



2024 One Report

*Compressor solutions
that exceed expectations*





Annual Registration Statement / Annual Report

Form 56-1 One Report

(e-One Report)

KULTHORN KIRBY PUBLIC COMPANY LIMITED

Fiscal Year End 31 December 2024



Table of Contents

	Page
Part 1 Business Operations and Performance	
1. Organizational structure and operation of the group of companies	
1.1 Policy and business overview	1
1.2 Business Operations	4
1.3 Shareholding structure	11
1.4 Number of registered capital and paid-up capital	16
1.5 Issuance of other securities	17
1.6 Dividend payment policy	18
2. Risk management	
2.1 Risk mgmt policy and plan	19
2.2 Risk factors	20
3. Business sustainability development	
3.1 Sustainability Management Policy and Targets	24
3.2 Management of impacts on stakeholders in the business value chain	25
3.3 Management of environmental sustainability	28
3.4 Social sustainability management	32
4. Management Discussion and Analysis (MD&A)	
4.1 Operation, financial condition and material changes, accompanied by the causes or factors contributing thereto during the past year	38
4.2 Potential factors or incidents that may materially affect the financial condition or the operating results	41
4.3 Disclose information from the financial statements and significant financial ratios	42
5. General information and other material facts	

Table of Contents (continued)

	Page
5.1 General information	56
5.2 Other material facts	58
5.3 Legal disputes	59
5.4 Secondary market	60
5.5 Financial institution with regular contact (only in case of debt securities offeror)	61
 Part 2 Corporate Governance	
 6. Corporate governance policy	
6.1 Corporate Governance Policy	62
6.2 Business code of conduct (if any)	66
6.3 Material changes and developments regarding policy, guidelines and corporate governance system in the preceding year	70
 7. Corporate governance structure and significant information related to the board of directors, subcommittees, executives, employees, and others	
7.1 Corporate Governance Structure	71
7.2 Information on the Board of Directors	72
7.3 Information on subcommittees	79
7.4 Information on executives	82
7.5 Information on employees	86
7.6 Other significant information	88
 8. Report on key operating results on corporate governance	
8.1 Summary of duty performance of the Board of Directors in the past year	90
8.2 Report on the results of duty performance of the Audit Committee in the past year	99
8.3 Summary of the results of duty performance of subcommittees	101

Table of Contents (continued)

	Page
9. Internal control and related party transactions	
9.1 Internal control	102
9.2 Related party transactions	104
Part 3 Financial Statement	
Board of Directors' Responsibility Statement for the Financial Report	109
Auditor's Report	111
Financial Statements	117
Notes to the Financial Statements	128
Back up attachment	
Attachment	192

Part 1 Business Operations and Performance

1. Organizational structure and operation of the group of companies

1.1 Policy and business overview

1.1.1 Overview of the vision, objectives, goals and business strategies

Vision

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

Objectives

The company is committed to being a leader in the manufacturing of motor compressors and related industries. The company has developed a business plan that emphasizes market expansion to generate revenue and increase profitability by controlling production costs to meet targets, making products competitively priced, and continuously developing products for better performance, energy saving, and the use of various environmentally friendly refrigerants.

Goals

To meet the demands of the global market in the electrical appliance, refrigerator, commercial refrigerator and air conditioner groups, we also focus on developing, improving and seeking out modern machinery, including the use of related innovations in the production process to reduce costs and develop products with the highest efficiency.

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.

1.1.2 Material changes and developments

Details regarding material changes and developments

Year	Material changes and developments
2020	: KKC Officially commenced the production of Bristol Compressors on 10 September 2020
2018	: Thailand Kaizen Silver awards from Technology Promotion Association (TPA) -Thai Japan : KKC signed an asset purchase agreement with BRISTOL COMPRESSORS INTERNATIONAL, LLC
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.
2016	: Thailand Kaizen Silver awards from Technology Promotion Association (TPA) - Thai Japan
2015	: Thaipat Institute granted a Certificate of ESG 100 COMPANY to certify KKC as one of the 100 Public

Year	Material changes and developments
2015	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
2014	: Thailand Kaizen awards (Bronze awards - Office) from Technology Promotion Association (TPA) - Thai Japan : 40th million compressors were produced.
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
2012	: KKC celebrated its 30 th anniversary on January 13
2011	: ISO/IEC 26000 Certificate
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.)
2009	: Starting the production of CA compressors for large refrigerators : Thailand Kaizen awards (Excellence Technique - Automation) from Technology Promotion Association (TPA) - Thai Japan
2008	: Starting the production of KA and LA compressors for large air conditioners
2007	: Kulthorn Steels Co., Ltd. was established for steels coil center
2006	: 20th million compressors were produced. : Hold the share 100% of Kulthorn Premier Co., Ltd. (KPC) on 29 September 2006.
2005	: ISO 17025:1999 and ISO 14001:2004 certified
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
2002	: OHSAS 18001:1999 certified
2001	: Starting the production of WJ compressor, the company's proud invention : ISO 9001:2000 certified and UL approved
2000	: ISO 14001:1996 certified
1998	: CE mark, CB, and ISO 9002: 1994 certified
1993	: Starting the production of non-CFC and AW (12.5 HP) compressors
1991	: Registered on the Stock Exchange of Thailand's list on February 22
1990	: Kulthorn Controls Co., Ltd. was established on August 31
1989	: Starting the production of AZ small refrigerator compressors : Kulthorn Kirby Foundry Co., Ltd. (KKF) was established on November 24

Year	Material changes and developments
1982	: Grand opening on January 13 and starting the production
1981	: Production of AE compressors commenced on August 8
1980	: Kulthorn Kirby Co., Ltd. (KKC) was established on March 24

1.1.3 Spending of the raised fund to serve the objectives declared in the registration statement for securities offering

Is there an issuance of equity securities or debt securities? : No

1.1.4 The obligations to which the company has committed in the registration statement, including the compliance with such obligations or conditions in the following years

Are there any issued securities with obligations or conditions? : No

1.1.5 Company information

Company name : KULTHORN KIRBY PUBLIC COMPANY LIMITED

Symbol : KKC

Address : 126 Soi Chalong Krung 31, Chalong Krung Road, Khwaeng Lam Pla Thie, Khet Lat Krabang

Province : Bangkok

Postcode : 10520

Business : The Company is the manufacturer and seller of motor compressor, reciprocating type for refrigeration products i.e. refrigerators, freezers, water coolers, commercial refrigerators, and air conditioners by the advancement of the company's operation under the international management system.

Registration number : 0107537002150

Telephone : 0-2326-0831, 0-2739-4893

Facsimile number : 0-2326-0837, 0-2739-4892

Website : www.kulthorn.com

Email : kkc@kulthorn.com

Total shares sold

Common stock : 1,500,000,000

Preferred stock : 0

1.2 Nature of business

1.2.1 Revenue structure

Revenue structure by product line or business group

	2022	2023	2024
Total revenue from operations (thousand baht)	6,085,181.00	3,176,091.00	2,633,240.00
Scroll compressors and equipment (thousand baht)	3,158,640.00	1,480,722.00	1,153,641.00
Flux-cored wire (thousand baht)	1,264,250.00	703,455.00	612,797.00
Sheet and Strip (thousand baht)	1,007,420.00	514,835.00	382,492.00
Cast iron parts (thousand baht)	654,850.00	476,547.00	484,310.00
Others (thousand baht)	N/A	N/A	0.00
Total revenue from operations (%)	100.00%	100.00%	100.00%
Scroll compressors and equipment (%)	51.91%	46.62%	43.81%
Flux-cored wire (%)	20.78%	22.15%	23.27%
Sheet and Strip (%)	16.56%	16.21%	14.53%
Cast iron parts (%)	10.76%	15.00%	18.39%
Others (%)	N/A	N/A	0.00%

By geographical area or market

	2022	2023	2024
Total revenue (thousand baht)	6,085,181.00	3,176,091.00	2,633,240.00
Domestic (thousand baht)	4,015,956.00	2,213,506.00	1,799,032.00
International (thousand baht)	2,069,225.00	962,585.00	834,208.00
Hong Kong (thousand baht)	1,095,335.00	526,298.00	530,322.00
China (thousand baht)	241,807.00	5,840.00	6,478.00
Indonesia (thousand baht)	16,776.00	1,848.00	788.00
Saudi Arabia (thousand baht)	46,850.00	15,421.00	20,478.00
Others (thousand baht)	668,457.00	413,178.00	276,142.00
Total revenue (%)	100.00%	100.00%	100.00%
Domestic (%)	66.00%	69.69%	68.32%
International (%)	34.00%	30.31%	31.68%
Hong Kong (%)	52.93%	54.68%	63.57%
China (%)	11.69%	0.61%	0.78%
Indonesia (%)	0.81%	0.19%	0.09%

	2022	2023	2024
Saudi Arabia (%)	2.26%	1.60%	2.45%
Others (%)	32.30%	42.92%	33.10%

Other income as specified in the financial statements

	2022	2023	2024
Total other income (thousand baht)	45,605.00	121,376.00	37,581.00
Other income from operations (thousand baht)	2,950.00	5,800.00	16,612.00
Other income not from operations (thousand baht)	42,655.00	115,576.00	20,969.00

1.2.2 Information on products and services

1.2.2.1 Product/service information and business innovation development

Compressor motor

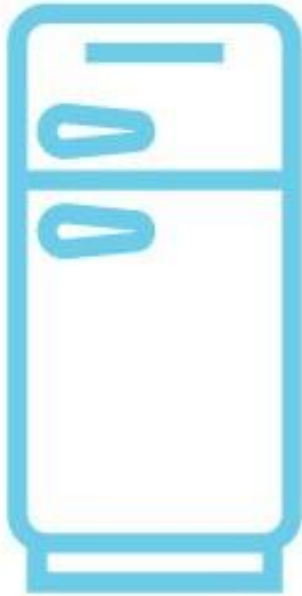
Compressor motors are the main equipment that functions to compress and suck refrigerant in various types of refrigeration systems and air conditioners. They are divided into various types that are used and sold worldwide as follows:

- Reciprocating Compressor • Rotary Compressor • Scroll Compressor • Screw Compressor • Centrifugal Compressor

There are 3 types of compressor motors that are popularly used in households, divided by cooling capacity (horsepower), product characteristics, and applications as attached equipment to various types of refrigeration products or equipment, and air conditioners, as follows:

1. Reciprocating/Hermetic type compressor motors, size 1/20-25 horsepower, are used in home refrigerators, freezers, commercial refrigerators, ice makers, water coolers, air conditioners, and heat pumps. They are characterized by good cooling efficiency and consistent quality, durable for continuous use in hot weather. However, they have the disadvantages of noise and higher price than the rotary type.
2. Rotary compressor motors, size 1-7 horsepower, are used in small air conditioners (Room Air Conditioners), package air conditioners, and heat pumps. They are characterized by energy savings, affordability, and have been developed into Twin Rotary types with efficiency close to Scroll types. However, they have the disadvantages of moderate cooling efficiency and inconsistent quality.
3. Scroll compressor motors, size 1.5-30 horsepower, are used in air conditioners and heat pumps. They are characterized by good energy savings and high efficiency. However, they have the disadvantage of being more expensive than rotary and reciprocating types. Of these three types of compressor motors, reciprocating hermetic compressor motors are the most widely used for home refrigerators, freezers, commercial refrigerators, ice makers, and water coolers, which account for more than 90% of the total usage. Some are used in air conditioners. Rotary compressor motors are used in household air conditioners. Of these three types of compressor motors, reciprocating hermetic compressor motors are the most widely used for home refrigerators, freezers, commercial refrigerators, ice makers, and water coolers, which account for more than 90% of the total usage. Some are used in air conditioners. Rotary compressor motors are used in household air conditioners.

Diagram of Compressor motor



- AZ
- AZA
- CKV
- CQE



- AE
- BA
- CA
- WJ
- AW
- KA
- LA



- AW
- KA
- LA





BRISTOL
COMPRESSORS™



FAMILY J - B - A - G

Research and development policy in various areas, and details regarding innovation development in processes, products and/or services, or business models.

Research and development (R&D) policy : No

R&D expenses in the past 3 years

	2022	2023	2024
Research and development (R&D) expenses over the past 3 years (Million Baht)	34,669.00	33,452.00	31,753.00

Additional explanation about R&D expenses in the past 3 years

Design and develop compressors of both current and new models to increase efficiency in order to compete with competitors, including development to be in line with the market direction that uses new environmentally friendly refrigerants and reduce production costs by using engineering computer programs to help design and calculate prototypes for development. Prototypes were made to test efficiency according to development requirements. The project details are as follows:

1. Develop the AZS compressor model with a cylinder volume of 6.00 cubic centimeters.
2. Develop the AZL compressor model with a cylinder volume of 6.73 – 10.00 cubic centimeters.
3. Develop the AE compressor model with a cylinder volume of 12.04 – 16.08 cubic centimeters.
4. Develop the CA compressor model with a cylinder volume of 18.00 – 24.20 cubic centimeters.
5. Develop the WJ compressor model with a cylinder volume of 15.20 – 34.00 cubic centimeters.
6. Develop the AW compressor model with a cylinder volume of 23.5 – 32.70 cubic centimeters.
7. Development of Bristol compressor
8. Design and development of Condensing Unit

1.2.2.2 Marketing policies of the major products or services during the preceding year

Hermetic Reciprocating Compressor Market

Hermetic reciprocating compressors remain the primary product used in the refrigeration industry, particularly in household refrigerators, freezers, commercial refrigerators, ice makers, and water dispensers, accounting for over 90% of the total volume. They are also used in air conditioners, representing 5% of the total volume.

Due to the properties of hermetic reciprocating compressors that provide excellent cooling efficiency and consistent quality, they are suitable for use in air conditioners in regions with high temperatures and prolonged heat. This has led to their widespread acceptance and popularity in the Middle Eastern market. However, because hermetic reciprocating compressors have numerous components, they have high production costs and expenses. As a result, markets in other regions that require affordable products prefer to use rotary compressors for air conditioners.

With the increasing severity of global warming each year, populations in affected areas and those with purchasing power in countries experiencing economic growth in various parts of the world are seeking a healthier and more comfortable life. This has led to various household refrigerators, commercial refrigerators, and home air conditioners becoming essential goods used for preserving food freshness, reducing temperatures in homes and workplaces, as well as for cold storage and various cooling processes in the industrial sector. Consequently, the consumption of these appliances is continuously increasing, resulting in higher sales of hermetic reciprocating compressors. Therefore, this presents an attractive market opportunity, compelling businesses to compete in offering high-quality, efficient, energy-saving products that utilize environmentally friendly refrigerants and are priced to meet customer needs. This drives businesses to accelerate product development, reduce operational costs in various areas, and consolidate operations to maintain competitiveness and market advantage. The company's current hermetic reciprocating compressor products continue to effectively meet the market demands for household refrigerators and air conditioners.

The industry competition during the preceding year

The key success factors of the Kulthorn Kirby Group in the reciprocating compressor motor market are “offering quality compressor motors that meet market demands at competitive prices.” Therefore, the company has defined the following product development guidelines:

- Develop compressor motors suitable for market needs in terms of quality, efficiency, and energy saving.
- Manufacture compressor motors that use environmentally friendly refrigerants.
- Develop lower-cost compressor motors.

In recent years, the business competition of hermetic reciprocating compressor motor manufacturers has been intense both domestically and internationally. This is due to the economic conditions in Thailand and globally, which are still recovering in some areas. Moreover, manufacturers in China, a major global player, and other large manufacturers are focusing on competitive advantage by setting lower selling prices. This forces all manufacturers to continuously adapt in all aspects, such as responding to customer needs in terms of price, building good relationships with customers in a mutually supportive manner, improving production process productivity, finding cheaper alternative raw materials to reduce costs, and developing a variety of product models that customers can choose to use as needed. The company has adopted these approaches as strategies to create advantages or maintain competitiveness.

1.2.2.3 Procurement of products or services

Characteristics of Product Procurement

The Company has one factory located in Ladkrabang Industrial Estate, Bangkok, and six subsidiaries: Kulthorn Premier Co., Ltd., Kulthorn Kirby Foundry Co., Ltd., Kulthorn Steel Co., Ltd., Kulthorn Materials and Controls Co., Ltd., Kulthorn Metal Products Co., Ltd., and Kulthorn Research and Development Co., Ltd. These subsidiaries manufacture and supply raw materials and key components for compressor motors, as well as conduct research and development of products for the Company.

The Company's business approach mandates that the management team forecast sales for the following year, taking into account various environmental factors related to the compressor motor manufacturing business, such as customer demand, current and future market competition, and the impact of changing economic conditions on customer demand. This information is then compiled and analyzed to formulate business strategies and operational plans, including short-term and long-term procurement plans for raw materials, parts, and services, to ensure competitiveness.

The Company and Kulthorn Premier Co., Ltd., a subsidiary in the compressor motor production line, procure essential raw materials and parts, including motor parts, cast iron parts, sintered products, steel sheets, enameled copper wires, aluminum, compressor oil, compressor coating, and electrical components from both domestic and international sources.

Kulthorn Kirby Foundry Co., Ltd. manufactures cast iron parts, sourcing scrap metal from its parent company and external suppliers. Chemicals are purchased from importers and distributors within the country.

Kulthorn Steel Co., Ltd. engages in metal sheet cutting and processing (Coil Center) for compressor motors, electric motors, and others. Steel coils are sourced from manufacturers in Japan, China, Taiwan, Korea, Vietnam, as well as domestic manufacturers.

Kulthorn Material and Controls Co., Ltd. manufactures enameled copper wires. Copper raw materials are procured from manufacturers in Laos, Indonesia, and Japan.

The company's production capacity

	Production capacity	Total utilization (Percent)
Krungthai Card Public Company Limited (Machine)	840,000.00	70.00

Kulthorn Kirby's business direction in 2024: Kulthorn Kirby has relocated the production of AE Series compressors to the Kulthorn Premier factory. Kulthorn Kirby will focus on manufacturing larger compressors, such as the AW Series, and aims to improve product quality and production processes. In addition, the company is investing in the production of BRISTOL compressors, which have been relocated from the United States and have currently begun production. It is expected that in 2025, the production capacity will reach 10,000 units per month.

Acquisition of raw materials or provision of service

Procurement primarily focuses on sourcing raw materials domestically. A subsidiary company is responsible for delivering main raw materials such as cast iron, hot-rolled steel, cold-rolled steel, copper wire, and steel pipes. For raw materials that cannot be sourced domestically, we purchase from tested and approved foreign sources, most of which are reliable, long-term partners.

Proportion of domestic and overseas procurement

Countries	Name of raw material	Value (Baht)
China	Si steel, round bar, motor	25,000,000.00
United States of America	Lubricant oil	4,700,000.00
India	Bush, IPRV	6,000,000.00
Malaysia	Bolt and Screw	8,100,000.00
Germany	Music spring	550,000.00
Thailand	Casting, Enameled wire	184,000,000.00

Major raw material distributors

Number of major raw material distributors (persons) : 126

Most distributors are existing partners and have not changed significantly.

1.2.2.4 Assets used in business undertaking

Core permanent assets

The main fixed assets that the company uses in its business operations are land, factory/office buildings, machinery and factory equipment, and factory equipment and vehicles.

The appraisal price of core permanent assets

List of assets	Book value / Appraised value	Ownership	Obligations	Additional details
Land	190,500,000.00	To own	Mortgage	-
Land	30,500,000.00	To own	null	-
Office Building	987,850,000.00	To own	Mortgage	-
Machinery and factory equipment	4,998,380,000.00	To own	null	-

List of assets	Book value / Appraised value	Ownership	Obligations	Additional details
Office Equipment and Vehicles	159,540,000.00	To own	null	-

Core intangible assets

Intangible assets that the company uses in its business include software

The appraisal price of core intangible assets

List of assets	Types	Book value / Appraised value	Additional details
Software	Software	8,683,913.81	-

Investment policy in the subsidiaries and associated companies

Investment policy in the subsidiaries and associated : Yes
companies

The company's policy focuses on investing in businesses directly related to motor compressor manufacturing. These investments will be in subsidiaries where the company holds a majority stake, allowing for overall management control. This approach aims to maximize management efficiency.

1.2.2.5 Under-construction projects

Under-construction projects : No

Details of under-construction projects

Total projects : N/A

Values of total ongoing projects : N/A

Realized value : N/A

Unrealized value of remaining projects : N/A

Additional details : -

1.3 Shareholding structure

1.3.1 Shareholding structure of the group of companies

Policy on operational organization within the group of companies

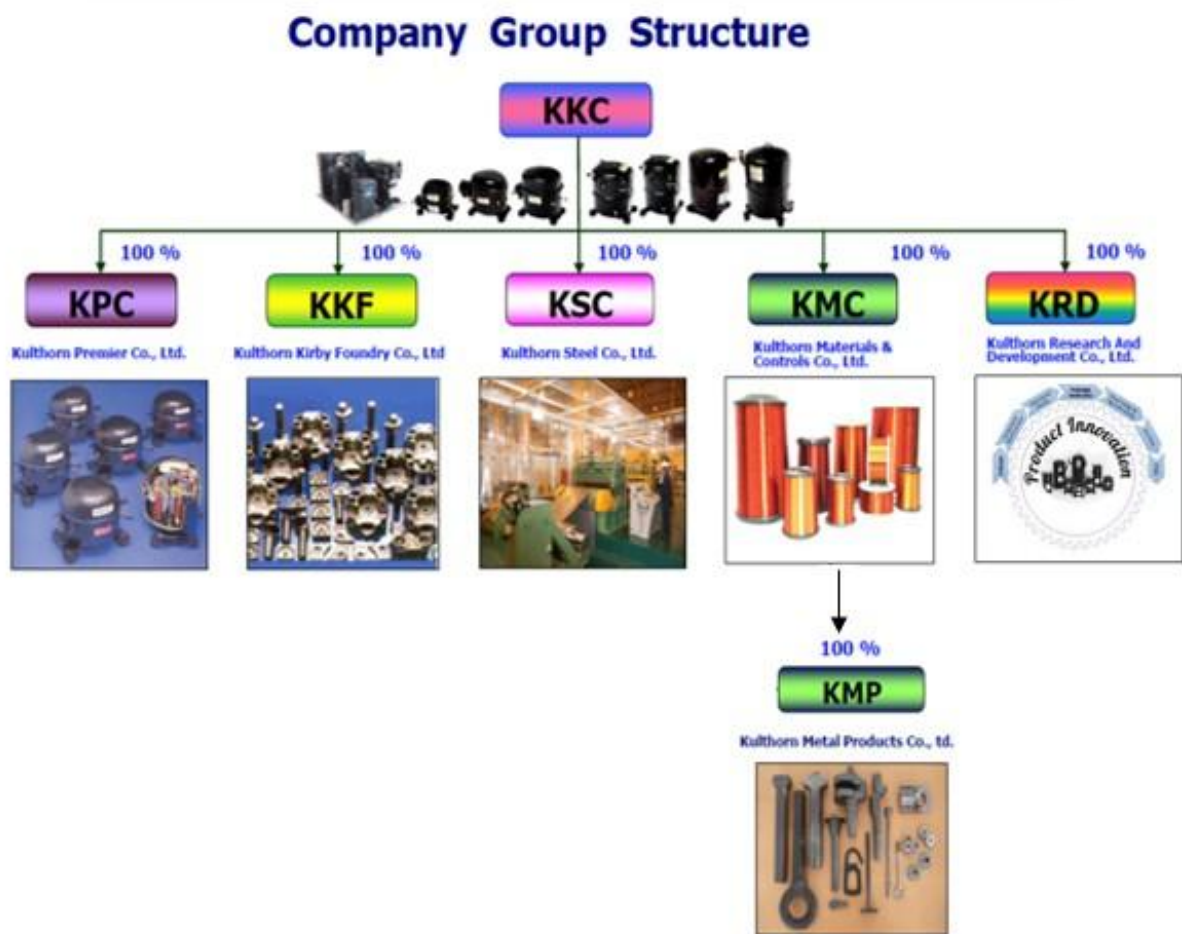
Kulthorn Kirby Company Limited (“the Company”) was established on 24 March 1980 by the cooperation between Simakulthorn Group, Kirby Group Australia, refrigerator producers in Thailand, and the Industrial Finance Corporation of Thailand to operate as a manufacturer and seller of the motor compressor, 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 42th 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. At present, the company has 6 subsidiary companies

- (1) Kulthorn Premier Company Limited (KPC) is the manufacturer of the motor compressors.
- (2) Kulthorn Kirby Foundry Company Limited (KKF) is the manufacturer of the quality iron casting for motor compressor and automotive parts.
- (3) Kulthorn Steel Company Limited (KSC) 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.
- (4) Kulthorn Materials and Controls Company Limited (KMC) is the manufacturer of the enameled copper wire.
- (5) Kulthorn Metal Products Company Limited (KMP) is the Generating and distribution of electricity by solar rooftop including spare parts and electrical generating equipment
- (6) Kulthorn Research and Development Company Limited (KRD) is the research and development provider for motor compressor and related parts.

Shareholding diagram of the group of companies

Shareholding diagram



Company Group Structure

Subsidiaries

Company name	Juristic person who holds shares of the company	Shareholding proportion (%)	Voting right proportion (%)
Kulthorn Premier Company Limited	KULTHORN KIRBY PUBLIC COMPANY LIMITED	100.00%	100.00%
Kulthorn Kirby Foundry Company Limited	KULTHORN KIRBY PUBLIC COMPANY LIMITED	100.00%	100.00%
Kulthorn Steel Company Limited	KULTHORN KIRBY PUBLIC COMPANY LIMITED	100.00%	100.00%
Kulthorn Materials and Controls Company Limited	KULTHORN KIRBY PUBLIC COMPANY LIMITED	100.00%	100.00%
Kulthorn Metal Products Company Limited	KULTHORN KIRBY PUBLIC COMPANY LIMITED	0.00%	0.00%
	Kulthorn Materials and Controls Company Limited	100.00%	100.00%
Kulthorn Research and development Company Limited	KULTHORN KIRBY PUBLIC COMPANY LIMITED	100.00%	100.00%

Company that holds 10% or more of the total shares sold

Name and the location of the head office	Type of business	Type of shares	The number of shares	The number of shares sold
Kulthorn Premier Company Limited 446/3 Moo 9, Nong Kee, Kabin Buri Prachinburi 25110 Telephone : 037204835-41 Facsimile number : 037204844	Manufacturer of Reciprocating Compressor	Common shares	12,600,000	12,600,000
Kulthorn Kirby Foundry Company Limited 1 Moo 22 Suwintawong Road, Saladaeng, Bang Nam Prio Chacherngsao 24000 Telephone : 038593016-9 Facsimile number : 038593015	Manufacturer of Quality Iron Casting	Common shares	5,750,000	5,750,000
Kulthorn Steel Company Limited 124 Soi Chalong Krung 31, Chalong Krung Road, Khwaeng Lam Pla Thio, Khet Lat Krabang Bangkok 10520 Telephone : 023260851 Facsimile number : 023260766	Steel Coil Center	Common shares	4,000,000	4,000,000
Kulthorn Materials and Controls Company Limited 1/2 Moo 22 Suwintawong Road. Saladang, B angnumpreaw Chacherngsao 24000 Telephone : 038593030-3 Facsimile number : 038593028	Manufacturer of Enameled Copper Wire	Common shares	6,500,000	6,500,000
Kulthorn Metal Products Company Limited 60 Moo 6 Lam Pakchee, Nongchok Bangkok 10530 Telephone : 027396638-9 Facsimile number : 027396643	Generating and distribution of electricity by solar rooftop including spare parts and electrical generating equipment	Common shares	1,500,000	1,500,000
Kulthorn Research and development Company Limited 126 Soi Chalong Krung 31, Chalong Krung Road, Khwaeng Lam Pla Thio, Khet Lat Krabang Bangkok 10520 Telephone : 023260831 Facsimile number : 023260837	Research & Development for motor compressors and related products	Common shares	500,000	125,000

1.3.2 Shareholding by a person with a potential conflict of interest holding exceeding 10 percent of the voting shares in a subsidiary or associated company

Does the company have a person with potential : No
conflicts of interest holding shares in a subsidiary or
associated company?

1.3.3 Relationship with major shareholders' business

Does the company have a relationship with a business : No
group of a major shareholder?

1.3.4 Shareholders

List of major shareholders

Group/List of major shareholders	Number of shares (shares)	% of shares
1. SIMAKULTHORN COMPANY	540,753,065	36.05
2. HEATCRAFT SUBCO PTY LTD	65,255,000	4.35
3. STATE STREET EUROPE LIMITED	52,800,000	3.52
4. MR.SUMETH SIMAKULTHORN	51,880,306	3.46
5. MS. U-RAI KHEMUMNAJ	50,104,332	3.34
6. FLG.OFF. SUPAKORN CHANTASASAWAT	43,349,618	2.89
7. MR. SUTAS SIMAKULTHORN	42,295,530	2.82
8. MR. SURAPORN SIMAKULTHORN	37,868,910	2.52
9. MR. ANON SIMAKULTHORN	35,771,048	2.38
10. MS. SUTTINEE SIMAKULTHORN	35,509,372	2.37
11. MR. SUTEE SIMAKULTHORN	32,124,655	2.14
12. UBS AG SINGAPORE BRANCH	26,523,929	1.77
13. MS. ATCHAREE SIMAKULTHORN	23,783,952	1.59
14. MS. NONNAPAT SIMAKULTHORN	19,652,649	1.31
15. MR. PROMMARAT SIMAKULTHORN	19,458,362	1.30
16. MS. POJANEE KHEMUMNAJ	18,539,241	1.24
17. MS. ARISA SIMAKULTHORN	16,862,925	1.12
18. MR. PHAWIS SIMAKULTHORN	16,459,984	1.10
19. MS. SAICHOL SIMAKULTHORN	16,009,986	1.07
20. MS. SUNISA SIMAKULTHORN	16,009,982	1.07
21. MR.THAWEECHAT JURANGKUL	13,231,600	0.88
22. MR. DANAIK SOMPRASONG	9,430,100	0.63
23. MS. SIRIMA KLADKAEW	7,910,100	0.53

Group/List of major shareholders	Number of shares (shares)	% of shares
24. MR. WIBOOL SEREYOTHIN	7,540,000	0.50

Major shareholders' agreement

Does the company have major shareholders' : No
agreements?

1.4 Amounts of registered capital and paid-up capital

1.4.1 Registered capital and paid-up capital

Registered capital and paid-up capital

Registered capital (Million Baht)	:	1,500.00
Paid-up capital (Million Baht)	:	1,500.00
Common shares (number of shares)	:	1,500,000,000
Value of common shares (per share) (baht)	:	1.00

Has the company listed in other stock exchange?

Has the company listed in other stock exchange? : No

1.4.2 Other types of share whose rights or terms differ from those of ordinary share

Other types of share whose rights or terms differ from those of : No
ordinary share

1.4.3 Shareholding by Thai NVDR Company Limited (NVDR)

Are shares held by Thai NVDR Company Limited (NVDR)? : No

1.5 Issuance of other securities

1.5.1 Convertible securities

Convertible securities : No

1.5.2 Debt securities

Debt securities : No

1.6 Dividend policy

The dividend policy of the company

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.

The dividend policy of subsidiaries

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.

Historical dividend payment information

	2020	2021	2022	2023	2024
Net profit per share (baht : share)	-0.4250	-0.3480	-0.5380	-0.8540	-0.8260
Dividend per share (baht : share)	0.0000	0.0000	0.0000	0.0000	0.0000
Ratio of stock dividend payment (existing share : stock dividend)	0.0000	0.0000	0.0000	0.0000	0.0000
Value of stock dividend per share (baht : share)	0.0000	0.0000	0.0000	0.0000	0.0000
Total dividend payment (baht : share)	0.0000	0.0000	0.0000	0.0000	0.0000
Dividend payout ratio compared to net profit (%)	0.00	0.00	0.00	0.00	0.00

2. Risk management

2.1 Risk management policy and plan

Risk management policy and plan

The Company has taken action to support risks by closely monitoring the economic and political changes, including the impact of the financial crisis both domestically and internationally. Senior executives will call a meeting to inform the methods for preventing and resolving risks, while the responsible executives will oversee and proceed according to the explanation and determination from the senior executives with cooperation and coordination from various departments as follows:

1. Determine the operational methods for supporting risks of each department within the Company according to the Company's main plan and risks in various business operations that may occur so that the operating results for supporting risks are consistent with the business plan and goals.
2. Each responsible department will prioritize risks from assessing the impact that such risks will have on the organization and then determine the appropriate methods for action.
3. The results of the operating results for supporting the above risks will be monitored and reviewed. Senior executives will call a meeting to summarize the results with the executives from all related departments according to the urgency and importance to follow up and review the results.

In addition to the operations for supporting risks as mentioned above, the Company also organizes training and seminars at both the operational and management levels to instill awareness. Such training will focus on concepts and practices that will lead to the achievement of the organization's goals and returns to shareholders in the future.

2.2 Risk factors

2.2.1 Risk that might affect the company's business, including environmental, social and corporate governance issues

Risk 1 Risk from key raw materials with prices fluctuating according to global market prices.

Related risk topics : [Operational Risk](#)

- Shortage or fluctuation in pricing of raw materials or productive resources

Risk characteristics

The company manufactures compressor motors, which require copper and steel as the main raw materials for producing various components. Copper and steel prices fluctuate according to global market trading prices.

Risk-related consequences

Fluctuations in the market prices of copper and steel directly impact the cost of goods and the maintenance of the company's gross profit margin.

Risk management measures

A policy has been established for procuring raw materials from multiple suppliers with comparable production capabilities and interchangeable raw materials of equivalent quality. Close monitoring of global market price fluctuations is conducted to ensure appropriate inventory management. Furthermore, customers can utilize aluminum wire as a substitute for copper wire in small compressor motors, which have experienced consistent annual growth in usage.

Risk 2 Market Risk

Related risk topics : [Financial Risk](#)

- Fluctuation in exchange rates, interest rates, or the inflation rate

Risk characteristics

Foreign exchange risk, interest rate risk, and commodity price risk

Risk-related consequences

Exchange rate risk, interest rate fluctuation risk following market rates, directly impacting the Group's business operations, and the risk of price volatility in electronic component commodities, with the risk of copper price changes from the projected copper purchase volume.

Risk management measures

Utilize foreign exchange forward contracts to hedge against exchange rate risks arising from import or export activities, and closely monitor global market price fluctuations.

Risk 3 The risk of the group of companies incurring consecutive years of operating losses.

Related risk topics : [Financial Risk](#)

- Liquidity risk

Risk characteristics

The group of companies has experienced consecutive losses for several periods due to declining sales.

Risk-related consequences

Resulting in current liabilities exceeding current assets, accumulated losses, and capital deficits, making it impossible to maintain financial ratios according to the conditions of financial institutions.

Risk management measures

The group of companies focuses on research and development of compressors to obtain compressor models that can meet market demands and comply with changing legal requirements and environmental regulations related to refrigerants, as well as increasing efficiency in energy saving to make the company's products competitive in the market. There are also short-term measures to reduce production costs by reducing raw material costs, waste, consumables used in the factory, and other production expenses to improve operating results.

Risk 4 Liquidity Risk

Related risk topics : [Financial Risk](#)

- Liquidity risk

Risk characteristics

The group of companies is at risk from a lack of liquidity and insufficient working capital.

Risk-related consequences

Resulting in higher current liabilities than current assets, accumulated losses, and capital deficits, making it impossible to maintain financial ratios according to the conditions of financial institutions.

Risk management measures

The group of companies monitors the risk of illiquidity and seeks additional funding sources.

Risk 5 Supply chain risks

Related risk topics : Operational Risk

- Shortage or fluctuation in pricing of raw materials or productive resources

Risk characteristics

1. The supplier ceased operations due to economic conditions.
2. Certain raw materials are affected by the regulations of some countries.
3. The supplier ceased production and delivery due to decreased order volume.

Risk-related consequences

No raw materials are fed into the production line or there is a lack of production continuity.

Risk management measures

Find 2-3 or more alternative manufacturers, distributed across nearby continents as much as possible, or find ways to manufacture in-house and have affiliated companies deliver as secondary suppliers.

Risk 6 Personnel Risk

Related risk topics : Operational Risk

- Shortage or reliance on skilled workers

Risk characteristics

1. Shortage of personnel in production support departments (Support, Admin)
2. Employees with specific skills in each department

Risk-related consequences

1. Impacts production output and project duration.
2. Resulting in errors in data processing for each task and causing work delays.

Risk management measures

1. Adjust the starting wage rate to be closer to the labor market price, or hire employees who are experts, or hire employees with more than 5 years of experience.
2. Encourage employees with specific skills to take the expert examination, and upon passing and becoming an expert, they will be able to utilize the expert career path, including salary. Details are as follows:
 - 2.1. In the case where the salary is less than the minimum for an expert, adjust the base salary to the minimum for that expert level.
 - 2.2. In the case where the salary is higher than the minimum for that employee, adjust the base salary upwards by 20 percent of the current base salary.
 - 2.3. Salary increases will follow the expert career path.

Risk 7 Risks of Accidents Arising from Work

Related risk topics : Operational Risk

- Safety, occupational health, and working environment

Risk characteristics

The company's operations utilize machinery and chemicals, which may cause occupational accidents such as being crushed, struck, cut, or wounded by machinery during operation, or chemical splashes to the eyes during operation, etc.

Risk-related consequences

Occupational accident risks, if not properly managed or if procedures, legal requirements, and operational steps are not followed, can impact workers and may lead to the company being ordered to cease operations. For example, impacts on individuals include injuries, loss of limbs, or fatalities. Economic impacts include medical expenses, property repair costs, or loss of income. Social impacts include the loss of human resources, and stress and anxiety within the community.

Risk management measures

The company operates under occupational safety, health, and environmental laws and has adopted the Safety Management System Standard (ISO 45001: 2018) to manage the organization's safety. An Executive Management Representative (EMR) oversees this, with the Management System Committee (MSC) reviewing the system's performance and continuously improving it. The Safety Department is the unit that supervises compliance with relevant safety laws and regulations. Key operations include:

- Prepare and review the annual safety operational plan.
- Preparing compliance assessment plans and reports on compliance with safety laws.
- Conduct risk assessments for the organization and external organizations.
- Surveying and inspecting safety issues within the company, with meetings held to find preventive and corrective measures by the Occupational Safety, Health, and Environment Committee.
- Analyzing impacts and defining safety measures before starting construction projects, additions, building modifications, and machinery relocation.
- Inspect the operational safety of machinery systems before operation.
- Monitor, measure, and track the working environment resulting from the company's operations, such as measuring lighting, noise, heat, and chemicals, etc.
- Preparing reports on the results of work environment monitoring and submitting them to government agencies.
- Organize safety promotion activities, such as providing safety knowledge to existing and new employees, morning talks, work accident reduction projects, safety inspections, occupational health and environment inspections to promote work accident reduction, etc.

Risk 8 Environmental Risks

Related risk topics : Operational Risk
• Impact on the environment

Risk characteristics

The company's operations utilize natural resources, machinery, and chemicals, which have the potential to cause environmental problems such as water pollution, air pollution, solid waste, and waste from the production process.

Risk-related consequences

Environmental risks, if not managed properly or if operations do not comply with legal requirements, may impact the environment, community, and society surrounding the company, leading to complaints demanding solutions or the cessation of operations. Examples include discharging untreated wastewater into water sources, causing fish deaths; illegally dumping waste in unauthorized areas, resulting in soil and water contamination; and emitting air pollutants exceeding permitted levels, affecting the health of residents in the area.

Risk management measures

The company operates under environmental law and has adopted the Environmental Management System Standard (ISO 14001: 2015) for environmental management within the organization. An Executive Management Representative (EMR) provides oversight, and a Management System Committee (MSC) reviews system performance and implements continuous improvements. The Environmental Department

oversees compliance with relevant environmental laws and regulations. Key operations include:

- Preparing and reviewing the annual environmental action plan.
- Preparing compliance assessment plans and environmental legal compliance reports.
- Conducting environmental impact assessments both within and outside the organization.
- Surveying and inspecting the company's environmental issues, including meetings to find preventative and corrective measures by the Occupational Safety, Health, and Working Environment Committee.
- Analyzing impacts and defining environmental measures before commencing construction projects, additions, building modifications, and machinery relocation.
- Inspecting the operation of pollution control systems and machinery before operation.
- Monitoring, measuring, and tracking the environmental quality resulting from the company's operations, such as measuring the quality of wastewater and air emissions from the factory, and monitoring waste transportation and disposal.
- Preparing and submitting environmental quality monitoring reports to government agencies.
- Organizing environmental promotion campaigns, such as providing environmental knowledge to existing and new employees, and organizing waste separation and industrial waste exchange activities.

2.2.2 Risk to securities holders

Are there any risk factors affecting securities holders? : Yes

Risk 1 Investment risks

Related risk topics : Risk to Securities Holder

- Risk from shareholders' equity potentially falling below zero (negative), resulting in the securities being unable to trade on The Stock Exchange of Thailand

Risk characteristics

Liquidity risk, the risk that shareholders' equity may fall below zero (negative), and the uncertainty or likelihood that the return on investment will not be as expected.

Risk-related consequences

Resulting in the securities being unable to be traded on the stock exchange and the return on investment not being as expected.

Risk management measures

Follow up and coordinate with the person in charge of management.

2.2.3 Risk to securities holders from investing in foreign securities (applicable to only foreign companies)

Are there any risk factors affecting securities holders : No
from investing in foreign securities?

3. Business sustainability development

3.1 Policy and goals of sustainable management

Sustainability Policy

Sustainability Policy : Yes

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.

Sustainability management goals

Does the company set sustainability management goals : Yes

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.

- Environmental Reducing GHG emission from solar cell
- Governance No operations that go against good corporate Governance
- Social No case on human rights. No fatal accidents.

United Nations SDGs that align with the organization's sustainability management goals :	Goal 3 Good Health and Well-being, Goal 5 Gender Equality, Goal 6 Clean Water and Sanitation, Goal 7 Affordable and Clean Energy, Goal 8 Decent Work and Economic Growth, Goal 10 Reduce Inequalities, Goal 12 Responsible Consumption and Production, Goal 13 Climate Action, Goal 16 Peace, Justice and Strong Institutions, Goal 17 Partnerships for the Goals
--	---

Review of policy and/or goals of sustainable management over the past year

Has the company reviewed the policy and/or goals of sustainable management over the past year : No

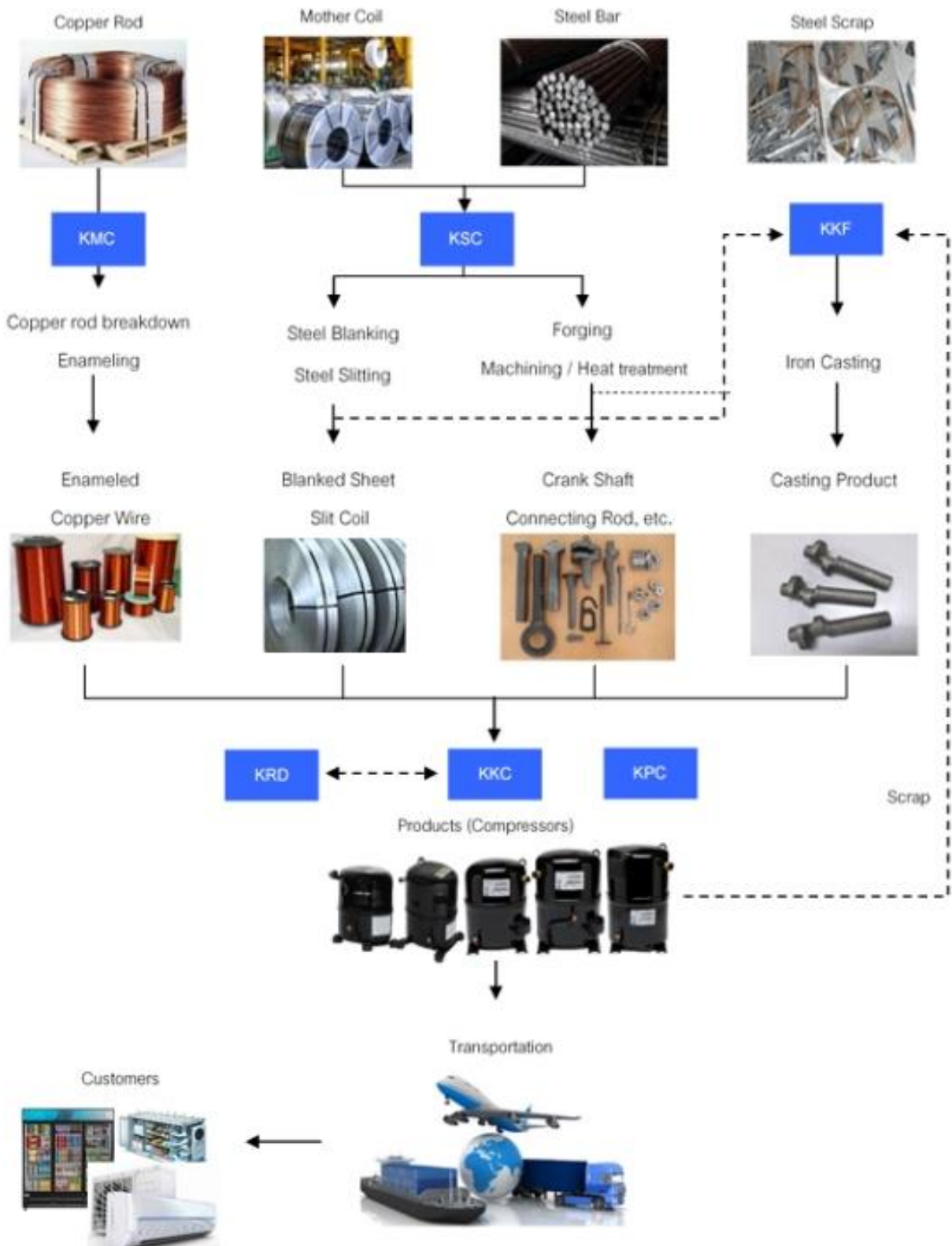
Has the company changed and developed the policy and/or goals of sustainable management over the past year : No

3.2 Management of impacts on stakeholders in the business value chain

3.2.1 Business value chain

The company realizes the importance of developing the value chain, therefore, it pays attention to every step of the chain, including giving importance to stakeholders and emphasizing on building relationships for development towards the goal of mutual sustainability.

Business value chain diagram



3.2.2 Analysis of stakeholders in the business value chain

Details of stakeholder analysis in the business value chain

Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
Internal stakeholders			
<ul style="list-style-type: none"> • Employees 	<ul style="list-style-type: none"> • Good welfare and compensation • Career advancement • Opportunity to train, learn, and improve skills • Good quality of work life • Good and safe working environment 	<ul style="list-style-type: none"> • Pay appropriate compensation and benefits • Provide training for employees to develop their knowledge and skills to keep up with current changes • Promote career growth according to employees' knowledge and skills • Give employees the opportunity to participate in managing welfare and quality of work life 	<ul style="list-style-type: none"> • Social Event • Online Communication • Internal Meeting • Employee Engagement Survey • Training / Seminar
External stakeholders			
<ul style="list-style-type: none"> • Customers 	<ul style="list-style-type: none"> • Quality products • On-time delivery • Reasonable price • Customer data protection • Good after-sales service 	<ul style="list-style-type: none"> • Develop products and services to meet the needs for safety and energy saving • Fast response to information 	<ul style="list-style-type: none"> • Visit • Satisfaction Survey
<ul style="list-style-type: none"> • Suppliers 	<ul style="list-style-type: none"> • Comply with the terms and conditions of the contract fairly. 	<ul style="list-style-type: none"> • Promote fair competition policies • Exchange knowledge and experiences 	<ul style="list-style-type: none"> • Online Communication • External Meeting
<ul style="list-style-type: none"> • Shareholders 	<ul style="list-style-type: none"> • Good business performance and stable growth • Good and continuous return on investment • Good corporate governance • Sufficient disclosure of information for investment decision making 	<ul style="list-style-type: none"> • Conduct business based on the principles of good governance and corporate governance • Comply with the law, disclose information transparently and fairly • Pay dividends to shareholders appropriately according to the company's dividend policy 	<ul style="list-style-type: none"> • Annual General Meeting (AGM)
<ul style="list-style-type: none"> • Society 	<ul style="list-style-type: none"> • Complaints are resolved • Not causing a nuisance to the community 	<ul style="list-style-type: none"> • Focus on legal compliance • Paying taxes correctly 	<ul style="list-style-type: none"> • Complaint Reception
<ul style="list-style-type: none"> • Government agencies and Regulators 	<ul style="list-style-type: none"> • Compliance with government regulations and laws • Social and environmental responsibility 	<ul style="list-style-type: none"> • Strictly comply with laws and regulations • Cooperate in various government activities 	<ul style="list-style-type: none"> • Online Communication • External Meeting • Training / Seminar

3.3 Management of environmental sustainability

3.3.1 Environmental policy and guidelines

Environmental policy and guidelines

Environmental policy and guidelines	:	Yes
Environmental guidelines	:	Electricity Management, Renewable/Clean Energy Management, Water resources and water quality management, Waste Management, Air Quality Management, Noise Pollution Management

The company is committed to preventing and mitigating the negative environmental impacts of its business operations. To guide these efforts, it has announced an occupational health and safety and environmental policy and established environmental practice guidelines, such as energy management, water quality management, waste management, air quality management, and noise pollution management. The company prioritizes environmental protection, pollution control, and waste management arising from various activities. These systematic efforts contribute to achieving sustainable management goals.

Review of environmental policies, guidelines, and/or goals over the past year

Review of environmental policies, guidelines, and/or goals over the past year	:	Yes
Changes in environmental policies, guidelines, and/or goals	:	Waste Management

The company has updated its practices related to waste and waste management resulting from business operations to be modern and in accordance with amended laws.

3.3.2 Environmental operating results

Information on energy management

Energy management plan

The company's energy management plan	:	Yes
--------------------------------------	---	-----

The company recognizes the benefits of energy management that will occur within the organization. To ensure the effective use of energy is tangible and continuous, an energy management working group has been established, including the structure, authority, and responsibilities of the energy management working group. Annual energy conservation targets and plans have been defined to achieve energy management goals.

Setting goals for managing electricity and/or oil and fuel

Does the company set goals for electricity and/or fuel management	:	No
---	---	----

Performance and outcomes of energy management

Performance and outcomes of energy management	:	Yes
---	---	-----

The company has projects on electricity conservation

1. Improve the transparent roof sheets of the factory's skylights to reduce electricity usage during the daytime
2. Reduce electricity consumption of High Pressure Air pumps

Energy management: Fuel consumption

	2022	2023	2024
Diesel (Litres)	193,899.47	73,859.08	53,450.15
Gasoline (Litres)	42,637.34	31,614.81	31,801.33
Crude oil (Barrels)	0.00	0.00	N/A
Natural gas (Standard cubic feet)	82,686.57	57,129.24	46,424.21
LPG (Kilograms)	270.00	405.00	180.00
Steam (Metric tonnes)	6,093.00	4,622.14	3,865.34
Coal (Metric tonnes)	0.00	0.00	N/A

Energy management: Electricity consumption

	2022	2023	2024
Total electricity consumption within the organization (Kilowatt-Hours)	18,602,284.00	13,447,782.00	11,280,621.00
Electricity purchased for consumption from non-renewable energy sources (Kilowatt-Hours)	18,602,284.00	11,879,720.00	9,679,958.84
Electricity purchased or generated for consumption from renewable energy sources (Kilowatt-Hours)	N/A	1,568,062.00	1,600,662.16

Information on water management

Water management plan

The Company's water management plan : No

Setting goals for water management

Does the company set goals for water management : No

Performance and outcomes of water management

Performance and outcomes of water management : No

Water management: Water withdrawal by source

	2022	2023	2024
Total water withdrawal (Cubic meters)	231,488.00	174,496.00	144,542.00
Water withdrawal by third-party water (cubic meters)	231,488.00	24,371.00	144,542.00
Water withdrawal by produced water (cubic meters)	N/A	150,125.00	N/A

Water management: Water discharge by destinations

	2022	2023	2024
Total wastewater discharge (cubic meters)	0.00	152,087.00	84,995.00

Water management: Water consumption

	2022	2023	2024
Total water consumption (Cubic meters)	231,488.00	174,496.00	144,542.00

Information on waste management

Waste management plan

The company's waste management plan : No

Setting goals for waste management

Does the company set goals for waste management : No

Performance and outcomes of waste management

Performance and outcomes of waste management : No

Waste management: Waste Generation

	2022	2023	2024
Total waste generated (Kilograms)	8,579,020.00	2,561,222.00	1,645,008.00
Total non-hazardous waste (kilograms)	8,210,050.00	2,334,468.00	1,556,266.00
Non-hazardous waste - Landfilling (Kilograms)	N/A	N/A	25,874.00
Non-hazardous waste – Others (kilograms)	N/A	N/A	1,530,392.00
Total hazardous waste (kilograms)	368,970.00	226,754.00	88,742.00
Hazardous waste - Incineration with energy recovery (Kilograms)	N/A	N/A	63,320.00
Hazardous waste – Others (kilograms)	N/A	N/A	25,422.00

Waste management: Waste reuse and recycling

	2022	2023	2024
Total reused/recycled waste (Kilograms)	6,017,510.00	1,758,756.00	1,257,983.00
Reused/Recycled non-hazardous waste (Kilograms)	6,017,510.00	1,733,172.00	1,230,581.00
Reused non-hazardous waste (Kilograms)	N/A	N/A	480,082.00
Recycled non-hazardous waste (Kilograms)	N/A	N/A	750,499.00
Reused/Recycled hazardous waste (Kilograms)	N/A	25,584.00	27,402.00

	2022	2023	2024
Reused hazardous waste (Kilograms)	N/A	N/A	21,510.00
Recycled hazardous waste (Kilograms)	N/A	N/A	5,892.00

Information on greenhouse gas management

Greenhouse gas management plan

The company's greenhouse gas management plan : No

Setting greenhouse gas emission goals

Does the company set greenhouse gas management goals : No

Performance and outcomes of greenhouse gas management

Performance and outcomes of greenhouse gas management : No

Greenhouse gas management : Corporate greenhouse gas emission

	2022	2023	2024
Total greenhouse gas emissions (Metric tonnes of carbon dioxide equivalent)	0.00	0.00	N/A

Greenhouse gas management: Verification of the company's greenhouse gas emissions over the past year

Verification of the company's greenhouse gas emissions : No

Information on incidents related to legal violations or negative environmental impacts

Number of cases and incidents of legal violations or negative environmental impacts

	2022	2023	2024
Number of cases or incidents of legal violations or negative environmental impact (cases)	0	0	0

3.4 Social sustainability management

3.4.1 Social policy and guidelines

Social and human rights policy and guidelines : Yes

Social and human rights guidelines : Employee rights, Migrant/foreign labor, Child labor, Consumer/customer rights, Community and environmental rights, Safety and occupational health at work, Non-discrimination, Supplier rights, Others : Quality Policy

The company has established a "Code of Business Conduct" as a guideline for directors, executives, and employees to adhere to for the benefit of shareholders and all stakeholders.

Review of social and human rights policies, guidelines, and/or goals over the past year

Review of social and human rights policies, guidelines, and/or : No
goals over the past year

Human Rights Due Diligence : HRDD

Does the company have an HRDD process : No

3.4.2 Social operating results

Information on employees and labor

Employees and labor management plan

The company's employee and labor management plan : Yes

Employee and labor management plan implemented by the : Fair employee compensation, Employee training and development,
Company in the past year Safety and occupational health at work

The company strictly complies with labor laws, occupational safety and health laws, and other relevant laws. It adheres to work regulations, including adjusting the minimum wage according to the law.

Setting employee and labor management goals

Does the company set employee and labor management : No
goals

Performance and outcomes for employee and labor management

Performance and outcomes for employee and labor : No
management

Employee and labor management: Employment

Hiring employees

	2022	2023	2024
Total employees (persons)	1,028	901	784
Male employees (persons)	568	481	420

	2022	2023	2024
Female employees (persons)	460	420	364

Employment of workers with disabilities

	2022	2023	2024
Total employment of workers with disabilities (persons)	8	9	9
Total number of employees with disabilities (persons)	8	9	9
Total male employees with disabilities (persons)	2	2	2
Total female employees with disabilities (persons)	6	7	7
Total number of workers who are not employees with disabilities (persons)	0	0	0
Contributions to empowerment for persons with disabilities fund	Yes	No	No

Employee and labor management: Remuneration

Employee remuneration

	2022	2023	2024
Total employee remuneration (baht)	246,379,333.61	230,984,503.70	208,191,489.29
Total male employee remuneration (Baht)	138,776,960.33	133,942,156.70	119,283,219.39
Total female employee remuneration (Baht)	107,602,373.28	97,042,347.00	88,908,269.90

Employee and labor management: Employee training and development

Employee training and development

	2022	2023	2024
Average employee training hours (hours / person / year)	4.00	4.37	4.37
Training and development expenses for employees (baht)	258,194.00	125,313.00	124,920.00

Employee and labor management: Safety, occupational health, and environment at work

Safety, occupational health, and environment at work

	2022	2023	2024
Total number of lost time injury incidents by employees (cases)	21	7	8

Employee and labor management: Employee engagement and internal employee groups

Employee engagement

	2022	2023	2024
Total number of employee turnover leaving the company voluntarily (persons)	166	165	87
Total number of male employee turnover leaving the company voluntarily (persons)	113	106	38
Total number of female employee turnover leaving the company voluntarily (persons)	53	59	49
Proportion of voluntary resignations (%)	16.15	18.31	11.10
	2022	2023	2024
Evaluation result of employee engagement	N/A	N/A	No

Employee internal groups

Employee internal groups : Yes

Types of employee internal groups : Welfare committee

Information about customers

Customer management plan

Company's customer management plan : Yes

Customer management plan implemented by the company over the past year : Responsible production and services for customers, Communication of product and service impacts to customers/consumers, Development of customer satisfaction and customer relationship, Consumer data privacy and protection

The company is designing and developing new products in accordance with market changes and the transition to refrigerants that reduce global warming.

Setting customer management goals

Does the company set customer management goals : No

Performance and outcomes of customer management

Performance and outcomes of customer management : No

Customer management: Customer satisfaction

Customer satisfaction

	2022	2023	2024
Evaluation results of customer satisfaction	Yes	Yes	Yes

Information on community and society

Community and social management plan

Company's community and social management plan : Yes

Community and social management plan implemented by the : Water and sanitation management
company over the past year

The company participated in dredging canals and eliminating weeds around the Ladkrabang Industrial Estate in collaboration with government agencies, communities, the Industrial Estate Authority of Thailand, and various companies within the Ladkrabang Industrial Estate.

Setting community and social management goals

Does the company set community and social management : No
goals

Performance and outcomes of community and social management

Performance and outcomes of community and social : No
management

Information on incidents related to legal or social and human rights violations

Number of cases and incidents of significant legal or social and human rights violations

	2022	2023	2024
Total number of cases or incidents of significant legal or social and human rights violations (cases)	0	0	8
Total number of cases or incidents leading to significant labor disputes (cases)	0	0	8

Details of incidents and corrective measures for significant social and legal violations

Year of incident	Details	Progress status
2024	<p>Incident The Welfare Committee filed a complaint regarding wages.</p> <p>Impact that occurred or is expected to occur <u>Non-financial impact</u> Damage to the company's reputation</p> <p>Corrective or remedial measures Hold a subcommittee meeting to receive complaints and provide initial clarification to the committee before reaching the company's management.</p>	Incident no longer subject to action
2024	<p>Incident Letter for Meeting with Labor Inspector, Labor Welfare Office, Area 10 (Copy 1)</p> <p>Impact that occurred or is expected to occur <u>Non-financial impact</u> Damage to the company's reputation/Loss of opportunities in many areas</p> <p>Corrective or remedial measures None</p>	Incident no longer subject to action
2024	<p>Incident Letter for Meeting with Labor Inspector, Labor Welfare Office, Area 10 (Version 2)</p> <p>Impact that occurred or is expected to occur <u>Non-financial impact</u> Damage to the company's reputation/ Loss of opportunities in many areas</p> <p>Corrective or remedial measures None</p>	Incident no longer subject to action
2024	<p>Incident Letter for Meeting with Labor Inspector, Labor Welfare Office, Area 10 (No. 3)</p> <p>Impact that occurred or is expected to occur <u>Non-financial impact</u> Damage to the company's reputation / Loss of opportunities in many areas</p> <p>Corrective or remedial measures None</p>	Incident no longer subject to action
2024	<p>Incident Letter to Meet with Labor Inspector, Labor Welfare Office, Area 10 (No. 4)</p> <p>Impact that occurred or is expected to occur <u>Non-financial impact</u> Damage to the company's reputation/Loss of opportunity in many areas</p> <p>Corrective or remedial measures None</p>	Incident no longer subject to action

Year of incident	Details	Progress status
2024	<p>Incident Letter to meet with the Labor Inspector, Labor Welfare Office, Area 10 (No. 5)</p> <p>Impact that occurred or is expected to occur <u>Non-financial impact</u> Damage to the company's reputation/ Loss of opportunities in many areas</p> <p>Corrective or remedial measures None</p>	Incident no longer subject to action
2024	<p>Incident Letter for Meeting with Labor Inspector, Labor Welfare Office, Area 10 (No. 6)</p> <p>Impact that occurred or is expected to occur <u>Non-financial impact</u> Damage to the company's reputation/ Loss of opportunities in many areas <u>Financial impact</u> • Actual impact on financial statement : 52.00 baht</p> <p>Corrective or remedial measures None</p>	Incident no longer subject to action
2024	<p>Incident Letter to meet with a Labor Inspector, Labor Welfare Office, Area 10 (No. 7)</p> <p>Impact that occurred or is expected to occur <u>Non-financial impact</u> Damage to the company's reputation/ Loss of opportunities in many areas</p> <p>Corrective or remedial measures None</p>	Incident no longer subject to action

4. Management Discussion and Analysis (MD&A)

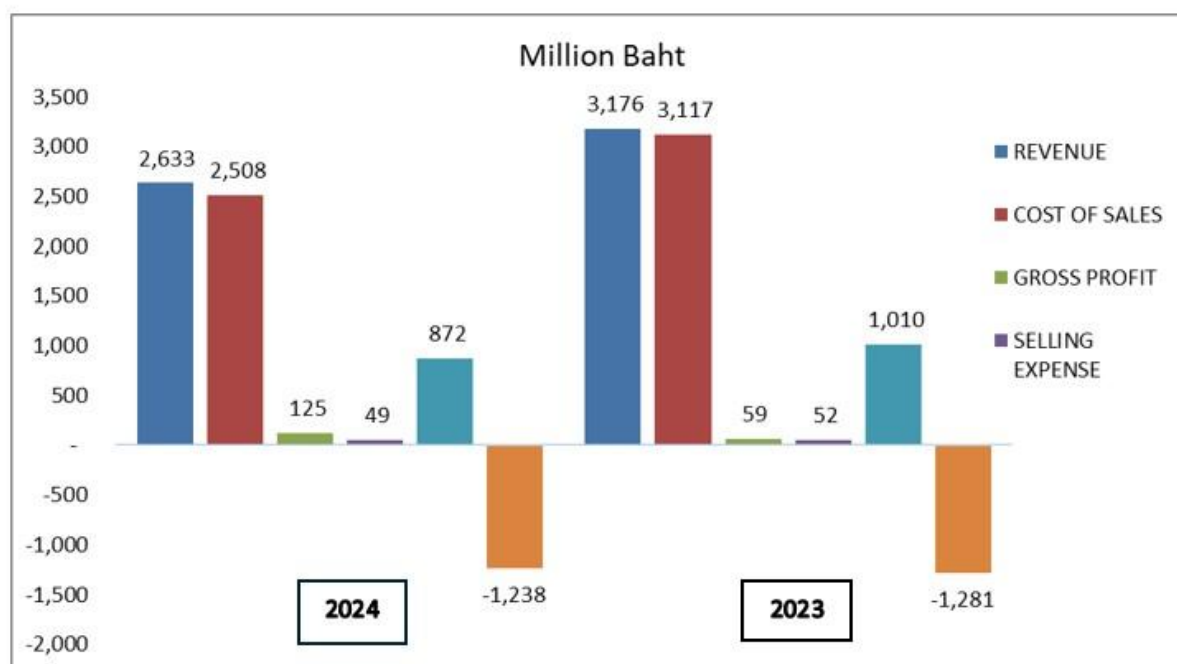
4.1 Operation, financial condition and material changes

Operational overview

- 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.

Diagram of operational overview

Business overview and Operating Performance



Business overview and Operating Performance

Analysis on the operation and financial condition

Operating results and profitability

- 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.

Impairment loss on investments in subsidiaries in separate financial statement

The allowance for impairment loss on investments in subsidiaries in 2024 increased by Baht 615 million due to there are indications for impairment as following; the group has sustained operating losses for a number of consecutive years, the group's total current liabilities exceeded its total current assets, the group had deficit and capital deficit, including the group has suffered from a lack of financial liquidity and working capital. Therefore, the impairment test was conducted by discount cash flow and found that the subsidiaries had to set up an additional allowance for impairment loss on investment as below.

- Kulthorn Premier Co., Ltd., which has been in business for 36 years, the allowance for impairment loss on investments increased by Baht 6 million.

- Kulthorn Kirby Foundry Co., Ltd., which has been in business for 35 years, the allowance for impairment loss on investments increased by Baht 361 million.

- Kulthorn Steel Co., Ltd., which has been in business for 17 years, the allowance for impairment loss on investments increased by Baht 248 million. 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 a 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 payable 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 addition the Group is working to accelerate the delivery of products to customers to generate additional revenue for the company.

Diagram of operating results and profitability

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)

Statement of Financial Position

Issuance of debt securities with an obligation to maintain financial ratios

Is there an issuance of debt securities with an obligation : No
to maintain financial ratios?

4.2 Potential factors or incidents that may materially affect the financial condition or the operating results

Significant factors or incidents that may materially affect the future financial condition or the operating results

Internal Factors:

- Lack of liquidity and insufficient working capital to purchase raw materials and pay production expenses to meet customer orders
- Reducing production costs and other expenses to increase liquidity
- Adjusting the strategy for selected products and sales, and improving work efficiency
- Efficient logistics management

External Factors:

- Market prices of essential raw materials in the production process, such as copper, steel, etc.
- Seeking additional funding sources
- Impact of U.S. import tariff measures

4.3 Information from financial statements and significant financial ratios

Information from financial statements

Summary of financial position statements

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
Assets			
Cash And Cash Equivalents (ThousandTHB)	21,436.26	17,347.72	46,947.82
Trade And Other Receivables - Current - Net (ThousandTHB)	608,974.10	304,490.57	261,581.10
Inventories - Net (ThousandTHB)	1,162,837.83	812,588.24	642,880.47
Income Tax Receivable - Current (ThousandTHB)	8,075.48	4,165.97	4,308.73
Other Tax Or Other Receivables Under Law And Regulations - Current (ThousandTHB)	72,949.75	31,264.67	32,852.77
Other Tax Receivables (ThousandTHB)	72,949.75	31,264.67	32,852.77
Other Current Assets (ThousandTHB)	80,590.03	63,336.61	54,813.63
Other Current Assets - Others (ThousandTHB)	80,590.03	63,336.61	54,813.63
Total Current Assets (ThousandTHB)	1,954,863.44	1,233,193.77	1,043,384.50
Property, Plant And Equipment - Net (ThousandTHB)	4,959,882.07	3,800,207.86	3,665,523.79
Right-Of-Use Assets - Net (ThousandTHB)	65,998.80	47,642.78	9,655.15
Intangible Assets - Net (ThousandTHB)	53,239.94	33,049.27	24,341.22
Intangible Assets - Others (ThousandTHB)	53,239.94	33,049.27	24,341.22
Other Non-Current Assets (ThousandTHB)	1,096.92	2,252.92	11,931.63

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
Other Non-Current Assets - Others (ThousandTHB)	1,096.92	2,252.92	11,931.63
Total Non-Current Assets (ThousandTHB)	5,097,283.67	3,883,152.83	3,711,451.80
Total Assets (ThousandTHB)	7,052,147.11	5,116,346.60	4,754,836.31

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
Liabilities			
Bank Overdrafts And Short-Term Borrowings From Financial Institutions (ThousandTHB)	3,706,319.57	3,453,165.88	3,547,872.48
Trade And Other Payables - Current (ThousandTHB)	666,177.24	623,313.35	898,522.03
Accrued Expenses - Current (ThousandTHB)	888.26	888.21	888.21
Short-Term Borrowings (ThousandTHB)	N/A	N/A	182,000.00
Related Parties (ThousandTHB)	N/A	N/A	182,000.00
Current Portion Of Long-Term Debts (ThousandTHB)	1,088,148.37	1,065,569.84	1,061,558.92
Current Portion Of Long-Term Debts - Others (ThousandTHB)	1,088,148.37	1,065,569.84	1,061,558.92
Current Portion Of Lease Liabilities (ThousandTHB)	18,623.68	14,384.07	3,393.58
Other Current Liabilities (ThousandTHB)	25,225.82	17,615.62	18,023.32
Total Current Liabilities (ThousandTHB)	5,505,461.77	5,174,936.96	5,712,258.54
Non-Current Portion Of Long-Term Debts (ThousandTHB)	21,576.09	43,255.23	35,475.76
Non-Current Portion Of Long-Term Debts - Others (ThousandTHB)	21,576.09	43,255.23	35,475.76
Non-Current Portion Of Lease Liabilities (ThousandTHB)	18,468.76	4,401.84	1,008.26
Provisions For Employee Benefit Obligations - Non-Current (ThousandTHB)	221,408.04	216,112.33	218,955.17
Deferred Tax Liabilities (ThousandTHB)	373,911.85	353,777.59	371,473.02

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
Total Non-Current Liabilities (ThousandTHB)	635,364.75	617,546.99	626,912.21
Total Liabilities (ThousandTHB)	6,140,826.52	5,792,483.96	6,339,170.75

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
Shareholders' equity			
Authorised Share Capital (ThousandTHB)	1,500,000.00	1,500,000.00	1,500,000.00
Authorised Ordinary Shares (ThousandTHB)	1,500,000.00	1,500,000.00	1,500,000.00
Issued And Paid-Up Share Capital (ThousandTHB)	1,500,000.00	1,500,000.00	1,500,000.00
Paid-Up Ordinary Shares (ThousandTHB)	1,500,000.00	1,500,000.00	1,500,000.00
Premium (Discount) On Share Capital (ThousandTHB)	700,000.00	700,000.00	907,897.95
Premium (Discount) On Ordinary Shares (ThousandTHB)	700,000.00	700,000.00	907,897.95
Retained Earnings (Deficits) (ThousandTHB)	-3,518,575.11	-4,442,116.35	-5,452,597.86
Retained Earnings - Appropriated (ThousandTHB)	120,000.00	120,000.00	120,000.00
Legal And Statutory Reserves (ThousandTHB)	120,000.00	120,000.00	120,000.00
Retained Earnings (Deficits) - Unappropriated (ThousandTHB)	-3,638,575.11	-4,562,116.35	-5,572,597.86
Other Components Of Equity (ThousandTHB)	2,229,895.69	1,565,978.99	1,460,365.47
Other Components Of Equity - Others (ThousandTHB)	2,021,997.75	1,358,081.04	1,460,365.47
Equity Attributable To Owners Of The Parent (ThousandTHB)	911,320.59	-676,137.36	-1,584,334.44
Total Equity (ThousandTHB)	911,320.59	-676,137.36	-1,584,334.44
Total Liabilities And Equity (ThousandTHB)	7,052,147.11	5,116,346.60	4,754,836.31

Summary of income statement

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
Statement of Comprehensive Income			
Revenue From Operations (ThousandTHB)	6,088,130.69	3,181,891.79	2,649,852.73
Revenue From Sales And Rendering Services (ThousandTHB)	6,085,180.57	3,176,090.94	2,633,240.00
Revenue From Leases (ThousandTHB)	2,950.12	5,800.85	16,612.73
Lease Income (ThousandTHB)	2,950.12	5,800.85	16,612.73
Interest And Dividend Income (ThousandTHB)	36.86	27.60	73.55
Interest Income (ThousandTHB)	36.86	27.60	73.55
Other Income (ThousandTHB)	8,876.87	115,576.88	20,157.37
Total Revenue (ThousandTHB)	6,097,044.42	3,297,496.27	2,670,083.66
Costs (ThousandTHB)	6,151,026.85	3,116,544.25	2,507,936.34
Selling And Administrative Expenses (ThousandTHB)	561,665.30	1,100,906.72	492,337.50
Selling Expenses (ThousandTHB)	75,891.56	52,013.44	49,331.39
Administrative Expenses (ThousandTHB)	485,773.74	1,048,893.28	443,006.12
Other Expenses (ThousandTHB)	N/A	N/A	501,638.93
Total Cost And Expenses (ThousandTHB)	6,712,692.14	4,217,450.96	3,501,912.78
Other Gains (Losses) (ThousandTHB)	36,729.43	-442.54	812.14
Gains (Losses) On Foreign Currency Exchange (ThousandTHB)	36,729.43	-442.54	812.14
Profit (Loss) Before Finance Costs And Income Tax Expense (ThousandTHB)	-578,918.30	-920,397.23	-831,016.98

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
Finance Costs (ThousandTHB)	209,554.88	284,759.54	472,622.30
Income Tax Expense (ThousandTHB)	19,204.84	75,837.99	-64,932.09
Profit (Loss) For The Period From Continuing Operations (ThousandTHB)	-807,678.02	-1,280,994.76	-1,238,707.18
Net Profit (Loss) For The Period (ThousandTHB)	-807,678.02	-1,280,994.76	-1,238,707.18
Net Profit (Loss) For The Period / Profit (Loss) For The Period From Continuing Operations (ThousandTHB)	-807,678.02	-1,280,994.76	-1,238,707.18
Gains (Losses) From Changes In Revaluation Surplus (ThousandTHB)	1,547,236.15	N/A	652,933.95
Other Comprehensive Income That Will Not Be Subsequently Reclassified To Profit Or Loss (ThousandTHB)	N/A	-394,531.53	-322,423.85
Other Comprehensive Income (Expense) - Net Of Tax (ThousandTHB)	1,217,379.86	-306,463.18	330,510.10
Total Comprehensive Income (Expense) For The Period (ThousandTHB)	409,701.85	-1,587,457.94	-908,197.08
Net Profit (Loss) Attributable To : Owners Of The Parent (ThousandTHB)	-807,678.02	-1,280,994.76	-1,238,707.18
Total Comprehensive Income (Expense) Attributable To : Owners Of The Parent (ThousandTHB)	409,701.85	-1,587,457.94	-908,197.08
Basic Earnings (Loss) Per Share (Baht/Share) (ThousandTHB)	-0.54	-0.85	-0.83
EBITDA (ThousandTHB)	-194,315.44	-305,896.03	-306,101.29
Operating Profit (ThousandTHB)	-624,561.46	-1,035,559.17	-350,421.11

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
Normalize Profit (ThousandTHB)	-844,407.45	-1,280,552.22	-1,239,519.32

Summary of cash flow statement

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
Cash flow statement			
Net Profit (Loss) Attributable To Owners Of The Parent For The Period (ThousandTHB)	-788,473.18	-1,205,156.77	-1,303,639.28
Depreciation And Amortisation (ThousandTHB)	384,602.86	614,501.20	524,915.70
Depreciation (ThousandTHB)	17,542.22	14,028.06	12,516.96
(Reversal Of) Expected Credit Losses (ThousandTHB)	-1,168.11	14,249.49	918.19
(Reversal Of) Loss From Diminution In Value Of Inventories (ThousandTHB)	5,147.59	5,337.21	-16,344.05
(Gains) Losses On Foreign Currency Exchange (ThousandTHB)	-21,428.95	4,278.92	-3,238.62
(Gains) Losses On Disposal And Write-Off Of Fixed Assets (ThousandTHB)	304.27	2,147.82	1,047.52
(Gains) Losses On Disposal Of Fixed Assets (ThousandTHB)	-447.85	1,735.52	651.04
Loss On Write-Off Of Fixed Assets (ThousandTHB)	752.12	412.30	396.48
(Gains) Losses On Disposal And Write-Off Of Other Assets (ThousandTHB)	1,064.50	1,003.63	1,280.93
Loss On Write-Off Of Other Assets (ThousandTHB)	1,064.50	1,003.63	1,280.93
(Reversal Of) Impairment Loss Of Fixed Assets (ThousandTHB)	N/A	38,437.65	74,115.66
(Reversal Of) Impairment Loss Of Other Assets (ThousandTHB)	N/A	N/A	-1,292.94

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
Dividend And Interest Income (ThousandTHB)	-41.03	-32.28	-79.77
Dividend Income (ThousandTHB)	-4.17	-4.68	-6.22
Interest Income (ThousandTHB)	-36.86	-27.60	-73.55
Finance Costs (ThousandTHB)	209,551.98	284,759.54	472,622.30
Employee Benefit Expenses (ThousandTHB)	19,986.94	21,095.93	10,651.45
(Reversal Of) Provisions (ThousandTHB)	-1,000.00	374.26	0.00
Other Reconciliation Items (ThousandTHB)	-1,833.57	-1,833.57	-1,833.57
Cash Flows From (Used In) Operations Before Changes In Operating Assets And Liabilities (ThousandTHB)	-196,319.31	-327,603.04	-240,876.48
(Increase) Decrease In Trade And Other Receivables (ThousandTHB)	454,548.73	288,100.80	41,301.74
(Increase) Decrease In Inventories (ThousandTHB)	397,885.73	330,594.89	186,051.81
(Increase) Decrease In Other Operating Assets (ThousandTHB)	-16,702.71	48,290.75	-1.99
Increase (Decrease) In Trade And Other Payables (ThousandTHB)	-411,250.20	-37,135.80	-146,998.48
Increase (Decrease) In Other Operating Liabilities (ThousandTHB)	-1,531.39	-2,402.58	2,241.38
Cash Generated From (Used In) Operations (ThousandTHB)	226,630.85	299,845.03	-158,282.02
Interest Received (ThousandTHB)	36.86	575.10	73.55
Interest Paid (ThousandTHB)	-210,273.33	-242,328.55	-55,576.64
Income Tax (Paid) Received (ThousandTHB)	-3,788.91	13,240.04	-2,884.60

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
Net Cash From (Used In) Operating Activities (ThousandTHB)	-6,063.64	50,414.97	-216,669.70
Proceeds From Disposal Of Fixed Assets (ThousandTHB)	401.34	282.26	1,019.74
Payment For Purchase Of Fixed Assets (ThousandTHB)	-7,500.09	-20,459.10	-5,398.37
Dividend Received (ThousandTHB)	4.17	4.68	6.22
Net Cash From (Used In) Investing Activities (ThousandTHB)	-7,094.59	-243,592.12	-4,372.42
Increase (Decrease) In Bank Overdrafts And Short-Term Borrowings - Financial Institutions (ThousandTHB)	39,107.49	219,166.53	94,706.60
Proceeds From Borrowings (ThousandTHB)	29,600.00	35,803.01	182,000.00
Proceeds From Short-Term Borrowings (ThousandTHB)	N/A	N/A	182,000.00
Proceeds From Short-Term Borrowings - Related Parties (ThousandTHB)	N/A	N/A	182,000.00
Repayments On Borrowings (ThousandTHB)	-42,918.38	-55,568.75	-26,064.38
Repayments On Short-Term Borrowings (ThousandTHB)	-20,192.35	-18,866.35	-14,273.99
Repayments On Short-Term Borrowings - Other Parties (ThousandTHB)	-20,192.35	-18,866.35	-14,273.99
Repayments On Long-Term Borrowings (ThousandTHB)	-22,726.03	-36,702.40	-11,790.39
Net Cash From (Used In) Financing Activities (ThousandTHB)	25,789.11	199,400.79	250,642.22

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
Net Increase (Decrease) In Cash And Cash Equivalent (ThousandTHB)	12,630.89	6,223.64	29,600.10
Cash And Cash Equivalents, Beginning Balance (ThousandTHB)	19,314.61	21,436.26	17,347.72
Cash And Cash Equivalents, Ending Balance (ThousandTHB)	21,436.26	17,347.72	46,947.82

Key financial ratios

	2022	2023	2024
Liquidity ratio			
Current ratio (times)	0.35	0.24	0.18
Quick ratio (times)	0.11	0.06	0.05
Cash flow liquidity ratio (times)	N/A	N/A	0.01
Average account receivable turnover (times)	9.99	6.95	9.30
Average collection period (days)	36.00	52.00	39.00
Average finish goods turnover (times)	4.51	3.16	3.45
Average finish goods turnover period (days)	80.00	114.00	104.00
Average inventory turnover (times)	N/A	N/A	N/A
Average inventory turnover period (days)	N/A	N/A	N/A
Average account payable turnover (times)	9.24	4.83	3.30
Average payment period (days)	39.00	74.00	109.00
Average cash cycle (days)	77.00	91.00	34.00
Profitability ratio			
Gross profit margin (%)	-1.08	1.87	4.76
Operating margin (%)	N/A	N/A	N/A
Other income to total income (%)	N/A	N/A	N/A
Cash from operation to operating profit (%)	N/A	N/A	N/A
Net profit margin (%)	-13.17	-38.85	-46.38
Return on equity (ROE) (%)	-88.63	-189.46	-78.18
Financial policy ratio			
Total debts to total equity (times)	6.74	-8.57	-4.00

	2022	2023	2024
Interest coverage ratio (times)	1.01	3.23	1.76
Interest bearing debt to EBITDA ratio (times)	N/A	N/A	N/A
Debt service coverage ratio (times)	N/A	N/A	N/A
Dividend payout ratio (%)	N/A	N/A	N/A
Efficiency ratio			
Return on asset (ROA) (%)	-11.46	-25.04	-26.05
Return On Fixed Assets (%)	-8.89	-15.85	-17.47
Asset turnover (times)	0.87	0.62	0.54

5. General information and other material facts

5.1 General information

General information

Securities registrar

Name of securities registrar	:	Thailand Securities Depository Co., Ltd.
Address/location	:	93 Ratchadaphisek Road
Subdistrict	:	Din Daeng
District	:	Din Daeng
Province	:	Bangkok
Postcode	:	10400
Telephone	:	02-009-9000
Facsimile number	:	02-009-9991

Auditing firm

Name of auditing firm*	:	EY OFFICE LIMITED
Address/location	:	33RD FLOOR, LAKE RAJADA OFFICE COMPLEX, 193/136-137 RAJADAPISEK ROAD
Subdistrict	:	KHLONG TOEI
District	:	KHLONG TOEI
Province	:	Bangkok
Postcode	:	10110
Telephone	:	+66 2264 9090
Facsimile number	:	+66 2264 0789-90
List of auditors	:	Miss NATTEERA PONGPINITPINO
License number	:	7362
List of auditors	:	Mrs SARINDA HIRUNPRASURTWUTTI
License number	:	4799
List of auditors	:	Miss SIRIWAN SURATEPIN
License number	:	4604

Legal advisor or manager under management agreement

Name of legal advisor / manager under management agreement No. 1

Name of legal advisor / manager under management agreement	:	Chor. Chanasongkram Advocates & Solicitors
Address/location	:	52/3 Phrasumene Road
Subdistrict	:	ChanaSongkram
District	:	Phra Nakhon
Province	:	Bangkok
Postcode	:	10200
Telephone	:	022282955-6

Facsimile number : 022813008

5.2 Other material facts

5.2.1 Other information that may significantly influence investors' decision making

Other information that may influence investors' decision : No
making

5.2.2 Restrictions of foreign shareholders

Are there restrictions on foreign shareholders? : No

5.3 Legal disputes

Legal disputes

Is there any legal dispute? : Yes

Details of legal dispute

Year of incident	Details	Progress status
2024	Case name Foreclosure lawsuit Defendant financial institution	
	Dispute No. 1 <u>Duration (approximate)</u> Apr 2025 - Dec 2025 <u>Dispute description</u> Forcing mortgage of assets as collateral <u>Outcome of the dispute / Progress of the dispute</u> The Court ordered the suspension of proceedings because the Company had filed a business rehabilitation petition with the Central Bankruptcy Court. The Central Bankruptcy Court accepted the petition on 10 January 2025, which resulted in a legal prohibition against filing civil lawsuits related to the Company's assets. Additionally, for any cases already filed, proceedings must be suspended in accordance with Section 90/12(4) of the Bankruptcy Act B.E. 2483. <u>Additional details</u> -	In progress

5.4 Secondary market

Secondary market

Has the company's security been listed on a stock exchange in : No
another country?

5.5 Financial institution with regular contact (in case of debt securities offeror)

Financial institution with regular contact

Are there any debt securities offered? : No

Part 2 Corporate Governance

6. Corporate governance policy

6.1 Overview of the policy and guidelines

Overview of the policy and guidelines

Corporate governance policy and guidelines : Yes

The Board of Directors prioritizes operations and practices in line with good corporate governance guidelines of the Stock Exchange of Thailand (SET) and relevant laws. This demonstrates the company's efficient, transparent, and auditable management system, which builds confidence and maximizes benefits for shareholders, investors, stakeholders, and all parties involved with the company. To minimize conflicts of interest among stakeholders, policies, working methods, rules, regulations, and traditions are employed to control key factors contributing to the success of good corporate governance. The Corporate Governance Policy was updated on November 10, 2021.

6.1.1 Policy and guidelines related to the board of directors

Are there policy and guidelines related to the board of directors : Yes

Guidelines related to the board of directors : Nomination of directors, Determination of director remuneration, Independence of the board of directors from the management, Director development, Corporate governance of subsidiaries and associated companies

Nomination of directors

The Board of Directors has a number as determined by the shareholders' meeting, but not less than 5 people. Currently, there are a total of 5 directors, consisting of the Chairman of the Board and other directors, of which at least 1/3 are independent directors, totaling 3 people. In addition, not less than half of the total number of directors must reside in the Kingdom of Thailand.

Qualifications of the Board of Directors

1. Possesses qualifications that do not violate the Public Limited Companies Act B.E. 2535 or other related laws, as well as the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission, including the company's regulations.
2. Does not operate a business, become a partner, or become a director in another juristic person that is in the same condition and competes with the company's business, unless approved by the shareholders' meeting.
3. Has leadership, vision, and independent decision-making abilities for the best interests of the company and shareholders as a whole.
4. Has knowledge, abilities, and experience from various professions that are beneficial to the company's business operations.
5. Is a person of honesty and integrity.
6. Is able to fully dedicate time to performing the duties of a company director.

Determination of director remuneration

The Board of Directors is responsible for determining director remuneration annually, considering the company's business status, benchmarking against the same industry, and ensuring it is sufficient to retain qualified directors. Directors assigned additional duties and responsibilities in sub-committees receive additional compensation commensurate with the increased responsibilities, which the Board of Directors initially considers before presenting it to the shareholders' meeting for approval. In 2024, the company paid director remuneration in the form of monthly compensation and meeting attendance fees and paid audit committee members' remuneration in the form of monthly compensation.

Independence of the board of directors from the management

1. Separation of the Chairman and Chief Executive Officer Positions

The Board of Directors plays a crucial role in overseeing the company's operations for the benefit of the company and its shareholders as a whole. Therefore, to maintain a balance of power in operations, the company has separated the positions of Chairman of the Board and Chief Executive Officer, ensuring distinct roles and responsibilities from management.

2. Checks and Balances of the Board of Directors

The company has at least one-third of its board of directors as independent non-executive directors, or four individuals, who are genuinely independent from management and free from any business or other relationships. They participate in corporate governance with independence and impartiality, for the best interests of shareholders and stakeholders, and to ensure a balance of power in operations.

3. Roles, Responsibilities, and Accountabilities of the Board of Directors, Chairman, and Chief Executive Officer

Director development

To develop the knowledge and abilities of the directors and executives in performing their duties, the company has supported directors and executives to participate in various relevant training programs appropriate to their job functions and programs related to directors of the Thai Institute of Directors Association (IOD), especially the Director Certification Program (DCP), the Director Accreditation Program (DAP), as well as other relevant courses suitable for company directors organized by the IOD.

Corporate governance of subsidiaries and associated companies

As the company holds 100% of the shares in all six subsidiaries, the company has appointed company directors to represent the company as directors, executives, or persons with control in every subsidiary. These representatives are responsible for overseeing management and operations within the scope of authority and responsibility of directors and executives. This includes establishing policies crucial for business operations, implementing appropriate and robust internal control systems, and supervising the disclosure of financial position and operating results. It also covers transactions between the aforementioned companies and related parties, the acquisition or disposal of assets, or any other significant transactions of the subsidiaries. This ensures complete and accurate disclosure and applies relevant criteria for information disclosure and transactions of this nature, similar to the company's criteria. The company's internal audit unit and the audit committee monitor the implementation of these practices to safeguard the company's investments.

6.1.2 Policy and guidelines related to shareholders and stakeholders

Are there policy and guidelines and measures related to : Yes
shareholders and stakeholders

Guidelines and measures related to shareholders and : Shareholders, Employee, Customer, Business competitors, Suppliers,
stakeholders Creditors, Community and society

Shareholders

Every shareholder is a person whom the company values and respects their entitled and fundamental rights. The company has clearly defined these fundamental shareholder rights in the Corporate Governance Policy document published on the company's website. This is to ensure that all shareholder groups receive information equally, as follows:

- Right to receive share certificates and the right to buy, sell, or transfer shares
- Right to elect and remove directors, including determining director remuneration
- Right to approve the appointment of auditors and determine their remuneration
- Right to be informed of information, news, operating results, and management policies regularly and promptly
- Right to receive dividends
- Right to propose meeting agendas and submit questions in advance
- Right to attend shareholders' meetings

The company values its shareholders and has established practices based on the principle of equal treatment for all shareholders, as follows:

1. Disclose operating results and financial status, along with accurate supporting information, as required by the Stock Exchange of Thailand and the Securities and Exchange Commission, to shareholders so that they receive the necessary information to evaluate the company equally.
2. Conduct business with honesty and fairness to shareholders and make any decisions with careful consideration for the best interests of all shareholders.
3. Create quality and stable growth through efficient work and strong operating results to provide shareholders with good and sustainable returns.
4. Supervise operations to ensure that the company has proper management and financial status to protect and enhance shareholder interests.

Employee

All employees are the most valuable resource and a factor in the success of achieving business objectives. Therefore, the company prioritizes fair treatment and care in terms of opportunities, compensation, appointments, transfers, as well as potential development and welfare benefits that they should receive. A welfare committee oversees employee rights by establishing the following guidelines:

1. Maintain a safe working environment for employees' lives and property at all times.
2. Provide appropriate welfare benefits, such as medical expenses, life insurance, annual health check-ups, provident funds, financial assistance in case of death of an employee or family member, provision of transportation, provision of a fitness center, etc.
3. Avoid any unfair actions that may affect the job security of employees.
4. Treat employees with respect for their dignity and personal rights.
5. Determine employee compensation fairly, based on market conditions, business competition, the nature of the work, performance results, and the company's ability to pay such compensation.
6. Appointments, transfers, rewards, and disciplinary actions for employees must be carried out in good faith and based on the employee's knowledge, abilities, and suitability.
7. Prioritize employee skills development by providing various development programs such as seminars and training comprehensively and consistently.
8. Provide opportunities for employees to make suggestions or file complaints regarding work. Such suggestions or complaints will be seriously considered, and solutions will be determined to benefit all parties and build good working relationships.

The company prioritizes the safety and health of its employees by establishing the following policies:

1. The company will take all safety measures to ensure the safety and health of its employees.
2. The company will take action to control and prevent losses due to accidents, fires, and work-related illnesses, as well as maintain a safe working environment for employees, including promoting and raising awareness of employee health care.
3. The company is committed to developing and creating a safety and health system for employees in accordance with legal requirements.
4. The company will provide adequate and appropriate resources to comply with legal requirements by focusing on developing human resources with knowledge and awareness of employee safety and health.
5. The company considers the safety and health of its employees to be of paramount importance. It is the duty and responsibility of management, supervisors at all levels, and all employees to comply with the rules and regulations of the law.

The details of the various welfare benefits that the company provides to employees and are specified in the employee handbook are as follows:

1. Provident Fund, health insurance, accident insurance, group life insurance.
2. Bonuses, diligence allowances, and other special payments. Cost of living allowance for all employees.
3. Various financial assistance, such as funeral assistance, marriage assistance, hospital visit gifts for sick employees, and employee children's scholarships.
4. Annual employee health check-ups and specialized check-ups in cases where the work environment may affect health. Provide a 24-hour first aid unit.
5. Employee shuttle, uniforms and shoes, provision of rice for employees, and provision of affordable consumer goods.
6. Leave entitlements, such as bereavement leave, personal leave, sick leave, vacation leave, maternity leave, ordination leave, and others.
7. Provide specialized training in each profession to improve employee work efficiency according to the established training plan, which includes regulations, teamwork, and leadership.
8. Alms-giving activities on New Year's Day, "Don't Drink and Drive" campaigns during festivals, and water-pouring ceremonies on Songkran Day.
9. Smoking cessation project, "White Factory" project, with training and publicity on drug testing.
10. 5S project, KAIZEN project, knowledge sharing project, and safety week exhibition.

Customer

The company believes in the value of continuously building customer satisfaction and confidence and has established the following customer service guidelines:

1. Sell quality products and services to customers at fair prices.
2. Provide accurate information to customers without exaggeration, which may cause customers to misunderstand the quality,

quantity, or any conditions of the products or services.

3. Establish a process that allows customers to report problems with product usage or inappropriate services so that the company can prevent/resolve problems for customers quickly and use such information to improve or develop such products and services.
4. Provide efficient after-sales service to facilitate customers.
5. Strive to procure, develop, and produce modern products and services to meet customer needs.
6. Maintain customer confidentiality. Do not disclose customer information or use it for personal gain improperly.
7. Support various activities to strengthen and maintain good customer-company relationships sustainably.

Business competitors

The company conducts business in a fair competition manner, therefore establishing the following practices:

1. Does not seek confidential information of competitors through dishonest or inappropriate methods.
2. Does not damage the reputation of competitors by making false accusations.
3. Does not commit any act that infringes the intellectual property of others or competitors.

Suppliers

Partners are considered important business partners and factors for business success. The company has therefore established practices that provide equality and consider mutual benefits as follows:

1. Procurement of goods and services is systematic and standardized under the following principles:
 - There is competition based on equal information.
 - Criteria for evaluating and selecting partners
 - Prepare appropriate contracts that do not exploit partners.
 - Establish a management and monitoring system to ensure full compliance with the terms of the contract.
 - Pay partners on time, according to the agreed payment terms.
2. Strictly comply with the agreed-upon conditions.
3. If the company cannot comply with the agreed-upon conditions, the company will notify the partner in advance to jointly consider solutions.
4. Develop and maintain sustainable relationships with partners and have mutual trust.
5. Do not accept any dishonest benefits from partners.
6. Do not commit any acts that are false or deceive partners.

Creditors

Creditors are considered partners and crucial factors in business success. Therefore, the company has established the following equitable practices that consider mutual benefits:

1. Procurement of goods and services is conducted systematically and standardized under the following principles:
 - Establish fair contracts that do not exploit creditors.
 - Implement a management and monitoring system to ensure full compliance with contractual terms.
 - Make timely payments to creditors according to agreed-upon payment terms.
2. Strictly adhere to all agreed-upon terms and conditions.
3. In the event of an inability to comply with agreed-upon terms, the company will notify creditors in advance to jointly consider solutions.
4. Develop and maintain sustainable relationships with creditors based on mutual trust.
5. Refrain from accepting any dishonest benefits from creditors.
6. Refrain from any acts of misrepresentation or deception that could mislead creditors.

Community and society

The company is always aware that its survival and growth depend on society and the community. Therefore, to maintain a good society and community, the company adheres to the following practices:

1. Participate socially by providing financial or in-kind support to activities that preserve good customs, traditions, and culture, as well as practicing good citizenship by consistently sponsoring religious activities.
2. Support educational activities, professional development, sports skills, as well as assisting the underprivileged.
3. Provide consistent support and assistance to society and communities, including disaster relief.
4. Comply with relevant laws and regulations.

6.2 Business code of conduct

Business code of conduct

Business code of conduct : Yes

The company is committed to conducting business with ethics, morality, integrity, prudence, and diligence, and operating under the principles of good corporate governance. Therefore, the "Business Code of Conduct" has been established as a guideline for directors, executives, and employees to follow for the benefit of shareholders and all stakeholders.

Policy and guidelines related to business code of conduct

Guidelines related to business code of conduct : Prevention of conflicts of interest, Anti-corruption, Whistleblowing and Protection of Whistleblowers, Preventing the misuse of inside information, Gift giving or receiving, entertainment, or business hospitality, Information and assets usage and protection, Environmental management, Human rights, Safety and occupational health at work

Prevention of conflicts of interest

The company has established guidelines for directors, executives, and employees to serve as a guide for their work in preventing conflicts of interest, as follows:

1. Do not seek opportunities or use information obtained from being a director, executive, or employee for personal gain, or conduct business that competes with the company or engages in related businesses.
2. Do not use inside information for personal gain in trading the company's shares or provide inside information to others for the purpose of trading the company's shares.
3. Avoid engaging in self-dealing transactions that may create conflicts of interest with the company.
4. The company will conduct business as if it were transacting with an external party in cases where a director, executive, or employee has engaged in related party transactions with the company. The director, executive, or employee in question must not participate in the approval process.
5. During and after employment with the company, executives or employees must not disclose information considered confidential to anyone, whether it is electronic information, financial information, operational information, business information, future plans of the company, etc.
6. When problems arise, consult with superiors according to the chain of command for appropriate resolution.

The Audit Committee will review transactions that may have conflicts of interest and present them to the Board of Directors for acknowledgment of conflicts of interest and related party transactions. The Board of Directors will carefully consider the appropriateness and comply with the regulations of the Stock Exchange of Thailand. The price and conditions will be as if transacting with an external party in the ordinary course of business. Details, transaction value, counterparty, reasons, and necessity will be disclosed in the Annual Information Form/Annual Report (56-1 One Report) as well as in the notes to the financial statements. When considering related party transactions, directors who may have a conflict of interest must not be present at the meeting to participate in the deliberation and voting, both at the Board of Directors meeting and the shareholders' meeting.

Anti-corruption

The company has a fair business practice policy with honesty and integrity with stakeholders and places importance on internal control by recognizing the damage from corruption both inside and outside the organization. In its operations, it will not accept and will not allow it to occur. Therefore, it requires all departments to establish internal controls for operations, including compliance with laws, regulations, and company rules. The company has also established a code of ethics for directors, executives, and employees in business ethics as a guideline for work. Details are disclosed in the Code of Business Ethics on the company's website (www.kulthorn.com)

Whistleblowing and Protection of Whistleblowers

The company adheres to good corporate governance principles. It encourages its employees to monitor and report any actions that violate ethical principles, professional ethics, company rules and regulations, laws, or that may cause damage to the company. Company employees are informed of the whistleblowing procedures and the protection provided to whistleblowers as outlined in the work regulations manual and company's intranet communications. Employees can report such misconduct to the company by submitting

the matter along with supporting documents and/or evidence to the President and/or the Human Resources Manager of the company. This can be done in person, by mail, or through a complaint box. Employees are requested to provide their full name for ease of inquiry and/or further information requests. Reports without a name will not be considered. The Human Resources Manager will review and analyze the report, and if it is found to be credible, the matter will be brought to a meeting chaired by the President and considered with relevant parties for further action. The company will protect whistleblowing employees. The name of the informant will not be disclosed to anyone. Only the President and/or the Human Resources Manager of the company will be aware.

Preventing the misuse of inside information

The company is managed based on the principles of good corporate governance of the Stock Exchange of Thailand and places importance on the use of inside information in accordance with good corporate governance principles by adhering to the principles of good governance and integrity in business operations. The Board of Directors has therefore established a policy to prevent the misuse of inside information as a common practice as follows:

1. The company's directors, executives, and employees must maintain the confidentiality of the company's secrets and/or internal information.
2. The company's directors, executives, and employees must not disclose the company's secrets and/or internal information or seek benefits for themselves or for any other person, directly or indirectly, whether or not they receive compensation.
3. All directors, executives, and employees of the company, including their spouses and minor children, must not buy, sell, offer to buy, offer to sell, or persuade others to buy, sell, offer to buy, or offer to sell the company's securities, either directly or indirectly, in a manner that would be unfair to outsiders by taking advantage of material facts concerning changes in the price of securities that have not yet been disclosed to the public and which they have learned in their position or capacity. This applies regardless of whether such actions benefit themselves or others, or whether they disclose such facts to enable others to act in such a manner for their own benefit.
4. Directors, executives, and employees of the company, including their spouses and minor children who have access to inside information, are prohibited from buying or selling the company's securities during the 30-day period before the disclosure of quarterly and annual financial statements.
5. Directors, executives, and those holding managerial positions at the division manager level or higher, or equivalent, in accounting or finance (as defined by the Securities and Exchange Commission) are required to submit reports on their shareholdings in the company, including those of their spouses and minor children, to the Securities and Exchange Commission within 30 days of their appointment as directors or executives of the company. They must also submit reports every time there is a change in shareholdings to the Securities and Exchange Commission within 3 business days of buying, selling, transferring, or receiving a transfer of such securities.

Gift giving or receiving, entertainment, or business hospitality

Accepting or giving according to tradition and ethics to express gratitude or maintain normal business relationships is appropriate. However, giving inappropriate gifts, assets, presents, or other benefits will create an image of favoritism or obligation, which may affect decision-making in performing duties and may ultimately harm the company. The company does not support such actions and has established the following guidelines:

1. Accepting or giving assets or other benefits that may create an incentive for improper decision-making.
 - Employees must not accept or give money, assets, items, or any other benefits to anyone with the intention of inducing or omitting improper actions.
 - Accepting gifts or assets should be done ethically, not illegally, and the gifts or assets must not be illegal.
 - Expenses for business entertainment and other expenses directly related to compliance with business contracts are acceptable, but must be reasonable.
 - Giving gifts, assets, or other benefits to government officials, both in Thailand and abroad, must ensure that such giving does not violate the law and local customs.
2. Giving or receiving gifts and souvenirs.
 - Before accepting or giving gifts or souvenirs, ensure compliance with the law and company regulations. Gifts exchanged in a professional capacity should be reasonably priced and appropriate for the occasion.
 - Do not accept or give gifts or souvenirs that may unduly influence decision-making in performing duties. If it is necessary to accept unusually valuable gifts or souvenirs from business associates, report it to the supervisor according to the chain of command.
 - Keep payment evidence showing the value of gifts and souvenirs for later verification.
 - In cases where assigned or authorized by a supervisor to assist external agencies, money, items, or gifts may be accepted according to the rules or standards set by those external agencies.

3. Transactions with the government sector.

- When contacting government officials or agencies, conduct business correctly and straightforwardly.
- Comply with laws, regulations, or customs and traditions in each locality, which may have different conditions, procedures, or practices.
- Comply with the laws of each country or locality related to the employment of government officials, both in the case of hiring as consultants or as company employees. The terms of employment must be transparent and appropriate.

Information and assets usage and protection

The company recognizes the importance of intellectual property as a product of individual knowledge and ability. The company conducts checks to ensure that any information or work used within the company does not infringe upon the intellectual property rights of others.

1. The company does not permit or support the use of pirated or illegal software by employees in any company work.
2. Employees working on company computers must comply with copyright regulations and use software only as permitted by the company.
3. Employees must not use any work or inventions created during their employment for personal or other gain without the company's consent. Employees must return all intellectual property to the company, regardless of the format in which it is stored, upon termination of employment.
4. Before utilizing any inventions or information in company operations, employees must ensure that the inventions or information are legally compliant and do not infringe on the intellectual property rights of others.

Environmental management

Environmental responsibility is a crucial mission in the company's business operations. Therefore, the following guidelines have been established:

1. Conduct business with consideration for environmental conservation, safety management standards, and compliance with relevant laws and regulations.
2. Use various resources such as raw materials, capital, personnel, and energy, etc., efficiently and appropriately.
3. Continuously promote nature conservation activities and environmental protection campaigns, including supporting environmental conservation for society and various organizations, and disseminating environmental information to create a positive image and understanding of the company's environmental management.
4. Promote environmental knowledge and training for employees within the organization to instill environmental responsibility in all employees' duties.

Human rights

The company adheres to the principles of human rights. All employees must strictly refrain from any actions that violate or promote the violation of human rights, as follows:

1. Personal Rights and Freedoms

- The company protects the privacy of employee personal data, treating it as confidential and not transmitting or distributing it to unrelated individuals.
- Disclosure or transfer of personal data will only occur with the consent of the data owner.
- Individuals may claim human dignity or exercise their rights and freedoms only insofar as they do not violate the rights and freedoms of others.

2. Equal Treatment of Employees

- The company treats all employees equally, without discrimination based on race, nationality, language, religion, gender, age, or education.
- Employees must treat each other with respect, conduct themselves appropriately according to their job responsibilities, company regulations, and customs, and avoid damaging the company's image.
- The company provides opportunities for employees to demonstrate their full potential, offering appropriate compensation according to company regulations and opportunities for further education, including higher education and short-term and long-term training.
- Performance evaluations must be conducted fairly and impartially.
- When performing duties, avoid expressing opinions related to differences in physical and mental abilities, race, nationality, language, religion, gender, age, education, or any other matter that may lead to conflict.
- Help monitor and ensure a work environment free from oppression, intimidation, or unfair treatment.
- Respect and value each other's opinions.

Safety and occupational health at work

The company establishes a code of conduct for safety, occupational health, and the environment for all personnel and departments at all levels of the organization to adhere to as follows:

1. The company prioritizes continuous compliance with laws and regulations regarding safety, occupational health, and the working environment.
2. Continuously promote and support activities, cultivate awareness, and provide training on safety, occupational health, and the working environment for personnel at all levels.
3. The company prioritizes systematic planning, control, prevention, and correction of accidents, incidents, and occupational diseases to prevent loss of life and property for company personnel, as well as external individuals.
4. The company emphasizes the responsibilities of personnel according to the law regarding safety, occupational health, and the working environment.

Promotion of compliance with the business code of conduct

Promotion for the board of directors, executives, and : Yes
employees to comply with the business code of conduct

Code of Conduct for Directors and Executives

The company expects directors and executives to demonstrate their intention to conduct the company's business with transparency and ethics, perform their duties according to ethical standards with honesty, prudence, and diligence for the benefit of shareholders and all stakeholders. The company has therefore established a code of conduct to serve as a guideline for directors and executives as follows:

1. Conduct the company's business with honesty, fairness, transparency, and ethics.
2. Perform their duties to the best of their ability for the maximum benefit of the company.
3. Perform duties in accordance with laws, rules, and regulations related to business operations.
4. Have independence in decision-making and actions based on correctness.
5. Perform duties by avoiding conflicts of personal interest with the company's interests for efficient management.
6. Have no interest or stake in businesses conducted with the company or in businesses that compete with the company, either directly or indirectly.
7. Maintain the confidentiality of the company and stakeholders, preventing leaks to unrelated parties, which may cause damage to the company or stakeholders.
8. Do not use inside information for personal gain in trading the company's shares or provide inside information to others for the benefit of trading the company's shares.

Employee Code of Conduct

The company has trained and informed employees about the guidelines for good conduct and ethics through new employee orientation. This code of conduct has been recorded in the company's work regulations to be observed as follows:

1. Must be dedicated and perform duties to the best of their knowledge and ability in assigned tasks.
2. Must respect and comply with the rules and regulations set by the company.
3. Must respect and comply with lawful orders and proper instructions from superiors, as well as persons assigned by the company.
4. Must protect the company's assets and interests.
5. Must maintain working hours and attend work regularly.
6. Must perform duties with honesty and integrity.
7. Must conduct themselves with good discipline and morals.
8. Maintain the confidentiality of the company and stakeholders, preventing leaks to unrelated parties, which may cause damage to the company or stakeholders.
9. Do not use inside information for personal gain in trading the company's shares or provide inside information to others for the benefit of trading the company's shares.

6.3 Material changes and developments in policy and corporate governance system over the past year

6.3.1 Material changes and developments related to the review of policy and guidelines in corporate governance system or board of directors' charter

In the past year, did the company review the corporate governance policy and guidelines, or board of directors' charter : No

Material changes and developments in policy and guidelines over the past year : No

The Board of Directors has established a corporate governance policy for all directors, executives, and employees to adhere to as a guideline for operations and business conduct. In 2021, the Board of Directors reviewed and approved the company's corporate governance policy and code of business conduct for current relevance on November 10, 2021, which has been published on the company's website (www.kulthorn.com).

In 2024, the company had no changes or amendments.

6.3.2 Implementation of the CG Code for listed companies

Implementation of the CG Code as prescribed by the SEC : Fully implement

Corporate Governance Report of Listed Companies (CGR) project, which the company has complied with the assessment criteria, which are divided into 5 categories, namely:

1. Shareholders' Rights
 2. Equal Treatment of Shareholders
 3. Role of Stakeholders
 4. Disclosure and Transparency
 5. Board Responsibilities
- In 2024, the company was not audited.

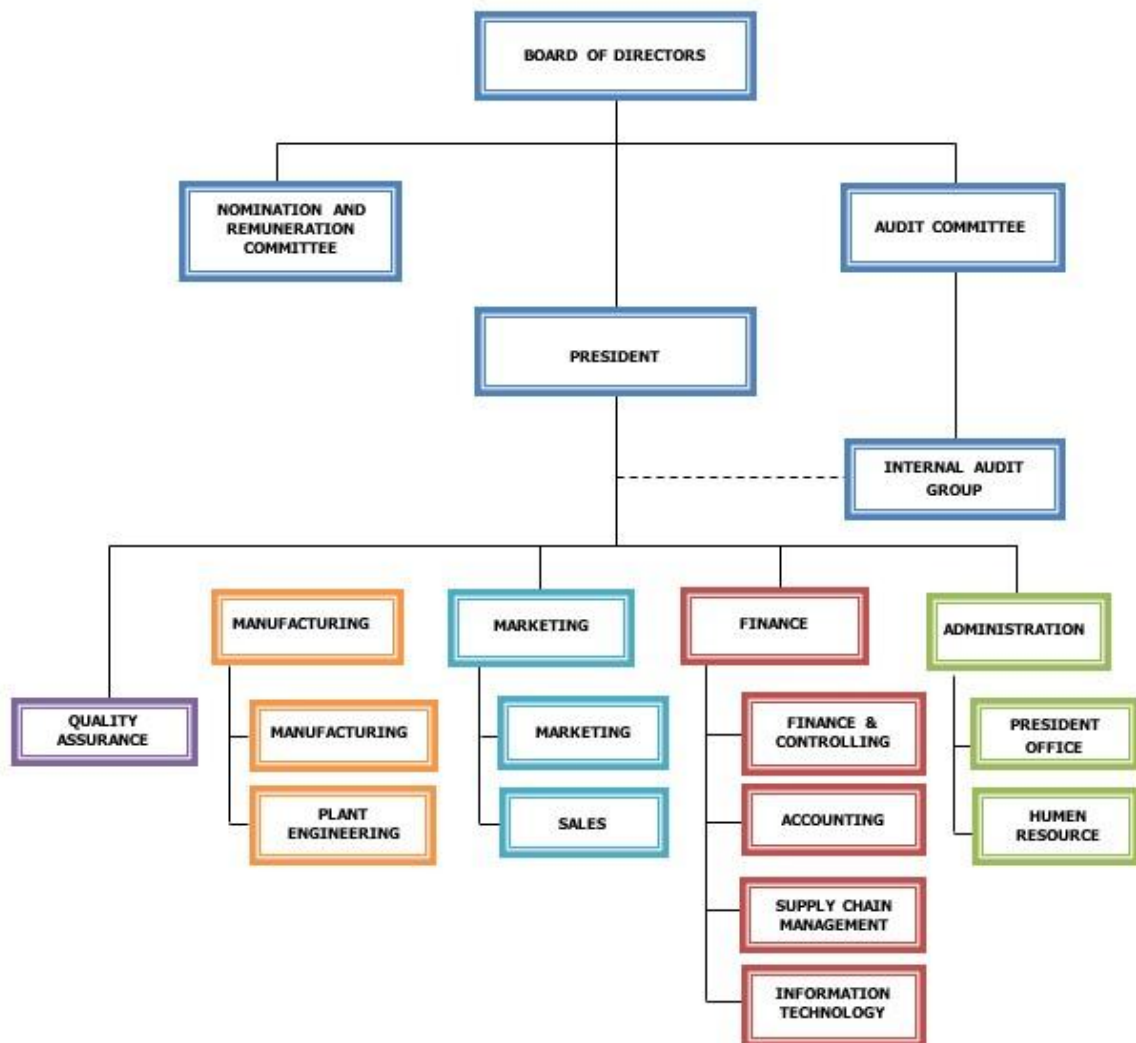
7. Corporate governance structure and significant information related to the board of directors, subcommittees, executives, employees, and others

7.1 Corporate governance structure

Corporate governance structure diagram

Corporate governance structure as of date : 31 December 2024

Corporate governance structure diagram



Company Organization Chart

7.2 Information on the board of directors

7.2.1 Composition of the board of directors

	Number (persons)	Percent (%)
Total directors	8	100.00
Male directors	7	87.50
Female directors	1	12.50
Executive directors	2	25.00
Non-executive directors	6	75.00
Independent directors	3	37.50
Non-executive directors who have no position in independent directors	3	37.50

7.2.2 The information on each director and controlling person

List of the board of directors

List of directors	Position	First appointment date of director	Skills and expertise
<p>1. Mr. SUTEE SIMAKULTHORN</p> <p>Gender: Male</p> <p>Age : 55 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Have</p> <p>Legal offenses in the past 5 years ^(*) : Doesn't Have</p> <p>DAP course : No</p> <p>DCP course : Yes</p>	<p>Chairman of the board of directors</p> <p>(Executive Directors)</p> <p>Authorized directors as per the company's certificate of registration : Yes</p> <p>Type of director : Existing director</p>	12 May 2021	Engineering
<p>2. Mr. TAWACHAI JALANAKARAN</p> <p>Gender: Male</p> <p>Age : 70 years</p> <p>Highest level of education : Barrister</p> <p>Study field of the highest level of education : Law</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years ^(*) : Doesn't Have</p> <p>DAP course : Yes</p> <p>DCP course : No</p> <p>Shareholding in a company</p> <ul style="list-style-type: none"> Shareholding by persons related to directors, executives according to Section 59 ^(**) : 1,430 Shares (0.000095 %) 	<p>Director</p> <p>(Non-executive directors, Independent director)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Continuing director (Full term of directorship and being re-appointed as a director)</p>	16 Dec 1998	Law, Audit
<p>3. Mr. SOMLAK JIAMTIRANAT</p> <p>Gender: Male</p> <p>Age : 75 years</p> <p>Highest level of education : Bachelor's degree</p> <p>Study field of the highest level of education : Engineering</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years ^(*) : Doesn't Have</p> <p>DAP course : No</p> <p>DCP course : Yes</p>	<p>Director</p> <p>(Non-executive directors, Independent director)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Existing director</p>	28 Apr 2010	Engineering

List of directors	Position	First appointment date of director	Skills and expertise
<p>4. Mr. TITISAK SIMAKULTHORN</p> <p>Gender: Male</p> <p>Age : 46 years</p> <p>Highest level of education : Bachelor's degree</p> <p>Study field of the highest level of education : Engineering</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years ^(*) : Doesn't Have</p> <p>DAP course : No</p> <p>DCP course : No</p>	<p>Director (Non-executive directors)</p> <p>Authorized directors as per the company's certificate of registration : Yes</p> <p>Type of director : Continuing director (Full term of directorship and being re-appointed as a director)</p>	28 Apr 2010	Engineering
<p>5. Rear Admiral NARUEDOM SA-ARDYEN</p> <p>Gender: Male</p> <p>Age : 83 years</p> <p>Highest level of education : Bachelor's degree</p> <p>Study field of the highest level of education : Accounting</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years ^(*) : Doesn't Have</p> <p>DAP course : No</p> <p>DCP course : No</p>	<p>Director (Non-executive directors, Independent director)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Existing director</p>	16 Mar 2018	Accounting
<p>6. Mr. ABHIJIT SIMAKULTHORN</p> <p>Gender: Male</p> <p>Age : 46 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years ^(*) : Doesn't Have</p> <p>DAP course : No</p> <p>DCP course : Yes</p> <p>Shareholding in a company</p> <ul style="list-style-type: none"> • Direct shareholding : 7,251,125 Shares (0.483408 %) 	<p>Director (Non-executive directors)</p> <p>Authorized directors as per the company's certificate of registration : Yes</p> <p>Type of director : Continuing director (Full term of directorship and being re-appointed as a director)</p>	19 Dec 2018	Economics

List of directors	Position	First appointment date of director	Skills and expertise
<p>7. Mr. SUTAS SIMAKULTHORN</p> <p>Gender: Male</p> <p>Age : 52 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Have</p> <p>Legal offenses in the past 5 years ^(*) : Doesn't Have</p> <p>DAP course : No</p> <p>DCP course : No</p>	<p>Director (Non-executive directors)</p> <p>Authorized directors as per the company's certificate of registration : Yes</p> <p>Type of director : Existing director</p>	12 May 2021	Engineering
<p>8. Mrs. SUPANEE CHANTASASAWAT</p> <p>Gender: Female</p> <p>Age : 56 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Have</p> <p>Legal offenses in the past 5 years ^(*) : Doesn't Have</p> <p>DAP course : No</p> <p>DCP course : No</p>	<p>Director (Executive Directors)</p> <p>Authorized directors as per the company's certificate of registration : Yes</p> <p>Type of director : Newly appointed director to replace the ex-director</p>	10 Jul 2024	Business Administration, Marketing, Accounting

Additional explanation :

(*) Any offense under the Securities and Exchange Act B.E. 2535 (1992) or the Derivatives Act B.E. 2546 (2003), only in the following cases:

(1) Dishonest act or gross negligence

(2) Disclosure or dissemination of false information or statements that may be misleading or conceal material facts that should be notified, which may affect decision making of shareholders, investors or other parties involved

(3) Unfair acts or exploitation of investors in trading securities or derivatives, or participation in, or support to, such acts.

(**) Shareholdings by persons related to directors or executives as prescribed in Section 59 of the Securities and Exchange Act B.E. 2535 (1992), such as spouses or cohabiting couple (unmarried couples living together openly), minor children, etc.

List of board of directors who resigned / vacated their position during the year

List of directors	Position	Date of resignation / termination	Replacement director
<p>1. Mrs. SUPANEE CHANTASASAWAT</p> <p>Gender: Female</p> <p>Age : 56 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Have</p> <p>Legal offenses in the past 5 years ^(*) : Doesn't Have</p> <p>DAP course : No</p> <p>DCP course : No</p>	<p>Director (Executive Directors)</p> <p>Authorized directors as per the company's certificate of registration : Yes</p>	29 May 2024	-
<p>2. Mr. KANOK SURIYASAT</p> <p>Gender: Male</p> <p>Age : 58 years</p> <p>Highest level of education : Bachelor's degree</p> <p>Study field of the highest level of education : Fine and Applied Arts</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years ^(*) : Doesn't Have</p> <p>DAP course : No</p> <p>DCP course : Yes</p>	<p>Director (Non-executive directors)</p> <p>Authorized directors as per the company's certificate of registration : Yes</p>	28 Jun 2024	<p>Mrs. SUPANEE CHANTASASAWAT</p> <p>Appointment date of replacement director : 10 Jul 2024</p>
<p>3. Mr. PRASAN TANPRASERT</p> <p>Gender: Male</p> <p>Age : 76 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years ^(*) : Doesn't Have</p> <p>DAP course : No</p> <p>DCP course : Yes</p>	<p>Director (Non-executive directors)</p> <p>Authorized directors as per the company's certificate of registration : Yes</p>	28 Jun 2024	-

Additional explanation :

(*) Any offense under the Securities and Exchange Act B.E. 2535 (1992) or the Derivatives Act B.E. 2546 (2003), only in the following cases:

(1) Dishonest act or gross negligence

(2) Disclosure or dissemination of false information or statements that may be misleading or conceal material facts that should be notified, which may affect decision making of shareholders, investors or other parties involved

(3) Unfair acts or exploitation of investors in trading securities or derivatives, or participation in, or support to, such acts.

(**) Shareholdings by persons related to directors or executives as prescribed in Section 59 of the Securities and Exchange Act B.E. 2535 (1992), such as spouses or cohabiting couple

List of the board of directors by position

List of the board of directors	Position	Executive directors	Non-executive directors	Independent directors	Non-executive directors who have no position in independent directors	Authorized directors as per the company's certificate of registration
1. Mr. SUTEE SIMAKULTHORN	Chairman of the board of directors	✓				✓
2. Mr. TAWACHAI JALANAKARAN	Director		✓	✓		
3. Mr. SOMLAK JIANTIRANAT	Director		✓	✓		
4. Mr. TITISAK SIMAKULTHORN	Director		✓		✓	✓
5. Rear Admiral NARUEDOM SA-ARDYEN	Director		✓	✓		
6. Mr. ABHIJIT SIMAKULTHORN	Director		✓		✓	✓
7. Mr. SUTAS SIMAKULTHORN	Director		✓		✓	✓
8. Mrs. SUPANEE CHANTASASAWAT	Director	✓				✓
Total (persons)		2	6	3	3	5

Overview of director skills and expertise

Skills and expertise	Number (persons)	Percent (%)
1. Economics	1	12.50
2. Law	1	12.50
3. Marketing	1	12.50
4. Accounting	2	25.00
5. Engineering	4	50.00
6. Audit	1	12.50
7. Business Administration	1	12.50

Information about the other directors

The chairman of the board and the highest-ranking executive : No
are from the same person

The chairman of the board is an independent director : No

The chairman of the board and the highest-ranking executive : Yes
are from the same family

Chairman is a member of the executive board or taskforce : Yes

The company appoints at least one independent director to : Yes
determine the agenda of the board of directors' meeting

The measures for balancing the power between the board of directors and the Management

The measures for balancing the power between the board of : Yes
directors and the Management

Methods of balancing power between the board of directors : Increasing the proportion of independent directors to more than
and Management half

The company has at least one-third of its board of directors as independent non-executive directors, or four individuals, who are genuinely independent from management and free from any business or other relationships. They participate in corporate governance with independence and impartiality, for the best interests of shareholders and stakeholders, and to ensure a balance of power in operations.

7.2.3 Information on the roles and duties of the board of directors

Board charter : Yes

The Board of Directors, as representatives of the shareholders, plays a role in overseeing management to ensure it aligns with the goals and guidelines that will maximize shareholder benefits. This is done while considering the interests of all stakeholders and adhering to the company's objectives, articles of association, Board resolutions, shareholder meeting resolutions, as well as laws, regulations, rules of the Stock Exchange of Thailand, and the Securities and Exchange Commission.

7.3 Information on subcommittees

7.3.1 Information on roles of subcommittees

Roles of subcommittees

Board of Directors

Role

- Audit of financial statements and internal controls
- Director and executive nomination
- Remuneration
- Sustainability development

Scope of authorities, role, and duties

1. Perform duties with responsibility, diligence, and integrity, in accordance with the company's objectives, articles of association, board resolutions, shareholder meeting resolutions, laws, regulations, rules of the Stock Exchange of Thailand, and the Securities and Exchange Commission, including accurate and complete disclosure of information to shareholders.
2. Establish policies and operational directions for the company, and oversee management to ensure effective and efficient implementation of these policies.
3. Consider and approve the annual budget and investments of the company.
4. Consider and select directors to replace those whose terms expire, as well as consider the remuneration of the company's directors, audit committee, nomination and remuneration committee, and other sub-committees (if any), for presentation to the shareholders' meeting for approval.
5. Consider and appoint the audit committee to oversee the management and internal control systems to ensure compliance with established policies.
6. Consider and appoint the nomination and remuneration committee, other sub-committees (if any), the president, and the company secretary.
7. Ensure the preparation of the statement of financial position and statement of comprehensive income as of the end of the company's fiscal year, and sign to certify these financial statements for presentation to the shareholders' meeting at the annual general meeting for approval.
8. Consider, select, and appoint an auditor, and consider appropriate remuneration proposed by the audit committee before presenting it to the shareholders' meeting at the annual general meeting for approval.
9. Establish written corporate governance and business ethics policies, and oversee the prevention of conflicts of interest, as well as internal control and risk management systems.
10. Oversee management in accordance with good corporate governance policies to ensure that the company acts responsibly and fairly towards all stakeholders.
11. Notify the company without delay of any direct or indirect interests of themselves or related persons in any contracts or transactions related to the company or its subsidiaries.
12. Notify the company, at the board of directors meeting, of any shareholdings or changes in shareholdings in the company.

Reference link for the charter

-

Audit Committee

Role

- Corporate governance

Scope of authorities, role, and duties

1. Review the company's financial reports for accuracy and adequate disclosure.
2. Review the company's internal control and internal audit systems for adequacy and effectiveness, consider the independence of the internal audit unit, and approve the appointment, transfer, and termination of the head of internal audit or any other unit responsible for internal audit.
3. Review the company's compliance with securities and exchange laws, regulations of the Stock Exchange of Thailand, and other laws relevant to the company's business.
4. Consider, select, and propose the appointment of independent individuals to serve as the company's auditors, including proposing their remuneration to the Board of Directors for consideration by the shareholders' meeting.
5. Hold meetings of the Audit Committee with the auditors without the presence of management at least once a year.
6. Review related party transactions or transactions that may involve conflicts of interest to ensure compliance with laws and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission, ensuring that such transactions are reasonable and in the best interests of the company.
7. Prepare the Audit Committee report for inclusion in the company's annual report, containing at least the information required by the Stock Exchange of Thailand's regulations.
8. In performing its duties, if the Audit Committee discovers or suspects any of the following events or actions that may have a significant impact on the company's financial position and operating results, it shall report to the Board of Directors for corrective action within a timeframe deemed appropriate by the Audit Committee:
 - (a) Transactions involving conflicts of interest.
 - (b) Fraud, irregularities, or significant deficiencies in the internal control system.
 - (c) Violations of securities and exchange laws, regulations of the Stock Exchange of Thailand, or laws related to the company's business. If the Board of Directors or management fails to take corrective action within the specified timeframe, any member of the Audit Committee may report such events or actions to the Securities and Exchange Commission or the Stock Exchange of Thailand.
9. Support and monitor the company's implementation of an effective risk management system.
10. Report the Audit Committee's performance to the Board of Directors at Board meetings.
11. Perform other duties as assigned by the Board of Directors.

Reference link for the charter

-

7.3.2 Information on each subcommittee

List of audit committee

List of directors	Position	Appointment date of audit committee member	Skills and expertise
1. Mr. TAWACHAI JALANAKARAN ^(*) Gender: Male Age : 70 years Highest level of education : Barrister Study field of the highest level of education : Law Thai nationality : Yes Residence in Thailand : Yes Expertise in accounting information review : Yes	Chairman of the audit committee (Non-executive directors, Independent director) Director type : Existing director	7 May 2018	Law, Audit
2. Rear Admiral NARUEDOM SA-ARDYEN ^(*) Gender: Male Age : 83 years Highest level of education : Bachelor's degree Study field of the highest level of education : Accounting Thai nationality : Yes Residence in Thailand : Yes Expertise in accounting information review : Yes	Member of the audit committee (Non-executive directors, Independent director) Director type : Continuing director (Full term of directorship and being re-appointed as a director)	7 May 2018	Accounting
3. Mr. SOMLAK JIANTIRANAT ^(*) Gender: Male Age : 75 years Highest level of education : Bachelor's degree Study field of the highest level of education : Engineering Thai nationality : Yes Residence in Thailand : Yes Expertise in accounting information review : Yes	Member of the audit committee (Non-executive directors, Independent director) Director type : Existing director	8 Nov 2023	Engineering

Additional explanation :

(*) Directors with expertise in accounting information review

7.4 Information on the executives

7.4.1 List and positions of the executive

List of the highest-ranking executive and the next four executives

List of executives	Position	First appointment date	Skills and expertise
<p>1. Mr. SUTEE SIMAKULTHORN^(**)</p> <p>Gender: Male</p> <p>Age : 55 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : Yes</p> <p>Residing in Thailand : Yes</p> <p>Highest responsibility in corporate accounting and finance : No</p> <p>Accounting supervisor : Yes</p>	Acting President	15 Jul 2024	Engineering
<p>2. Mrs. SUPANEE CHANTASASAWAT</p> <p>Gender: Female</p> <p>Age : 56 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : Yes</p> <p>Residing in Thailand : Yes</p> <p>Highest responsibility in corporate accounting and finance : No</p> <p>Accounting supervisor : No</p>	Executive Vice President (Marketing)	1 Aug 2019	Business Administration, Marketing, Accounting
<p>3. Pol. Gen Pateep Tanprasert</p> <p>Gender: Male</p> <p>Age : 75 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Political Science</p> <p>Thai nationality : Yes</p> <p>Residing in Thailand : Yes</p> <p>Highest responsibility in corporate accounting and finance : No</p> <p>Accounting supervisor : No</p>	Acting Executive Vice President (Administration)	1 Aug 2024	Law, Business Administration
<p>4. Mr. Kamkerng Neampha</p> <p>Gender: Male</p> <p>Age : 60 years</p> <p>Highest level of education : Bachelor's degree</p> <p>Study field of the highest level of education : Engineering</p> <p>Thai nationality : Yes</p> <p>Residing in Thailand : Yes</p> <p>Highest responsibility in corporate accounting and finance : No</p> <p>Accounting supervisor : No</p>	Acting Executive Vice President (Manufacturing)	15 Jul 2024	Engineering

List of executives	Position	First appointment date	Skills and expertise
5. Ms. Rewadee Likhitsupin ^(*) Gender: Female Age : 61 years Highest level of education : Bachelor's degree Study field of the highest level of education : Accounting Thai nationality : Yes Residing in Thailand : Yes Highest responsibility in corporate accounting and finance : Yes Accounting supervisor : No	Acting Executive Vice President (Finance)	15 Jul 2024	Accounting

Additional Explanation :

(*) Highest responsibility in corporate accounting and finance

(**) Accounting supervisor

(***) Appointed after the fiscal year end of the reporting year

7.4.2 Remuneration policy for executive directors and executives

The Board of Directors has determined the compensation of executives by considering their knowledge, ability, authority and responsibility appropriately. The compensation is paid in the form of salary and bonus. In addition, the Company has established a provident fund, to which the Company pays contributions at a rate of 3 to 7 percent of salary.

Does the board of directors or the remuneration committee : No
 have an opinion on the remuneration policy for executive
 directors and executives

7.4.3 Remuneration of executive directors and executives

Monetary remuneration of executive directors and executives

	2022	2023	2024
Total remuneration of executive directors and executives (baht)	7,600,000.00	14,185,000.00	9,445,000.00
Total remuneration of executives (baht)	N/A	N/A	9,445,000.00

Other remunerations of executive directors and executives

	2022	2023	2024
Company's contribution to provident fund for executive directors and executives (Baht)	623,625.00	658,466.67	425,013.13
Employee Stock Ownership Plan (ESOP)	No	No	-
Employee Joint Investment Program (EJIP)	No	No	-

Outstanding remuneration or benefits of executive directors and executives

Outstanding remuneration or benefits of executive directors and executives in the past year	:	3,697,658.44
Estimated remuneration of executive directors and executives in the current year	:	6,645,000.00

7.5 Information on employees

Information on the company's employees

Employees

	2022	2023	2024
Total employees (persons)	1,028	901	784
Male employees (persons)	568	481	420
Female employees (persons)	460	420	364

Number of employees by position and department

Number of male employees by position

	2022	2023	2024
Total number of male employees in operational level (Persons)	543	459	401
Total number of male employees in management level (Persons)	23	20	18
Total number of male employees in executive level (Persons)	2	2	1

Number of female employees by position

	2022	2023	2024
Total number of female employees in operational level (Persons)	446	407	355
Total number of female employees in management level (Persons)	12	11	9
Total number of female employees in executive level (Persons)	2	2	0

Number of employees categorized by department over the past year

Department / Line of work / Unit / Business group	Number of employees
Manufacturing	574
Administration	52
Finance	106
Marketing	14
Quality Assurance	38
Total number of employees	784

Significant changes in the number of employees

Significant changes in number of employees over the past 3 : No
Years

Information on employee remuneration

Employee remuneration

	2022	2023	2024
Total employee remuneration (baht)	246,379,333.61	230,984,503.70	208,191,489.29
Total male employee remuneration (Baht)	138,776,960.33	133,942,156.70	119,283,219.39
Total female employee remuneration (Baht)	107,602,373.28	97,042,347.00	88,908,269.90

Employee remuneration categorized by department over the past year

Department / Line of work / Unit / Business group	Employee remuneration
Manufacturing	125,765,217.08
Administration	31,376,882.02
Finance	35,058,126.84
Marketing	6,244,365.73
Quality Assurance	9,746,897.62
Total employee remuneration	208,191,489.29

Provident fund management policy

Provident fund management policy : Have

The Company has adopted the TISCO Master Joint Venture Provident Fund Management Policy by selecting the MRT-ME investment policy (mixed policy, shares not exceeding 20%).

Provident fund for employees (PVD)

	2022	2023	2024
Number of employees joining in PVD (persons)	464	476	354
Proportion of employees who are PVD members (%)	45.14	52.83	45.15
Total amount of provident fund contributed by the company (baht)	5,118,846.97	4,431,087.62	3,528,608.44

7.6 Other significant information

7.6.1 Assigned person

List of persons assigned for accounting oversight

General information	Email	Telephone number
1. Mr. Sutee Simakulthorn	sutee@kulthorn.com	023260831-6

List of the company secretary

General information	Email	Telephone number
1. Pol. Gen Pateep Tanprasert	companysecretary@kulthorn.com	023260831-6

List of the head of internal audit or outsourced internal auditor

General information	Email	Telephone number
1. Mr. Supoj Pannoi	info@amtaudit.com	021841846

List of the head of the compliance unit

General information	Email	Telephone number
1. Pol. Gen Pateep Tanprasert	pateep.t@kulthorn.com	023260831-6

7.6.2 Head of investor relations

Does the Company have an appointed head of investor relations : No

7.6.3 Company's auditor

Details of the company's auditor

Audit firms	Audit fee (Baht)	Other service fees	Names and general information of auditors
EY OFFICE LIMITED 33RD FLOOR, LAKE RAJADA OFFICE COMPLEX, 193/136-137 RAJADAPISEK ROAD KHLONG TOEI KHLONG TOEI Bangkok 10110 Telephone +66 2264 9090	6,755,000.00	-	<p>1. Ms. NATTEERA PONGPINITPINYO Email: Natteera.Pongpinitpinyo@th.ey.com License number: 7362</p> <p>2. Mrs. SARINDA HIRUNPRASURTWUTTI Email: Sarinda.Hirunprasurtwutti@th.ey.com License number: 4799</p> <p>3. Ms. SIRIWAN SURATEPIN Email: Siriwan.Suratepin@th.ey.com License number: 4604</p>

7.6.4 Assigned personnel in case of a foreign company

Does the company have any individual assigned to be : No
representatives in Thailand

8. Report on key operating results on corporate governance

8.1 Summary of duty performance of the board of directors over the past year

8.1.1 Selection, development and evaluation of duty performance of the board of directors

Information about the selection of the board of directors

List of directors whose terms have ended and have been reappointed

List of directors	Position	First appointment date of director	Skills and expertise
Mr. TAWACHAI JALANAKARAN	Director (Non-executive directors, Independent director)	16 Dec 1998	Law, Audit
Mr. TITISAK SIMAKULTHORN	Director (Non-executive directors)	28 Apr 2010	Engineering
Mr. ABHUJIT SIMAKULTHORN	Director (Non-executive directors)	19 Dec 2018	Economics

List of newly appointed director to replace the ex-director

List of directors	Position	First appointment date of director	Skills and expertise
Mrs. SUPANEE CHANTASASAWAT	Director (Executive Directors)	10 Jul 2024	Business Administration, Marketing, Accounting

Selection of independent directors

Criteria for selecting independent directors

Qualifications of Independent Directors (which are more stringent than the minimum requirements of the Stock Exchange of Thailand)

1. Holds no more than 0.5 percent of the total voting shares of the company, its parent company, subsidiaries, associated companies, major shareholders, or persons who control the company. This includes the shareholdings of persons related to such independent directors.
2. Is not or has never been an executive director, employee, staff member, consultant receiving a regular salary, or controlling person of the company, its parent company, subsidiaries, associated companies, subsidiaries of the same level, major shareholders, or persons who control the company, unless such status has ceased for at least 2 years before the date of appointment as an independent director.
3. Is not a person who is related by blood or by registration under the law as a father, mother, spouse, sibling, and child, including the spouse of a child, of an executive, major shareholder, controlling person, or a person who will be proposed as an executive or controlling person of the company or its subsidiaries.
4. Does not have or has never had a business relationship with the company, its parent company, subsidiaries, associated companies, major shareholders, or persons who control the company in a manner that may impede their independent judgment, and is not or has never been a significant shareholder or controlling person of a person who has a business relationship with the company, its parent company, subsidiaries, associated companies, major shareholders, or persons who control the company, unless such status has ceased for at least 2 years before the date of appointment as an independent director. The business relationship as mentioned in the first paragraph includes normal commercial transactions for business operations, leasing or renting of real estate, transactions relating to assets or services, or providing or receiving financial assistance by borrowing or lending, guaranteeing, providing assets as collateral for debts, including other similar acts that result in the company or the

counterparty having a debt obligation payable to the other party, starting from 3 percent of the company's net tangible assets or from 20 million baht, whichever is lower.

5. Is not or has never been an auditor of the company, its parent company, subsidiaries, associated companies, major shareholders, or persons who control the company, and is not a significant shareholder, controlling person, or partner of an audit firm to which the auditor of the company, its parent company, subsidiaries, associated companies, major shareholders, or persons who control the company belongs, unless such status has ceased for at least 2 years before the date of appointment as an independent director.

6. Is not or has never been a provider of any professional services, including legal or financial advisory services, receiving fees exceeding 2 million baht per year from the company, its parent company, subsidiaries, associated companies, major shareholders, or persons who control the company, and is not a significant shareholder, controlling person, or partner of such professional service provider, unless such status has ceased for at least 2 years before the date of appointment as an independent director.

7. Is not a director appointed to represent a director of the company, a major shareholder, or a shareholder who is related to a major shareholder.

8. Does not operate a business that is substantially similar and materially competes with the business of the company or its subsidiaries, or is not a significant partner in a partnership, or is not an executive director, employee, staff member, consultant receiving a regular salary, or holds more than 1 percent of the total voting shares of another company that operates a business that is substantially similar and materially competes with the business of the company or its subsidiaries.

9. Has no other characteristics that would prevent them from providing independent opinions on the company's operations. After being appointed as an independent director in accordance with items 1 to 9, an independent director may be assigned by the Board of Directors to make decisions in the operations of the company, its parent company, subsidiaries, associated companies, major shareholders, or persons who control the company, by making decisions in the form of a collective decision, without being considered an executive director. In addition, in the event that the Capital Market Supervisory Board or the Securities and Exchange Commission has issued an announcement to improve or relax the criteria for independent directors, such criteria shall be followed thereafter.

Business or professional relationships of independent directors over the past year

Business or professional relationships of independent directors over the past year : No

Selection of directors and the highest-ranking executive

Method for selecting directors and the highest-ranking executive

Method for selecting persons to be appointed as directors through the nomination committee : No
Method for selecting persons to be appointed as the highest-ranking executive through the nomination committee : No

Rights of minority shareholders on director appointment

The company has provided an opportunity for shareholders to nominate individuals for consideration for election as company directors in advance, with the main criteria and procedures as disclosed on the company's website at www.kulthorn.com and has been published on the website of the Stock Exchange of Thailand.

Method of director appointment : Method whereby each director requires approval votes more than half of the votes of attending shareholders and casting votes

Information on the development of directors

Development of directors over the past year

Details of the development of directors over the past year

List of directors	Participation in training in the past financial year	History of training participation
1. Mr. SUTEE SIMAKULTHORN Chairman of the board of directors	Non-participating	Thai Institute of Directors (IOD) • 2003: Director Certification Program (DCP)
2. Mr. TAWACHAI JALANAKARAN Director	Non-participating	Thai Institute of Directors (IOD) • 2019: Advanced Audit Committee Program (AAP) • 2004: Director Accreditation Program (DAP)
3. Mr. SOMLAK JIANTIRANAT Director	Non-participating	Thai Institute of Directors (IOD) • 2003: Director Certification Program (DCP)
4. Mr. TITISAK SIMAKULTHORN Director	Non-participating	Thai Institute of Directors (IOD) • 2016: Director Certification Program (DCP)
5. Rear Admiral NARUEDOM SA-ARDYEN Director	Non-participating	-
6. Mr. ABHIJIT SIMAKULTHORN Director	Non-participating	Thai Institute of Directors (IOD) • 2011: Director Certification Program (DCP) • 2011: Financial Statements for Directors (FSD)
7. Mr. SUTAS SIMAKULTHORN Director	Non-participating	-
8. Mrs. SUPANEE CHANTASASAWAT Director	Non-participating	-
9. Mr. KANOK SURIYASAT Director	Non-participating	Thai Institute of Directors (IOD) • 2002: Director Certification Program (DCP)
10. Mr. PRASAN TANPRASERT Director	Non-participating	Thai Institute of Directors (IOD) • 2006: Director Certification Program (DCP)

Information on the evaluation of duty performance of directors

Criteria for evaluating the duty performance of the board of directors

The company has the following criteria for evaluating the performance of the Board of Directors:

1. Board Structure and Qualifications
2. Roles, Responsibilities, and Liabilities of the Board of Directors
3. Board Meetings
4. Duties of the Directors
5. Relationship with Management
6. Director Development and Management Development

Evaluation of the duty performance of the board of directors over the past year

In 2024, the company did not conduct a performance evaluation of the board of directors.

8.1.2 Meeting attendance and remuneration payment to each board member

Meeting attendance of the board of directors

Meeting attendance of the board of directors

Number of the board of directors meeting over the past : 7
year (times)
Date of AGM meeting : 29 May 2024
EGM meeting : No

Details of the board of directors' meeting attendance

List of directors	Meeting attendance of the board of directors			AGM meeting attendance			EGM meeting attendance		
	Attendance (times)	/	Meeting rights (times)	Attendance (times)	/	Meeting rights (times)	Attendance (times)	/	Meeting rights (times)
1. Mr. SUTEE SIMAKULTHORN (Chairman of the board of directors)	6	/	7	1	/	1	N/A	/	N/A
2. Mr. TAWACHAI JALANAKARAN (Director, Independent director)	6	/	7	1	/	1	N/A	/	N/A
3. Mr. SOMLAK JIANTIRANAT (Director, Independent director)	7	/	7	1	/	1	N/A	/	N/A
4. Mr. TITISAK SIMAKULTHORN (Director)	6	/	7	1	/	1	N/A	/	N/A
5. Rear Admiral NARUEDOM SA-ARDYEN (Director, Independent director)	7	/	7	1	/	1	N/A	/	N/A
6. Mr. ABHIJIT SIMAKULTHORN (Director)	5	/	7	1	/	1	N/A	/	N/A
7. Mr. SUTAS SIMAKULTHORN (Director)	5	/	7	1	/	1	N/A	/	N/A
8. Mrs. SUPANEE CHANTASASAWAT (Director)	6	/	7	0	/	1	N/A	/	N/A

List of directors	Meeting attendance of the board of directors			AGM meeting attendance			EGM meeting attendance		
	Attendance (times)	/	Meeting rights (times)	Attendance (times)	/	Meeting rights (times)	Attendance (times)	/	Meeting rights (times)
9. Mr. KANOK SURIYASAT (Director)	3	/	7	1	/	1	N/A	/	N/A
10. Mr. PRASAN TANPRASERT (Director)	3	/	7	0	/	1	N/A	/	N/A

Remuneration of the board of directors

Types of remuneration of the board of directors

Types of Directors' Remuneration (in the year 2024)

Directors' remuneration is divided into

- Monthly remuneration Chairman of the Board 30,000 Baht/month
- Director (per person) 15,000 Baht/month
- Meeting allowance (per person) 3,000 Baht/meeting
- Bonus/Reward – None –
- Other benefits – None –

Audit Committee remuneration is divided into

- Monthly remuneration Chairman of the Board 15,000 Baht/month
- Director (per person) 10,000 Baht/month
- Meeting allowance (per person) – None –
- Bonus/Reward – None –
- Other benefits – None –

Remuneration of the board of directors ⁽¹⁾

Details of the remuneration of each director over the past year

Names of directors / Board of directors	Company				Total monetary remuneration from subsidiaries (Baht)
	Meeting allowance	Other monetary remuneration	Total (Baht)	Non-monetary remuneration	
1. Mr. SUTEE SIMAKULTHORN (Chairman of the board of directors)			0.00		N/A
Board of Directors	0.00	0.00	0.00	No	

Names of directors / Board of directors	Company				Total monetary remuneration from subsidiaries (Baht)
	Meeting allowance	Other monetary remuneration	Total (Baht)	Non-monetary remuneration	
2. Mr. TAWACHAI JALANAKARAN (Director)			321,000.00		N/A
Board of Directors	21,000.00	180,000.00	201,000.00	No	
Audit Committee	0.00	120,000.00	120,000.00	No	
3. Mr. SOMLAK JIANTIRANAT (Director)			321,000.00		N/A
Board of Directors	21,000.00	180,000.00	201,000.00	No	
Audit Committee	0.00	120,000.00	120,000.00	No	
4. Mr. TITISAK SIMAKULTHORN (Director)			0.00		N/A
Board of Directors	0.00	0.00	0.00	No	
5. Rear Admiral NARUEDOM SA-ARDYEN (Director)			321,000.00		N/A
Board of Directors	21,000.00	180,000.00	201,000.00	No	
Audit Committee	0.00	120,000.00	120,000.00	No	
6. Mr. ABHIJIT SIMAKULTHORN (Director)			0.00		N/A
Board of Directors	0.00	0.00	0.00	No	
7. Mr. SUTAS SIMAKULTHORN (Director)			0.00		N/A
Board of Directors	0.00	0.00	0.00	No	
8. Mrs. SUPANEE CHANTASASAWAT (Director)			0.00		N/A

Names of directors / Board of directors	Company				Total monetary remuneration from subsidiaries (Baht)
	Meeting allowance	Other monetary remuneration	Total (Baht)	Non-monetary remuneration	
Board of Directors	0.00	0.00	0.00	No	
9. Mr. KANOK SURIYASAT (Director)			99,000.00		N/A
Board of Directors	9,000.00	90,000.00	99,000.00	No	
10. Mr. PRASAN TANPRASERT (Director)			99,000.00		N/A
Board of Directors	9,000.00	90,000.00	99,000.00	No	

Summary of the remuneration of each committee over the past year

Names of board members	Meeting allowance	Other monetary remuneration	Total (Baht)
1. Board of Directors	81,000.00	720,000.00	801,000.00
2. Audit Committee	0.00	360,000.00	360,000.00

Remark : ⁽¹⁾ Board members number 1, 4, 6, 7, and 8 waive their rights to remuneration.

Remunerations or benefits pending payment to the board of directors

Remunerations or benefits pending payment to the : 0.00
board of directors over the past year
(Baht)

8.1.3 Supervision of subsidiaries and associated companies

Mechanism for overseeing subsidiaries and associated companies

- Does the Company have subsidiaries and associated : Yes
companies
- Mechanism for overseeing subsidiaries and associated : Yes
companies
- Mechanism for overseeing management and taking : The appointment of representatives as directors, executives, or controlling
responsibility for operations in subsidiaries and persons in proportion to shareholding; The determination of the scope of
associated companies approved by the board of duties and responsibilities of directors and executives as company
directors representatives in establishing important policies, Disclosure of financial
condition and operating results, Transactions between the company and
related parties, Other significant transactions, Acquisition or disposal of
assets, Internal control system of the subsidiary operating the core business
is appropriate and sufficient in the subsidiary operating the core business

As the company holds 100% of the shares in all six subsidiaries, the company has appointed company directors to represent the

company as directors, executives, or persons with control in every subsidiary. These representatives are responsible for overseeing management and operations within the scope of authority and responsibility of directors and executives. This includes establishing policies crucial for business operations, implementing appropriate and robust internal control systems, and supervising the disclosure of financial position and operating results. It also covers transactions between the aforementioned companies and related parties, the acquisition or disposal of assets, or any other significant transactions of the subsidiaries. This ensures complete and accurate disclosure and applies the same principles regarding information disclosure and such transactions as those used by the company. The company's internal audit unit and the audit committee monitor the implementation of these practices to safeguard the company's investments.

8.1.4 The monitoring of compliance with corporate governance policy and guidelines

Prevention of conflicts of interest

Operations for conflict of interest prevention over the past year

Has the company operated in preventing conflicts of : Yes
interest over the past year

The Audit Committee will review transactions that may have a conflict of interest and present them to the Board of Directors. The Board of Directors will acknowledge the transactions with conflicts of interest and related party transactions. The Board of Directors will carefully consider the appropriateness and comply with the regulations of the Stock Exchange of Thailand. The price and conditions will be similar to transactions with external parties, which are in accordance with normal business practices. Details, transaction value, counterparty, reasons, and necessity will be disclosed in the annual information form/annual report (56-1 One Report).

As well as in the notes to the financial statements. When considering related party transactions, directors who may have a conflict of interest must not be present at the meeting to participate in the consideration and voting, both at the Board of Directors meeting and the shareholders' meeting.

Number of cases or issues related to conflict of interest

	2022	2023	2024
Total number of cases or issues related to conflict of interest (cases)	0	0	0

Prevention of the use of inside information to seek benefits

Operations for prevention of the use of inside information to seek benefits over the past year

Has the company operated in preventing the use of : Yes
inside information to seek benefits over the past year

The company has established measures to prevent the use of internal information for personal gain by limiting the number of individuals who have access to the information and implementing an encryption system to prevent access by external parties. The company also defines access levels to company information for employees at different levels, appropriate to their responsibilities. In accordance with the code of ethics, directors, executives, and employees of the company are prohibited from using internal information for their own benefit or for the improper benefit of others.

Number of cases or issues related to the use of inside information to seek benefits

	2022	2023	2024

	2022	2023	2024
Total number of cases or issues related to the use of inside information to seek benefits (cases)	0	0	0

Anti-corruption action

Operations in anti-corruption in the past year

Has the company operated in anti-corruption over the : No / In Progress
past year

Form of operations in anti-corruption :

Number of cases or issues related to corruption

	2022	2023	2024
Total number of cases or issues related to corruption (cases)	0	0	0

Whistleblowing

Operations related to whistleblowing over the past year

Has the company implemented whistleblowing : Yes
procedures over the past year

The company adheres to good corporate governance principles and encourages its employees to monitor and report any actions that violate ethical principles, the company's code of conduct, rules and regulations, laws, or potentially cause damage to the company. Employees are informed of the whistleblowing procedures and the protection provided to whistleblowers as outlined in the company's work regulations manual and internal communications on the Intranet. Employees can report such violations to the company by submitting a report along with supporting documents and/or evidence to the President and/or the Human Resources Manager, either in person, by mail, or through a complaint box. Employees are requested to provide their full name for ease of inquiry and/or further information requests. Reports submitted anonymously will not be considered. The Human Resources Manager will review and analyze the report, and if deemed credible, will present the matter to a meeting chaired by the President and attended by relevant parties for further action.

The company will protect whistleblowers by ensuring complete confidentiality. The identity of the whistleblower will not be disclosed to anyone except the President and/or the Human Resources Manager.

Number of cases or issues related to whistleblowing

	2022	2023	2024
Total number of cases or issues received through whistleblowing channels (cases)	0	0	0

8.2 Report on the results of duty performance of the audit committee in the past year

8.2.1 Meeting attendance of audit committee

Meeting attendance of audit committee (times) : 6

List of directors	Meeting attendance of audit committee		
	Meeting attendance (times)	/	Meeting attendance rights (times)
1 Mr. TAWACHAI JALANAKARAN (Chairman of the audit committee)	6	/	6
2 Rear Admiral NARUEDOM SA-ARDYEN (Member of the audit committee)	6	/	6
3 Mr. SOMLAK JIAMTIRANAT (Member of the audit committee)	6	/	6

8.2.2 The results of duty performance of the audit committee

In each meeting, the Audit Committee discussed with the management, the auditor, and the internal 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 in the year 2024, 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 considered the internal audit report of the external party who acted as the company's internal auditor, and report the results of the auditor's inspection. Concerning 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 2024, 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 2024 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.

8.3 Summary of the results of duty performance of subcommittees

8.3.1 - 8.3.2 Meeting attendance and the results of duty performance of subcommittees

No information

9. Internal control and related party transactions

9.1 Internal control

Summary of the opinion of the board of directors regarding the internal control of the company

The Company independent of director (3 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.

9.1.1 Adequacy and appropriateness of the company's internal control system

Company's internal control system : The Committee of Sponsoring Organizations of the Treadway Commission (COSO)

The Committee of Sponsoring Organizations of the Treadway Commission (COSO)

The Company has hired an external person to perform the duties of the Company's internal auditor under the framework of COSO (Committee of Sponsoring Organizations of the Treadway Commission) on corporate management by considering 5 important elements according to the proposal or concept of the elements of control, namely: Control Environment, Risk Assessment, Control Activities, Information and Communication and monitoring activities

9.1.2 Deficiencies related to the internal control system

	2022	2023	2024
Total number of deficiencies related to the internal control system (cases)	0	0	0

9.1.3 Opinions of the audit committee and auditor's observations on internal control

Does the audit committee have opinions on internal control : No
different from the board of directors' opinions?

Does the auditor have any observations on the company's : No
internal control?

9.1.4 Opinions of the audit committee on the position of the head of the internal audit unit

Head of the internal audit unit : Internal personnel

The Audit Committee has considered the internal audit report of the external party who acted as the company's internal auditor. and report the results of the auditor's inspection. Concerning 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.

9.1.5 Appointment, discharge, and transfer of the head of the internal audit unit

Does the appointment, discharge, and transfer of the head of : Yes
the internal audit unit require the audit committee approval?

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

Related party transactions

Does the company have any related party transactions? : Yes

9.2.1 - 9.2.2 Names of the group of persons who may have a conflict of interest, nature of relationship, and information on related party transactions

Persons/entities with potential conflicts

Name of person or entity/type of business	Nature of relationship	Information as of date
Kulthorn Premier Company Limited Compressor and parts	Kulthorn Kirby Public Company Limited is a 100% shareholder.	31 Dec 2024
Kulthorn Kirby Foundry Co., Ltd. Casting parts	Kulthorn Kirby Public Company Limited is a 100% shareholder.	31 Dec 2024
Kulthorn Steel Co., Ltd. Steels sheets and forming	Kulthorn Kirby Public Company Limited is a 100% shareholder.	31 Dec 2024
Kulthorn Materials and Control Co., Ltd. Enameled wires	Kulthorn Kirby Public Company Limited is a 100% shareholder.	31 Dec 2024
Kulthorn Research and Development Co., Ltd. Research and Development	Kulthorn Kirby Public Company Limited is a 100% shareholder.	31 Dec 2024
Thai Compressor Manufacturing Co., Ltd. Rotary Compressor	Simakulthorn Group holds 33.32% of the shares.	31 Dec 2024
Kulthorn Co., Ltd. Dealer of Compressor	Simakulthorn Group is a 100% shareholder.	31 Dec 2024
Kulthorn Electric Co., Ltd. Electric Motor Production	Simakulthorn Group is a 100% shareholder.	31 Dec 2024
Kulthorn Engineer Co., Ltd. Sell equipment Chiller	Simakulthorn Group is a 100% shareholder.	31 Dec 2024
Super Alloy Technologies Co., Ltd. Assembly production wires and other parts	Simakulthorn Group is a 100% shareholder.	31 Dec 2024

Details of related party transactions

Related party transactions	Transaction value at the end of the fiscal year (million baht)		
	2022	2023	2024
Kulthorn Premier Company Limited			
Transaction 1 <u>Nature of transaction</u> <p>The company buys parts for compressor production</p> <u>Details</u> <p>Buy and sell parts for compressor production</p> <u>Necessity/reasonableness</u> <p>Parts for compressor production</p> <u>Audit committee's opinion</u> <p>Normal business operation for general public</p>	58.98	36.94	41.05
Kulthorn Kirby Foundry Co., Ltd.			
Transaction 1 <u>Nature of transaction</u> <p>The company buys parts for production. compressor and sell scraps to them</p> <u>Details</u> <p>Buy and sell parts for compressor production and sell scrap metal for casting into parts.</p> <u>Necessity/reasonableness</u> <p>Parts for compressor production</p> <u>Audit committee's opinion</u> <p>Normal business operation for general public</p>	238.90	73.39	67.51
Kulthorn Steel Co., Ltd.			
Transaction 1 <u>Nature of transaction</u> <p>The company buys steel coils and steel. Processing and selling steel coils</p> <u>Details</u> <p>Steel parts used in compressor production</p> <u>Necessity/reasonableness</u> <p>Parts for compressor production</p>	329.31	154.04	106.69

Related party transactions	Transaction value at the end of the fiscal year (million baht)		
	2022	2023	2024
<u>Audit committee's opinion</u> Normal business operation for general public			
Kulthorn Materials and Control Co., Ltd.			
Transaction 1 <u>Nature of transaction</u> The company buys enameled copper wire. for use in the manufacture of compressors <u>Details</u> Buys enameled copper wire. for use in the manufacture of compressors <u>Necessity/reasonableness</u> Parts for compressor production <u>Audit committee's opinion</u> Normal business operation for general public	37.78	19.41	21.21
Kulthorn Research and Development Co., Ltd.			
Transaction 1 <u>Nature of transaction</u> Research and Develop the compressor <u>Details</u> Research and develop compressors to develop the company's products. <u>Necessity/reasonableness</u> To develop the company's compressors <u>Audit committee's opinion</u> Normal business operation for general public	70.35	32.51	31.26
Kulthorn Co., Ltd.			
Transaction 1 <u>Nature of transaction</u> Distribution company of compressor <u>Details</u> Dealer of Compressor	138.12	77.97	137.57

Related party transactions	Transaction value at the end of the fiscal year (million baht)		
	2022	2023	2024
<u>Necessity/reasonableness</u> Dealer of Compressor <u>Audit committee's opinion</u> Normal business operation for general public			
Kulthorn Electric Co., Ltd.			
Transaction 1 5.51	5.51	5.16	1.08
<u>Nature of transaction</u> Parts manufacturing company for electric motor <u>Details</u> Parts manufacturing for electric motor <u>Necessity/reasonableness</u> Parts manufacturing for electric motor <u>Audit committee's opinion</u> Normal business operation for general public			
Kulthorn Engineer Co., Ltd.			
Transaction 1 0.08	0.08	0.00	0.05
<u>Nature of transaction</u> The company sells the compressor. <u>Details</u> Dealer of Compressor <u>Necessity/reasonableness</u> Dealer of Compressor <u>Audit committee's opinion</u> Normal business operation for general public			
Super Alloy Technologies Co., Ltd.			
Transaction 1 15.24	15.24	6.85	2.74
<u>Nature of transaction</u> Buy wire assembly for compressor motor <u>Details</u> Wire assembly for compressor motor <u>Necessity/reasonableness</u>			

Related party transactions	Transaction value at the end of the fiscal year (million baht)		
	2022	2023	2024
parts for compressor production			
<u>Audit committee's opinion</u>			
Normal business operation for general public			

9.2.3 Policy and future trends of related party transactions and the compliance with the obligations specified in the prospectus of the company

Measures and procedures for approving related party transactions or connected transactions

Related party transactions or related party transactions

The Group has significant business transactions with related persons or businesses. Related party transactions or related party transactions for the fiscal year 2024 ending on December 31, 2024 are mostly related to purchases and sales of goods. Such transactions are in accordance with commercial terms and conditions agreed upon between the Company and those related persons or businesses, which are in accordance with the normal course of business.

Such related party transactions can create maximum benefits for the Company from competitive advantages with lower operating costs resulting from related business operations for similar product groups.

Approval process for related party transactions or related party transactions

In conducting related party transactions, if the Company has a purchase/sale transaction of goods and services, it specifies that the price is comparable to the market price charged to external parties. In the absence of such price, the Company will consider comparing the price of the goods or services with external prices under the same or similar conditions to ensure that such price is reasonable and for the maximum benefit of the Company. In addition, the Audit Committee acts as a reviewer of significant related party transactions and disclosure of related party transactions every quarter at the Board of Directors' meeting to ensure that there are no conflicts of interest between each other.

Future trends in related party transactions

The Audit Committee and the Company jointly oversee that such related party transactions that may occur in the future will be reasonable and have a fair return. However, since most of the related party transactions are normal business transactions and the Company has a policy to conduct transactions in businesses that complement each other, the related party transactions with related companies are likely to occur continuously in the future. The Company still adheres to the reasonableness and takes into account the appropriateness of the conditions and fair prices as the main principles.

9.2.4 Information on appraised assets and appraisal price in conjunction with the execution of related party transactions

Can be referred in attachment 4: assets for business undertaking and details of asset appraisal

Part 3 Financial Statement

Board of Directors' Responsibility Statement for the
Financial Report

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 2024 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 2024. 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, 2024 are reliable in accordance with Thai Financial Reporting Standards, legally sound and acceptable to relevant regulations.



Mr. Sutee Simakulthorn
Chairman

Auditor's Report

Kulthorn Kirby Public Company Limited and
its subsidiaries
Report and consolidated and separate financial statements
31 December 2024

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 2024, 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 material accounting policy information, and have also audited the separate financial statements of Kulthorn Kirby Public Company Limited for the same period (collectively "the financial statements").

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 2024.

Basis for Disclaimer of Opinion

As described in Note 1.2 to the 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 2024 of Baht 1,239 million (the Company only: Baht 1,481 million). As at 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 followings:

- 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 stipulated in the Credit Facility Agreement, as described in Note 17 to the 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 a major shareholder. 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.

In January 2025, the Company filed a petition for business rehabilitation and proposed itself as the planner to the Central Bankruptcy Court under the Bankruptcy Act B.E. 2483 (as amended). And on 10 January 2025, the Central Bankruptcy Court accepted the petition for consideration and has scheduled the hearing on the rehabilitation petition on 2 April 2025, as described in Note 37.1 to the financial statements.

These matters involve multiple significant uncertainties, which may have 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, improve business operations of the Group, including the Central Bankruptcy Court's approval of the Company's rehabilitation plan and appointment of the proposed planner, creditor approval of the rehabilitation plan, and the successful implementation of the rehabilitation plan and ability to continue the operations of the Company.

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.
- 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 report 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: 28 March 2025

Financial Statements

Kulthorn Kirby Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2024

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2024	2023	2024	2023
Assets					
Current assets					
Cash and cash equivalents	7	46,947,815	17,347,720	921,636	3,605,365
Trade and other current receivables	8	261,581,099	304,490,566	31,163,128	51,073,620
Inventories	9	642,880,470	812,588,238	390,484,664	471,781,507
Current tax assets		4,308,726	4,165,965	1,404,381	665,903
VAT receivable		32,852,769	31,264,674	22,722,745	23,267,078
Other current assets	10	54,813,625	63,336,605	18,687,860	29,752,912
Total current assets		1,043,384,504	1,233,193,768	465,384,414	580,146,385
Non-current assets					
Investments in subsidiaries	11	-	-	776,674,640	1,392,168,519
Property, plant and equipment	12	3,665,523,794	3,800,207,862	2,613,513,237	2,417,486,753
Right-of-use assets	18	9,655,150	47,642,784	1,905,100	3,377,891
Goodwill on business combination	13	-	-	-	-
Other intangible assets	14	24,341,223	33,049,268	17,633,705	23,598,969
Other non-current assets		11,931,634	2,252,918	803,241	803,228
Total non-current assets		3,711,451,801	3,883,152,832	3,410,529,923	3,837,435,360
Total assets		4,754,836,305	5,116,346,600	3,875,914,337	4,417,581,745

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

Kulthorn Kirby Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2024

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	15	3,547,872,481	3,453,165,883	2,148,237,320	2,165,983,075
Trade and other current payables	16	898,522,026	623,313,349	1,349,426,185	1,034,074,936
Short-term loans from related parties	6	-	-	777,237,053	770,000,000
Short-term loans from major shareholder	6	182,000,000	-	182,000,000	-
Current portion of long-term loans	17	1,061,558,917	1,065,569,837	1,051,717,149	1,054,602,519
Current portion of lease liabilities	18	3,393,579	14,384,066	1,330,839	1,472,791
Dividend payable		888,209	888,209	884,167	884,167
Other current liabilities	19	18,023,324	17,615,620	5,641,976	9,986,489
Total current liabilities		5,712,258,536	5,174,936,964	5,516,474,689	5,037,003,977
Non-current liabilities					
Long-term loans, net of current portion	17	35,475,758	43,255,231	-	-
Lease liabilities, net of current portion	18	1,008,262	4,401,840	602,422	1,933,261
Deferred tax liabilities	27	371,473,024	353,777,590	283,629,029	219,004,280
Non-current provision for employee benefits	20	218,955,165	216,112,331	101,023,485	93,501,948
Total non-current liabilities		626,912,209	617,546,992	385,254,936	314,439,489
Total liabilities		6,339,170,745	5,792,483,956	5,901,729,625	5,351,443,466

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

Kulthorn Kirby Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2024

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2024	2023	2024	2023
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	22	120,000,000	120,000,000	120,000,000	120,000,000
Unappropriated		(5,572,597,855)	(4,562,116,349)	(5,479,635,231)	(4,128,004,484)
Other components of shareholders' equity		1,460,365,466	1,358,081,044	1,133,819,943	874,142,763
Total shareholders' equity (capital deficit)		(1,584,334,440)	(676,137,356)	(2,025,815,288)	(933,861,721)
Total liabilities and shareholders' equity		4,754,836,305	5,116,346,600	3,875,914,337	4,417,581,745

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

Kulthorn Kirby Public Company Limited and its subsidiaries

Statements of comprehensive income

For the year ended 31 December 2024

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2024	2023	2024	2023
Profit or loss:					
Revenues					
Revenue from contracts with customers	6, 23, 28, 30	2,633,240,000	3,176,090,939	959,377,226	1,253,975,815
Rental income		16,612,733	5,800,850	25,253,620	15,694,270
Gain on exchange		812,140	-	1,102,408	-
Gain on disposal of investment in indirect subsidiary	11	-	106,687,345	-	-
Other income		20,157,373	8,889,536	22,597,489	17,513,918
Total revenues		2,670,822,246	3,297,468,670	1,008,330,743	1,287,184,003
Expenses					
Cost of sales and services	6	2,507,936,343	3,116,544,246	958,474,588	1,336,780,009
Selling and distribution expenses		49,331,385	52,013,435	23,359,162	21,539,038
Administrative expenses		371,287,478	447,042,945	205,147,526	227,068,554
Other expenses	24	501,638,931	563,412,685	298,068,594	311,914,030
Loss on exchange		-	442,537	-	2,894,196
Impairment loss on assets		71,718,641	38,437,651	-	32,328,483
Impairment loss on investments in subsidiaries	11	-	-	615,493,879	625,064,837
Total expenses		3,501,912,778	4,217,893,499	2,100,543,749	2,557,589,147
Operating loss		(831,090,532)	(920,424,829)	(1,092,213,006)	(1,270,405,144)
Finance income		73,552	27,596	394	2,400
Finance cost	25	(472,622,295)	(284,759,541)	(421,187,329)	(252,689,698)
Loss before income tax		(1,303,639,275)	(1,205,156,774)	(1,513,399,941)	(1,523,092,442)
Income tax	27	64,932,091	(75,837,985)	32,589,476	(66,346,877)
Loss for the year		(1,238,707,184)	(1,280,994,759)	(1,480,810,465)	(1,589,439,319)

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

Kulthorn Kirby Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

As at 31 December 2024

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Exchange differences on translation of					
financial statements in foreign currency					
recycled to profit or loss due to loss of control		-	3,687,044	-	-
Other comprehensive income to be reclassified to profit					
or loss in subsequent periods - net of income tax		-	3,687,044	-	-
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Remeasurement gain on defined benefit plan	20	-	5,474,995		14,702,111
		-	5,474,995	-	14,702,111
Revaluation surplus on assets	12	816,167,432	-	486,071,122	-
Less: Income tax effect	27	(163,233,486)	-	(97,214,224)	-
		652,933,946	-	388,856,898	-
Changes in revaluation surplus on assets					
arising from impairment loss on assets	12	(403,029,808)	(394,531,528)	-	(169,826,412)
Less: Income tax effect	27	80,605,962	78,906,306	-	33,965,282
		(322,423,846)	(315,625,222)	-	(135,861,130)
Other comprehensive income not to be reclassified to profit					
or loss in subsequent periods - net of income tax		330,510,100	(310,150,227)	388,856,898	(121,159,019)
Other comprehensive income for the year		330,510,100	(306,463,183)	388,856,898	(121,159,019)
Total comprehensive income for the year		(908,197,084)	(1,587,457,942)	(1,091,953,567)	(1,710,598,338)
Basic loss per share					
	29				
Loss attributable to equity holders of the Company		(0.83)	(0.85)	(0.99)	(1.06)

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 2024

(Unit: Baht)

	Consolidated financial statements									
						Other components of shareholders' equity				
						Other comprehensive income			Total other components of shareholders' equity	Total shareholders' equity (capital deficit)
						Exchange differences on translation of financial statements in foreign currency	Revaluation surplus on assets			
Issued and fully paid-up share capital	Share premium	Surplus from business combination under common control	Retained earnings (deficits)							
			Appropriated	Unappropriated						
Balance as at 1 January 2023	1,500,000,000	700,000,000	207,897,949	120,000,000	(3,638,575,108)	(3,687,044)	2,025,684,789	2,021,997,745	911,320,586	
Loss for the year	-	-	-	-	(1,280,994,759)	-	-	-	(1,280,994,759)	
Other comprehensive income for the year	-	-	-	-	5,474,995	3,687,044	(315,625,222)	(311,938,178)	(306,463,183)	
Total comprehensive income for the year	-	-	-	-	(1,275,519,764)	3,687,044	(315,625,222)	(311,938,178)	(1,587,457,942)	
Transfer revaluation surplus on assets to retained earnings (Note 21)	-	-	-	-	351,978,523	-	(351,978,523)	(351,978,523)	-	
Balance as at 31 December 2023	1,500,000,000	700,000,000	207,897,949	120,000,000	(4,562,116,349)	-	1,358,081,044	1,358,081,044	(676,137,356)	
Balance as at 1 January 2024	1,500,000,000	700,000,000	207,897,949	120,000,000	(4,562,116,349)	-	1,358,081,044	1,358,081,044	(676,137,356)	
Loss for the year	-	-	-	-	(1,238,707,184)	-	-	-	(1,238,707,184)	
Other comprehensive income for the year	-	-	-	-	-	-	330,510,100	330,510,100	330,510,100	
Total comprehensive income for the year	-	-	-	-	(1,238,707,184)	-	330,510,100	330,510,100	(908,197,084)	
Transfer revaluation surplus on assets to retained earnings (Note 21)	-	-	-	-	228,225,678	-	(228,225,678)	(228,225,678)	-	
Balance as at 31 December 2024	1,500,000,000	700,000,000	207,897,949	120,000,000	(5,572,597,855)	-	1,460,365,466	1,460,365,466	(1,584,334,440)	

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 (continued)

For the year ended 31 December 2024

(Unit: Baht)

	Separate financial statements					
	Issued and fully paid-up share capital	Share premium	Retained earnings (deficits)		Other components of shareholders' equity	Total shareholders' equity (capital deficit)
			Appropriated	Unappropriated	Other comprehensive income	
					Revaluation surplus on assets	
Balance as at 1 January 2023	1,500,000,000	700,000,000	120,000,000	(2,723,065,604)	1,179,802,221	776,736,617
Loss for the year	-	-	-	(1,589,439,319)	-	(1,589,439,319)
Other comprehensive income for the year	-	-	-	14,702,111	(135,861,130)	(121,159,019)
Total comprehensive income for the year	-	-	-	(1,574,737,208)	(135,861,130)	(1,710,598,338)
Transfer revaluation surplus on assets to retained earnings (Note 21)	-	-	-	169,798,328	(169,798,328)	-
Balance as at 31 December 2023	<u>1,500,000,000</u>	<u>700,000,000</u>	<u>120,000,000</u>	<u>(4,128,004,484)</u>	<u>874,142,763</u>	<u>(933,861,721)</u>
Balance as at 1 January 2024	1,500,000,000	700,000,000	120,000,000	(4,128,004,484)	874,142,763	(933,861,721)
Loss for the year	-	-	-	(1,480,810,465)	-	(1,480,810,465)
Other comprehensive income for the year	-	-	-	-	388,856,898	388,856,898
Total comprehensive income for the year	-	-	-	(1,480,810,465)	388,856,898	(1,091,953,567)
Transfer revaluation surplus on assets to retained earnings (Note 21)	-	-	-	129,179,718	(129,179,718)	-
Balance as at 31 December 2024	<u>1,500,000,000</u>	<u>700,000,000</u>	<u>120,000,000</u>	<u>(5,479,635,231)</u>	<u>1,133,819,943</u>	<u>(2,025,815,288)</u>

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 2024

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Cash flows from operating activities				
Loss before tax	(1,303,639,275)	(1,205,156,774)	(1,513,399,941)	(1,523,092,442)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	512,398,731	600,473,136	291,469,018	325,419,596
Amortise right-of-use assets	12,516,964	14,028,063	1,362,716	1,619,951
Allowance for expected credit losses	918,191	2,351,602	9,241,254	3,215,820
The reduction of inventory to net realisable value (reversal)	(16,344,046)	5,337,212	792,517	20,545,282
Allowance for impairment loss on assets	(1,292,938)	-	(421,995)	-
Allowance for impairment loss on investments in subsidiaries	-	-	615,493,879	625,064,837
Allowance for impairment loss on assets	71,718,641	38,437,651	-	32,328,483
Loss on asset revaluation	2,397,015	-	2,397,015	-
Write-off of doubtful accounts	-	11,897,888	-	-
Loss on sales of property, plant and equipment	651,039	1,735,521	717,509	-
Loss on write-off property, plant and equipment	396,481	412,301	117	-
Loss (gain) on write-off of lease liabilities	(2)	374,260	(2)	-
Gain on disposal of investment in indirect subsidiary	-	(106,687,232)	-	-
Write-off withholding tax	1,280,931	1,003,626	-	-
Provision for employee benefits	10,651,445	21,095,926	7,881,537	8,448,208
Subsidies income from government grants	(1,833,565)	(1,833,565)	(1,833,565)	(1,833,565)
Unrealised loss (gain) on exchange	(3,238,619)	4,278,915	(3,115,815)	5,161,160
Gain on fair value adjustments of financial instruments	-	(78,832)	-	-
Dividend income	(6,215)	(4,680)	(6,214)	(4,680)
Finance income	(73,552)	(27,596)	(394)	(2,400)
Finance cost	472,622,295	284,759,541	421,187,329	252,689,698
Loss from operating activities before changes in operating assets and liabilities	(240,876,479)	(327,603,037)	(168,235,035)	(250,440,052)

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

Kulthorn Kirby Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the year ended 31 December 2024

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Operating assets (increase) decrease				
Trade and other current receivables	41,301,740	288,100,796	10,956,794	138,450,702
Inventories	186,051,814	330,594,892	80,504,326	180,928,057
Other current assets	9,676,724	49,446,749	11,244,835	38,490,155
Other non-current assets	(9,678,716)	(1,155,996)	(13)	67,000
Operating liabilities increase (decrease)				
Trade and other current payables	(146,998,477)	(37,135,798)	(82,353,701)	107,654,662
Other current liabilities	2,241,379	(2,402,577)	(2,510,948)	(872,645)
Cash flows from (used in) operating activities	(158,282,015)	299,845,029	(150,393,742)	214,277,879
Cash paid for employee benefits	(7,808,612)	(20,916,641)	(360,000)	(8,240,759)
Interest received	73,552	575,097	394	2,400
Tax refund received	1,424,125	17,406,003	1,030,454	16,088,185
Interest paid	(47,768,026)	(242,328,553)	(20,654,119)	(191,613,258)
Corporate income tax paid	(4,308,727)	(4,165,965)	(1,404,381)	(665,903)
Net cash flows from (used in) operating activities	(216,669,703)	50,414,970	(171,781,394)	29,848,544
Cash flows from investing activities				
Acquisition of property, plant and equipment and intangible assets	(5,398,373)	(20,459,099)	(1,263,437)	(17,249,653)
Proceeds from sales of property, plant and equipment and intangible assets	1,019,741	282,257	3,111,675	-
Dividend income	6,215	4,680	6,215	4,680
Decrease in short-term loans to related parties	-	-	-	43,347,278
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	(4,372,417)	(243,592,116)	1,854,453	26,102,305
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans from financial institutions	984,641,750	6,563,626,472	55,400,178	1,772,804,182
Decrease in bank overdrafts and short-term loans from financial institutions	(889,935,151)	(6,344,459,942)	(73,145,933)	(1,803,688,770)
Increase in short-term loans from related parties	182,000,000	-	182,000,000	21,000,000
Decrease in short-term loans from related parties	-	-	(12,000,000)	(17,000,000)
Cash received from short-term loan from related parties	-	-	19,237,053	-
Cash received from long-term loan (sales and leaseback)	-	35,803,010	-	-
Repayment of long-term loans	(11,790,394)	(36,702,402)	(2,885,371)	(28,200,456)
Payment of principal portion of lease liabilities	(14,273,990)	(18,866,352)	(1,362,715)	(1,619,951)
Net cash flows from (used in) financing activities	250,642,215	199,400,786	167,243,212	(56,704,995)
Decrease in translation adjustments	-	(10,312,183)	-	-
Net increase (decrease) in cash and cash equivalents	29,600,095	(4,088,543)	(2,683,729)	(754,146)
Cash and cash equivalents at beginning of year	17,347,720	21,436,263	3,605,365	4,359,511
Cash and cash equivalents at end of year	46,947,815	17,347,720	921,636	3,605,365

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

Kulthorn Kirby Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the year ended 31 December 2024

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Supplement cash flows information				
1) Non-cash related transaction for investing activities				
Other payable from acquisitions of fixed assets	-	481,329	-	183,182
Revaluation surplus on assets	816,167	-	486,071	-
Decrease in revaluation assets due to impairment loss	(403,029,808)	(394,531,528)	-	(169,826,412)
Transfer fixed assets to inventories	-	5,170,293	-	5,170,293
Transfer fixed assets to intangible assets	702,009	-	-	-
Transfer right-of-use assets to fixed assets	25,360,594	2,469,575	-	-
Increase in right-of-use assets	-	559,813	-	-
Offset short-term loans to unrelated party with trade and other current payables	-	9,128,158	-	9,128,158
Offset other receivable from sales of fixed assets with trade payable	-	5,140	-	13,800,000
2) Non-cash related transaction for financing activities				
Dividend payable	888,209	888,209	884,167	884,167

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

Notes to the Financial Statements

Kulthorn Kirby Public Company Limited and its subsidiaries

Notes to financial statements

For the year ended 31 December 2024

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 2024 of Baht 1,239 million (the Company only: Baht 1,481 million). As at 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 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 stipulated in the Credit Facility Agreement, as described in Note 17.

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 a major shareholder. 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.

In January 2025, the Company filed a petition for business rehabilitation and proposed itself as the planner to the Central Bankruptcy Court under the Bankruptcy Act B.E. 2483 (as amended). And on 10 January 2025, the Central Bankruptcy Court accepted the petition for consideration and has scheduled the hearing on the rehabilitation petition on 2 April 2025.

The Group's ability to continue as a going concern depends on the success of the plans including the Central Bankruptcy Court's approval of the Company's rehabilitation plan and appointment of the proposed planner, creditor approval of the rehabilitation plan, and the successful implementation of the rehabilitation plan, and ability to continue the operations of the Company.

Nonetheless, the Company's management believes that preparing the financial statements under the going concern assumption remains appropriate, as the Company is in the process of compiling information and negotiating a draft rehabilitation plan with its two principal financial institution creditors, which collectively account for more than 90% of the Company's total financial institutional debt. Meanwhile, the Company can continue to operate its normal business activities to ensure that it remains a going concern for at least 12 months from the date of the statement of financial position. 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	Percentage of shareholding	
			2024	2023
			Percent	Percent
<u>Subsidiaries held by the Company</u>				
Kulthorn Kirby Foundry Company Limited	Manufacturing and sales of iron castings for compressor parts and automotives parts	Thailand	100	100
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
<u>Subsidiaries held by Kulthorn Materials and Controls Company Limited</u>				
Kulthorn Metal Products Company Limited	Generating and distribution of electricity by solar rooftop including spare parts and electrical generating equipment	Thailand	100	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.
- c) Subsidiaries are fully consolidated, from the date on which the Company obtains control, and 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.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are 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 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 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 2025

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 2025. 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. 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 first-in, first-out method) and net realisable value. Cost of finished goods and work in process includes cost of materials, labour and overheads.

4.4 Investments in subsidiaries

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 - 10, 13 - 15, 18 - 20, 25	years
Plant equipment	-	5	years
Furniture, fixtures and office equipment	-	3, 5, 10	years
Motor vehicles	-	2, 3, 5, 6, 9, 10	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:

	<u>Useful lives</u>
Computer software	3 and 10 years

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 short-term 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, 20 years
Machinery and equipment	2 - 5 years
Office equipment	3 - 5 years
Motor vehicles	4 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.

(Unit: Million Baht)

	For the years ended 31 December				Pricing policy
	Consolidated financial statements		Separate financial statements		
	2024	2023	2024	2023	
<u>Transactions with subsidiaries</u>					
<i>(eliminated from the consolidated financial statements)</i>					
Purchases of goods	-	-	187	255	Market price
Sales and service income and scraps sales	-	-	55	52	Approximate market price
Interest expenses	-	-	60	56	Interest rate at 7.55 - 7.80 percent per annum
Other income	-	-	9	11	Mutually agreed price as stipulated in the contract
Rental income	-	-	11	12	Mutually agreed price as stipulated in the contract
Other expenses	-	-	53	66	Mutually agreed price as stipulated in the contract
<u>Transactions with related companies</u>					
Sales and service income and scraps sales	394	291	148	102	Approximate market price
Purchases of goods	4	12	4	11	Market price
Rental expenses	3	3	-	-	Mutually agreed price as stipulated in the contract
Interest expenses	1	-	1	-	Interest rate at 1.5 percent per annum
Other expenses	7	7	1	3	Mutually agreed price as stipulated in the contract

The balances of the accounts as at 31 December 2024 and 2023 between the Group and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
<u>Trade and other current receivables - related parties</u>				
(Note 8)				
Subsidiaries	-	-	28,156	25,287
Related companies (related by common director/shareholder)	43,187	51,572	1,995	1,435
Total trade and other current receivables - related parties	43,187	51,572	30,151	26,722
<u>Trade and other current payables - related parties</u>				
(Note 16)				
Subsidiaries	-	-	711,375	658,282
Related companies (related by common director/ shareholder)	26,656	22,925	15,971	20,738
Total trade and other current payables - related parties	26,656	22,925	727,346	679,020

Short-term loans from related parties

As at 31 December 2024 and 2023, the balance of short-term loans between the Company and its subsidiaries, and the movement are as follows:

(Unit: Thousand Baht)				
	Separate financial statements			
	Balance as at 31 December 2023	Increase during the year	Decrease during the year	Balance as at 31 December 2024
<u>Short-term loans from subsidiaries</u>				
Kulthorn Premier Co., Ltd.	461,000	-	-	461,000
Kulthorn Kirby Foundry Co., Ltd.	155,000	2,000	-	157,000
Kulthorn Materials and Controls Co., Ltd.	30,000	3,237	-	33,237
Kulthorn Steel Co., Ltd.	124,000	14,000	(12,000)	126,000
Total	770,000	19,237	(12,000)	777,237

(Unit: Thousand Baht)				
	Separate financial statements			
	Balance as at 31 December 2023	Increase during the year	Decrease during the year	Balance as at 31 December 2024
<u>Short-term loans from related party</u>				
Major shareholder	-	182,000	-	182,000
Total	-	182,000	-	182,000

During the year, the Company entered into a loan agreement with a major shareholder to obtain credit facilities totaling Baht 200 million. The Company drew down Baht 98 million of this loan in the first quarter of 2024, Baht 58 million in the third quarter of 2024 and Baht 26 million in the fourth quarter of 2024. The remaining balance is available for withdrawal upon the borrower's request. These loans mature one year from the date of each withdrawal. The loan carries an interest rate of THOR + 2.5% per annum, with interest accruing from 19 July 2024. Interest payments are scheduled annually. Subsequently, in November 2024, the major shareholder amended interest rate to 1.5% per annum which effective from the start date of this agreement.

Directors and management's remuneration

During the years ended 31 December 2024 and 2023, the Group had employee benefit expenses payable to their directors and management as below:

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	31,603	36,975	13,953	18,804
Post-employment benefits	1,816	7,463	500	2,341
Total	33,419	44,438	14,453	21,145

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Cash	2,907	1,091	403	336
Bank deposits	44,041	16,257	519	3,269
Total	46,948	17,348	922	3,605

As at 31 December 2024, bank deposits in savings accounts carried interests at the rate between 0.4 and 0.5 percent per annum (2023: between 0.05 and 0.60 percent per annum).

8. Trade and other current receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
<u>Trade receivables - related parties</u>				
Not yet due	37,377	42,590	8,580	2,124
Overdue				
Less than 3 months	5,578	8,451	8,108	3,060
3 - 6 months	334	207	2,519	220
6 - 12 months	1,147	324	1,200	327
Over 12 months	-	-	64	-
Total	44,436	51,572	20,471	5,731
Less: Allowance for expected credit losses	(1,249)	-	(8,971)	(425)
Total trade receivables - related parties	43,187	51,572	11,500	5,306
<u>Trade receivables - unrelated parties</u>				
Not yet due	166,334	200,210	36	19,484
Overdue				
Less than 3 months	49,727	51,991	501	4,002
3 - 6 months	1,246	990	166	617
6 - 12 months	583	-	125	-
Over 12 months	12,593	12,647	2,533	2,550
Total	230,483	265,838	3,361	26,653
Less: Allowance for expected credit losses	(13,434)	(13,765)	(2,697)	(2,634)
Total trade receivables - unrelated parties	217,049	252,073	664	24,019
Total trade receivables - net	260,236	303,645	12,164	29,325
<u>Other current receivables</u>				
Other current receivables - related parties	-	-	19,284	21,416
Other current receivables - unrelated parties	1,345	846	348	333
Total	1,345	846	19,632	21,749
Less: Allowance for expected credit losses	-	-	(633)	-
Total other current receivables - net	1,345	846	18,999	21,749
Total trade and other current receivables - net	261,581	304,491	31,163	51,074

The normal credit term is 7 to 90 days.

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Beginning balance	13,765	14,649	3,059	3,079
Reversal of allowance for expected credit losses	-	(884)	-	(20)
Allowance for expected credit losses	<u>918</u>	<u>-</u>	<u>9,242</u>	<u>-</u>
Ending balance	<u>14,683</u>	<u>13,765</u>	<u>12,301</u>	<u>3,059</u>

9. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Finished goods	116,152	206,106	(21,130)	(40,706)	95,022	165,400
Work in process	209,888	247,401	(37,888)	(48,680)	172,000	198,721
Raw materials	470,409	521,774	(99,720)	(85,696)	370,689	436,078
Goods in transit	5,169	12,389	-	-	5,169	12,389
Total	<u>801,618</u>	<u>987,670</u>	<u>(158,738)</u>	<u>(175,082)</u>	<u>642,880</u>	<u>812,588</u>

	(Unit: Thousand Baht)					
	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Finished goods	41,799	57,250	(4,664)	(6,855)	37,135	50,395
Work in process	139,560	155,942	(29,550)	(40,471)	110,010	115,471
Raw materials	325,424	365,355	(84,537)	(70,632)	240,887	294,723
Goods in transit	2,453	11,193	-	-	2,453	11,193
Total	<u>509,236</u>	<u>589,740</u>	<u>(118,751)</u>	<u>(117,958)</u>	<u>390,485</u>	<u>471,782</u>

During the current year, the Group reversed the write-down of cost of inventories by Baht 16.3 million, and reduced the amount at inventories recognised as expenses during the year (2023: recorded the write-down of cost of inventories by Baht 5.3 million) (The Company only: recorded the write-down of cost of inventories by Baht 0.8 million (2023: Baht 20.5 million), this was included in cost of sales).

10. Other current assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Advance payment	6,958	12,394	5,789	13,026
Income tax refundable	15,320	10,624	4,668	5,032
Others	32,536	40,319	8,231	11,695
Total	54,814	63,337	18,688	29,753

11. Investments in subsidiaries

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

Company's name	(Unit: Thousand Baht)					
	Paid-up capital		Shareholding percentage		Cost	
	2024	2023	2024	2023	2024	2023
			(%)	(%)		
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 subsidiaries					(2,853,205)	(2,237,711)
Investments in subsidiaries - net					776,674	1,392,168

The company did not received dividend during the year ended 31 December 2024 and 2023.

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

Liabilities

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 currency 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	106,687
--	---------

12. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							
	Revaluation basis			Cost basis				Total
	Land	Land improvement and plant	Machineries	Plant equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress and machine under installation	
Cost/ Revalued amount								
As at 1 January 2023	952,142	2,775,139	10,315,048	1,296,877	211,012	118,794	259,141	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 assets (Note 18)	-	-	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
Additions	-	-	-	-	15	-	5,383	5,398
Revaluation assets	414,052	399,719	-	-	-	-	-	813,771
Transfer in (out)	-	-	32,527	23	-	-	(32,550)	-
Transfer to intangible assets	-	-	-	-	-	-	(702)	(702)
Transfer from right-of-use assets (Note 18)	-	-	25,361	-	-	-	-	25,361
Disposals/write-off	-	-	(17,346)	(2,136)	(3,697)	-	(396)	(23,575)
As at 31 December 2024	1,366,194	2,884,022	10,093,382	1,305,572	199,598	113,601	220,200	16,182,569
Accumulated depreciation								
As at 1 January 2023	-	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
Depreciation for the year	-	82,599	407,849	10,387	2,304	283	-	503,422
Disposals/ write-off	-	-	(15,675)	(2,136)	(3,697)	-	-	(21,508)
As at 31 December 2024	-	1,735,228	8,219,130	1,279,722	195,359	112,607	-	11,542,046
Allowance for impairment loss								
As at 1 January 2023	-	62,948	11,391	-	703	506	-	75,548
Translation adjustment	-	-	24	-	9	6	-	39
Increased	-	132,690	261,841	1,830	309	80	32,970	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
Increased	-	159,564	310,359	862	733	7	2,791	474,316
Reversal	-	(946)	(176)	-	-	-	(171)	(1,293)
As at 31 December 2024	-	354,256	581,332	2,692	1,042	87	35,590	974,999
Net book value								
As at 31 December 2023	952,142	636,036	1,954,735	34,384	6,219	1,197	215,495	3,800,208
As at 31 December 2024	1,366,194	794,538	1,292,920	23,158	3,197	907	184,610	3,665,524
Depreciation for the year								
2023 (Baht 280 million included in manufacturing cost, and the balance in administrative expenses)								586,751
2024 (Baht 178 million included in manufacturing cost, and the balance in administrative expenses)								503,422

(Unit: Thousand Baht)

	Separate financial statements							
	Revaluation basis			Cost basis				
	Land		Machineries	Plant equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress and machine under installation	Total
	Land	Land improvement and plant						
Cost/ Revalued amount								
As at 1 January 2023	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
Additions	-	-	-	-	-	-	1,263	1,263
Revaluations	344,894	138,780	-	-	-	-	-	483,674
Transfer in (out)	-	-	32,277	23	-	-	(32,300)	-
Disposal/write-off	-	-	(16,723)	(2,136)	(3,475)	-	(2,315)	(24,649)
As at 31 December 2024	1,085,640	1,316,439	5,026,559	822,093	103,826	48,934	224,122	8,627,613
Accumulated depreciation								
As at 1 January 2023	-	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
Depreciation for the year	-	41,897	236,017	6,113	1,308	169	-	285,504
Disposal/write-off	-	-	(15,209)	(2,136)	(3,475)	-	-	(20,820)
As at 31 December 2024	-	700,049	4,097,768	810,962	102,246	48,844	-	5,759,869
Allowance for impairment loss								
As at 1 January 2023	-	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
Reversal	-	-	(176)	-	-	-	(246)	(422)
As at 31 December 2024	-	104,629	120,325	1,830	307	28	27,112	254,231
Net book value								
As at 31 December 2023	740,746	414,878	1,013,544	15,391	2,581	231	230,116	2,417,487
As at 31 December 2024	1,085,640	511,761	808,466	9,301	1,273	62	197,010	2,613,513
Depreciation for the year								
2023 (Baht 84 million included in manufacturing cost, and the balance in administrative expenses)								318,258
2024 (Baht 59 million included in manufacturing cost, and the balance in administrative expenses)								285,504

The Group arranged for an independent professional valuer to appraise the value of its land and buildings in 2024, and machineries in 2022 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 2022 showed increases of Baht 1,547 million (the Company only: Baht 818 million) in the net book value of the Group's machineries.

The result of the revaluation in 2024, land, land improvement and buildings' values increased from the net book value amounting to Baht 814 million (the Company only: Baht 484 million).

The Company recorded the revaluation increase in other comprehensive income in the year of revaluation 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 2024 and 2023 would have been as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	359,547	359,547	223,544	223,544
Land improvement and building	444,208	504,430	312,170	352,336
Machineries	752,921	892,222	427,532	477,372

As at 31 December 2024, 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 8,450 million (2023: Baht 7,679 million) (The Company only: Baht 4,705 million, 2023: Baht 4,597 million).

The Group pledged their land and buildings thereon, of which net book value amounted to approximately Baht 1,235 million (2023: Baht 1,110 million) (The Company's: Baht 685 million 2023: Baht 985 million) and machineries amount to approximately Baht 633 million (2023: Baht 856 million) (The Company only: Baht 202 million, 2023: Baht 300 million), with financial institutions as collateral to secure loans as discussed in Note 17.

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 15.

13. Goodwill on business combination

		(Unit: Thousand Baht)	
		Consolidated financial statements	
		<u>2024</u>	<u>2023</u>
Goodwill on business combination		37,620	37,620
Less: Accumulated impairment loss		(37,620)	(37,620)
Net book value		<u>-</u>	<u>-</u>

14. Other intangible assets

The net book value of other intangible assets i.e. computer software, as at 31 December 2024 and 2023 is presented below.

		(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statements	financial statements
As at 31 December 2024			
Cost		178,898	106,367
Transfer in from fixed assets		702	-
Less: Accumulated amortisation		(151,577)	(85,927)
Less: Allowance for impairment loss		(3,682)	(2,806)
Net book value		<u>24,341</u>	<u>17,634</u>
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		<u>33,049</u>	<u>23,599</u>

A reconciliation of the net book value of intangible assets for the years 2024 and 2023 is presented below.

		(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statements	Financial statements
		<u>2024</u>	<u>2023</u>
		<u>2024</u>	<u>2023</u>
Net book value at beginning of year		33,049	53,240
Transfer in from fixed assets		702	-
Amortisation		(8,977)	(13,722)
Decrease from the sale of investment in subsidiaries		-	(3,258)
Impairment loss recognised		(433)	(3,249)
Translation adjustment		-	38
Net book value at end of year		<u>24,341</u>	<u>33,049</u>
		<u>17,634</u>	<u>23,599</u>

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

(Unit: Thousand Baht)					
	Interest rate (percent per annum)	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
Bank overdrafts	7.00 - 7.35	201,309	173,197	40,922	54,762
Short-term loans	5.90 - 18.00	1,109,714	1,110,000	834,714	835,000
Trust receipts	5.90 - 15.00	1,348,147	1,338,147	561,099	561,099
Packing credit	5.65 - 15.00	888,702	831,822	711,502	715,122
Total		3,547,872	3,453,166	2,148,237	2,165,983

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. In March 2024, the Company executed the Fourth amendment agreement to the debt restructuring agreements to defer the first installment to be on or before 25 April 2024 while maintaining terms and interest rate. In August 2024, the Company executed the Fifth amendment to the debt restructuring agreements to defer the first installment to be paid on or before 25 August 2024, while maintaining the terms and interest rate. However, the Company was unable to repay such loans when they became due on 25 January 2025.

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 March 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.

16. Trade and other current payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Trade payables - related parties	8,898	8,654	614,149	622,782
Trade payables - unrelated parties	193,598	279,930	82,180	104,264
Other current payables - related parties	16,694	14,271	32,372	25,596
Other current payables - unrelated parties	128,049	204,576	94,842	165,682
Accrued interest expenses to related parties	1,064	-	80,825	30,642
Accrued interest expenses to unrelated parties	461,384	37,593	385,822	35,472
Accrued expenses - unrelated parties	88,835	78,289	59,236	49,637
Total trade and other current payables	898,522	623,313	1,349,426	1,034,075

17. Long-term loans

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Long-term loans	1,097,035	1,108,825	1,051,717	1,054,603
Less: current portion	(1,061,559)	(1,065,570)	(1,051,717)	(1,054,603)
Long-term loans, net of current portion	35,476	43,255	-	-

Movements of the long-term loan account during the years ended 31 December 2024 and 2023 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Beginning balance	1,108,825	1,109,724	1,054,603	1,082,803
Addition during the year	-	35,803	-	-
Repayments	(11,790)	(36,702)	(2,886)	(28,200)
Ending balance	1,097,035	1,108,825	1,051,717	1,054,603

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 2024 and 2023, 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, since 31 December 2023, the Company was unable to repay long-term loans 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 Reporting Standards.

During the first quarter of 2024, the Company received dunning letters from two financial institutions urging the Company to repay the debts and contact the bank due to the Company's failure to adhere to the terms of the loan agreement. However, the Company had filed a petition for business rehabilitation, as described in Note 37.1, granting the Company temporary protection under the automatic stay provisions.

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

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.

18. Leases

18.1 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 20 years.

a) Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2024 and 2023 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	Land and land improvement	Machinery and equipment	Motor vehicles	Total
1 January 2023	23,571	41,097	1,331	65,999
Additions	-	-	560	560
Transfer to fixed assets (Note 12)	-	(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
Transfer to fixed assets (Note 12)	-	(25,361)	-	(25,361)
Depreciation for the year	(6,952)	(5,261)	(304)	(12,517)
Decrease from contract termination	-	(110)	-	(110)
31 December 2024	7,572	746	1,337	9,655

	(Unit: Thousand Baht)
	Separate financial statements
	Machinery and equipment
1 January 2023	4,998
Depreciation for the year	(1,620)
31 December 2023	3,378
Depreciation for the year	(1,363)
Decrease from contract termination	(110)
31 December 2024	1,905

b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Lease payments	4,583	19,684	2,039	3,695
Less: Deferred interest expenses	(181)	(898)	(106)	(289)
Total	4,402	18,786	1,933	3,406
Less: Portion due within one year	(3,394)	(14,384)	(1,331)	(1,473)
Lease liabilities - net of current portion	<u>1,008</u>	<u>4,402</u>	<u>602</u>	<u>1,933</u>

Movements of the lease liability account during the years ended 31 December 2024 and 2023 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	18,786	37,093	3,406	5,026
Additions	-	392	-	-
Lease modification and termination	(110)	(374)	(110)	-
Accretion of interest	716	1,816	182	294
Repayments	(14,990)	(20,141)	(1,545)	(1,914)
Balance at end of year	<u>4,402</u>	<u>18,786</u>	<u>1,933</u>	<u>3,406</u>

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

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Depreciation expense of right-of-use assets	12,517	14,028	1,363	1,620
Interest expense on lease liabilities	716	1,816	182	294
Expense relating to short-term leases	3,862	3,073	1,071	1,121
Expense relating to leases of low-value assets	356	561	-	-

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2024 of Baht 19.2 million, (2023: Baht 23.8 million) (the Company only: Baht 2.6 million, 2023: Baht 3.0 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.

19. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Warranty reserve	2,249	5,462	2,028	5,257
Deferred income	2,896	4,729	2,896	4,729
Others	12,878	7,425	718	-
Total	<u>18,023</u>	<u>17,616</u>	<u>5,642</u>	<u>9,986</u>

20. Non-current provision for employee benefits

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

(Unit: Thousand Baht)

	Consolidated financial statements					
	Retirement benefits		Long service			
	plan		awards plan		Total	
	2024	2023	2024	2023	2024	2023
Provision for employee benefits at beginning of year	212,133	217,696	3,979	3,712	216,112	221,408
Included in profit or loss:						
Current service cost	5,309	16,405	349	308	5,658	16,713
Interest cost	4,900	3,508	94	1,417	4,994	4,925
Actuarial loss (gain) arising from						
Financial assumptions changes	-	-	-	(118)	-	(118)
Demographic assumptions changes	-	-	-	(6)	-	(6)
Experience adjustments	-	-	-	(418)	-	(418)
Included in other comprehensive income:						
Remeasurement 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	(7,238)	(20,162)	(571)	(755)	(7,809)	(20,917)
Reclassify long service awards plan to retirement benefits plan	-	161	-	(161)	-	-
Provision for employee benefits at end of year	215,104	212,133	3,851	3,979	218,955	216,112

(Unit: Thousand Baht)

	Separate financial statements					
	Retirement benefits		Long service			
	plan		awards plan		Total	
	2024	2023	2024	2023	2024	2023
Provision for employee benefits at						
beginning of year	91,213	104,965	2,289	3,032	93,502	107,997
Included in profit or loss:						
Current service cost	5,514	7,121	185	261	5,699	7,382
Interest cost	2,129	1,652	53	42	2,182	1,694
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)	(360)	(418)	(360)	(8,241)
Provision for employee benefits at						
end of year	98,856	91,213	2,167	2,289	101,023	93,502

The Group expects to pay Baht 19.7 million of employee benefits during the next year (Separate financial statements: Baht 24.4 million) (2023: Baht 24.4 million, separate financial statements: Baht 9.8 million).

As at 31 December 2024, the weighted average duration of the liabilities for long-term employee benefit is 7 years (Separate financial statements: 7 years) (2023: 7 years, separate financial statements: 7 years).

Significant actuarial assumptions used for the valuation are as follows:

	(Unit: percent per annum)			
	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Discount rate	2.6	2.6	2.6	2.6
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 employee benefit obligation as at 31 December 2024 and 2023 are summarised below:

	(Unit: Million Baht)			
	As at 31 December 2024			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(13.2)	14.9	(5.8)	6.6
Future salary increase rate	14.2	(12.9)	6.3	(5.7)

	(Unit: Million Baht)			
	As at 31 December 2023			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 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)

21. 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		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Balance - beginning of year	1,358,081	2,025,685	874,143	1,179,802
Add: Revaluation	652,934	-	388,857	-
Less: Amortisation	(228,226)	(351,979)	(129,180)	(169,798)
Less: Allowance for impairment loss	(322,424)	(315,625)	-	(135,861)
Balance - end of year	<u>1,460,365</u>	<u>1,358,081</u>	<u>1,133,820</u>	<u>874,143</u>

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

22. 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.

23. Revenue from contracts with customers

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2024	2023	2024	2023
Type of goods or service:				
Sales of goods	2,585,166	3,085,984	955,536	1,249,234
Service income	41,061	52,203	2,918	3,546
Income from scrap sales	7,013	37,904	923	1,196
Total revenue from contracts with customers - recognised at a point in time	<u>2,633,240</u>	<u>3,176,091</u>	<u>959,377</u>	<u>1,253,976</u>

24. Other expenses

During the year, the Group has suffered from a lack of financial liquidity and working capital for purchasing raw materials for productions as described in note 1.2. As a result, the Group 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 for the year ended 31 December 2024 of Baht 502 million (2023: Baht 563 million), the Company only: Baht 298 million (2023: Baht 312 million from production cost and recognised such idle conversion as other expenses in the statement of comprehensive income.

25. Finance cost

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2024	2023	2024	2023
Interest expenses on borrowings	471,906	282,944	421,005	252,396
Interest expenses on lease liabilities	716	1,816	182	294
Total	<u>472,622</u>	<u>284,760</u>	<u>421,187</u>	<u>252,690</u>

26. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Raw materials and consumables used	1,643,802	2,223,785	637,256	852,433
Decrease in inventories of finished goods and work in progress	127,467	129,353	31,833	65,038
Salaries, wages and other employee benefits	527,194	589,558	229,460	253,010
Depreciation and amortisation expenses	524,916	614,501	292,832	327,040
Rental expenses	4,673	3,645	1,071	1,121

27. Income tax

Income tax for the years ended 31 December 2024 and 2023 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current income tax:				
Current income tax charge	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(64,932)	75,838	(32,589)	66,347
Income tax expenses reported in profit or loss	<u>(64,932)</u>	<u>75,838</u>	<u>(32,589)</u>	<u>66,347</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2024 and 2023 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Deferred tax on revaluation surplus of machineries	163,233	-	97,214	-
Deferred tax on change in revaluation surplus of assets	(80,606)	(78,906)	-	(33,965)
	<u>82,627</u>	<u>(78,906)</u>	<u>97,214</u>	<u>(33,965)</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Accounting loss before tax	<u>(1,303,639)</u>	<u>(1,205,157)</u>	<u>(1,513,400)</u>	<u>(1,523,092)</u>
Applicable tax rate	20%	20%	20%	20%
Accounting loss before tax multiplied by income tax rate	(260,728)	(241,031)	(302,680)	(304,618)
Effects of:				
Promotional privileges (Note 28)	(288)	(614)	-	-
Non-deductible expenses	50,213	34,505	31,983	37,678
Additional expense deductions allowed	(2,588)	(3,316)	(359)	(254)
Others	(1,493)	2,436	(46)	(831)
Total	45,844	33,011	31,578	36,593
Unrecognised tax loss	149,952	124,329	238,513	225,252
Reversal of deferred tax assets	-	159,529	-	109,120
Income tax expenses reported in profit or loss	<u>(64,932)</u>	<u>75,838</u>	<u>(32,589)</u>	<u>66,347</u>

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

(Unit: Thousand Baht)				
	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Deferred tax liabilities				
Revaluation surplus of land, building and machineries	365,726	338,354	283,248	218,328
Lease liabilities	5,747	15,424	381	676
Total	371,473	353,778	283,629	219,004
Deferred tax liabilities - net	<u>(371,473)</u>	<u>(353,778)</u>	<u>(283,629)</u>	<u>(219,004)</u>

(Unit: Thousand Baht)				
	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Statement of financial position				
Deferred tax assets	-	-	-	-
Deferred tax liabilities	(371,473)	(353,778)	(283,629)	(219,004)
Deferred tax liabilities - net	<u>(371,473)</u>	<u>(353,778)</u>	<u>(283,629)</u>	<u>(219,004)</u>

As at 31 December 2024, the Group has unused tax losses totaling Baht 4,112 million (2023: Baht 3,580 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 4,112 million will expire by the year 2029.

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. 58-2173-0-00-1-0	Certificate No. 60-1261-1-05-1-0
1. Promotional privileges for	Manufacturing of compressors for electrical appliances	Manufacturing of compressors and/or motors for electrical appliances
2. The significant privileges are		
2.1 Exemption of corporate income tax on net profit from promotional operation which does not exceed 100 percent of investment, excluding land and working capital for a period of 5 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.	From 31 January 2020 until 30 January 2025	-
2.2 Exemption of corporate income tax on net profit from 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.	-	Not yet commenced
2.3 Exemption from import duty on raw materials and essential materials imported for use specifically in producing for export for a period of 1 year as from the date of first import.	Granted	Granted
2.4 Exemption from import duty on imported machinery as approved by the Board.	Granted	Granted
2.5 Dividend paid from those investment promoted operations which are exempted from corporate income tax are in turn exempted from inclusion in the determination of income tax.	Granted	Granted
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 958 million for the year ended 31 December 2024 (2023: Baht 1,254 million) included revenue from manufacturing and sales derived from promoted operations of approximately Baht 362 million (2023: Baht 406 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. 2127(2)/2548	Certificate No. 60-0092-1-00-1-0
1. Promotional privileges for	Manufacturing of casting iron parts	Manufacturing of casting iron parts
2. The significant privileges are		
2.1 Exemption of corporate income tax on net earnings for the period of 8 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.	From 8 July 2012 until 7 July 2020	-
2.2 Exemption of corporate income tax on net profit from promotional operation which does not exceed 100 percent 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.	-	From 5 March 2021 until 4 March 2026
2.3 Dividend paid from those investment promoted operations which are exempted from corporate income tax are in turn exempted from inclusion in the determination of income tax.	Granted	Granted
2.4 Exemption from import duty on imported machinery as approved by the Board.	Granted	Granted
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 from import duty on raw materials and essential materials imported for use specifically in producing for export for a period of 5 years commencing as from the date of first importation.	Granted an extension until 13 January 2025
2.2 Exemption from import duty on items imported for re-export, for a period of 5 years commencing from the date of first importation.	Granted
3. 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	Certificate No. 3003/ว./2554	Certificate No. 1953/2551
1. Promotional privileges for	Generate electricity from solar rooftop	Manufacturing of formed metal parts for electrical appliances.	Cutting and pasting sheet metal.
2. The significant privileges are			
2.1 Exemption of corporate income tax on net profit from promotional operation which does not exceed 100 percent of investment, excluding land and working capital for a period of 8 years from the date the promoted operations commenced 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.	From 24 December 2019 until 23 December 2027	-	-
2.2 Dividend paid from those investment promoted operations which are exempted from corporate income tax are in turn exempted from inclusion in the determination of income tax.	Granted	-	-
2.3 Exemption from import duty on imported machinery as approved by the Board, which must be imported within 27 December 2019.	Granted	-	-
2.4 Exemption from import duty on raw materials and essential materials imported for use specifically in producing for export, for a period of 1 year commencing from the date of first importation	-	Granted an extension until 27 December 2025	Granted an extension until 11 September 2025
2.5 Exemption from import duty on items imported for re-export, for a period of 1 year commencing from the date of first importation.	-	Granted an extension until 27 December 2025	Granted an extension until 11 September 2025
3. Date of first earning operating income	24 December 2019	Not yet commenced	Not yet commenced

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

28.5 Kulthorn Research And Development 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. 61-1362-1-00-2-0
1. Promotional privileges for	Research and development of compressors
2. The significant privileges are	
2.1 Exemption of corporate income tax on net profit from the promoted operation 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 profit, 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.	From 31 January 2021 until 30 January 2029
2.2 Permission to bring the skilled workers or experts, spouse and a person who is a dependent of the two types of people, into the Kingdom regarding the number and the duration of stay in the Kingdom as considered as appropriate by the Board.	Granted
2.3 Permission the skilled workers or experts to work in specific position as considered as appropriate by the Board, throughout the permission period by the Board.	Granted
2.4 Exemption from import duty on imported machinery as approved by the Board.	Granted
2.5 Exemption from import duty on essential materials imported for use specifically in research and development, for a period of 1 year commencing from the date of first importation.	Granted
2.6 Dividend paid from those investment promoted operations which are exempted from corporate income tax are in turn exempted from inclusion in the determination of income tax.	Granted
3. Date of first earning operating income	31 January 2021

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 for the year		Weighted average number of ordinary shares		Loss per share	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<u>Consolidated financial statements</u>						
Basic loss per share						
Loss attributable to equity holders of the Company	(1,238,707)	(1,280,995)	1,500,000	1,500,000	(0.83)	(0.85)
<u>Separate financial statements</u>						
Basic loss per share						
Loss attributable to equity holders of the Company	(1,480,810)	(1,589,439)	1,500,000	1,500,000	(0.99)	(1.06)

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:

1. Compressors and parts
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 2024 and 2023:

	(Unit: Thousand Baht)							
	Compressors	Enameled		Steel coil		Total	Adjustments	
For the year ended 31 December 2024	and parts	wire	Steel sheet	center	Others	reportable segments	and eliminations	Consolidated
Revenue from external customers	1,153,641	612,797	382,492	484,310	-	2,633,240	-	2,633,240
Inter-segment revenue	95,460	44,119	146,572	65,256	239	351,646	(351,646)	-
Interest income	35,582	2,431	9,598	12,019	-	59,630	(59,556)	74
Interest expense	(429,329)	(24,021)	(75,851)	(4,611)	-	(533,812)	61,190	(472,622)
Depreciation and amortisation	378,867	35,753	56,271	65,820	201	536,912	(11,996)	524,916
Income tax expenses	46,932	1,350	9,569	7,081	-	64,932	-	64,932
Gain (loss) on exchange	1,677	157	(1,037)	15	-	812	-	812
Segment profit (loss)	(970,525)	(93,641)	(197,246)	(116,761)	(3)	(1,378,176)	139,469	(1,238,707)
Segment total assets								
Additions (decrease) to non-current assets other than financial instruments and deferred tax assets	(806,109)	(27,878)	(91,167)	(320,936)	(201)	(1,246,291)	1,074,590	(171,701)
Segment total liabilities	6,356,667	742,572	806,776	178,319	59	8,084,393	(1,745,222)	6,339,171

(Unit: Thousand Baht)

	Compressors	Enameled	Steel sheet	Steel coil	Others	Total reportable segments	Adjustments and eliminations	Consolidated
For the year ended 31 December 2023	and parts	wire		center				
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)	-
Interest income	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	9	-	(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

Geographic information

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

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Revenue from external customers		
Thailand	1,799,032	2,213,506
Hong Kong	530,322	526,298
China	6,478	5,840
Indonesia	788	1,848
Saudi Arabia	20,478	15,421
Others	276,142	413,178
Total	<u>2,633,240</u>	<u>3,176,091</u>
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	<u>3,711,452</u>	<u>3,883,153</u>
Total	<u>3,711,452</u>	<u>3,883,153</u>

Major customers

For the year 2024, the Group has revenue from two major customers in amount of Baht 528 million and Baht 166 million, arising from sales by the compressors and parts segment, enameled wire segment and steel coil center segment (2023: Baht 518 million and Baht 273 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 2024 of the Group amounting to approximately Baht 10.1 million (2023: Baht 9.8 million) the Company only: Baht 3.5 million (2023: Baht 4.4 million) were recognised as expenses.

32. Commitment and contingent liabilities

32.1 Capital commitments

As at 31 December 2024, the Group has capital commitments of approximately Baht 4.6 million (2023: Baht 10.8 million) (the Company only: Baht 4.1 million, 2023: Baht 10.3 million), relating to the construction of factory building and installation of machinery.

32.2 Long-term service commitments

- a) As at 31 December 2024 and 2023, the Group has commitments relating to service agreements payable in the future as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>Payable:</u>				
In up to 1 year	9.5	9.1	-	2.7
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

As at 31 December 2024, there were outstanding bank guarantees of approximately Baht 43 million (2023: Baht 50 million) (the Company only: Baht 17 million (2023: Baht 17 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 33 million (2023: Baht 40 million) (the Company only: Baht 7 million (2023: Baht 7 million)), and to guarantee import duty, natural gas agreements and others amounting to Baht 9.9 million (2023: Baht 9.9 million) (the Company only: Baht 9.7 million (2023: Baht 9.7 million)).

33. Fair values hierarchy

As at 31 December 2024 and 2023, the Group had the assets 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 2024	
	Consolidated	Separated
	financial	financial
	statements	statements
	Level 2	Level 2
Assets measured at fair value		
Land	1,366.2	1,085.6
Land improvement and buildings	794.5	511.8
Machineries	1,292.9	808.5

(Unit: Million Baht)

	As at 31 December 2023	
	Consolidated	Separated
	financial	financial
	statements	statements
	Level 2	Level 2
Assets measured at fair value		
Land	952.1	740.7
Land improvement and buildings	636.0	414.9
Machineries	1,954.7	1,013.5

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 current receivables, loans to related party, trade and other current 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 current 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 2024 and 2023, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

As at 31 December 2024						
Foreign currency	Consolidated financial statements		Separate financial statements		Exchange rate	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	Buying	Selling
	(Million)	(Million)	(Million)	(Million)	(Baht per one foreign currency unit)	
US dollar	-	1	-	1	33.8296	34.1461
Japanese yen	-	8	-	4	0.2121	0.2188
CNY	-	0.5	-	0.5	35.0748	35.4284

As at 31 December 2023						
Foreign currency	Consolidated financial statements		Separate financial statements		Exchange rate	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	Buying	Selling
	(Million)	(Million)	(Million)	(Million)	(Baht per one foreign currency 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

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 2024 and 2023. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	2024		2023	
	Change in FX rate	Effect on profit before tax	Change in FX rate	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
US dollar	+5	(2,085)	+5	(2,790)
	-5	2,085	- 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 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 2024 and 2023, 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 2024						
	Fixed interest rates		Floating		Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years	Interest rate	Non-interest bearing		
<u>Financial assets</u>						
Cash and cash equivalents	-	-	19	28	47	0.40
Trade and other current receivables	-	-	-	262	262	-
	-	-	19	290	309	
<u>Financial liabilities</u>						
Bank overdrafts and short-term loans from financial institutions	3,347	-	201	-	3,548	5.65 - 18.00
Trade and other current payables	-	-	-	899	899	
Short-term loans from major shareholder	182	-	-	-	182	1.50
Lease liabilities	3	1	-	-	4	3.36 - 6.85
Long-term loans	10	35	1,052	-	1,097	Average MLR-1.5%, MRR-3.45%, 6.27
	3,542	36	1,253	899	5,730	

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2023

	Fixed interest rates		Floating		Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years	Interest rate	Non-interest bearing		
<u>Financial assets</u>						
Cash and cash equivalents	-	-	7	10	17	0.15 - 0.60
Trade and other current receivables	-	-	-	305	305	-
	-	-	7	315	322	
<u>Financial liabilities</u>						
Bank overdrafts and short-term loans from financial institutions	3,280	-	173	-	3,453	4.20 - 7.59
Trade and other current 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)

Separate financial statements as at 31 December 2024

	Fixed interest rates		Floating		Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years	Interest rate	Non-interest bearing		
<u>Financial assets</u>						
Cash and cash equivalents	-	-	-	1	1	-
Trade and other current receivables	-	-	-	31	31	-
	-	-	-	32	32	-
<u>Financial liabilities</u>						
Bank overdrafts and short-term loans from financial institutions	2,107	-	41	-	2,148	5.65 - 18.00
Trade and other current payables	-	-	-	1,349	1,349	-
Short-term loans from related parties	777	-	-	-	777	7.59 - 7.80
Short-term loans from major shareholder	182	-	-	-	182	1.50
Lease liabilities	1	1	-	-	2	6.85
Long-term loans	-	-	1,052	-	1,052	Average MLR - 1.5%
	3,067	1	1,093	1,349	5,510	

(Unit: Million Baht)

Separate financial statements as at 31 December 2023

	Fixed interest rates		Floating		Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years	Interest rate	Non-interest bearing		
<u>Financial assets</u>						
Cash and cash equivalents	-	-	-	4	4	-
Trade and other current receivables	-	-	-	51	51	-
	-	-	-	55	55	
<u>Financial liabilities</u>						
Bank overdrafts and short-term loans from financial institutions	2,111	-	55	-	2,166	4.20 - 7.59
Trade and other current 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 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 2024 and 2023.

Currency	2024		2023	
	Change in FX rate	Effect on profit before tax	Change in FX rate	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Baht	+1	(21,911)	+1	(10,546)
	-1	21,911	- 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 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 2024 (2023: 99%) (the Company only: 99.9% (2023: 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 2024 and 2023 based on contractual undiscounted cash flows:

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	As at 31 December 2024		
	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Bank overdraft and short-term loans from financial institutions	3,547,872	-	3,547,872
Trade and other current payables	898,522	-	898,522
Short-term loans from major shareholder	182,000	-	182,000
Lease liabilities	3,550	1,033	4,583
Long-term loans	1,061,559	35,476	1,097,035
Total non-derivatives	5,693,503	36,509	5,730,012

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	As at 31 December 2023		
	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Bank overdraft and short-term loans from financial institutions	3,453,166	-	3,453,166
Trade and other current 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 2024			
	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Bank overdraft and short-term loans from financial institutions	2,148,237	-	2,148,237
Trade and other current payables	1,349,426	-	1,349,426
Short-term loans from related parties	777,237	-	777,237
Short-term loans from major shareholder	182,000	-	182,000
Lease liabilities	1,422	617	2,039
Long-term loans	1,051,717	-	1,051,717
Total non-derivatives	5,510,039	617	5,510,656

(Unit: Thousand Baht)

Separate financial statements			
As at 31 December 2023			
	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Bank overdraft and short-term loans from financial institutions	2,165,983	-	2,165,983
Trade and other current 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

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:

- 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 2024 and 2023.

36. Litigations

In September 2024, a financial institution filed a foreclosure lawsuit against the Company and its subsidiaries due to a default on long-term loans, covering both principal and interest payments since September 2023. The amount claimed in the lawsuit consists of the principal of Baht 86.8 million, the interest of Baht 6.3 million, and litigation costs of Baht 0.3 million, totaling Baht 93.4 million. Subsequently, in October 2024, the Group filed a testimony with the Civil Court within the timeline.

During 2025, the Civil Court conducted the plaintiff's witness examination in January 2025 and the defendant's witness examination in February 2025. The Civil Court has scheduled the judgment hearing for the subsidiaries (excluding the Company) on 10 March 2025 whereby the Civil Court ruled to dismiss the plaintiff's case, as it determined that the plaintiff lacked the legal standing to sue.

As for the Company, the Civil Court ordered the suspension of proceedings because the Company had filed a business rehabilitation petition with the Central Bankruptcy Court. The Central Bankruptcy Court accepted the petition on 10 January 2025, which resulted in a legal prohibition against filing civil lawsuits related to the Company's assets. Additionally, for any cases already filed, proceedings must be suspended in accordance with Section 90/12(4) of the Bankruptcy Act B.E. 2483.

37. Events after the reporting period

37.1 Filing a petition business rehabilitation

On 9 January 2025, the Company, as the debtor, filed a petition for business rehabilitation and proposed itself as the planner to the Central Bankruptcy Court under the Bankruptcy Act B.E. 2483 (as amended), following a resolution passes by the Company's Board of Directors Meeting No. 7/2024 which held on 20 December 2024. This action was taken because the Company lacked liquidity and was unable to settle loans and liabilities when they became due. On 10 January 2025, the Central Bankruptcy Court accepted the petition for consideration, granting the Company temporary protection under the automatic stay provisions pursuant to Section 90/12 of the Bankruptcy Act B.E. 2483 (as amended), effective from 10 January 2025. The Central Bankruptcy Court has scheduled the hearing on the rehabilitation petition on 2 April 2025.

The details of the Company's rehabilitation petition are summarised as follows:

- The Company, as the debtor, has submitted the rehabilitation petition to the Central Bankruptcy Court.
- The Company has nominated Kulthorn Kirby Public Company Limited as the planner, with the directors including Mr. Suthee Simakulthorn, Mr. Sutath Simakulthorn, Ms. Supanee Jantasawat, Mr. Thawatchai Jaranakarn, and Mr. Somlak Chiamthiranart
- Entering the business rehabilitation process will allow the Company to efficiently restructure its debt and address its liquidity issues with legal support and fair protection for all stakeholders. Additionally, the Company can continue its normal business operations during the rehabilitation process, aiming to resolve its financial problems and generate long-term sustainable profits in the future.

37.2 Joint Venture Agreement

On 22 January 2025, Kulthorn Premier Company Limited (“KPC”) (a subsidiary) entered into a Joint Venture Agreement with Zhejiang Bingfeng Compressor Co., Ltd. (“BF”) (a company incorporated under the laws of the People's Republic of China). The purpose of this agreement was to jointly establish and invest in a joint venture company, namely Kulthorn Bingfeng Co., Ltd. (“KBF”) under the laws of Thailand. KBF will engage in the importation of compressor components for the assembly and distribution of compressors to ice machine manufacturers in Thailand.

KBF was incorporated on 13 February 2025 with a total registered share capital of Baht 1,000,000, divided into 10,000 ordinary shares with a par value of Baht 100 per share. KPC will hold 5,100 ordinary shares, representing 51 percent of the total shares, while BF will hold 4,900 ordinary shares, representing 49 percent of the total shares.

38. Approval of financial statements

These financial statements were authorised for issue by the Company’s authorised directors on 28 March 2025.

Back up attachment

Back up attachment

Attachment 1 : Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision, the Company's secretary, and the representative for contact and coordination in case of a foreign company

Link to attachment: <https://eonemedia.setlink.set.or.th/report/0218/2024/1745161716612.pdf>



Attachment 2 : Details of the directors of subsidiaries

Link to attachment: <https://eonemedia.setlink.set.or.th/report/0218/2024/1745202978019.pdf>



Attachment 3 : Details of the Heads of the Internal Audit and Compliance Units

Link to attachment: <https://eonemedia.setlink.set.or.th/report/0218/2024/1745202978121.pdf>



Attachment 4 : Assets for business undertaking and details of asset appraisal

Link to attachment: <https://eonemedia.setlink.set.or.th/report/0218/2024/1745284470510.pdf>



Attachment 5 : Unabridged policy and guidelines on corporate governance and unabridged code of business conduct prepared by the Company

Link to attachment: <https://eonemedia.setlink.set.or.th/report/0218/2024/1745161716622.pdf>



Attachment 6 : Report of the Audit Committee

Link to attachment: <https://eonemedia.setlink.set.or.th/report/0218/2024/1745284470514.pdf>





บริษัท กุลธรรดอร์บี จำกัด (มหาชน)
KULTHORN KIRBY PUBLIC COMPANY LIMITED

126 Soi Chalong Krung 31, Chalong Krung Road,
Khwaeng Lam Pla Thio, Khet Lat Krabang, Bangkok 10520, Thailand

Telephone : (662) 326-0831-6, 739-4893-5

Fax : (662) 326 0837, 739-4892

E-mail : kkc@kulthorn.com