146,227
Other current assets	11	63,336,605	80,590,026	9,752,912	39,008,745
Total current assets	_	1,233,193,768	1,954,863,442	580,146,385	1,046,094,438
Non-current assets	_				
Investments in subsidiaries	12	-	-	1,392,168,519	2,017,233,355
Property, plant and equipment	13	3,800,207,862	4,959,882,068	2,417,486,753	2,923,011,409
Right-of-use assets	19	47,642,784	65,998,800	3,377,891	4,997,842
Goodwill on business combination	14	-	-	-	-
Other intangible assets	15	33,049,268	53,239,936	23,598,969	33,566,219
Deferred tax assets	27	-	17,065,941	-	-
Other non-current assets		2,252,918	1,096,922	803,228	870,228
Total non-current assets	_	3,883,152,832	5,097,283,667	3,837,435,360	4,979,679,053
Total assets	_	5,116,346,600	7,052,147,109	4,417,581,745	6,025,773,491



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

As at 31 December 2023

(Unit: Baht) Consolidated financial statements Separate financial statements 2023 2022 Note 2023 2022 Liabilities and shareholders' equity Current liabilities Bank overdrafts and short-term loans from financial institutions 16 3,453,165,883 3,706,319,566 2,165,983,075 2,196,867,663 17 Trade and other payables 666,177,244 1,034,074,936 890,144,072 623,313,349 Short-term loans from related parties 6 770,000,000 766,000,000 18 Current portion of long-term loans 1,065,569,837 1,088,148,369 1,054,602,519 1,082,802,975 Current portion of lease liabilities 19 14,384,066 18,623,683 1,472,791 1,619,951 Dividend payable 888,209 888,263 884,167 884,222 Other current financial liabilities 78,832 Other current liabilities 20 9,986,489 12,692,645 17,615,620 25,225,817 Total current liabilities 5,174,936,964 5,037,003,977 4,951,011,528 5,505,461,774 Non-current liabilities Long-term loans, net of current portion 18 43,255,231 21,576,093 Lease liabilities, net of current portion 19 4,401,840 18,468,763 1,933,261 3,406,051 Deferred tax liabilities 27 353,777,590 373,911,852 219,004,280 186,622,685 Provision for long-term employee benefits 21 216,112,331 221,408,041 93,501,948 107,996,610 Total non-current liabilities 298,025,346 617,546,992 635,364,749 314,439,489 Total liabilities 5,792,483,956 6,140,826,523 5,351,443,466 5,249,036,874

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

As at 31 December 2023

(Unit: Baht)

		Consolidated fina	ncial statements	Separate finance	ial statements
	<u>Note</u>	2023	2022	2023	2022
Shareholders' equity					
Share capital					
Registered					
1,500,000,000 ordinary shares of Baht	1 each	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000
Issued and fully paid up					
1,500,000,000 ordinary shares of Baht	1 each	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000
Share premium		700,000,000	700,000,000	700,000,000	700,000,000
Surplus from business combination					
under common control		207,897,949	207,897,949	-	-
Retained earnings (deficits)					
Appropriated - statutory reserve	23	120,000,000	120,000,000	120,000,000	120,000,000
Unappropriated		(4,562,116,349)	(3,638,575,108)	(4,128,004,484)	(2,723,065,604)
Other components of shareholders' equity		1,358,081,044	2,021,997,745	874,142,763	1,179,802,221
Total shareholders' equity (capital defic	it)	(676,137,356)	911,320,586	(933,861,721)	776,736,617
Total liabilities and shareholders' equity	,	5,116,346,600	7,052,147,109	4,417,581,745	6,025,773,491



Kulthorn Kirby Public Company Limited and its subsidiaries Statements of comprehensive income For the year ended 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements		
	Note	2023	2022	2023	2022	
Profit or loss:						
Revenues						
Revenue from contracts with customers	6, 24, 28, 30	3,176,090,939	6,085,180,568	1,253,975,815	2,993,477,170	
Rental income		5,800,850	2,950,118	15,694,270	12,924,370	
Gain on exchange		-	36,729,430	-	38,202,707	
Gain on disposal of investment in						
indirect subsidiary	12	106,687,345	-	-	-	
Other income		8,889,536	8,876,867	17,513,918	20,327,418	
Total revenues		3,297,468,670	6,133,736,983	1,287,184,003	3,064,931,665	
Expenses						
Cost of sales and services	6	3,116,544,246	6,151,026,848	1,336,780,009	3,109,718,498	
Selling and distribution expenses		52,013,435	75,891,558	21,539,038	39,182,481	
Administrative expenses		1,010,455,630	485,773,738	538,982,584	316,237,644	
Loss on exchange		442,537	-	2,894,196	-	
Impairment loss on assets		38,437,651	-	32,328,483	-	
Impairment loss on investments						
in subsidiaries	12	-	-	625,064,837	69,639,142	
Total expenses		4,217,893,499	6,712,692,144	2,557,589,147	3,534,777,765	
Operating loss		(920,424,829)	(578,955,161)	(1,270,405,144)	(469,846,100)	
Finance income		27,596	36,862	2,400	50,185	
Finance cost	25	(284,759,541)	(209,554,881)	(252,689,698)	(176,994,821)	
Loss before income tax		(1,205,156,774)	(788,473,180)	(1,523,092,442)	(646,790,736)	
Income tax	27	(75,837,985)	(19,204,837)	(66,346,877)	(34,775,136)	
Loss for the year		(1,280,994,759)	(807,678,017)	(1,589,439,319)	(681,565,872)	



Kulthorn Kirby Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

As at 31 December 2023

(Unit: Baht)

		Consolidated finar	ncial statements	Separate financia	al statements
	Note	2023	2022	2023	2022
Other comprehensive income:					
Other comprehensive income to be reclassifie	ed .				
to profit or loss in subsequent periods:					
Exchange differences on translation of					
financial statements in foreign currency		-	(20,409,061)	-	-
Exchange differences on translation of					
financial statements in foreign currency					
recycled to profit or loss due to loss of contr	lo	3,687,044			
Other comprehensive income to be reclassified	ed to profit				
or loss in subsequent periods - net of incom	e tax	3,687,044	(20,409,061)		
Other comprehensive income not to be reclass	sified				
to profit or loss in subsequent periods:					
Actuarial gain	21	5,474,995	-	14,702,111	
		5,474,995	-	14,702,111	-
Revaluation surplus on assets	13	-	1,547,236,154	-	818,310,348
Less: Income tax effect	27		(309,447,231)		(163,662,070)
			1,237,788,923		654,648,278
Changes in revaluation surplus on assets					
arising from impairment loss on assets	13	(394,531,528)	-	(169,826,412)	-
Less: Income tax effect	27	78,906,306	-	33,965,282	
		(315,625,222)	-	(135,861,130)	
Other comprehensive income not to be reclass	sified to profit				
or loss in subsequent periods - net of incom	e tax	(310, 150, 227)	1,237,788,923	(121,159,019)	654,648,278
Other comprehensive income for the year		(306,463,183)	1,217,379,862	(121,159,019)	654,648,278
Total comprehensive income for the year		(1,587,457,942)	409,701,845	(1,710,598,338)	(26,917,594)
Basic loss per share	29				
Loss attributable to equity holders of the Com	pany	(0.85)	(0.54)	(1.06)	(0.45)

(Unit: Baht)

Consolidated financial statements

(807,678,017) (306,463,183) (1,280,994,759) (1,587,457,942) (676,137,356) 501,618,741 1,217,379,862 409,701,845 911,320,586 911,320,586 (capital deficit) shareholders Total equity (82,941,796) (311,938,178) (311,938,178) (351,978,523) 1,358,081,044 887,559,679 1,217,379,862 2,021,997,745 components of 1,217,379,862 2,021,997,745 shareholders' Total other equity Other components of shareholders' equity (82,941,796) (315,625,222) (351,978,523) (315,625,222) 1,237,788,923 1,237,788,923 2,025,684,789 2,025,684,789 1,358,081,044 870,837,662 Revaluation surplus on Other comprehensive income (20,409,061) (20,409,061) (3,687,044) (3,687,044) 3,687,044 3,687,044 16,722,017 foreign currency statements in differences on translation of Exchange financial (4,562,116,349) (2,913,838,887) (807,678,017) (807,678,017) (3,638,575,108) 82,941,796 (3,638,575,108) (1,280,994,759) (1,275,519,764) 351,978,523 Unappropriated Retained eamings (deficits) 120,000,000 120,000,000 120,000,000 120,000,000 **Appropriated** 207,897,949 207,897,949 207,897,949 207,897,949 under common from business combination Surplus control 700,000,000 700,000,000 700,000,000 700,000,000 Share premium 1,500,000,000 1,500,000,000 1,500,000,000 1,500,000,000 fully paid-up share capital Issued and Other comprehensive income for the year Other comprehensive income for the year Total comprehensive income for the year Total comprehensive income for the year Transfer revaluation surplus on assets Transfer revaluation surplus on assets Balance as at 31 December 2022 Balance as at 31 December 2023 to retained earnings (Note 22) to retained earnings (Note 22) Balance as at 1 January 2022 Balance as at 1 January 2023 Loss for the year Loss for the year

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

Kulthorn Kirby Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the year ended 31 December 2023

(Unit: Baht)

Kulthorn Kirby Public Company Limited and its subsidiaries Statements of changes in shareholders' equity (continued) For the year ended 31 December 2023

(26,917,594) (1,589,439,319) (121,159,019) (1,710,598,338) (933,861,721) (681,565,872) 654,648,278 776,736,617 803,654,211 776,736,617 (capital deficit) shareholders' ednity Total Other comprehensive Other components of shareholders' equity (25,475,610) (135,861,130) (135,861,130) (169,798,328) 874,142,763 surplus on assets 654,648,278 654,648,278 550,629,553 1,179,802,221 1,179,802,221 Revaluation income (2,723,065,604) (4,128,004,484) (2,066,975,342) (681,565,872) (681,565,872) 25,475,610 (2,723,065,604) (1,589,439,319) (1,574,737,208) 14,702,111 169,798,328 Unappropriated Separate financial statements Retained earnings (deficits) 120,000,000 120,000,000 120,000,000 120,000,000 Appropriated 700,000,000 700,000,000 700,000,000 700,000,000 Share premium 1,500,000,000 1,500,000,000 1,500,000,000 1,500,000,000 fully paid-up share capital Issued and Other comprehensive income for the year Other comprehensive income for the year Total comprehensive income for the year Total comprehensive income for the year Transfer revaluation surplus on assets Fransfer revaluation surplus on assets Balance as at 31 December 2022 Balance as at 31 December 2023 to retained earnings (Note 22) to retained earnings (Note 22) Balance as at 1 January 2023 Balance as at 1 January 2022 oss for the year Loss for the year

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



Kulthorn Kirby Public Company Limited and its subsidiaries Cash flow statements For the year ended 31 December 2023

(Unit: Baht)

	Consolidated finan	sial statements	Concrete financi	al etatemente
	Consolidated finan		Separate financia	
Cook flows from an anti-sition	2023	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash flows from operating activities	(4.205.456.774)	(700 472 400)	(4 522 002 442)	(646 700 706)
Loss before tax	(1,205,156,774)	(788,473,180)	(1,523,092,442)	(646,790,736)
Adjustments to reconcile loss before tax to				
net cash provided by (paid from) operating activities:				
Depreciation and amortisation	600,473,136	367,060,648	325,419,596	189,250,289
Amortise right-of-use assets	14,028,063	17,542,216	1,619,951	2,320,822
Allowance for expected credit losses (reversal)	2,351,602	(1,168,112)	3,215,820	(3,517,467)
The reduction of inventory to net realisable value	5,337,212	5,147,594	20,545,282	5,476,310
Allowance for impairment loss				
on investments in subsidiaries	-	-	625,064,837	69,639,142
Allowance for impairment loss on assets	38,437,651	-	32,328,483	-
Write-off of doubtful accounts	11,897,888	-	-	-
Loss (gain) on sales of property, plant and equipment	1,735,521	(396,114)	-	(636,068)
Loss on write-off property, plant and equipment	412,301	752,117	-	51,542
Write-off of lease liabilities	374,260	(1,000,000)	-	(1,000,000)
Gain on disposal of investment in indirect subsidiary	(106,687,232)	-	-	
Write-off withholding tax	1,003,626	1,064,496	-	-
Amortise deferred revenue from sales and lease back	-	(51,735)	-	-
Provision for long-term employee benefits	21,095,926	19,986,939	8,448,208	9,136,756
Subsidies income from government grants	(1,833,565)	(1,833,565)	(1,833,565)	(1,833,565)
Unrealised loss (gain) on exchange	4,278,915	(21,428,951)	5,161,160	(22,768,446)
Loss on fair value adjustments of financial instruments	(78,832)	(3,032,613)	-	(3,111,445)
Dividend income	(4,680)	(4,165)	(4,680)	(4,165)
Finance income	(27,596)	(36,862)	(2,400)	(50,185)
Finance cost	284,759,541	209,551,978	252,689,698	176,994,821
Loss from operating activities before changes in				
operating assets and liabilities	(327,603,037)	(196,319,309)	(250,440,052)	(226,842,395)



Kulthorn Kirby Public Company Limited and its subsidiaries Cash flow statements (continued) For the year ended 31 December 2023

(Unit: Baht)

	Consolidated fina	ancial statements	Separate financi	al statements
	2023	2022	2023	2022
Operating assets (increase) decrease				
Trade and other receivables	288, 100, 796	454,548,731	138,450,702	376,389,653
Inventories	330,594,892	397,885,728	180,928,057	303,013,413
Other current assets	49,446,749	(16,659,928)	38,490,155	(20,577,326)
Other non-current assets	(1, 155, 996)	(42,778)	67,000	12,200
Operating liabilities increase (decrease)				
Trade and other payables	(37, 135, 798)	(411,250,202)	107,654,662	(370,921,303)
Other current liabilities	(2,402,577)	(1,531,390)	(872,645)	2,260,151
Cash flows from operating activities	299,845,029	226,630,852	214,277,879	63,334,393
Cash paid for long-term employee benefits	(20,916,641)	(18,669,110)	(8,240,759)	(7,508,284)
Interest received	575,097	36,863	2,400	146,363
Tax refund received	17,406,003	4,286,567	16,088,185	-
Interest paid	(242, 328, 553)	(210,273,330)	(191,613,258)	(176,634,941)
Corporate income tax paid	(4, 165, 965)	(8,075,481)	(665,903)	(1,443,358)
Net cash flows from (used in) operating activities	50,414,970	(6,063,639)	29,848,544	(122,105,827)
Cash flows from investing activities				
Acquisition of property, plant and equipment				
and intangible assets	(20, 459, 099)	(7,500,087)	(17,249,653)	(3,623,375)
Proceeds from sales of property, plant and equipment				
and intangible assets	282,257	401,337		643,562
Dividend income	4,680	4,165	4,680	4,165
Decrease in short-term loans to related parties			43,347,278	10,000,000
Increase in short-term loans to related parties				(60,885,043)
Decrease in short-term loans to unrelated parties	43,347,278	-	-	-
Decrease in cash from disposal of investment in				
indirect subsidiary	(266, 767, 232)			_
Net cash flows from (used in) investing activities	(243, 592, 116)	(7,094,585)	26,102,305	(53,860,691)
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans				
from financial institutions	6,563,626,472	10,454,672,080	1,772,804,182	4,559,983,115
Decrease in bank overdrafts and short-term loans				
from financial institutions	(6,344,459,942)	(10,415,564,590)	(1,803,688,770)	(4,388,073,735)
Increase in short-term loans from related parties		-	21,000,000	30,000,000
Decrease in short-term loans from related parties			(17,000,000)	
Cash received from long-term loan (sales and leaseback)	35,803,010	29,600,000		
Repayment of long-term loans	(36,702,402)	(22,726,026)	(28,200,456)	(20,047,512)
Payment of principal portion of lease liabilities	(18,866,352)	(20,192,351)	(1,619,951)	(2,559,202)
Net cash flows from (used in) financing activities	199,400,786	25,789,113	(56,704,995)	179,302,666
Decrease in translation adjustments	(10,312,183)	(10,509,237)	-	-
Net increase (decrease) in cash and cash equivalents	(4,088,543)	2,121,652	(754,146)	3,336,148
Cash and cash equivalents at beginning of year	21,436,263	19,314,611	4,359,511	1,023,363
Cash and cash equivalents at end of year	17,347,720	21,436,263	3,605,365	4,359,511



Kulthorn Kirby Public Company Limited and its subsidiaries Cash flow statements (continued) For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Supplement cash flows information				
1) Non-cash related transaction for investing activities				
Other payable from acquisitions of fixed assets	481,329	1,262,602	183,182	179,956
Other receivable from sales of fixed assets	-	-	-	13,800,000
Revaluation surplus on assets	-	1,547,236,154	-	818,310,348
Decrease in revaluation assets due to				
impairment loss	(394,531,528)	-	(169,826,412)	-
Transfer fixed assets to inventories	5,170,293	-	5,170,293	-
Transfer right-of-use assets to fixed assets	2,469,575	3,441,334	-	-
Increase in right-of-use assets	559,813	22,244,606	-	5,077,409
Offset short-term loans to unrelated party				
with trade and other payables	9,128,158	-	9,128,158	-
Offset other receivable from sales of fixed assets				
with trade payable	5,140	30,480	13,800,000	438,278
2) Non-cash related transaction for financing activities				
Dividend payable	888,209	888,263	884,167	884,221

Kulthorn Kirby Public Company Limited and its subsidiaries Notes to consolidated financial statements For the year ended 31 December 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 year ended 31 December 2023 of Baht 1,281 million (the Company only: Baht 1,589 million). As at 31 December 2023, the Group's total current liabilities exceeded its total current assets by Baht 3,942 million (the Company only: Baht 4,457 million). The Group had deficit of Baht 4,442 million (the Company only: Baht 4,008 million) and capital deficit of Baht 676 million (the Company only: Baht 934 million). The major current liabilities of the Group consisted of the bank overdraft and short-term loans from financial institutions amounting to Baht 3,453 million (the Company only: Baht 2,166 million), trade and other payables amounting to Baht 623 million (the Company only: Baht 1,034 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 mainly became payable on demand since the Group was unable to maintain certain financial ratios and failed to meet its debts repayment obligations as stipulated in the Credit Facility Agreement, as described in Note 18.

Up to the present, the Group has suffered from a lack of financial liquidity and working capital, making it difficult to purchase raw materials, cover production expenses necessary to fulfill purchase orders from customers and settle loans and liabilities that will come due. The Group's management has implemented various plans, including negotiations with financial institutions to restructure debts, and to obtain new credit facilities from both financial institutions and directors/shareholders. In addition, the Group has adjusted the production and distribution strategies and reduced 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 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.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Kulthorn Kirby Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries") (collectively as "the Group"):

Subsidiary companies Nature of business		Country of incorporation		ntage of nolding
		-	2023	2022
			Percent	Percent
Subsidiaries held by the Con	npany			
Kulthorn Kirby Foundry	Manufacturing and sales of iron castings	Thailand	100	100
Company Limited	for compressor parts and automotives parts			
Kulthorn Premier Company Limited	Manufacturing and sales of hermetic compressors for compressor parts	Thailand	100	100
Kulthorn Steel Company Limited	Slitting of electrical steel for compressor	Thailand	100	100
Kulthorn Materials and Controls Company Limited	Manufacturing and sales of enameled copper wires and thermostat used in air conditioners and refrigerators	Thailand	100	100
Kulthorn Research and Development Company Limited	Provision of services with respect to technology research and development for products and manufacturing	Thailand	100	100
Controls Company Limited	-			
Kulthorn Metal Products Company Limited	Manufacture and sell forging, machining and heat treatment metal parts	Thailand	100	100
Suzhou Kulthorn Magnet Wire Company Limited (held by Phelps Dodge Suzhou Holdings, Inc.)	Manufacture and sell enameled copper wire	China	-	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- Subsidiaries are fully consolidated, from the date on which the Company obtains control, and c) continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- The assets and liabilities in the financial statements of overseas subsidiary companies are e) translated into Baht using the exchange rate prevailing at the end of reporting period, and revenues and expenses are translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- 2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

3.2 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 of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.



4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

Rendering of services

Service revenue is recognised at a point in time upon completion of the service.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Inventories

Finished goods, work in process and raw materials are valued at the lower of cost (under the firstin, first-out method) and net realisable value. Cost of finished goods and work in process includes cost of materials, labour and overheads.

Investments in subsidiaries 4.4

Investments in the subsidiaries are accounted for in the separate financial statements using the cost method.

4.5 Property, plant and equipment and depreciation

Land is stated at revalued amount. Buildings and equipment are stated at cost or revalued amount less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land, buildings and machineries are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Group's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Revaluation surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Group's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus" in respect of the same asset.

Depreciation of plant and equipment is calculated by reference to their costs or the revalued amount, on the straight-line basis over the following estimated useful lives:

Land improvement and plant	-	10, 20, 30, 35, 40, 45	years
Machineries	-	5, 8, 10 - 13, 15, 20, 25	years
Plant equipment	-	5	years
Furniture, fixtures and office equipment	-	3, 5, 10	years
Motor vehicles	-	5	years

Depreciation is included in determining income.

No depreciation is provided for land and construction in progress and machine under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.



4.6 **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.7 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

3 - 10 years Computer software

4.8 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.9 Warranty reserve

Warranty reserve is estimated by reference to actual warranty expenses incurred and calculated at a percentage of cost of sales and quantities of products under warranty.

4.10 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for shortterm leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land and land improvement	3, 33	years
Machinery and equipment	2 - 5	years
Office equipment	3 - 5	years
Motor vehicles	4 - 6	years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.



Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

The Group as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

4.11 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.12 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.13 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss. However, in cases where property, plant and equipment were previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.



4.14 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefit plan. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the Projected Unit Credit Method.

Actuarial gain and loss arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gain and loss arising from other long-term benefits are recognised immediately in profit and loss.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

4.15 Government grants

Government grants are recognised when there is reasonable assurance that the grants will be received and that the Company will comply with the conditions attaching to them. Government grants related to assets are presented as deferred income and are recognised in profit or loss on a systematic basis over the useful life of the assets. Government grants related to income are recognised in profit or loss in the period which the Company is eligible to the grants, presented with the net amount of related expenses.

4.16 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.17 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.18 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component or for which at contract inception the Group expected payment by the customer less than one year and the Group has applied the practical expedient regarding not to adjust the effects of a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.



Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.



For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.19 Derivatives

The Group uses derivatives, such as forward currency contracts to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

4.20 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximise the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

- Level 1 Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.



Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Allowance for diminution in inventory value

In determining allowance for diminution in inventory value, the management needs to exercise judgement and make estimates based upon, among other things, market conditions and the condition of the inventory.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Group measures land, buildings and machineries at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land and machineries and the depreciated replacement cost approach for buildings. The valuation involves certain assumptions and estimates.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Warranty reserve

In determining warranty reserve, the management needs to exercise judgement to make estimate, based upon historical warranty expense data and the quantities of products under warranty.

Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to investment in subsidiaries and property, plant and equipment recognised by the Group.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

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





	For	the years end	ed 31 Decem	ber	
	Consolidate	ed financial	Separate	financial	
	staten	nents	statements		Pricing policy
	2023	2022	2023	2022	
Transactions with subsidiaries					
(eliminated from the consolidated	!				
financial statements)					
Purchases of goods	-	-	255	623	Market price
Sales and service income and scraps sales	-	-	52	113	Approximate market price
Interest expenses	-	-	56	44	Interest rate at 6.50 - 7.80 percent per annum
Other income	-	-	11	13	Mutually agreed price as stipulated in the contract
Rental income	-	-	12	13	Mutually agreed price as stipulated in the contract
Other expenses	-	-	66	41	Mutually agreed price as stipulated in the contract
Transactions with related compani	<u>ies</u>				
Sales and service income and scraps sales	291	536	102	181	Approximate market price
Purchases of goods	12	13	11	13	Market price
Rental expenses	3	3	-	-	Mutually agreed price as stipulated in the contract
Other expenses	7	11	3	4	Mutually agreed price as stipulated in the contract

The balances of the accounts as at 31 December 2023 and 2022 between the Group and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated fina	ncial statements	Separate financial statements	
	2023	2022	2023	2022
Trade and other receivables - related parties (Note 8)				
Subsidiaries	-	-	25,287	24,724
Related companies (related by common director/shareholder)	51,572	87,243	1,435	3,305
Total trade and other receivables - related parties	51,572	87,243	26,722	28,029
Trade and other payables - related parties (Note 17)				
Subsidiaries	-	-	658,282	528,501
Related companies (related by common director/ shareholder)	22,925	8,807	20,738	6,640
Total trade and other payables - related parties	22,925	8,807	679,020	535,141

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

As at 31 December 2023 and 2022, the balance of short-term loans between the Company and its subsidiaries, and the movement are as follows:

			J)	Init: Thousand Baht)
		Separate finance	ial statements	
	Balance as at	Increase	Decrease	Balance as at
	31 December	during	during	31 December
	2022	the year	the year	2023
Short-term loans to subsidiary				
Suzhou Kulthorn Magnet Wire Co., Ltd.	60,855	-	(60,885)	-
Total	60,855	-	(60,885)	-

During the year, short-term loans to subsidiary was reclassified to short-term loan to unrelated party as a result of disposal on investment in such subsidiary during the year as described in Note 9 and 12.

			(Uni	it: Thousand Baht)
		Separate finance	ial statements	
	Balance as at	Increase	Decrease	Balance as at
	31 December	during	during	31 December
	2022	the year	the year	2023
Short-term loans from subsidiaries				
Kulthorn Premier Co., Ltd.	461,000	9,000	(9,000)	461,000
Kulthorn Kirby Foundry Co., Ltd.	155,000	4,000	(4,000)	155,000
Kulthorn Materials and Controls Co., Ltd.	30,000	3,000	(3,000)	30,000
Kulthorn Steel Co., Ltd.	120,000	5,000	(1,000)	124,000
Total	766,000	21,000	(17,000)	770,000

Directors and management's remuneration

During the years ended 31 December 2023 and 2022, the Group had employee benefit expenses payable to their directors and management as below:

	Consolidated	I financial	(Unit: Million Baht)
	st	statements Separate		
	<u>2023</u> <u>2022</u>		2023	2022
Short-term employee benefits	37	43	19	16
Post-employment benefits	7	5	2	4
Total	44	48	21	20

Guarantee obligations with related parties

The Group has outstanding guarantee obligations with its related parties, as described in Note 32.3 to the financial statements.

7. Cash and cash equivalents

			(Unit	: Thousand Baht)	
	Consolidated finar	ncial statements	Separate financial statements		
	2023 2022			2022	
Cash	1,091	777	336	383	
Bank deposits	16,257	20,659	3,269	3,977	
Total	17,348	21,436	3,605	4,360	

As at 31 December 2023, bank deposits in savings accounts carried interests at the rate between 0.05 and 0.60 percent per annum (2022: between 0.05 and 0.88 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht) Consolidated financial statements Separate financial statements 2023 2022 2023 2022 Trade receivables - related parties Not yet due 42,590 2,124 4,246 71,274 Overdue 15,784 3,060 Less than 3 months 8,451 462 3 - 6 months 207 220 63 63 324 327 6 - 12 months 51,572 87,121 5,731 4,771 Total (425)(7) Less: Allowance for expected credit losses 51,572 87,121 5,306 4,764 Total trade receivables - related parties Trade receivables - unrelated parties Not yet due 200,210 383,395 19,484 110,373 Overdue 51,991 4,002 66,749 Less than 3 months 136,371 3 - 6 months 990 2,082 486 617 6 - 12 months 131 Over 12 months 12,647 13,320 2,550 2,575 Total 265,838 535,299 26,653 180,183 (13,765)(14,649)(2,634)(3,072)Less: Allowance for expected credit losses Total trade receivables - unrelated 252,073 520,650 24,019 177,111 parties 303,645 607,771 29,325 181,875 Total trade receivables - net Other receivables Other receivables - related parties 122 21,416 23,265 846 1,081 333 27 Other receivables - unrelated parties 21,749 23,292 1,203 846 Total other receivables

304,491

608,974

51,074

205,167

The normal credit term is 7 to 90 days.

Total trade and other receivables - net

Set out below is the movements in the allowance for expected credit losses of trade receivables.

			(Unit: Thou	sand Baht)	
	Consoli	Consolidated		Separate	
	financial st	atements	financial statements		
	2023	2022	2023	2022	
Beginning balance	14,649	15,817	3,079	6,596	
Reversal of allowance for expected credit					
losses	(884)	(1,168)	(20)	(3,517)	
Ending balance	13,765	14,649	3,059	3,079	

9. Short-term loans to unrelated party

Movements of the short-term loans to unrelated party for the year ended 31 December 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)
Cash returned	(43,347)
Realised loss on exchange rate	(5,174)
Total	3,236
Less: Allowance for expected credit losses	(3,236)
Balance as at 31 December 2023	-

(Unit: Thousand Baht)

Inventories

(Unit: Thousand Baht)

Consolidated financial statements

	Reduce cost to net					
	Co	ost	realisabl	e value	Inventories - net	
	2023	2022	2023	2022	2023	2022
Finished goods	206,106	253,220	(40,706)	(68,742)	165,400	184,478
Work in						
process	247,401	329,640	(48,680)	(13,478)	198,721	316,162
Raw materials	521,774	749,597	(85,696)	(87,525)	436,078	662,072
Goods in transit	12,389	126			12,389	126
Total	987,670	1,332,583	(175,082)	(169,745)	812,588	1,162,838

(Unit: Thousand Baht)

Separate financial statements

	Reduce cost to net						
	Co	ost	realisabl	e value	Inventories - net		
	2023	2022	2023	2022	2023	2022	
Finished goods	57,250	83,991	(6,855)	(22,808)	50,395	61,183	
Work in							
process	155,942	194,239	(40,471)	(4,168)	115,471	190,071	
Raw materials	365,355	487,268	(70,632)	(70,437)	294,723	416,831	
Goods in transit	11,193				11,193		
Total	589,740	765,498	(117,958)	(97,413)	471,782	668,085	

During the current year, the Group recorded the write-down of cost of inventories by Baht 5.3 million, this was included in cost of sales (2022: Baht 5.1 million) (The Company only: Baht 20.5 million, 2022: Baht 5.5 million).

11. Other current assets

(Unit: Thousand Baht)

Consolidated financial

	statements		Separate financial statements	
	2023	2022	2023	2022
Advance payment	12,394	7,602	13,026	8,524
Income tax refundable	10,624	27,763	5,032	19,677
Others	40,319	45,225	11,695	10,808
Total	63,337	80,590	29,753	39,009

Investments in subsidiaries 12.

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

	Shareholding							
Company's name	Paid-u	p capital	percer	percentage		Cost		
	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 subsidia	arie				(2,237,711)	(1,612,646)		
Investments in subsidiaries - net					1,392,168	2,017,233		

The company did not received dividend during the year ended 31 December 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.



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

	(Unit: Thousand Baht)
Asset	
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	452,749
<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	567,434
Net asset value	(114,685)
Add: Exchange differences on translation of financial statements in foreign currence	У
recycled to profit or loss due to loss of control	7,998
The Company's interest in the subsidiary in the consolidated financial statements	(106,687)
Selling price	-
Less: The Company's interest in the subsidiary in the consolidated financial statements	(106,687)
Gain on disposal of investment in indirect subsidiary in consolidated financial statements	10665



13. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							
		Revaluation bas	is		Cost basis			
	Land	Land improvement and plant	Machineries	Plant equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress and machine under installation	Total
Cost/ Revalued amount								
As at 1 January 2022	952,142	2,779,465	8,766,657	1,335,164	211,956	119,091	283,776	14,448,251
Additions	-	-	717	567	251	-	3,960	5,495
Revaluations Transfer in (out)	-	12,506	1,547,236 11,978	3,051	293	-	(27,828)	1,547,236
Transfer from right-of-use	-	12,300	11,976	3,031	293	-	(27,020)	-
assets (Note 19)	_	_	3,441	_	_	_	_	3,441
Disposals/write-off	_	_	(328)	(41,905)	(1,002)	_	(767)	(44,002)
Translation adjustment	_	(16,832)	(14,653)	-	(486)	(297)	-	(32,268)
As at 31 December 2022	952,142	2,775,139	10,315,048	1,296,877	211,012	118,794	259,141	15,928,153
Additions		2,773,137	92	277	44	-	19,265	19,678
Transfer in (out)	_	3,257	9,099	10,722	1,353	_	(24,431)	-
Transfer to inventory	-		· -	´ -	, <u>-</u>	_	(5,170)	(5,170)
Transfer from right-of-use							(-, -,	(-,,
assets (Note 19)	-	-	2,470	-	-	_	-	2,470
Disposals/write-off	-	-	(17,856)	(191)	(638)	-	(340)	(19,025)
Translation adjustment	-	3,467	3,018	-	100	62	-	6,647
Decreased from the sale of								
investments in subsidiaries	-	(297,560)	(259,031)	-	(8,591)	(5,255)	-	(570,437)
As at 31 December 2023	952,142	2,484,303	10,052,840	1,307,685	203,280	113,601	248,465	15,362,316
Accumulated depreciation		· ——						
As at 1 January 2022	-	1,622,729	7,391,664	1,283,984	191,882	115,479	-	10,605,738
Depreciation for the year	-	105,742	220,708	17,180	8,206	1,261	-	353,097
Disposals/ write-off	-	-	(314)	(41,905)	(995)	-	-	(43,214)
Translation adjustment	-	(9,411)	(12,773)	-	(445)	(269)	-	(22,898)
As at 31 December 2022	-	1,719,060	7,599,285	1,259,259	198,648	116,471	-	10,892,723
Depreciation for the year	-	99,334	467,953	12,403	6,515	546	-	586,751
Disposals/ write-off	-	-	(15,773)	(191)	(636)	-	-	(16,600)
Translation adjustment	-	1,943	2,642	-	92	55	-	4,732
Decreased from the sale of		(4.5= =0.0)			(= 0.5=)	/ · = · · · ·		
investments in subsidiaries	-	(167,708)	(227,151)		(7,867)	(4,748)		(407,474)
As at 31 December 2023	-	1,652,629	7,826,956	1,271,471	196,752	112,324		11,060,132
Allowance for impairment								
loss								
As at 1 January 2022	-	62,948	11,510	-	743	536	-	75,737
Translation adjustment	-		(119)		(40)	(30)		(189)
As at 31 December 2022	-	62,948	11,391	-	703	506	-	75,548
Translation adjustment	-	-	24	-	9	6	-	39
Increased Decreased from the sale of	-	132,690	261,841	1,830	309	80	32,970	429,720
investments in	_	_	(2,107)		(712)	(512)	_	(3,331)
subsidiaries	-	105 (20		1.020			22.070	
As at 31 December 2023	-	195,638	271,149	1,830	309	80	32,970	501,976
Net book value	052 142	002 121	2 704 372	37,618	11 661	1,817	259,141	4 050 882
As at 31 December 2022	952,142	993,131	2,704,372	-	11,661			4,959,882
As at 31 December 2023	952,142	636,036	1,954,735	34,384	6,219	1,197	215,495	3,800,208
Depreciation for the year 2022 (Baht 242 million include	ded in manufa	acturing cost, an	d the balance in	administrative				353,097
expenses) 2023 (Baht 280 million include expenses)	ded in manufa	acturing cost, an	d the balance in	administrative				586,751



KK KULTHORN KIRBY PUBLIC COMPANY LIMITED

(Unit: Thousand Baht)

Separate financial statement	nts
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		Revaluation bas	sis	Cost basis				
	Land	Land improvement and plant	Machineries	Plant equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress and machine under installation	Total
Cost/ Revalued amount						_		
As at 1 January 2022	740,746	1,161,896	4,172,373	832,112	105,759	48,934	292,473	7,354,293
Additions	-	-	-	299	47	-	2,414	2,760
Revaluations	-	-	818,310	-	-	-	-	818,310
Transfer in (out)	-	12,506	11,131	2,376	293	-	(26,306)	-
Disposals/write-off		-	-	(19,925)	(145)		(51)	(20,121)
As at 31 December 2022	740,746	1,174,402	5,001,814	814,862	105,954	48,934	268,530	8,155,242
Additions	-	-	92	277	8		16,876	17,253
Transfer in (out)	-	3,257	9,099	9,067	1,339	-	(22,762)	-
Transfer to inventory		-	-	-			(5,170)	(5,170)
As at 31 December 2023	740,746	1,177,659	5,011,005	824,206	107,301	48,934	257,474	8,167,325
Accumulated depreciation								
As at 1 January 2022	-	560,181	3,499,294	813,789	93,408	48,275	-	5,014,947
Depreciation for the year	-	49,403	119,205	7,160	6,081	200	-	182,049
Disposals/write-off		-		(19,924)	(145)			(20,069)
As at 31 December 2022	-	609,584	3,618,499	801,025	99,344	48,475	-	5,176,927
Depreciation for the year		48,568	258,461	5,960	5,069	200		318,258
As at 31 December 2023	-	658,152	3,876,960	806,985	104,413	48,675	-	5,495,185
Allowance for impairment								
loss								
As at 1 January 2022	-	55,304	-	-	-	-	-	55,304
As at 31 December 2022	-	55,304	-	-	-	-	-	55,304
Increased	-	49,325	120,501	1,830	307	28	27,358	199,349
As at 31 December 2023	-	104,629	120,501	1,830	307	28	27,358	254,653
Net book value								
As at 31 December 2022	740,746	509,514	1,383,315	13,837	6,610	459	268,530	2,923,011
As at 31 December 2023	740,746	414,878	1,013,544	15,391	2,581	231	230,116	2,417,487
Depreciation for the year								
2022 (Baht 159 million include	ed in manufactu	iring cost, and t	he balance in ad	ministrative				
expenses)								182,049

2023 (Baht 84 million included in manufacturing cost, and the balance in administrative 318,258 expenses)



The Group arranged for an independent professional valuer to appraise the value of its land and buildings in 2020, and machineries in 2023 on an asset-by-asset basis. The basis of the revaluation was as follows:

- Land was revalued using the market approach.
- Land improvement and buildings were revalued using the depreciated replacement cost approach.
- Machineries were revalued using depreciated replacement cost approach.

The result of the revaluations in 2023 showed increases of Baht 1,547 million (the Company only: Baht 818 million) in the net book value of the Group's machineries. The Company recorded the revaluation increase in other comprehensive income and the cumulative increase is recognised as the "Revaluation surplus on assets" in the shareholders' equity.

Had the land and land improvement, building and machineries been carried in the financial statements on a historical cost basis, their net book value as of 31 December 2023 and 2022 would have been as follows:

			(Unit: Tho	usand Baht)	
	Consolidated financial statements		Separate financial statements		
	2023	2022	2023	2022	
Land	359,547	359,547	223,544	223,544	
Land improvement and building	752,476	512,337	352,336	297,600	
Machineries	1,310,177	1,157,136	477,372	565,005	

As at 31 December 2023, certain items of plant and equipment of the Group were fully depreciated but are still in use. The gross carrying amount, before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to Baht 7,679 million (2022: Baht 7,047 million) (The Company only: Baht 4,597 million, 2022: Baht 4,183 million).

The Group pledged their land and buildings thereon, of which net book value amounted to approximately Baht 1,110 million (2022: Baht 1,095 million) (The Company's: Baht 985 million 2022: Baht 685 million) and machineries amount to approximately Baht 856 million, with financial institutions as collateral to secure loans as discussed in Note 18.

In addition, the Group has entered into negative pledge memorandums, which are part of the shortterm credit facility agreements with 3 financial institutions. Under these memorandums, the Group is 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 discussed in Note 16.

14. Goodwill on business combination

(Unit: Thousand Baht) Consolidated financial statements

	Consortation interior statements				
	2023	2022			
Goodwill on business combination	37,620	37,620			
Less: Accumulated impairment loss	(37,620)	(37,620)			
Net book value		-			

Other intangible assets 15.

The net book value of other intangible assets i.e. computer software, as at 31 December 2023 and 2022 is presented below.

		(Unit: Thousand Baht)
	Consolidated	Separate
	financial statements	financial statements
As at 31 December 2023		
Cost	178,898	106,367
Less: Accumulated amortisation	(142,600)	(79,962)
Less: Allowance for impairment loss	(3,249)	(2,806)
Net book value	33,049	23,599
As at 31 December 2022		
Cost	187,431	106,367
Less: Accumulated amortisation	(134,191)	(72,801)
Net book value	53,240	33,566

A reconciliation of the net book value of intangible assets for the years 2023 and 2022 is presented below.

		(Unit: Th	ousand Baht)	
Consolidated		Separate		
financial sta	itements	Financial statements		
2023 2022		2023	2022	
53,240	67,008	33,566	40,744	
-	384	-	23	
(13,722)	(13,964)	(7,161)	(7,201)	
(3,258)	-	-	-	
(3,249)	-	(2,806)	-	
38	(188)	-	-	
33,049	53,240	23,599	33,566	
	financial sta 2023 53,240 - (13,722) (3,258) (3,249) 38	financial statements 2023 2022 53,240 67,008 - 384 (13,722) (13,964) (3,258) - (3,249) - 38 (188)	Consolidated financial statements Separation of Example 1 2023 2022 2023 53,240 67,008 33,566 - 384 - (13,722) (13,964) (7,161) (3,258) - - (3,249) - (2,806) 38 (188) -	



16. Bank overdrafts and short-term loans from financial institutions

				(Unit:	Thousand Baht)	
	Interest rate	Consc	olidated	Sep	arate	
	(percent per annum)	financial	statements	financial	statements	
		2023	2022	2023	2022	
Bank overdrafts	7.34 - 7.59	173,197	124,968	54,762	31,091	
Short-term loans	4.20 - 7.10	1,110,000	1,120,000	835,000	845,000	
Trust receipts	6.09 - 15.00	1,338,147	1,321,700	561,099	567,048	
Packing credit	5.85 - 7.10	831,822	1,139,652	715,122	753,729	
Total		3,453,166	3,706,320	2,165,983	2,196,868	

The Group has 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.

During the year 2023, 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 60 million into 6 monthly installment payments and the loan is subject to interest at a prime rate per annum. The first installment was on 30 November 2023.

On 1 March 2024, the Company was formally notified by a financial institution that the overdraft facility of Baht 25 million would be temporarily suspended, effective 8 Mach 2024. This action was taken because the Company has failed to meet its debts repayment obligations as stipulated in the loan agreement and has yet to propose a viable solution for settling its outstanding debts.



Trade and other payables 17.

			(Unit: Tl	nousand Baht)	
	Consol	idated	Separate		
	financial st	tatements	financial st	atements	
	2023	2022	2023	2022	
Trade payables - related parties	8,654	5,401	622,782	524,030	
Trade payables - unrelated parties	279,930	420,639	104,264	210,833	
Other payables - related parties	14,271	3,406	25,596	6,882	
Other payables - unrelated parties	204,576	148,222	165,682	93,579	
Accrued interest expenses to related parties	-	=	30,642	4,229	
Accrued interest expenses to unrelated					
parties	37,593	1,423	35,472	808	
Accrued expenses - unrelated parties	78,289	87,086	49,637	49,783	
Total trade and other payables	623,313	666,177	1,034,075	890,144	

18. Long-term loans

	(Unit: Thousand E				
	Conso	lidated	Separate		
	financial s	tatements	financial statements		
	2023	2022	2023	2022	
Long-term loans	1,108,825	1,109,724	1,054,603	1,082,803	
Less: current portion	(1,065,570)	(1,088,148)	(1,054,603)	(1,082,803)	
Long-term loans, net of current portion	43,255	21,576			

Movements of the long-term loan account during the years ended 31 December 2023 and 2022 are summarised below:

			(Unit: Thousand Baht)		
	Consol	idated	Sepa	rate	
	financial st	tatements	financial statements		
	2023 2022		<u>2023</u>	<u>2022</u>	
Beginning balance	1,109,724	1,102,850	1,082,803	1,102,850	
Addition from sales and leaseback	-	29,600	-	-	
Addition during the year	35,803	-	-	-	
Repayments	(36,702)	(22,726)	(28,200)	(20,047)	
Ending balance	1,108,825	1,109,724	1,054,603	1,082,803	

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 2023 and 2022, the Group was unable to maintain interest bearing debt to EBITDA plus extraordinary item and non-cash items ratio and debt to equity ratio, as specified in the Credit Facility Agreement, Moreover, as at 31 December 2023, the Company was unable to repay long-term loans amounting to Baht 370 million including interest when they were due, resulting in the long-term loans 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 Reportion Standards.

On 1 March 2024, the Company received a dunning letter from a financial institution urging the Company to repay the debts and contact with the bank due to the Company's failure to adhere to the terms of the loan agreement. The Company is currently engaged in negotiations with the financial institutions to defer the repayment of both principal and interest.

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

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. The Company paid off all principal amount during the year 2023.

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.

19. Leases

19.1 The Group as a lessee

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 2 - 6 years and 33 years.

a) Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2023 and 2022 are summarised below:

> (Unit: Thousand Baht) Consolidated financial statements

	Land and land improvement	Machinery and equipment	Office equipment	Motor vehicles	Total
1 January 2022	14,698	49,232	928	-	64,858
Additions	15,625	5,128	-	1,492	22,245
Transfer to fixed assets (Note 13)	-	(3,441)	-	-	(3,441)
Depreciation for the year	(6,631)	(9,822)	(928)	(161)	(17,542)
Translation adjustment	(121)	-	-	-	(121)
31 December 2022	23,571	41,097	-	1,331	65,999
Additions	-	-	-	560	560
Transfer to fixed assets (Note 13)	-	(2,470)	-	-	(2,470)
Depreciation for the year	(7,003)	(6,775)	-	(250)	(14,028)
Decrease from sales of investment					
in subsidiary	(2,071)	-	-	-	(2,071)
Decrease from contract					
termination	-	(374)	-	-	(374)
Translation adjustment	27	-	-	-	27
31 December 2023	14,524	31,478	-	1,641	47,643

(Unit: Thousand Baht) Separate financial statements

Machinery and	Office	
equipment	equipment	Total
1,314	927	2,241
5,078	-	5,078
(1,394)	(927)	(2,321)
4,998	-	4,998
(1,620)	-	(1,620)
3,378	-	3,378
	equipment 1,314 5,078 (1,394) 4,998 (1,620)	equipment equipment 1,314 927 5,078 - (1,394) (927) 4,998 - (1,620) -

a) Lease liabilities

(Unit: Thousand Baht) Consolidated Separate financial statements financial statements 2023 2022 2023 2022 19,684 39,803 3,695 5,609 Lease payments Less: Deferred interest expenses (898)(2,710)(289)(583)Total 18,786 37,093 3,406 5,026 Less: Portion due within one year (14,384)(18,624)(1,473)(1,620)Lease liabilities - net of current 4,402 1,933 3,406 18,469 portion

Movements of the lease liability account during the years ended 31 December 2023 and 2022 are summarised below:

			(Unit: Thousand Baht)		
	Conso	lidated	Separate		
	financial s	statements	financial statements		
	2023	2023 2022		2022	
Balance at beginning of year	37,093	36,040	5,026	3,508	
Additions	392	22,245	-	5,078	
Lease modification and termination	(374)	(1,000)	-	(1,000)	
Accretion of interest	1,816	2,780	294	312	
Repayments	(20,141)	(22,972)	(1,914)	(2,872)	
Balance at end of year	18,786	37,093	3,406	5,026	

A maturity analysis of lease payments is disclosed in Note 34.1 under the liquidity risk.

b) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	Consol	idated	Separate financial statements		
	financial s	tatements			
	2023 2022		2023	2022	
Depreciation expense of right-of-use					
assets	14,554	17,542	1,620	2,321	
Interest expense on lease liabilities	1,816	2,780	294	312	
Expense relating to short-term leases	3,073	4,946	1,121	2,115	
Expense relating to leases of low-value					
assets	561	392	-	10	

c) Others

The Group had total cash outflows for leases for the year ended 31 December 2023 of Baht 23.8 million, (2022: Baht 28.3 million) (the Company only: Baht 3.0 million, 2022: Baht 5.0 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

20. Other current liabilities

(Unit: Thousand Baht)

			`	
	Conso	Consolidated financial statements		ırate
	financial			tatements
	2023	2022	2023	2022
Warranty reserve	5,462	6,219	5,257	6,130
Deferred income	4,729	6,563	4,729	6,563
Others	7,425	12,444		
Total	17,616	25,226	9,986	12,693



21. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensations payable to employees' retirement and long service awards, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Retire	ement	Long se	ervice		
	benefit	s plan	awards	plan	То	tal
	2023	2022	2023	2022	2023	2022
Provision for long-term employee benefits at						
beginning of year	217,696	216,591	3,712	3,499	221,408	220,090
Included in profit or loss:						
Current service cost	16,405	16,181	308	326	16,713	16,507
Interest cost	3,508	3,425	1,417	55	4,925	3,480
Actuarial loss (gain) arising from						
Financial assumptions changes	-	-	(118)	-	(118)	-
Demographic assumptions changes	-	-	(6)	-	(6)	-
Experience adjustments	-	-	(418)	-	(418)	-
Included in other comprehensive						
income:						
Actuarial loss (gain) arising from						
Financial assumptions changes	(16,997)	-	-	-	(16,997)	-
Demographic assumptions changes	(83)	-	-	-	(83)	-
Experience adjustments	11,605	-	-	-	11,605	-
Benefits paid during the year	(20,162)	(18,501)	(755)	(168)	(20,917)	(18,669)
Reclassify long service awards plan to						
retirement benefits plan	161		(161)	_		
Provision for long-term employee benefits at						
end of year	212,133	217,696	3,979	3,712	216,112	221,408



(Unit: Thousand Baht)

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Senarate	tinancial	statements
Separate	minument	Statements

	Retirement		Long service			
	benefit	s plan	awards plan		Total	
	2023	2022	2023	2022	2023	2022
Provision for long-term employee benefits at						
beginning of year	104,965	103,648	3,032	2,720	107,997	106,368
Included in profit or loss:						
Current service cost	7,121	7,188	261	269	7,382	7,457
Interest cost	1,652	1,637	42	43	1,694	1,680
Actuarial loss (gain) arising from						
Financial assumptions changes	-	-	(96)	=	(96)	-
Demographic assumptions changes	-	-	(6)	=	(6)	-
Experience adjustments	-	-	(526)	-	(526)	-
Included in other comprehensive						
income:						
Actuarial loss (gain) arising from						
Financial assumptions changes	(7,645)	-	-	-	(7,645)	-
Demographic assumptions changes	(43)	-	-	-	(43)	-
Experience adjustments	(7,014)	-	-	-	(7,014)	-
Benefits paid during the year	(7,823)	(7,508)	(418)		(8,241)	(7,508)
Provision for long-term employee benefits at	_	_		_	_	_
end of year	91,213	104,965	2,289	3,032	93,502	107,997

The Group expects to pay Baht 24.4 million of long-term employee benefits during the next year (Separate financial statements: Baht 9.8 million) (2022: Baht 15.3 million, separate financial statements: Baht 8.3 million).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 7 years (Separate financial statements: 7 years) (2022: 8 years, separate financial statements: 8 years).

Significant actuarial assumptions used for the valuation are as follows:

(Unit: percent per annum)

	Consolidated final	ncial statements	Separate financial statements		
	2023	2022	2023	2022	
Discount rate	2.6	1.7	2.6	1.7	
Future salary increase rate					
(depending on age)	4.5 - 6.0	4.5 - 6.0	4.5 - 6.0	4.5 - 6.0	

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below:

(Unit: Million Baht)

As at 31 December 2023

	Consolidated fin	ancial statements	Separate financial statements		
	Increase 1%	Increase 1% Decrease 1%		Decrease 1%	
Discount rate	(13.5)	15.1	(5.9)	6.6	
Future salary increase rate	14.5	(13.1)	6.4	(5.8)	

(Unit: Million Baht)

As at 31 December 2022

	Consolidated fin	ancial statements	Separate financial statements			
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%		
Discount rate	(17.0)	19.5	(7.7)	8.8		
Future salary increase rate	18.5	(16.5)	8.3	(7.5)		

22. Revaluation surplus

This represents surplus arising from revaluation of land and land improvement and building. The surplus arising from revaluation of land improvement and building is amortised to retained earnings on a straight-line basis over the remaining life of the related assets.

			(Unit: Thousand Baht)		
	Consolidated financial statements		Separate		
			financial statements		
	2023	2023 2022		2022	
Balance - beginning of year	2,025,685	870,838	1,179,802	550,630	
Add: Revaluation	-	1,237,789	-	654,648	
Less: Amortisation	(351,979)	(82,942)	(169,798)	(25,476)	
Less: Allowance for impairment loss	(315,625)	-	(135,861)	-	
Balance - end of year	1,358,081	2,025,685	874,143	1,179,802	

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

23. Statutory reserve

Pursuant to the section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

Revenue from contracts with customers 24.

			(Unit: Thousand Baht)		
	Consolidated		Separate		
	financial statements		financial statements		
	2023 2022		2023	2022	
Type of goods or service:					
Sales of goods	3,085,984	5,882,390	1,249,234	2,986,361	
Service income	52,203	182,152	3,546	5,382	
Income from scrap sales	37,904	20,639	1,196	1,734	
Total revenue from contracts with customers -					
recognised at a point in time	3,176,091	6,085,181	1,253,976	2,993,477	

25. Finance cost

(Unit: Thousand Baht)		
Separate		
financial statements		
2022		
176,683		
312		
176,995		

26. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2023	2022	2023	2022
Raw materials and consumables used	2,321,073	4,687,961	924,347	2,744,618
Decrease in inventories of finished goods and				
work in progress	129,353	187,035	65,038	128,493
Salaries, wages and other employee benefits	589,558	697,258	253,010	310,145
Depreciation and amortisation expenses	614,501	384,593	327,040	191,571
Rental expenses	3,645	5,338	1,121	2,125

27. Income tax

Income tax for the years ended 31 December 2023 and 2022 are made up as follows:

·	1		(Unit: Thousand Baht)	
	Consolidated financial statements		Separate financial statements	
-	2023	2022	2023	2022
Current income tax:				
Current income tax charge	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary				
differences	75,838	19,205	66,347	34,775
Income tax expenses reported in profit or loss	75,838	19,205	66,347	34,775

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

		(Unit: Thou	sand Baht)
Consolidated financial statements		Separate	
		financial statements	
2023	2022	<u>2023</u>	2022
-	309,447	-	163,662
(78,906)	=	(33,965)	-
(78,906)	309,447	(33,965)	163,662
	financial st 2023 (78,906)	financial statements 2023 2022 - 309,447 (78,906) -	financial statements financial statements 2023 2022 2023 - 309,447 - (78,906) - (33,965)

The reconciliation between accounting loss and income tax expenses (revenue) is shown below.

			(Unit: Thousand Baht)		
	Consolidated		Separate		
	financial st	tatements	financial statements		
	2023	2022	2023	2022	
Accounting loss before tax	(1,205,157)	(788,473)	(1,523,092)	(646,791)	
Applicable tax rate	20%	20, 25%	20%	20%	
Accounting loss before tax multiplied by income tax		,,		_0,0	
rate	(241,031)	(160,148)	(304,618)	(129,358)	
Effects of:					
Promotional privileges (Note 28)	(614)	(602)	-	-	
Non-deductible expenses	34,505	9,096	37,678	4,294	
Additional expense deductions allowed	(3,316)	(3,082)	(254)	(401)	
Others	2,436	(3,965)	(831)	557	
Total	33,011	1,447	36,593	4,450	
Unrecognised tax loss	124,329	138,912	225,252	120,689	
Reversal of deferred tax assets	159,529	38,994	109,120	38,994	
Income tax expenses reported in profit or loss	75,838	19,205	66,347	34,775	

The components of deferred tax assets and liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position				
	Consol	Consolidated		Separate	
	financial statements		financial s	tatements	
	2023	2022	2023	2022	
Deferred tax assets					
Allowance for expected credit losses	-	2,929	-	616	
Allowance for diminution in value of					
inventories	-	33,417	-	19,483	
Warranty reserve	-	864	-	846	
Provision for long-term employee benefits	-	32,960	-	16,248	
Deferred income	-	1,313	-	1,313	
Unused tax losses	-	73,104	-	63,056	
Allowance for asset impairment	-	7,704	-	6,554	
Lease	-	-	-	5	
Others	-	8,169	-	-	
Total		160,460		108,121	
Deferred tax liabilities					
Revaluation surplus of land, building and					
machineries	338,354	509,471	218,328	294,744	
Lease liabilities	15,424	7,835	676	<u>-</u>	
Total	353,778	517,306	219,004	294,744	
Deferred tax liabilities - net	(353,778)	(356,846)	(219,004)	(186,623)	
			(Unit: Th	ousand Baht)	
	St	tatements of fin	nancial position	n	
	Consol	idated	Sepa	rate	
	financial statements financial statement			tatements	
	2023	2022	2023	2022	
Statement of financial position					
Deferred tax assets	-	17,066	-	_	
Deferred tax liabilities	(353,778)	(373,912)	(219,004)	(186,623)	
Deferred tax liabilities - net	(353,778)	(356,846)	(219,004)	(186,623)	

As at 31 December 2023, the Group has unused tax losses totaling Baht 3,580 million (2022: Baht 2,968 million), on which deferred tax assets have not been recognised on these amounts as the Group believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

The unused tax losses amounting to Baht 3,580 million will expire by the year 2028.



28. Promotional privileges

28.1 The Company has been granted certain promotional privileges according to the Investment Promotion Act B.E. 2520 as approved by the Board of Investment with significant privileges as follows:

		Certificate No.	Certificate No.
		58-2173-0-00-1-0	60-1261-1-05-1-0
1.	Promotional privileges for	Manufacturing of	Manufacturing of
		compressors for	compressors and/or
		electrical appliances	motors for electrical
			appliances
2.	The significant privileges are		
	2.1 Exemption of corporate income tax on net profit from	From 31 January	-
	promotional operation which does not exceed 100 percent of	2020	
	investment, excluding land and working capital for a period	until 30 January	
	of 5 years, commencing as from the date of earning operating	2025	
	income.		
	In case that the Company has loss during the exemption of		
	corporate income tax on net income, it can carry forward loss		
	from operations to offset against income after exemption		
	period, for a period of 5 years commencing as from the		
	expiration of exemption period.		
	2.2 Exemption of corporate income tax on net profit from	-	Not yet commenced
	promotional operation which does not exceed 50 percent of		
	investment for productivity improvement, excluding land and		
	working capital for a period of 3 years, commencing as from		
	the date of earning operating income.		
	In case that the Company has loss during the exemption of		
	corporate income tax on net income, it can carry forward loss		
	from operations to offset against income after exemption		
	period, for a period of 5 years commencing as from the		
	expiration of exemption period.		
	2.3 Exemption from import duty on raw materials and essential	Granted	Granted
	materials imported for use specifically in producing for		
	export for a period of 1 year as from the date of first import.		
	2.4 Exemption from import duty on imported machinery as	Granted	Granted
	approved by the Board.	G 1	
	2.5 Dividend paid from those investment promoted operations	Granted	Granted
	which are exempted from corporate income tax are in turn		
	exempted from inclusion in the determination of income tax.	21 1 2020	NI-44
3.	Date of first earning operating income.	31 January 2020	Not yet commenced

The Company has to comply with certain conditions and restrictions specified under the promotion certificates.

Sales of the Company amounting to approximately Baht 1,254 million for the year ended 31 December 2023 (2022: Baht 2,993 million) included revenue from manufacturing and sales derived from promoted operations of approximately Baht 406 million (2022: Baht 928 million).

28.2 Kulthorn Kirby Foundry Co., Ltd., a subsidiary company, has been granted the privileges for certain specified category of products under the Investments Promotion Act B.E. 2520 as approved by the Board of Investment with significant privileges as follows:

		Certificate No.	Certificate No.
		2127(2)/2548	60-0092-1-00-1-0
1.	Promotional privileges for	Manufacturing of	Manufacturing of
		casting iron parts	casting iron parts
2.	The significant privileges are		
	2.1 Exemption of corporate income tax on net earnings for the	From 8 July 2012	-
	period of 8 years commending as from the date of earning	until 7 July 2020	
	operating income.		
	In case that the Company has loss during the exemption of		
	corporate income tax on net income, it can carry forward		
	loss from operations to offset against income after		
	exemption period, for a period of 5 years commencing as		
	from the expiration of exemption period.		
	2.2 Exemption of corporate income tax on net profit from	-	From 5 March 2021
	promotional operation which does not exceed 100 percent		until 4 March 2026
	of investment, excluding land and working capital for a		
	period of 5 years.		
	In case that the Company has loss during the exemption of		
	corporate income tax on net income, it can carry forward		
	loss from operations to offset against income after		
	exemption period, for a period of 5 years commencing as		
	from the expiration of exemption period.		
	2.3 Dividend paid from those investment promoted operations	Granted	Granted
	which are exempted from corporate income tax are in turn		
	exempted from inclusion in the determination of income		
	tax.		
	2.4 Exemption from import duty on imported machinery as	Granted	Granted
	approved by the Board.	0.1.1.2012	5.14 1 2021
3.	Date of first earning operating income	8 July 2012	5 March 2021
			_

The subsidiary company has to comply with certain conditions and restrictions specified under the promotion certificates.



28.3 Kulthorn Premier Co., Ltd., a subsidiary company, has been granted promotional privileges under the Investment Promotion Act B.E. 2520, as approved by the Board of Investment for certificate with outstanding significant privileges as follow:

		Certificate No.
		2167(2)/2550
1.	Promotional privileges for	Manufacturing of
		compressors for
		refrigerator
2.	The significant privileges are	
	2.1 Exemption of corporate income tax on net income from the promoted	From 14 January 2008
	operation which does not exceed 100 percent of investment, excluding land	until 13 January 2016
	and working capital for a period of 8 years commencing as from the date of	
	earning first operating income.	
	In case that the Company has loss during the exemption of corporate	
	income tax on net income, it can carry forward loss from operations to	
	offset against income after exemption period, for a period of 5 years	
	commencing as from the expiration of exemption period.	
	2.2 Dividend paid from those investment promoted operations which are	Granted
	exempted from corporate income tax are in turn exempted from inclusion in	
	the determination of income tax.	
	2.3 A fifty percent reduction of corporate income tax on its net income.	From 14 January 2016
		until 13 January 2023
	2.4 Permission to double deduct the costs of transportation, electricity and	For a period of 10 years
	water supply for corporate income tax purpose commencing as from the	commencing as from the
	date of first earning operating income.	date of first earning
		operating income.
	2.5 Permission to deduct 25 percent of the cost of installation and construction	Granted
	of facilities, in addition to normal depreciation charges.	
	2.6 Exemption from import duty on raw materials and essential materials	For a period of 5 years
	imported for use specifically in producing for export.	commencing as from the
		date of first import.
	2.7 Seventy-five percent reduction of import duty on raw materials and	Granted
	essential materials imported for use specifically in production for domestic	
	sales, for a period of 1 year commencing from the date of first importation.	
	2.8 Exemption from import duty on items imported for re-export, for a period	Granted
	of 5 years commencing from the date of first importation.	
3. I	Date of first earning operating income	14 January 2008

The subsidiary company has to comply with certain conditions and restrictions specified under the promotion certificates.

28.4 Kulthorn Steel Company Limited, a subsidiary company, has been granted certain promotional privileges according to the Investment Promotion Act B.E. 2520 as approved by the Board of Investment with significant privileges as follow:

	Certificate No.
	60-0708-1-00-1-0
1. Promotional privileges for	Generate electricity
	from solar rooftop
2. The significant privileges are	
2.1 Exemption of corporate income tax on net profit from promotional operation	From 24 December
which does not exceed 100 percent of investment, excluding land and working	2019 until 23
capital for a period of 8 years from the date the promoted operations commenced	December 2027
generating revenues.	
In case that the Company has loss during the exemption of corporate income tax	
on net income, it can carry forward loss from operations to offset against income	
after exemption period, for a period of 5 years commencing as from the expiration	
of exemption period.	
2.2 Dividend paid from those investment promoted operations which are exempted	Granted
from corporate income tax are in turn exempted from inclusion in the	
determination of income tax.	
2.3 Exemption from import duty on imported machinery as approved by the Board,	Granted
which must be imported within 27 December 2019.	
3. Date of first earning operating income	24 December 2019

The subsidiary company has to comply with certain conditions and restrictions specified under the promotion certificates.

29. Loss per share

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

The following table sets forth the computation of basic loss per share:

	Loss fo	or	Weighted avo	erage number		
_	the year	ır	of ordina	ary shares	Loss per	share
	<u>2023</u>	2022	2023	2022	2023	2022
	(Thousand	(Thousand	(Thousand	(Thousand	(Baht)	(Baht)
	Baht)	Baht)	shares)	shares)		
Consolidated financial statements						
Basic loss per share						
Loss attributable to equity						
holders of the Company	(1,280,995)	(807,678)	1,500,000	1,500,000	(0.85)	(0.54)
Separate financial statements						
Basic loss per share						
Loss attributable to equity						
holders of the Company	(1,589,439)	(681,566)	1,500,000	1,500,000	(1.06)	(0.45)

30. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on their products and services and have four reportable segments as follows:

- Compressors and parts 1.
- 2. Enameled wire
- 3. Steel sheet
- 4. Steel coil center

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit (loss) and total assets information regarding the Group's operating segments for the years ended 31 December 2023 and 2022:

							(Unit: 1	(Unit: Thousand Baht)
						Total	Adjustments	
	Compressors	Enameled		Steel coil		reportable	and	
For the year ended 31 December 2023	and parts	wire	Steel sheet	center	Others	segments	eliminations	Consolidated
Revenue from external customers	1,480,722	703,455	514,835	476,547	532	3,176,091	•	3,176,091
Inter-segment revenue	112,136	55,055	218,301	82,264	•	467,756	(467,756)	•
Interestincome	33,774	2,228	8,835	11,345	•	56,182	(56,154)	28
Interest expense	(258,837)	(40,906)	(38,812)	(4,140)	•	(342,695)	57,935	(284,760)
Depreciation and amortisation	471,125	38,627	58,688	67,504	201	636,145	(21,644)	614,501
Income tax expenses	(64,852)	(130)	(2,658)	(36)	(8)	(67,684)	(8,154)	(75,838)
Gain (loss) on exchange	(1,452)	117	883	6	•	(443)	•	(443)
Segment profit (loss)	(1,984,771)	(137,868)	(383,107)	(196,716)	271	(2,702,191)	1,421,196	(1,280,995)
Segment total assets								
Additions (decrease) to non-current								
assets other than financial instruments								
and deferred tax assets	(2,449,326)	(201,624)	(59,315)	(75,782)	(201)	(2,786,248)	1,589,183	(1,197,065)
Segment total liabilities	5,773,465	712,377	751,071	242,026	69	7,479,008	(1,686,524)	5,792,484

							(Unit: 1	(Unit: Thousand Baht)
						Total	Adjustments	
	Compressors	Enameled		Steel coil		reportable	and	
For the year ended 31 December 2022	and parts	wire	Steel sheet	center	Others	segments	eliminations	Consolidated
Revenue from external customers	3,158,647	1,264,255	1,007,420	654,859	•	6,085,181	•	6,085,181
Inter-segment revenue	185,636	142,207	387,228	170,560	322	885,953	(885,953)	•
Interestincome	26,725	312	7,351	905'6	•	43,894	(43,857)	37
Interest expense	(180,410)	(43,446)	(26,602)	(3,741)	•	(254,199)	44,644	(209,555)
Depreciation and amortisation	238,847	55,371	54,537	59,843	200	408,798	(24,195)	384,603
Income tax revenue (expenses)	(26,666)	6,803	3,205	1,893	•	(14,765)	(4,440)	(19,205)
Gain (loss) on exchange	39,481	(2,994)	136	106	•	36,729	•	36,729
Segment profit (loss)	(718,331)	(102,311)	(35,311)	(55,752)	(111)	(911,816)	104,138	(807,678)
Segment total assets Additions (decrease) to non-current								
assets other than financial instruments								
and deferred tax assets	855,410	(67,202)	37,801	143,551	(200)	969,360	211,161	1,180,521
Segment total liabilities	5,632,086	1,000,310	807,987	303,744	229	7,744,356	(1,603,529)	6,140,827

Geographic information

Revenue from external customers is based on locations of the customers.

3	2022
2.506	4.015.056

(Unit: Thousand Baht)

	(, , ,
	<u>2023</u>	2022
Revenue from external customers		
Thailand	2,213,506	4,015,956
Hong Kong	526,298	1,095,335
China	5,840	241,807
Indonesia	1,848	16,776
Saudi Arabia	15,421	46,850
Others	413,178	668,457
Total	3,176,091	6,085,181
Non-current assets (other than financial instruments and		
deferred tax assets)		
Thailand	3,883,153	4,915,752
China		164,466
Total	3,883,153	5,080,218

Major customers

For the year 2023, the Group has revenue from two major customers in amount of Baht 518 million and Baht 273 million, arising from sales by the compressors and parts segment, enameled wire segment and steel coil center segment (2022: Baht 1,078 million and Baht 961 million, arising from sales by the compressors and parts segment, enameled wire segment and steel coil center segment).

31. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contribute to the fund monthly at the rate of 3 - 7 percent of basic salary. The fund, which is managed by Local Asset Management Company, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2023 of the Group amounting to approximately Baht 9.8 million (2022: Baht 11.6 million) the Company only: Baht 4.4 million (2022: Baht 5.4 million) were recognised as expenses.



32. Commitment and contingent liabilities

32.1 Capital commitments

As at 31 December 2023, the Group has capital commitments of approximately Baht 10.8 million (2022: Baht 21.4 million) (the Company only: Baht 10.3 million, 2022: Baht 20.8 million), relating to the construction of factory building and installation of machinery.

32.2 Long-term service commitments

As at 31 December 2023 and 2022, the Group has commitments relating to service a) agreements payable in the future as follows:

			(Unit: Mi	illion Baht)
	Consol	idated	Sepa	rate
	financial s	tatements	financial s	tatements
	2023	2022	2023	2022
Payable:				
In up to 1 year	9.1	8.0	2.7	1.5
In over 1 and up to 2 years	1.7	-	-	-

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

32.3 Guarantees

a) As at 31 December 2023, there were outstanding bank guarantees of approximately Baht 50 million (2022: Baht 55 million) (the Company only: Baht 17 million (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 included letters of guarantee to guarantee electricity usage amounting to Baht 40 million (2022: Baht 42 million) (the Company only: Baht 7 million (2022: Baht 7.2 million)), and to guarantee import duty, natural gas agreements and others amounting to Baht 9.9 million (2022: Baht 13 million) (the Company only: Baht 9.7 million (2022: Baht 12.8 million)).

33. Fair values hierarchy

As at 31 December 2023 and 2022, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Million Baht)

As at 31 December 2023		
Consolidated	Separated	
financial	financial	
statements	statements	
Level 2	Level 2	
952.1	740.7	
636.0	414.9	
1,954.7	1,013.5	
	Consolidated financial statements Level 2 952.1 636.0	

(Unit: Million Baht)

	As at 31 Dec	ember 2022
	Consolidated	Separated
	financial	financial
	statements	statements
	Level 2	Level 2
Assets measured at fair value		
Land	952.1	740.7
Land improvement and buildings	993.1	509.5
Machineries	2,704.4	1,383.3

34. Financial instruments

34.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, loans to related party, trade and other payables, short-term loans and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables, loans to related party and deposits with banks. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.



Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. In addition, the Group does not have high concentrations of credit risk since it has a large customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and rating, and coverage by letters of credit and other forms of credit insurance. Letters of credit and other forms of credit insurance are considered an integral part of trade receivables and taken into account in the calculation of impairment. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and not subject to enforcement activity.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are 3 types of market risk comprising interest rate risk, foreign currency risk and commodity price risk. The Group enters into a foreign exchange forward contracts to hedge the foreign currency risk arising on the export or import of goods.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2023 and 2022, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

		As at 31 December 2023				
	Conso	lidated	Separate			_
	financial	financial statements		tatements	Exchange rate	
	Financial	Financial	Financial	Financial		
Foreign currency	assets	liabilities	assets	liabilities	Buying	Selling
	(Million)	(Million)	(Million)	(Million)	(Baht per o	ne foreign
					currenc	y unit)
US dollar	0.5	2	0.4	1	34.0590	34.3876
Japanese yen	-	9	-	5	0.2388	0.2458
CNY	-	0.4	-	0.4	4.7395	4.8747
			As at 31 Dece	mber 2022		
	Conso	lidated	As at 31 Dece Sepa			
		lidated statements		arate	Exchan	ge rate
			Sepa	arate	Exchan	ge rate
Foreign currency	financial	statements	Sepa financial s	arate statements	Exchang Buying	ge rate Selling
Foreign currency	financial Financial	statements Financial	Sepa financial s	rate statements Financial		Selling
Foreign currency	financial financial assets	Financial liabilities	Sepa financial s Financial assets	rate statements Financial liabilities	Buying	Selling ne foreign
Foreign currency US dollar	financial financial assets	Financial liabilities	Sepa financial s Financial assets	rate statements Financial liabilities	Buying (Baht per o	Selling ne foreign
	Financial assets (Million)	Financial liabilities (Million)	Sepa financial s Financial assets (Million)	Financial liabilities (Million)	Buying (Baht per o	Selling ne foreign y unit)
US dollar	Financial assets (Million)	Financial liabilities (Million)	Sepa financial s Financial assets (Million)	Financial liabilities (Million)	Buying (Baht per o currence 34.3913	Selling ne foreign y unit) 34.7335

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's loss before tax to a reasonably possible change in US dollar exchange rates, with all other variables held constant. The impact on the Group's loss before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2023 and 2022. The Group's exposure to foreign currency changes for all other currencies is not material.

		2023	2022		
	Change in	Effect on profit	Change in	Effect on profit	
Currency	FX rate	before tax	FX rate	before tax	
	(%)	(Thousand Baht)	(%)	(Thousand Baht)	
US dollar	+5	(2,790)	+5	(3,104)	
	- 5	2,790	- 5	3,104	



Interest rate risk

The Group's exposure to interest rate risk relates primarily to its long-term loans from financial institutions. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

As at 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht) Consolidated financial statements as at 31 December 2023

	Fixed interest rates		Floating			
	Within	1 - 5	Interest	Non-interest		Effective
	1 year	years	rate	bearing	Total	interest rate
						(% per annum)
Financial assets						
Cash and cash equivalents	-	-	7	10	17	0.15 - 0.60
Trade and other receivables				305	305	_
			7	315	322	-
Financial liabilities						
Bank overdrafts and short-term						
loans from financial institutions	3,280	-	173	-	3,453	4.20 - 7.59
Trade and other payables	-	-	-	623	623	-
Lease liabilities	14	5	-	-	19	5.50 - 6.85
Long-term loans	5	43	1,061	-	1,109	Average MLR-1.5%,
						MRR-3.45%, 6.27
	3,299	48	1,234	623	5,204	

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2022

		Consolidat	cu manciai	Statements as at	31 Deceiii	UCI 2U22
	Fixed int	erest rates	Floating			
	Within	1 - 5	Interest	Non-interest		Effective
	1 year	years	rate	bearing	Total	interest rate
						(% per annum)
Financial assets						
Cash and cash equivalents	-	-	15	6	21	0.05 - 0.88
Trade and other receivables			-	609	609	
			15	615	630	-
Financial liabilities						
Bank overdrafts and short-term						
loans from financial institutions	3,581	-	125	-	3,706	4.20 - 6.65
Trade and other payables	-	-	-	666	666	-
Lease liabilities	19	18	-	-	37	5.50 - 6.85
Long-term loans	5	22	1,083	<u> </u>	1,110	THBFIX+3%, 6.27
	3,605	40	1,208	666	5,519	_
					J)	Jnit: Million Baht)
		Separate	financial sta	atements as at 3	l Decembe	r 2023
	Fixed into	erest rates	Floating			
	Within	1 - 5	-	Non-interest		Effective
	1 year	years	rate	bearing	Total	interest rate
						(% per annum)
Financial assets						
Cash and cash equivalents	-	-	-	4	4	-
Trade and other receivables				51	51	-
				55	55	
Financial liabilities						
Bank overdrafts and short-term						
loans from financial institutions	2,111	-	55	-	2,166	4.20 - 7.59
Trade and other payables	-	-	-	1,034	1,034	-
Short-term loans from related	770	-	-	-	770	6.50 - 7.80
parties						
Lease liabilities	1	2	-	-	3	6.85
Long-term loans	-	-	1,055	-	1,055	Average MLR - 1.5%
						-

2

2,882

1,110

1,034

5,028



(Unit: Million Baht)

Separate financial	statements as at	t 31 Decer	nher 2022
ocparate illianciai	statements as a	t Di Dicci	11001 2022

	Fixed inte	erest rates	Floating			
	Within	1 - 5	Interest	Non-interest		Effective
	1 year	years	rate	bearing	Total	interest rate
						(% per annum)
Financial assets						
Cash and cash equivalents	-	-	-	4	4	-
Trade and other receivables	-	-	-	205	205	-
Short-term loans to related parties				61	61	-
				270	270	
Financial liabilities						
Bank overdrafts and short-term						
loans from financial institutions	2,166	-	31	-	2,197	4.20 - 6.65
Trade and other payables	-	-	-	890	890	-
Short-term loans from related	766	-	-	-	766	4.60 - 6.50
parties						
Lease liabilities	2	3	-	-	5	6.85
Long-term loans			1,083		1,083	THBFIX+3%
	2,934	3	1,114	890	4,941	

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's loss before tax to a reasonably possible change in interest rates on that portion of floating rate loans from financial institutions affected as at 31 December 2023 and 2022.

		2023	2022		
	Change in	Effect on profit	Change in	Effect on profit	
Currency	FX rate	before tax	FX rate	before tax	
	(%)	(Thousand Baht)	(%)	(Thousand Baht)	
Baht	+1	(10,546)	+1	(10,828)	
	- 1	10,546	- 1	10,828	

The above analysis has been prepared assuming that the amounts of the floating rate loans from financial institutions and all other variables remain constant over one year. Moreover, the floating legs of these loans from are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest payable for the full 12-month period of the sensitivity calculation.

Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of electronic parts and therefore require a continuous supply of copper. The Group is exposed to changes in the price of copper on its forecast copper purchases.

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans and lease contracts. Approximately 99.1% of the Group's debt will mature in less than one year at 31 December 2023 (2022: 99%) (the Company only: 99.9% 2022: 99.9%) based on the carrying value of borrowings reflected in the financial statements.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2023 and 2022 based on contractual undiscounted cash flows:

(Unit: Thousand Baht) Consolidated financial statements

	As at 31 December 2023			
	Less than	1 to 5		
	1 year	years	Total	
Non-derivatives				
Bank overdraft and short-term loans from financial				
institutions	3,453,166	-	3,453,166	
Trade and other payables	623,313	-	623,313	
Lease liabilities	15,101	4,583	19,684	
Long-term loans	1,065,570	43,255	1,108,825	
Total non-derivatives	5,157,150	47,838	5,204,988	



(Unit:	Thousand	l Baht)

	Consolidated financial statements			
	As at 31 December 2022			
	Less than	1 to 5		
	1 year	years	Total	
Non-derivatives				
Bank overdraft and short-term loans from financial				
institutions	3,706,319	-	3,706,319	
Trade and other payables	666,177	-	666,177	
Lease liabilities	20,463	19,340	39,803	
Long-term loans	1,088,148	21,576	1,109,724	
Total non-derivatives	5,481,107	40,916	5,522,023	
		(Unit: T e financial state 31 December 2		
	Less than 1	1 to 5		
	year	years	Total	
Non-derivatives				
Bank overdraft and short-term loans from financial				
institutions	2,165,983	-	2,165,983	
Trade and other payables	1,034,075	-	1,034,075	
Short-term loans from related parties	770,000	-	770,000	
Lease liabilities	1,656	2,039	3,695	
Long-term loans	1,054,603		1,054,603	
Total non-derivatives	5,026,317	2,039	5,028,356	

(Unit: Thousand Baht) Separate financial statements

	As at 31 December 2022			
	Less than 1	1 to 5		
	year	years	Total	
Non-derivatives				
Bank overdraft and short-term loans from financial				
institutions	2,196,868	-	2,196,868	
Trade and other payables	890,144	-	890,144	
Short-term loans from related parties	766,000	-	766,000	
Lease liabilities	1,914	3,696	5,610	
Long-term loans	1,082,803	-	1,082,803	
Total non-derivatives	4,937,729	3,696	4,941,425	
Derivatives				
Derivative liabilities: gross settled				
Cash inflows	363	-	363	
Cash outflows	(3,474)		(3,474)	
Total derivatives	(3,111)	-	(3,111)	

34.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The methods and assumptions used by the Grouping estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, accounts receivable and short-term loans to related parties, accounts payable and short-term loans from banks, the carrying amounts in the statement of financial position approximate their fair value.
- b) The carrying amounts of long-term loans carrying interest at rates approximating the market rate, in the statement of financial position approximates their fair value.



c) The fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Group considers counterparty credit risk when determining the fair value of derivatives.

During the current year, there were no transfers within the fair value hierarchy.

35. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate financial structure and preserves the ability to continue its business as a going concern.

No changes were made in the objectives, policies or processes during the years ended 31 December 2023 and 2022.

Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 10 May 2024.



Details of Directors, Management and Company secretary are as follows:

Details of Directors 1.

Tenure

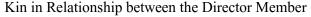
Mr Sutee Simakulthorn Name-surname

54 years Age Thai Nationality Present position Chairman

Date of appointment as director 25 April 2018

Number of ordinary share held in the company 32,124,655 shares

Percentage of shareholding 2.14164 %



Sibling of Mr. Sutas Simakulthorn Director /

6 years

Nomination and Remuneration Committee

Mrs. Supanee Chantasasawat /

Executive Vice President (Marketing)

Educational background - Master of Science in Management,

Purdue University, U.S.A.

- Bachelor Degree in Engineering,

Chulalongkorn University

IOD training Director Certification Program (DCP) / 2003 Position in the company Acting Executive Vice President (Finance)

Positions held in other listed companies None

Other position, present Chairman/Managing Director

- Kulthorn Premier Co., Ltd.

Chairman

- Kulthorn Kirby Foundry Co., Ltd.

- Kulthorn Steel Co., Ltd.

- Kulthorn Materials and Controls Co., Ltd.

- Kulthorn Metal Products Co., Ltd.

- Kulthorn Research and Development Co., Ltd.

Work experience

1998 - Present To work in Kulthorn Kirby Public Company Limited



Name-surname Mr Titisak Simakulthorn

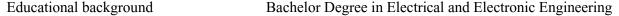
Age 45 years Nationality Thai Present position Director

Date of appointment as director 28 April 2010

Tenure 14 years

Number of ordinary share held in the company 7,521,125 shares Percentage of shareholding 0.48341 %

Kin in Relationship between the Director Member None



Queen Mary College: University of London

IOD training Director Certification Program (DCP) / 2559

President Position in the company Positions held in other listed companies None

Other position, present Managing Director

Kulthorn Steel Co., Ltd.

Kulthorn Metal Products Co., Ltd.

Kulthorn Research and Development Co., Ltd.

Director

Kulthorn Premier Co., Ltd.

Kulthorn Kirby Foundry Co., Ltd.

Kulthorn Materials and Controls Co., Ltd.

Suzhou Kulthorn Magnet Wire Co., Ltd.

Kulthorn Electric Co., Ltd.

Thai Compressor Manufacturing Co., Ltd.

Work experience

To work in Kulthorn Kirby Public Company Limited Since 2003



Name-surname Mr Tawatchai Jaranakarun

69 years Age Nationality Thai

Present position Independent Director /

Chairman of the Audit Committee

Date of appointment as director 16 December 1998

Tenure 25 years

Number of ordinary share held in the company 1,430 shares (holding by spouse)

0.00009 % Percentage of shareholding

Kin in Relationship between the Director Member None

Educational background Bachelor Degree in Law, Ramkhamkaeng University

Thai Barrister at Law

Capital Market Academy 17

IOD training - Director Accreditation Program (DAP) / 2004

- Advanced Audit Committee Program (AACP) 32/2019

Position in the company None Positions held in other listed companies None

Other position, present Lawyer by profession

Work experience

1978 - Present Lawyer

1977 - 1978 Official Receiver, Ministry of Justice

1976 - 1977 Land officer, Department of Land, Ministry of Interior

Name-surame Vice Admiral Naruedom Sa-ardyen RTN.

Age 82 years Thai **Nationality**

Present position Independent Director/Audit Committee

Date of appointment as director 16 March 2018

Tenure 6 years

Number of ordinary share held in the company None Kin in Relationship between the Director Member None

Educational background B.A – Faculty of Commerce and Accountancy,

Chulalongkorn University

- Naral Staff School 37th Class

- Naral Graduate School 18th Class

- National Defence College 37th

IOD training None Position in the company None Positions held in other listed companies None Other position, present None

Work experience

1 October 2002 - Retirement

1 April 2002 Vice Admiral - Chief of Staff Officer to the Deputy Department

Secretary of Defence.

1 April 1997 Rear Admiral - Director of Naval Auditing Office.

1 October 1987 Captain (Special) - Chief of Finance Division, Naval Dockyard Department.

Naval Sattahib Base

- Chief of General Expenditure Division, Naval Finance.

- Assistant Director of Naval Auditing Office.

- Deputy General, Director of naval Auditing Office.

- Deputy General, Naval Finance Department.

1 October 1983 Captain - Chief of Finance Division, Naval Fleet.

1 October 1980 Lt. Commander - Chief of Executive Budget, Budgeting Division,

Naval Comptroller Department.

1 October 1977 Lt. Commander - Chief of Finance Branch, Dockyard Department,

Naval Sattahib Base



5. Name-surname Mr. Somlak Jiamtiranat

Age 74 years

Nationality Thai

Present position Independent Director /

> Chairman of the Nomination and Remuneration Committee

28 April 2010 Date of appointment as director

14 years Tenure

Number of ordinary share held in the company None Kin in Relationship between the Director Member None

Educational background Bachelor Degree, Electrical Engineering (Communication)

Chulalongkorn University

IOD training Director Certification Program (DCP) / 2003

Position in the company None Positions held in other listed companies None

Other position, present Director

Champ Alliance Co., Ltd.

- Champ Supply Center Co., Ltd.

Green Estate and K. Holding Group Co., Ltd.

Work experience

- Member, Science and Technology Committee
- President, Crown Seal Public Co., Ltd.
- Managing Director, Siam NEC Co., Ltd.
- Siam Compressor Industry Co., Ltd.



6. Name-Surname Mr. Kanok Suriyasat

Age 57 years Nationality Thai Present position Director

Date of appointment as director 19 December 2018

Tenure 5 years

Number of ordinary share held in the company None Kin in Relationship between the Director Member None

Educational background Bachelor, School of Museum of Fine Arts Boston

An artist, photographer

IOD training Director Certification Program (DCP) / 2002

Position in the company None Positions held in other listed companies None

Other position, present Director

- Thai Toshiba Electric Industries Co., Ltd.

- Toshiba Thailand Co., Ltd.

- Thai Toshiba Lighting Co., Ltd.

- Superlite N. K. S. Holding Co., Ltd.

- Nikornkij & Sons Co., Ltd.

- Thai Electric Industries Co.. Ltd.

- Mitkorn Development Co. Ltd.

- KNS Logistics Service Co., Ltd.

Vice President

Bangkadi Industrial Park Co., Ltd.

Work experience An artist, photographer



7. Name-Surname Mr Abhijit Simakulthorn

Age 45 years Thai **Nationality** Present position Director

19 December 2018 Date of appointment as director

Tenure 5 years

Number of ordinary share held in the company 7,251,125 shares Percentage of shareholding 0.48341 %

Kin in Relationship between the Director Member

Ms Araya Simakulthorn Vice President / Sibling of

Acting Executive Vice President (Administration) /

Nomination and Remuneration Committee

Educational background Master Degree in MBA, Pennsylvania State University

Bachelor Degree in Economics, Thammasat University

IOD training Director Certification Program (DCP) 154 / 2011

Financial Statements for Directors Class 14/2011

None Position in the company Positions held in other listed companies None Other position, present Director

- Kulthorn Kirby Foundry Co., Ltd.

- Kulthorn Electric Co., Ltd.

- Thai Compressor Manufacturing Co., Ltd.

Work experience

2016 Executive Vice President, Kulthorn Kirby Foundry Co., Ltd.

2015 - 2016Managing Director, Kulthorn Kirby Foundry Co., Ltd.

2013 - 2015Division Manager Finance, Kulthorn Kirby Public Company Limited.

2012 Administration Manager, Kulthorn Kirby Foundry Co., Ltd.

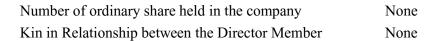


8. Name-surname Mr Prasan Tanprasert

Age 76 years Thai Nationality Director Present position

Date of appointment as director 28 April 2021

Tenure 3 years



Educational background - Master Degree in MBA, Central State University,

OKLAHOMA, USA.

- Bachelor Degree in Engineering Oklahoma State University,

OKLAHOMA, USA.

Diploma, National Defence College, The State, Private Sector

and Political Sector Course Class 1/2003

IOD training Director Certification Program (DCP) / 2006

Position in the company None

Positions held in other listed companies Chairman

- Pinthong Industrial Park Public Company Limited

- Project Department, Industry Finance Corporation of Thailand

- Special Lecturer, University of Thai Chamber of Commerce

Other position, present Managing Director

- Tep Kinsho Foods Co., Ltd.

Director

- Tep Phanich Co., Ltd

Work experience

1974 - 1981

1974 - 2017

7 July 2018 – 1 June 2020 - Director, Kulthorn Kirby Public Company Limited 1995 - 21 February 2018 - Director, Kulthorn Kirby Public Company Limited 2008 - 2011 - Chairman, Industrial Estate Authority of Thailand 2005 - 2010 - Associate Judge, Central Intellectual Properties and International Trade Court 2005 - 2006 - Chairman, National Housing Authority 2004 - 2007 - Chairman, Industrial Estate Authority of Thailand 2000 - 2001 - Board Member, Port Authority of Thailand



9. Name – Surname Mr Sutas Simakulthorn

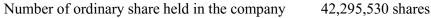
Age 51 years Nationality Thai

Present Position Director / Nomination and

Remuneration Committee

Date of appointment as director 12 May 2021

Tenure 3 years



Percentage of shareholding 2.81970 %

Kin in Relationship between the Director Member

Sibling of Mr Sutee Simakulthorn Chairman /

Acting Executive Vice President (Finance)

Mrs Supanee Chantasasawat /

Executive Vice President (Marketing)

Educational background - MBA, University of Southern California, USA

- Bachelor Degree in Engineering, Chulalongkorn University

IOD training None Position in the company None Positions held in other listed companies None Other position, present Director

- Kulthorn Premier Co., Ltd.

- Kulthorn Steel Co., Ltd.

- Kulthorn Materials and Controls Co., Ltd.

- Kulthorn Metal Products Co., Ltd.

- Kulthorn Research and Development Co., Ltd.

- Thai Compressor Manufacturing Co., Ltd.

Managing Director - Kulthorn Co., Ltd.

- Kulthorn Electric Co., Ltd.

Work experience

2009 Present Managing Director - Kulthorn Co., Ltd.

2003 - 2009 Executive Vice President - Thai Compressor Manufacturing Co., Ltd.

2002-2003 Vice President - Kulthorn Co., Ltd.

1997-2000 - Mitsubishi Heavy Industries, Japan Engineer

1997 Engineer - Thai Compressor Manufacturing Co., Ltd.





Percentage of shareholding

10. Name Mrs Supanee Chantasasawat

Age 55 years Thai **Nationality Position** Director Date of appointment as executive 10 May 2023

Tenure 1 years

Number of ordinary share held in the company 7,251,122 shares

Kin in Relationship between the Director Member

Sibling of Mr Sutee Simakulthorn Chairman /

0.48341 %

Acting Executive Vice President (Finance)

Mr Sutas Simakulthorn Director / Nomination and

Remuneration Committee

Educational background - SASIN Graduate Institute of Business Administration

Chulalongkorn University, MBA (Marketing)

- Chalalongkorn University, Bachelor of Accountancy

Executive Vice President (Marketing) Position in the company

Positions held in other listed companies None Other position, present Director

Kulthorn Premier Co., Ltd.

Kulthorn Steel Co., Ltd.

Kulthorn Metal Products Co., Ltd.

Thai Central Intellectual Property and International Trade Court Associate Judge

SASIN Alumni Association Member of the board and Secretary

Singapore Thai Chamber of Commerce Director

Kulthorn Research and Development Co., Ltd.

Work experience

Work experience	
2018 – July 2019	Chief Strategy Officer Kulthorn Kirby Public Company
2012 - 2018	Executive Chairperson Kulthorn Group of Companies
1998 - 2012	Sales and Marketing Director Kulthorn Group of Companies
1994 - 1998	Procter & Gamble Manufacturing (Thailand)
	Assistant Brand Manager
1991 – 1992	Industrial Finance corporation of Thailand (IFCT) Credit Officer
Social Activies	
2018	National Legislative Assembly Working Group on Waste of Electrical
	and Electronics Equipment Law-Committee Member
2010 - Present	Federation of Thai Industry
	 Air Conditioning Club President (2020- Present)
	 Air Conditioning Club Vice President (2010 - 2020)
	 Electrical, Electronic and Telecommunication Club Board Member (2018 - 2020)
	• Member of the Board (2012- 2014),(2020-2022),(2022- Present)

2010 - 2015

2007 - 2009

2006 - 2010

2. Details of Management

Mr Titisak Simakulthorn Name-surname

Age 45 years **Nationality** Thai

Present position Director / President /

Acting Executive Vice President (Manufacturing)

Date of appointment as executive 24 February 2021

Tenure 3 years

Number of ordinary share held in the company 7,521,125 shares

Percentage of shareholding 0.48341 % None Kin in Relationship between the Director Member

Bachelor Degree in Electrical and Electronic Engineering Educational background

Queen Mary College: University of London

Positions held in other listed companies

Other position, present

None

Managing Director

Kulthorn Steel Co., Ltd.

Kulthorn Metal Products Co., Ltd.

Kulthorn Research and Development Co., Ltd.

Director

Kulthorn Premier Co., Ltd.

Kulthorn Kirby Foundry Co., Ltd.

Kulthorn Materials and Controls Co., Ltd.

Suzhou Kulthorn Magnet Wire Co., Ltd.

Kulthorn Electric Co., Ltd.

Thai Compressor Manufacturing Co., Ltd.

Work experience

To work in Kulthorn Kirby Public Company Limited Since 2003



2. Name Mrs Supanee Chantasasawat

Age 55 years **Nationality** Thai

Position Executive Vice President (Marketing)

Date of appointment as executive 1 August 2019

Tenure 4 years

Number of ordinary share held in the company 7,251,122 shares Percentage of shareholding 0.48341 %

Kin in Relationship between the Director Member

Sibling of Mr Sutee Simakulthorn Chairman /

Acting Executive Vice President (Finance)

Mr Sutas Simakulthorn Director / Nomination and

Remuneration Committee

Educational background - SASIN Graduate Institute of Business Administration

None

Chulalongkorn University, MBA (Marketing)

- Chalalongkorn University, Bachelor of Accountancy

Positions held in other listed companies

Other position, present Director

Kulthorn Premier Co., Ltd.

Kulthorn Steel Co., Ltd.

Kulthorn Metal Products Co., Ltd.

Kulthorn Research and Development Co., Ltd.

Work experience

2018 – July 2019	Chief Strategy Officer Kulthorn Kirby Public Company
2012 - 2018	Executive Chairperson Kulthorn Group of Companies
1998 - 2012	Sales and Marketing Director Kulthorn Group of Companies
1994 - 1998	Procter & Gamble Manufacturing (Thailand)
	Assistant Brand Manager
1991 - 1992	Industrial Finance corporation of Thailand (IFCT) Credit Officer
Social Activies	
2018	National Legislative Assembly Working Group on Waste of Electrical
	and Electronics Equipment Law-Committee Member
2010 – Present	Federation of Thai Industry
	 Air Conditioning Club President (2020 – Present)
	 Air Conditioning Club Vice President (2010 – 2020)
	 Electrical, Electronic and Telecommunication Club Board Member (2018 – 2020)
	• Member of the Board (2012- 2014),(2020-2022),(2022- Present)
2010 - 2015	Thai Central Intellectual Property and International Trade Court Associate Judge

SASIN Alumni Association Member of the board and Secretary

Singapore Thai Chamber of Commerce Director

2007 - 2009

2006 - 2010



Mr. Sutee Simakulthorn 3. Name–surname

Age 54 years Nationality Thai

Present position Chairman/ Acting Executive Vice President (Finance)

Date of appointment as Executive 1 March 2021

Tenure 3 years

Number of ordinary share held in the company 32,124,655 shares

2.14164 % Percentage of shareholding

Kin in Relationship between the Director Member

Mr Sutas Simakulthorn Director / Nomination and Sibling of

> Remuneration Committee Mrs Supanee Chantasasawat /

Executive Vice President (Marketing)

- Master of Science in Management, Educational background

Purdue University, U.S.A.

- Bachelor Degree in Engineering, Chulalongkorn

University

Positions held in other listed companies

Other position, present Chairman/Managing Director

Kulthorn Premier Co., Ltd.

Chairman

None

- Kulthorn Kirby Foundry Co., Ltd.

- Kulthorn Steel Co., Ltd.

- Kulthorn Materials and Controls Co., Ltd.

Kulthorn Metal Products Co., Ltd.

- Kulthorn Research and Development Co., Ltd.

Director

Suzhon Kulthorn Magnet Wire Co., Ltd.

Work experience

1998 – Present To work in Kulthorn Kirby Public Company Limited



4. Name–surname Ms Araya Simakulthorn

Age 51 years **Nationality** Thai

Vice President / Acting Executive Vice President Present position

(Administration) / Nomination and Remuneration

Committee

Date of appointment as Executive 1 April 2021

Tenure 3 years

Number of ordinary share held in the company 7,251,122 shares

0.483 % Percentage of shareholding

Kin in Relationship between the Director Member

Sibling of Mr Abhijit Simakulthorn Director

- Master of Business Administration (MBA) Educational background

University of San Francisco, USA

- Bachelor of Arts in English, Chulalongkorn University

Positions held in other listed companies None None Other position, present

Work experience

2021 - Present To work in Kulthorn Kirby Public Company Limited

Name-surname Mrs. Somjai Buakaew

Age 45 years Nationality Thai

Present position **Assistant Manager Financial Operations**

Date of appointment as Executive 1 January 2022

Tenure 2 year Number of ordinary share held in the company None Kin in Relationship between the Director Member None

Educational background Bachelor of Accountancy

Rajabhat Rajanagarindra University

Positions held in other listed companies None Other position, present None

Work experience

2003 - Present To work in Kulthorn Kirby Public Company Limited

2001 - 2003**CPRAM Company Limited**



Name-surname Ms Narin Sakwichit

Age 45 years

Nationality Thai

Present position Accounting Manager

Date of appointment as Executive 1 June 2020 Tenure 2 years

Number of ordinary share held in the company None

Kin in Relationship between the Director Member None

Educational background Bachelor of Accountancy

University of the Thai Chamber of Commerce

Positions held in other listed companies None Other position, present None

Work experience

2008 – Present To work in Kulthorn Kirby Public Company Limited 2006 - 2007Financial Manager Siam Nissan Standard Company Limited 2004 - 2005Accounting Manager Exotic Food Company Limited 2000 - 2004Accounting teacher Aksorn Technology Pattaya





3. Details of the Company Secretary

Name, Surname Pol. Gen. Pateep Tanprasert

Age 75 years Thai **Nationality**

Position Company Secretary

Date of appointment as Company Secretary 11 May 2023

Number of ordinary share held in the company None

Educational background Master Degree in Public Administration, from NIDA

Bachelor Degree in Public Administration, from Police Cadet

Director Certification Program (DCP) / 2006 Training

Position in the company Advisor Positions held in other listed companies None Other position, present Chairman

- Kulthorn Premier Co., Ltd.

Kulthorn Kirby Foundry Co., Ltd.

- Kulthorn Steel Co., Ltd.

- Kulthorn Materials and Controls Co., Ltd.

- Kulthorn Metal Products Co., Ltd.

Kulthorn Research and Development Co., Ltd.

Work experience

2008 - 2011- Director and Audit Committee, Government Housing Bank

Duties and Responsibilities of Company Secretary

The Company's secretary is responsible for performing duties as stipulated in Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) B.E. with caution and honesty as well as to comply with the law, objectives, company regulations, Board resolutions and resolutions of the shareholders' meeting. The duties and responsibilities of the company secretary are as follows:

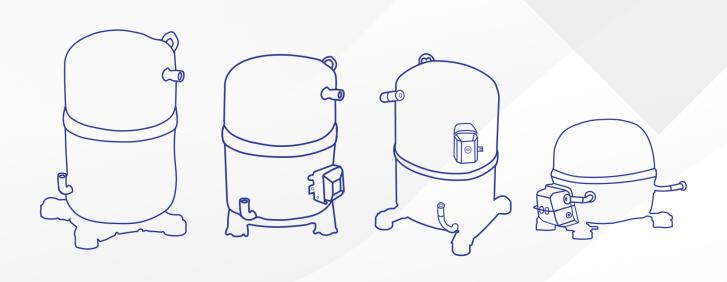
- a. Compliance with the law on behalf of the company or board
 - 1 Prepare and keep the following documents:
 - Registration of directors
 - Notice of Board of Directors Meeting board meeting minutes and the company's annual report
 - Notice of the shareholders' meeting and minutes of the shareholders' meeting
 - 2 Submit a copy of the report on the interests of directors and executives or related persons. which has interests related to the management of the Company or its subsidiaries to the Chairman of the Board, and the Chairman of the Audit Committee, and maintain such reports
 - 3 Take other actions as announced by the Capital Market Supervisory Board.
- b. Compliance with the roles and duties of the company secretary
 - 1 Perform duties responsibly with Caution and Integrity according to legal and other relevant regulations
 - 2 Supervise the activities of the Board of Directors as well as giving advice to directors on the Company's articles of association and regulations of relevant agencies
 - 3 Mediation for clear understandings between shareholders, directors and executives
 - 4 First contact of directors and executives for running the company's business under the law
 - 5 Persons who has a role in giving advice to directors for compliance with good corporate governance principles
 - 6 Persons who has a role in arranging meetings of directors and shareholders' meetings to achieve the objectives of the company
 - 7 Give opinions or participate in the preparation and submission of various reports that must be submitted in accordance with the regulations of the SEC and the Stock Exchange of Thailand, such as the annual registration statement / annual report (56-1 One Report) Reports on important board resolutions or corporate actions
 - 8 Contact and coordinate with regulatory agencies such as the Office of the Stock Exchange of Thailand and to oversee the disclosure of information and information reports to regulatory agencies and the general public to be correct and complete according to the law
 - 9 Arrange an orientation and provide advice to newly appointed directors
 - 10 Other duties as assigned by the company





Compressor solutions that exceed expectations





บริษัท กุลธร เดอร์บี้ จำกัด (มหาชน) KULTHORN KIRBY PUBLIC COMPANY LIMITED

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