



No. 0046/2024

21 June 2024

Subject: Action Plan of Kulthorn Kirby Public Company Limited regarding the equity being less than zero

Attention: Director and Manager of the Stock Exchange of Thailand

Reference: The Letter of the Stock Exchange of Thailand No. BorJor. 198/2567 dated 21 May 2024

According to the document referenced, the Stock Exchange of Thailand (the "SET") has notified Kulthorn Kirby Public Company Limited (the "Company") to promptly rectify the situation where the Company's equity is less than zero, due to the Company's status potentially facing the delisting pursuant to the Regulation of the SET Re: Delisting of Securities B.E. 2564 (2021).

The Company would like to inform you that the Company has outlined an action plan and timeline to address the delisting issue in accordance with the Announcement by the Securities and Exchange Commission of Thailand Re: Guidelines for Addressing the Causes for Delisting of Ordinary Shares from Being Listed Securities, B.E. 2564 (2021) as follows:

1. Action plan for the Company's equity to be more than zero

At present, the Company is in the process of considering and negotiating a debt restructuring plan with a group of financial institution creditors in order to adjust the Company's debt repayment schedule appropriately and propose for new loans. If the Company can reach a conclusion on the debt restructuring plan with the group of financial institution creditors, the Company believes that the Company will have sufficient liquidity to continue its business operations continuously, efficiently and sustainably.

In addition, the Company expects to issue and offer a subordinated perpetual bond in order to enhance liquidity in business operations. Also, if the Company can effectively utilize its machinery and equipment under an increased sales plan to generate sufficient long-term profitability, the Company may consider additionally reversing the impairment loss on its assets. This approach aims to increase the value of equity to be above zero and enable the Company to sustain and strengthen its business operations.

Moreover, the Company has a plan to reform the Company's operations to increase the efficiency of revenue generation, reduce expenses, and generate net profit. This initiative is expected to contribute to increasing the Company's equity.

2. Actions to ensure the Company to achieve its regular operational profitability

The Company is in the process of preparing a draft operational restructuring plan of the Company in order to increase the efficiency of revenue generation, reduce expenses and generate net profit. Such plan will be presented to the group of financial institution creditors. Key components of the operational restructuring plan include:



- (a) plan to increase production efficiency by rearranging the production lines which is to discontinue the overlapping production lines and the production lines of low-demand products;
- (b) plan to improve production efficiency through the part redesign and new raw material utilization which will facilitate cost reduction and proximity sourcing to the Company's manufacturing facilities;
- (c) plan to enhance efficiency and expand the production capacity of profitable production lines, thereby increasing initial profit margins; and
- (d) setting a sales strategy focused initially on primary target customer groups, with the aim of expanding to other customer segments in the future.

After implementing the operational restructuring plan, the Company expects to enhance revenue generation efficiency, reduce expenses, and generate net profit. This is projected to enable the Company to operate profitably on a regular basis, with the possibility of achieving profitability from operations before 21 May 2027.

3. Implementation timeline

The Company is currently negotiating the debt restructuring plan with the group of financial institution creditors and has drafted and presented the restructuring plan to them in April 2024. During this period, additional information is being considered, and negotiations are ongoing to reach conclusions regarding the debt restructuring plan with the group of financial institution creditors. The Company anticipates being able to finalize the debt restructuring plan with the group of financial institution creditors by September 2024 and the details of the resolution approach for the delisting will be disclosed further.

During the process of preparing and negotiating the debt restructuring plan with this group of financial institution creditors, the Company will begin implementing operational restructuring based on the portions of the operational restructuring plan which can be processed first. Once negotiations and agreements regarding the debt restructuring with financial institution creditors are completed, the Company will initiate operations and proceed to issue and offer the subordinated perpetual bond. If the Company implements the above plan, the Company will return to profitability and achieve the equity being greater than zero before 21 May 2027. Considering the Regulation of the SET Re: Delisting of Securities B.E. 2564 (2021), together with the Announcement by the Securities and Exchange Commission of Thailand Re: Guidelines for Addressing the Causes for Delisting of Ordinary Shares from Being Listed Securities, B.E. 2564 (2021), the Company is given a period of 3 years from 21 May 2024, to rectify the grounds for delisting. It is anticipated that the Company will fully resolve the aforementioned issues before the expiration of the 3-year period. If the Company reaches a conclusion regarding the debt restructuring with the group of financial institution creditors, the Company expects to rectify the situation where its equity falls below zero, which is a cause for delisting from being listed securities, within the timeframe specified by such Regulation of the SET and Announcement by the Securities and Exchange Commission of Thailand.

Therefore, the Company would like to inform you that the Company will report progress on these implementations to the SET every quarter and will notify the SET of any significant progress made in these implementations.



Yours sincerely,


(Mr. Titisak Simakulthorn)
Managing Director