



NO. 0070/2567

10 July 2024

Subject: Management Discussion and Analysis of the Operating Performance for the three-month period  
Ended March 31, 2024

To: The President  
The Stock Exchange of Thailand

### Quarterly Summary

(Unit : Million Baht)

Statement of comprehensive income	Q1/2024	Q4/2023	Q1/2023	% QoQ	% YoY
Revenue from contracts with customers	676.7	613.8	1,049.8	10	(36)
Cost of Sales and services	654.2	496.2	1,134.8	32	(42)
Gross Profit	22.5	117.6	(85.0)	(81)	126
Selling and distribution expenses	12.7	8.0	16.9	59	(25)
Administrative expenses	112.0	165.0	118.0	(32)	(5)
Other expenses	109.3	219.9	42.5	(50)	157
Profit (Loss) on exchange	(6.0)	5.1	(1.3)	(218)	(362)
Finance Cost	109.5	80.8	62.5	36	75
Profit (Loss) for the period	(306.8)	(434.7)	(185.8)	29	(65)

### Operating Performance for the three months ended March 31, 2024

- Revenue from contracts with customers of Baht 676.7 million which was an increase of 10% QoQ or Baht 62.9 million but a decrease 36% YoY or Baht 373.1 million, respectively. This was due to part shortages and delays.
- Cost of sales and services of Baht 654.2 million which was 96.7% of revenue. This increased from the previous quarter which was 80.8% of revenue. However, this decreased from the prior year which was 108.1% of revenue. The group was impacted by a lack of a revolving working capital from financial institutions. Procurement of raw materials was limited due to this constraint.
- Gross profit of Baht 22.5 million which was 3.3%. The gross profit decreased by 81% QoQ. However, the gross profit increased by 126% YoY.
- Selling and distribution expenses of Baht 12.7 million increased by 59% QoQ or Baht 4.7 million. This was a decrease 25% YoY or Baht 4.2 million. The company has tried to manage the selling expenses effectively and continuously.
- Administrative expenses of Baht 112.0 million a decrease of 32.0% QoQ or Baht 53.0 million. This increased by 5% YoY or Baht 6.0 million.
- Other expenses of Baht 109.3 million. The company has suffered from a lack of financial liquidity and working capital for purchasing raw materials for production. As a result, the company could not produce according to normal capacity. Therefore, in order to present the production cost accurately and reasonably, the Group has allocated the idle fixed overheads cost from production cost and recognized such idle conversion as other expenses in the statement of comprehensive income.
- Financial cost of Baht was 109.5 million an increase of 36% QoQ or Baht 28.7 million. When compared to YoY this increased by 75% YoY or Baht 47.0 million, respectively, because of the increasing interest market rate and overdue rate.



- Net Loss of Baht 306.8 million decreased by 29% QoQ but increased by 65% YoY respectively, the management has implemented various plans, including negotiations with financial institutions to restructure debts, and to obtain new credit facilities. In addition, the company 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.

## Statement of Financial Position

(Unit : Million Baht)

	31 December 2023		31 December 2023		Change	
	Amount	%	Amount	%	Amount	%
<b>Current Assets</b>	1,296.4	26	1,233.5	24	63.2	5
<b>Non-current assets</b>	3,753.1	74	3,883.1	76	(130.0)	(3)
<b>Total Assets</b>	5,049.5	100	5,116.3	100	(66.8)	(1)
<b>Current liabilities</b>	5,428.9	108	5,174.9	101	254.0	5
<b>Non-current liabilities</b>	603.6	12	617.5	12	(13.9)	(2)
<b>Total liabilities</b>	6,032.5	119	5,792.4	113	240.1	4
<b>Total shareholders' equity</b>	(983.0)	(19)	(676.1)	(13)	(306.9)	(45)
<b>Total liabilities and shareholders' equity</b>	5,049.5	100	5,116.3	100	(66.8)	(1)

- Total assets as of 31 March 2024 decreased by Baht 66.8 million from 31 December 2023. Due to the depreciation of fixed assets.
- Total liabilities as of 31 March 2024 increased by Baht 240.1 million from 31 December 2023. Due to liquidity problems, unable to pay debts as scheduled.
- Total shareholders' equity loss as of 31 March 2024 of Baht (983.0) million a decrease from 31 December 2023 due to the operating loss by Baht 306.9 million.

The Group was unable to maintain interest bearing debt to EBITDA plus extraordinary item and non-cash 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 three-month period ended 31 March 2024 of Baht 307 million (the Company only: Baht 205 million). As of 31 March 2024, the Group's total current liabilities exceeded its total current assets by Baht 4,132 million (the Company only: Baht 4,593 million) and the Group had deficit of Baht 4,688 million (the Company only: Baht 4,181 million). And equity deficit of Baht 983 million (the Company only: Baht 1,139 million). The major current liabilities of the Group consisted of the bank overdraft and short-term loans from financial institutions amounting to Baht 3,508 million (the Company only: Baht 2,161 million), trade and other payables amounting to Baht 723 million (the Company only: Baht 1,170 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 10.

## 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.

Yours Sincerely,

Kulthorn Kirby Public Company Limited

Mr. Sutee Simakulthorn

Executive Vice President Finance



A handwritten signature in blue ink, which appears to be 'Sutee Simakulthorn', written over the printed name and partially overlapping the stamp.