



บริษัท กุลธอร์บี้ จำกัด (มหาชน)
KULTHORN KIRBY PUBLIC COMPANY LIMITED

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126 SOI CHALONG KRUNG 31, CHALONG KRUNG ROAD, KHWAENG LAM PLA THIO, KHET LAT KRABANG, BANGKOK 10520 THAILAND

LEADING MANUFACTURER IN HERMETIC COMPRESSOR FOR REFRIGERATION & AIR CONDITIONING SINCE

No. 0056/2025

31 March 2025

Subject: Management Discussion and Analysis of the Operating Performance for the three-month
 period ended 31 December 2024

To The President
 The Stock Exchange of Thailand

Quarterly Summary

(Unit : Million Baht)

| Statement of comprehensive income | Q4/2024 | Q3/2024 | Q4/2023 | % QoQ | % YoY |
|---------------------------------------|---------|---------|---------|-------|-------|
| Revenue from contracts with customers | 518.9 | 648.5 | 613.8 | (20) | (15) |
| Cost of Sales and services | 465.6 | 634.7 | 496.2 | (27) | (6) |
| Gross Profit | 53.3 | 13.8 | 117.6 | 286 | (55) |
| Selling and distribution expenses | 9.2 | 11.6 | 8.0 | (21) | 15 |
| Administrative expenses | 84.9 | 98.6 | 165.0 | (14) | (49) |
| Other expenses | 138.5 | 129.7 | 219.9 | 7 | 0 |
| Profit (Loss) on exchange | (1.7) | 10.3 | 5.1 | (117) | (133) |
| Finance Cost | 121.2 | 121.4 | 80.8 | 0 | 50 |
| Profit (Loss) for the period | (351.0) | (308.8) | (434.7) | (14) | 19 |

Operating Performance for the three months ended 31 December 2024

- Revenue from contracts with customers of Baht 518.9 million which was a decrease of 20% QoQ or Baht 129.6 million and a decrease of 15% YoY or Baht 94.9 million, respectively. This was due to the company not delivering products to customers as scheduled.
- Cost of sales and services of Baht 465.6 million which was 89.7% of revenue. This decreased from the previous quarter, which was 97.9% of revenue and this decreased from the prior year quarter, which was 80.8% of revenue. The group was impacted by a lack of revolving working capital from financial institutions. The limited cash available for procurement of raw materials cannot cover the risk of the price of main raw materials.



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Due to this constraint, the Group's management has negotiations with financial institutions to restructure debts, and to obtain new credit facilities. However, the group has adjusted the production and distribution strategies and reduced manufacturing costs, other expenses and still maintains quality standards.

- Gross profit of Baht 53.3 million which was 10.3% of revenue. The gross profit increased by 2.1% QoQ of revenue and this decreased by 19.2% YoY of revenue, respectively.
- Selling and distribution expenses of Baht 9.2 million which was a decrease of 21% QoQ or Baht 2.4 million. But an increase of 15% YoY or Baht 1.2 million. Due to the Group of Companies continue to maintain expenses control measures.
- Administrative expenses of Baht 84.9 million which was a decrease of 14.0% QoQ or Baht 13.7 million and a decrease of 49.0% YoY or Baht 80.1 million. However, the Group of Companies continue to maintain expenses control measures.
- Other expenses of Baht are 138.5 million which was an increase of 7% QoQ or Baht 8.8 million. But a decreased of 37% YoY or Baht 81.4 million. Due to the Group of Companies could not produce according to normal capacity. Therefore, to present the production cost accurately and reasonably, the Group of Companies have allocated the idle fixed overheads cost from production cost and recognized such idle conversion as other expenses.
- Loss on exchange of Baht 1.7 million. This increased from the previous quarter and the prior year quarter,
- The financial cost of Baht was 121.2 million, which was a decrease of 0.2% QoQ or Baht 0.2 million and an increase by 50% YoY or Baht 40.4 million, respectively, because of the increasing interest market rate and overdue rate.
- Net Loss of Baht 351.0 million which was 67.6% of revenue. The loss increased by 47.6% of the QoQ of revenue but decreased by 70.8 YoY of revenue, respectively. 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 a major shareholder and getting advance payment from customers to increase the Group's liquidity to purchase raw materials for production to fulfill purchase orders from customers.



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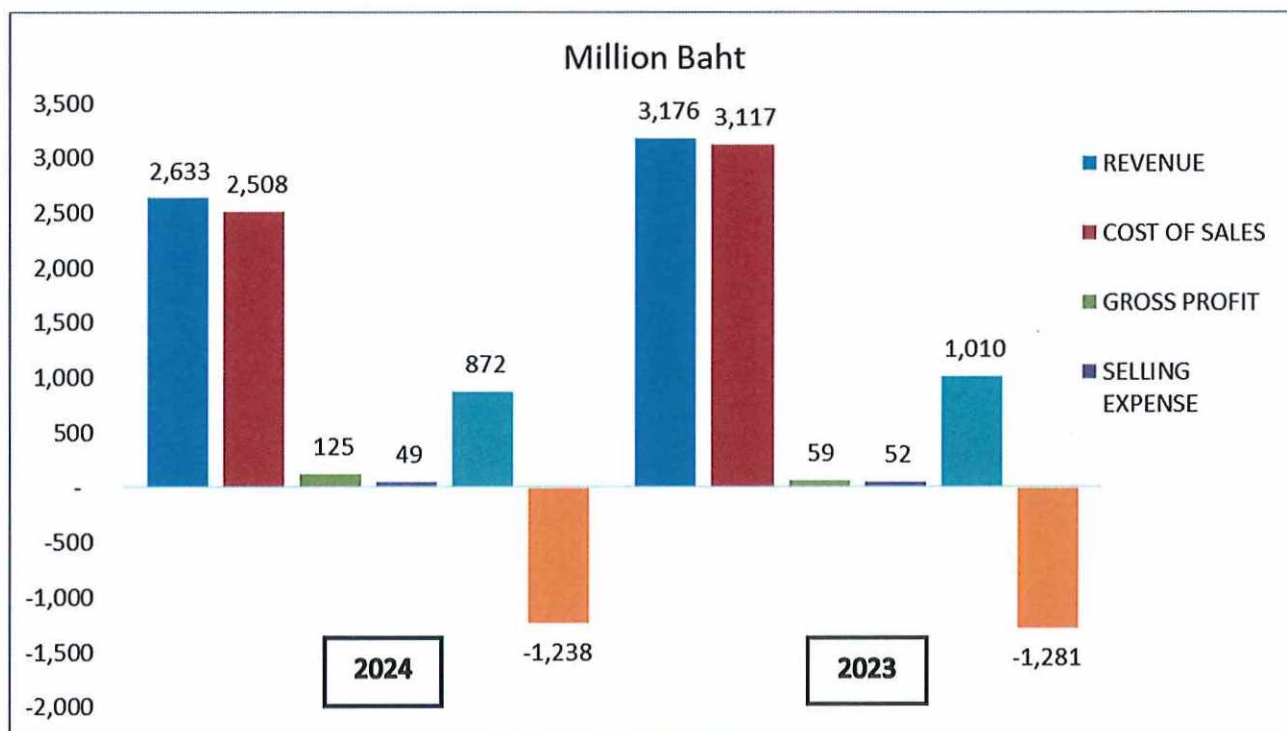
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Business overview and Operating Performance



- Revenue from contracts with customers for the year 2024 amounted to Baht 2,633 million, a decrease of Baht 543 million or -17% from the same period last year. The Group has suffered from a lack of financial liquidity and working capital, making it difficult to purchase raw materials, and cover the production expenses necessary to fulfill purchase orders from customers. This was due to the company not delivering products to customers as scheduled.
- Cost of sales and services for the year 2024 was Baht 2,508 million, representing 95% as a percentage of revenue. a decrease from the same period last year. which was 98% of revenue. The Group is adjusting its distribution strategy as well as reducing production costs and other expenses.
- Gross profit for the year 2024 amounted to Baht 125 million or 5% of sales revenue. increasing from the same period last year, which has a gross profit of 2% of sales revenue. The company has negotiated with customers and adjusted the selling price.
- Selling expenses for the year 2024 amounted to Baht 49 million, representing a rate of 2% compared to sales revenue. a decrease of Baht 3 million or -6% from the same period last year. However, the Group has a policy to continuously manage selling expenses.
- Administrative expenses for the year 2024 amounted to Baht 872 million, representing a rate of 33% compared to sales revenue. Administrative expenses decrease of Baht 138 million from the same prior last year; However, the Group has a policy to continuously manage administrative expenses.
- Financial expenses for the year 2024 amounted to Baht 473 million, an increase of Baht 188 million from the same period last year due to the fluctuation of interest rate.



- The company had a net loss for the year 2024 in the amount of Baht 1,238 million, representing -47% of sales revenue. The loss increased from the same period last year, was a loss of -40% of sales revenue. However, the management has implemented various plans, including negotiations with financial institutions to restructure debts, and to obtain new credit facilities from both financial institutions and a major shareholder to increase the Group's liquidity.

Statement of Financial Position

(Unit : Million Baht)

| | 31 December 2024 | | 31 December 2023 | | Change | |
|---|------------------|------|------------------|------|---------|-------|
| | Amount | % | Amount | % | Amount | % |
| Current Assets | 1,043.4 | 22 | 1,233.2 | 24 | (189.8) | (15) |
| Non-current assets | 3,711.5 | 78 | 3,883.1 | 76 | (171.6) | (4) |
| Total Assets | 4,754.9 | 100 | 5,116.3 | 100 | (361.4) | (7) |
| Current liabilities | 5,712.3 | 120 | 5,174.9 | 101 | 537.4 | 10 |
| Non-current liabilities | 626.9 | 13 | 617.5 | 12 | 9.4 | 2 |
| Total liabilities | 6,339.2 | 133 | 5,792.4 | 113 | 546.8 | 9 |
| Total shareholders' equity | (1,584.3) | (33) | (676.1) | (13) | (908.2) | (134) |
| Total liabilities and shareholders' equity | 4,754.9 | 100 | 5,116.3 | 100 | (361.4) | (7) |

- Total assets as of 31 December 2024 decreased by Baht 361.4 million from 31 December 2023. Due to the depreciation of fixed assets.
- Total liabilities as of 31 December 2024 increased by Baht 546.8 million from 31 December 2023. The liabilities increased due to several factors including the increased default interest rate from the outstanding bank loans. The company is still in the process of negotiating debt restructuring.
- Total shareholders' equity loss lower than zero as of 31 December 2024 of Baht (1,584.3) million an increase from 31 December 2023 due to the operating loss of Baht 1,238 million. And loss from impairment of assets whose appraised value increased and recorded in the statement of comprehensive income of Baht 403.0 million because the Group recorded an increase in the book value of assets from revaluation in other comprehensive income. Land improvements, buildings in 2020 and machinery in 2022, and recognize the accumulated amount in the accounts "Surplus from asset valuation" in the shareholders' equity. If the Group recognizes a decrease in the book value of its



assets because of the revaluation. If the asset has ever had an increase in value and there is still an outstanding balance in the account "Surplus from asset valuation" is in shareholders' equity. The reduction from revaluation is recognized in other comprehensive income up to the remaining balance of the account "Surplus from asset valuation" according to Note 4.5.

To the consolidated financial statements, other assets such as equipment, vehicles, assets under construction and intangible assets, the Company did not recognize a gain from asset revaluation in 2020 and 2022. Therefore, the Company recognized an impairment loss on assets of Baht 71.7 million in the income statement.

The Group was unable to maintain financial ratios specified in the Credit Facility Agreement according to Note 17.

The Group was unable to maintain interest bearing debt to profit before interest, income tax, depreciation, extraordinary and non-cash items ratio 5:1 and debt to equity ratio 2.75:1.

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 ended 31 December 2024 of Baht 1,239 million (the Company only: Baht 1,481 million). As of 31 December 2024, the Group's total current liabilities exceeded its total current assets by Baht 4,669 million (the Company only: Baht 5,051 million). The Group had deficit of Baht 5,453 million (the Company only: Baht 5,360 million) and capital deficit of Baht 1,584 million (the Company only: Baht 2,026 million). The major current liabilities of the Group consisted of the following:

- Bank overdraft and short-term loans from financial institutions amounting to Baht 3,548 million (the Company only: Baht 2,148 million),
- Trade and other current payables amounting to Baht 899 million (the Company only: Baht 1,349 million), and
- Current portion of long-term loans from financial institutions amounting to Baht 1,062 million (the Company only: Baht 1,052 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 specified in the Credit Facility Agreement, as described in Note 17 to the financial statements.



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 a major shareholder and getting advance payment from customers. 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.

Management approach long term

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

Yours Sincerely,

Mr. Sutee Simakulthorn
President