

## Translation

Kulthorn Kirby Public Company Limited  
Minutes of the Ordinary Shareholders Meeting No. 45/2024  
On 29 May 2024

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The meeting was held at the company's meeting room, 126 Soi Chalong Krung 31, Chalong Krung Road, Khweng Lam Pla Thiew, Khet Lat Krabang, Bangkok.

Mr. Sutee Simakulthorn, the Chairman of the Board of Directors who presided over the meeting assigned Police General Prateep Tanprasert, the Secretary of the Board, to introduce the company's Board of Directors, other executives, and the auditors presented at the meeting as follows:

### DIRECTORS in attendance

1. Mr. Sutee	Simakulthorn	Chairman of the board of director/ Acting Executive Vice President (Finance)
2. Mr. Titisak	Simakulthorn	Director/President
3. Mr. Tawatchai	Jaranakarun	Independent Director/Chairman of the Audit Committee
4. Vice Admiral Naruedom	Sa-ardyen RTN.	Independent Director/Audit Committee
5. Mr. Somlak	Jiamtiranat	Independent Director/Audit Committee
6. Mr. Abhijit	Simakulthorn	Director
7. Mr. Kanok	Suriyasat	Director
9. Mr. Sutas	Simakulthorn	Director

In total 9 persons were present at the meeting, representing 72.72 % of the total number of directors.

### THE EXECUTIVES in attendance

1. Mrs. Supanee	Chantasasawat	Acting Executive Vice President (Marketing)
2. Ms. Araya	Simakulthorn	Vice President (Administration)/ Acting Executive Vice President (Administration)/
3. Ms. Rewadee	Likitsupin	Acting Vice President (Finance)
4. Ms. Narin	Sakwichit	Acting Accounting and Cost Accounting Manager

### Auditors in attendance

Auditors from EY Office Limited:

Ms. Natteera Pongpinitpinyo, Ms. Fasuay Wongwacharakarn and Mr. Burit Toongsooksai

### Financial Advisors in attendance

Ms. Suthang Khonsilpa and Mr. Techn Udomsinwatana

Police General Prateep Tanprasert, the Secretary of the Board, informed the meeting that there were 12 shareholders and 24 proxies, in total 36 persons present at the meeting, representing 1,124,612,784 shares or 74.97 % which was not less than one-third of the total 1,500,000,000 issued and sold shares. There were shareholders and proxies who attended the meeting of not less than 25 persons. It constituted a quorum according to the company's Articles of Association.

The Chairman further stated that during the proceeding on each agenda, if any shareholders had any questions, they could do so. As for the voting in each agenda, since counting votes from every ballot would be time-consuming, he asked the Secretary of the Board to give details on this matter.

The Secretary of the Board stated that in each agenda the Chairman would propose a resolution for the meeting's approval, and any shareholders who disapproved of the chairman's proposal or wanted to abstain votes, could cast his/her vote and sign his/her name on the distributed ballot and raise his/her hand so that the company's staff would collect his/her ballot and count the votes. Other shareholders who did not raise their hands would assume that they approved the proposed resolution in the agenda. Thus, if there were no hand raised, let it be agreed that the meeting unanimously approved the chairman's proposal. If any ballot had more than one mark, that ballot would not be counted.

The Secretary of the Board stated before the meeting started that for the 2024 Ordinary Shareholders Meeting, the Company was aware of the shareholders' rights and equitable treatment to the shareholders under good corporate governance. The Company allowed the shareholders to propose the matter for consideration as agenda, submitted the inquiries and name of the person to be elected as the company's director in advance from 6 November 2023 to 16 January 2024, notified and disclosed contact channels and period for proposing agenda and inquiries via SET and also provided details of the procedures on the company's website (www.kulthorn.com). As a result, no shareholders proposed the matter for consideration as an agenda, submitted the inquiries, and the name of the person to be elected as the company's director to this meeting.

The Chairman, therefore, declared the meeting opened and proceeded with the meeting according to the agenda.

The Meeting was opened at 10.10 hours.

Agenda 1    To certify the Minutes of the Ordinary Shareholders Meeting No. 44/2023 held on 26 April 2023

The Chairman assigned the Secretary of the Board to propose the meeting to certify the minutes of the Ordinary Shareholders Meeting No. 44/2023 held on 26 April 2023, the copy of the minutes was sent to all shareholders for consideration in advance and had been already posted on the company's website.



The Meeting, after considering unanimously certified the minutes of the Ordinary Shareholders Meeting No. 44/2023 held on 26 April 2023 with the following votes:

Approved	1,124,612,784 votes, equal to 100 %
Disapproved	– none –
Abstained	– none –
Void ballot	– none –

Agenda 2 To acknowledge the report of the company's business operation for the year 2023

The Chairman proposed the meeting to acknowledge the company's results of business operations in 2023 and the Board of Directors' report, details as appeared in the 56-1 One Report 2023 which was sent to all shareholders for consideration in advance.

The meeting acknowledged the report of the company's business operation for the year 2023.

Agenda 3 To consider approving the company's financial statements for the year ended 31 December 2023

The Chairman assigned the Secretary of the Board to present the matter to the meeting.

The Secretary of the Board stated that the Chairman requested the meeting to approve the company's financial statements for the year ended 31 December 2023 which was audited and certified by the company's auditor and was consented to by the audit committee, and also was approved by the Board of Directors, details as appeared in the 56-1 One Report 2023, the section of "Report of Independent Auditor and Financial Statements" which was sent to all shareholders for consideration in advance.

The consolidated statements of the financial position and the income of the company and its subsidiaries are as follows:

Total assets	Baht	5,116.35	million
Total liabilities	Baht	5,792.48	million
Total shareholder's equity	Baht	(676.14)	million
Total revenues	Baht	3,297.47	million
Profit (loss) for the year	Baht	(1,280.99)	million
Basic earnings per share	Baht	(0.85)	Baht

The statements of the financial position and the income of the company are as follows:

Total assets	Baht	4,417.58	million
Total liabilities	Baht	5,351.44	million
Total shareholder's equity	Baht	(933.86)	million
Total revenues	Baht	1,287.18	million
Profit (loss) for the year	Baht	(1,589.44)	million
Basic earnings per share	Baht	(1.06)	baht

After the Secretary of the Board presented to the meeting, the Chairman then asked whether the shareholders had any questions or comments.

Mr. Virat Trongpitakkul, the representative from the Thai Investors Association, then asked three questions.

1. The update about the change in the company's strategies and operations both short and long term to stop continuous loss.
2. The result of the negotiation with financial institutions to unfreeze the working capital.
3. Selling of non-core business assets and how it would affect the operation.
4. The adjustment on product selection by only producing the models that have lower costs.

The Chairman answered and can be summarized as follows:

The Company has two main creditors namely Kasikorn Bank Public Co., Ltd. and Bangkok Bank Public Co., Ltd., which accounted for about 90% of the debt and the rest belongs to other minor creditors. As of now, the Company is in the process of negotiating with both banks to unfreeze the working capital and change into a long-term loan so that the company can increase production. The Banks proposed that the major shareholders should put in a fund as long-term sub-debt, which would be paid back after the banks, then the banks would then release the credit limit as the same amount as the input fund.

In February 2023, the Company sold Suzhou Kulthorn Magnet Wire Co., Ltd. (SKMC) one of our subsidiaries in China. After completion of the sale, the Company had some money left over from the sale. The company decreased our production of smaller compressors so those machines were moved to our subsidiary in Kabinburi. The Company also moved our warehouse in Chalongkrung so we could rent it out for about 2 million baht per month. Moreover, any unused buildings will be rented out and the rental contract will be used as a guarantee for additional working capital. The bank has the condition that for any working capital approved has to be matched with newly mortgaged assets. The Company has Bristol machines to be installed to achieve this process.

As of now, the Company has a backlog of 500,000 units. The Company plans to focus on the larger models with more profit margin. This includes the AW model and Bristol products. The Company sets the target of 40,000 plus units per month and at that point, the EBITDA will start to be positive. Once the Company can clear the backlog, the Company can start making a profit and pay the interest to the Bank. Our customers are major OEM and replacement markets. Our company has a market share of 10-20% in the replacement markets. Technology for compressors is driven mainly by the type of refrigerants that gears towards eco-friendly systems. The company needs to improve our products to keep up with the changing protocol. The company urgently needs the banks to give us working capital to keep fulfilling the orders.

The Financial advisors stated that the Company has finished the business plan, both short, middle, and long-term to present to the financial institution for a better understanding of the Company's situation and therefore give the company the working capital to work on. Therefore, the Company asks the shareholders to give us time to work as planned. The Company is trying its best to speed up production and decrease the inventory to generate more income and find more sources to use as working capital.



Mr. Cherd Kittipavara inquired about the reasons for the Company's negative results.

The Chairman explained that the Company manufactures some compressor models under the license of Tecumseh. With the constantly changing standards in the industry, especially for the refrigerant to be more eco-friendly, however, the Company faced some quality issues because the Company could not develop every model to meet this new standard. Since 2017, the Company has set aside the allowance for quality issues. To solve this problem and to enter into the USA market which is more premium, the Company acquired machines from Bristol in the USA due to superior technology and brand recognition. The Company changed to a planned investment of 500 million Baht from the improvement of the existing AW model to acquiring Bristol in the same investment budget. The Company later applied for capital from the financial institutions but they declined which resulted in the cashflow shortage. The Company started manufacturing Bristol compressors in 2020 but could achieve only 50 percent of the capacity due to insufficient space to install all the machines. The company is facing a backlog of orders and planning to increase production to 80,000 units per month.

Mr. Cherd Kittipavara inquired if the cashflow shortage and inability to fulfill the backlog resulted in the loss of customers due to competition.

The Chairman answered that some compressor models cannot be easily replaced due to higher prices and design changes. Customers already made 50 percent advance payment for 500,000 to 600,000 compressors. Moreover, the Company can sell in the replacement market where we forecasted the sales to double this year.

Mr. Cherd Kittipavara inquired which compressor models the competitors cannot manufacture and if the Company manufactures rotary compressors.

The Chairman responded that compressors are mainly used in Air Conditioners, Chillers, and Refrigerators, all of which are covered by the Company's product range. In the USA market, compressors use a new refrigerant and have to meet the performance standard of 13 or above. Only Scroll compressors and Bristol compressors passed this standard. The Company prioritized the customers that their products were designed to use only Bristol compressors. Such customers make 50 percent advance payment and the remaining balance is paid as soon as the products are shipped out. New Compressors have to pass the standard test of 8,000 hours at minimum before they can be used. The Company does not manufacture Rotary compressors because of some limitations such as they can only be used in small air conditioners and cannot withstand refrigerants with high pressure, high temperature, and high ambient temperature. In the Middle East market, the Reciprocating compressors command higher prices than Rotary compressors.

Mr. Cherd Kittipavara asked about the reason for the increase in the selling, general, and administrative expenses in 2023.

The Chairman informed that some allowances have been reclassified to the selling, general, and administrative expenses in the past 3 years. The shareholders' equity has been reduced significantly which led to the Company's policy to reappraise our assets, which resulted in the change in depreciation expense.



As there are some idle machines, the depreciation on those machines is reclassified to the selling, general, and administrative expenses instead of COGS. The rationale for this has been explained in the notes to the financial statements.

The Auditor further stated that the increase in the selling, general, and administrative expenses in 2023 is mainly depreciation on the machines. Normally this depreciation would be booked in COGS given that the machines are being used to manufacture the products. However, in the past year, the Company did not use some machines at all, so the Auditor reclassified the depreciation of those unused machines to the selling, general, and administrative expenses instead of COGS. This has been done according to the accounting standard.

Since there were no more questions from the shareholders, the Chairman then proposed the meeting to approve the company's financial statements for the year ended 31 December 2023.

The Secretary of the Board informed the meeting that at present, more shareholders were joining the meeting. There were 13 shareholders and 24 proxies in a total of 37 persons present at the meeting, representing 1,124,840,784 shares.

The meeting approved the company's financial statements for the year ending 31 December 2023 with the following votes:

Approved	1,124,840,784 votes, equal to 100 %
Disapproved	– none –
Abstained	– none –
Void ballot	– none –

Agenda 4    To consider approving the dividend omission for 2023's operational results.

The Chairman assigned the Secretary of the Board to present the matter to the meeting.

The Secretary of the Board stated that in the year 2023, the company revenues from sales were lower than the target, resulting in operation loss. Then to secure the liquidity for further operations the dividend payment for 2023's operational results should be omitted.

After reporting, the Chairman proposed the meeting to approve the omission of dividend payment for 2023's operational results.

The Meeting, after considering unanimously approved the dividend omission for 2023's operational results with the following votes:

Approved	1,124,840,784 votes, equal to 100 %
Disapproved	– none –
Abstained	– none –
Void ballot	– none –



Agenda 5    To consider electing the directors to succeed those retired by rotation and fix their authority

The Chairman assigned the Secretary of the Board to present the matter to the meeting.

The Secretary of the Board stated that following Clause 14 of the Articles of Association, at every ordinary shareholder meeting one-third of the directors shall retire from office and a director who retires from office may be re-elected.

This year one-third of all the 11 directors shall be 4 persons as follows:

- |                              |                                                      |
|------------------------------|------------------------------------------------------|
| 1. Mr. Abhijit Simakulthorn  | Director                                             |
| 2. Mr. Prasarn Tanprasert    | Director                                             |
| 3. Mr. Tawatchai Jaranakarun | Independent Director/Chairman of the Audit Committee |
| 4. Mr. Titisak Simakulthorn  | Director/President                                   |

Mrs. Benjawan Ratanaprayul and Mrs. Supanee Chantasasawat resigned before the term ended and the Board of Directors had a resolution not to fill these two director's spots.

The Board of Directors with the recommendation of the Nomination and Remuneration Committee proposed to decrease the number of directors from 11 to 9 directors and the directors who are not retired to keep their positions as before.

When the Secretary of the Board finished presenting, the Chairman proposed the meeting to approve the decrease of the directors from 11 to 9 as the Board of Directors had proposed.

The Meeting, after considering unanimously approved the decrease in the number of directors from 11 to 9 with the following votes:

Approved	1,124,840,784 votes, equal to 100 %
Disapproved	– none –
Abstained	– none –
Void ballot	– none –

The Secretary of the Board stated that the Board of Directors proposed to re-elect all of the 4 retiring directors to succeed those retired by rotation. The Board of Directors already considered and suggested that Mr. Tawatchai Jaranakarun, an independent director, is capable of giving independent opinions and is suitable for the position in qualifications, work experience, and also business knowledge. The company has sent the history of the person who has been proposed to be the directors of the company for consideration in advance.

The Secretary of the Board finished presenting, the Chairman proposed the meeting to vote to elect each director individually.



The Meeting, after considering elected directors by voting in an individual election, respectively, with the following votes:

Directors	Approved		Disapproved		Abstain		Void ballot
	Votes	%	Votes	%	Votes	%	
1. Mr. Abhijit Simakulthorn	1,124,840,784	100	None	-	None	-	None
2. Mr. Prasarn Tanprasert	1,124,840,784	100	None	-	None	-	None
3. Mr. Tawatchai Jaranakarun	1,124,840,774	99,999	10	0.000001	None	-	None
4. Mr. Titisak Simakulthorn	1,124,840,784	100	None	-	None	-	None

After the meeting had elected 4 directors, the Secretary of the Board announced the list of the company's Board of Directors which consists of 9 persons as follows:

- |                                    |                             |
|------------------------------------|-----------------------------|
| 1. Mr. Sutee Simakulthorn          | 2. Mr. Titisak Simakulthorn |
| 3. Mr. Sutas Simakulthorn          | 4. Mr. Abhijit Simakulthorn |
| 5. Mr. Kanok Suriyasat             | 6. Mr. Prasan Tanprasert    |
| 7. Mr. Tawatchai Jaranakarun       | 8. Mr. Somlak Jiamtiranat   |
| 9. Vice Admiral Naruedom Sa-ardyen |                             |

As Mr. Tawatchai Jaranakarun, Mr. Somlak Jiamtiranat, and Vice Admiral Naruedom Sa-ardyen, in total 3 persons are the independent directors.

The Secretary of the Board stated further that the directors' authority in charge of authorizing in place of the Company is as follows: "Mr. Sutee Simakulthorn or Mr. Titisak Simakulthorn or Mr. Sutas Simakulthorn or Mr. Abhijit Simakulthorn or Mr. Kanok Suriyasat or Mr. Prasan Tanprasert signs together, in total two persons and affix with the company's seal."

After the Secretary of the Board finished reporting, the Chairman requested a resolution on this matter from the meeting.

The Meeting, after considering approval of the company's authority as the Board of Directors proposed the following votes:

Approved	1,124,840,784 votes, equal to 100 %
Disapproved	– none –
Abstained	– none –
Void ballot	– none –





Agenda 7 To consider approving the appointment of auditors and fixing the auditing fee for the year 2024

The Chairman assigned the Secretary of the Board to present the matter to the meeting.

The Secretary of the Board stated that in the year 2024, the Board of Directors with the recommendation of the Audit Committee proposed auditors from EY Office Limited to be the company's auditors as follows:

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

Along with the company's 2024 annual auditing fee of Baht 2,400,000, an increase of Baht 300,000 from the previous year, and the reviewing fee for the first 3 quarters of interim financial statements in the total amount of Baht 600,000 or Baht 200,000 each quarter, which is the same rates as the previous year. The auditing fee for the subsidiaries that used to report to the Company is Baht 380,000. For the year 2024, EY Office Limited will be auditors for only 2 out of 4 subsidiaries.

EY Office Limited and the proposed auditors are independent persons and have no conflict of interest with the company / the executives / the major shareholders, or others related to those parties.

Mr. Virat Trongpitakkul, the representative from the Thai Investors Association, asked the auditors from EY Office Limited about the increase in the annual auditing fee.

Ms. Natteera Pongpinitpinyom, the auditor from EY, stated that the auditing fees are calculated from the number of hours spent working on the audit. Since the auditors have spent more hours auditing, the auditing fees were higher as a result.

The Chairman informed the meeting that the Company used to have EY as auditors for the Company and all the subsidiaries. For the year 2024, the Company will use other auditors for all subsidiaries to work with EY as the main auditor for the Company to save costs.

After reporting, the Chairman requested a resolution on this matter from the meeting.

The Meeting, after considering unanimously appointed the company's auditors for the year 2024 and approved the annual auditing fee, the reviewing fee for the interim financial statements, and altogether 3 quarters as proposed with the following votes:

Approved	1,124,840,784 votes, equal to 100 %
Disapproved	– none –
Abstained	– none –
Void ballot	– none –



Agenda 8    To consider other businesses

There were no suggestions for additional subjects, so the Chairman provided this opportunity for any questions and answers. There were some questions from the floor.

Mr. Virat Trongpitakkul, the representative from the Thai Investors Association, mentioned about the corporate governance for independent directors that the term for independent directors should not exceed 9 years.

The Chairman answered that the reason the Company chose to decrease the number of directors to 9 is to save costs and also to seek directors with high qualifications such as our directors are very hard.

There was no other business to be discussed. The Chairman then declared the meeting closed.

The Meeting was closed at 11.40 hours.

Sutee Simakulthorn

Signed .....

(Mr. Sutee Simakulthorn)

Chairman of the Board of Directors

Note: The minutes of the meeting in English have been translated from those in Thai, thus only the minutes in Thai will be used as a reference.

