

Kulthorn Kirby Public Company Limited and its subsidiaries
Review report and consolidated and separate financial information
For the six-month period ended June 30, 2025
(Unaudited but reviewed)

Independent Auditor’s Report on Review of Interim Financial Information

To the Planners of Kulthorn Kirby Public Company Limited

I have reviewed the consolidated interim financial information of Kulthorn Kirby Public Company Limited and its subsidiaries (the “Group”), which comprises the consolidated statement of financial position as at June 30, 2025 the consolidated statements of comprehensive income, changes in shareholders’ equity, and cash flows for the six-month period then ended, and the related condensed notes to the interim consolidated financial statements. I have also reviewed the interim separate financial information of Kulthorn Kirby Public Company Limited (collectively referred to as the “interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Standard on Review Engagements 2410, Review of Interim financial information performed by the independent auditor of the Entity. A review of interim financial information consists primarily of making inquiries of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and, therefore, does not provide assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Basis for Disclaimer of Conclusion

As disclosed in Note 1.2 to the condensed interim financial statements regarding the Group’s ability to continue as a going concern, the Group has incurred operating losses for several consecutive years. The consolidated statement of comprehensive income for the six-month period ended June 30, 2025 shows a net operating loss of 651 million Baht (Company only: 474 million Baht). As at June 30, 2025, the Group’s current liabilities exceeded its current assets by 5,040 million Baht (Company only: 5,390 million Baht), it had accumulated losses of 6,013 million Baht (Company only: 5,766 million Baht), and had a total capital deficiency of 2,235 million Baht (Company only: 2500 million Baht). The major components of the Group’s current liabilities include:

- Bank overdrafts and short-term borrowings from financial institutions of 3,524 million Baht (Company only: 2,150 million Baht);
- Trade and other current payables of 1,389 million Baht (Company only: 1,797 million Baht); and
- Long-term borrowings from financial institutions due within one year amounting to 1,062 million Baht (Company only: 1,052 million Baht), which are payable on demand because the Group failed to maintain financial covenants and has defaulted on repayment obligations, as described in Note 12 to the condensed interim financial statements.

The Group has continued to face liquidity shortages and insufficient working capital, making it unable to purchase raw materials and cover production expenses necessary to produce sufficient goods to fulfil customers' purchase orders, as well as unable to repay loans and other liabilities as they fall due. The Group's management is in the process of implementing various measures, including business rehabilitation proceedings under the Bankruptcy Act, negotiations with financial institution creditors to restructure debts and to establish a repayment plan aligned with the Group's cash flows, and securing new credit facilities from both financial institutions and the Company's major shareholder. In addition, the Group has adjusted its product strategies by focusing on manufacturing and selling high margin products and reducing production costs and other expenses to increase liquidity, including requesting advance payments for goods from customers and obtaining financial support from the Company's major shareholder.

In January 2025, the Company filed a petition for business rehabilitation with the Central Bankruptcy Court under the Bankruptcy Act B.E. 2483 (as amended) and proposed itself as the plan preparer. On January 10, 2025, the Court accepted the petition. On April 25, 2025, the Court ordered the Company into business rehabilitation and appointed the Company as the plan preparer. On November 4, 2025, the Company submitted the rehabilitation plan to the Official Receiver for consideration by the creditors' meeting and for approval by both the creditors and the Court, as described in Note 20 to the condensed interim financial statements.

These events and conditions indicate the existence of multiple material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. The Group's ability to continue as a going concern depends on the success of management's plans to obtain additional financing, restructure debts, and improve operating performance, including creditor approval of the rehabilitation plan, and the successful implementation of the rehabilitation plan and ability to continue the operations of the Company

Disclaimer of Conclusion

Because of the significance of the matters described in the Basis for disclaimer of conclusion section, I am unable to form a conclusion on the consolidated and separate interim financial information of Kulthorn Kirby Public Company Limited as at and for the six-month period ended June 30, 2025.

Others

The consolidated statement of financial position of Kulthorn Kirby Public Company Limited and its subsidiaries and separate statement of financial position of Kulthorn Kirby Public Company Limited as at December 31, 2024 presented as comparative information, have been audited by the other auditor whose report on March 28, 2025, expressed no opinion on the consolidated and separate results of operation for the year ended December 31, 2024 and did not give a conclusion on the consolidated and separate results of operation for the year ended December 31, 2024.

The consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the six-month period ended June 30, 2024 presented as comparative information, have been review by the other auditor whose report on August 7, 2024, did not give conclusion on the consolidated and separate results of operation for the six-month period ended June 30, 2024.

D I A International Audit Co., Ltd.

Mr. Apipong Leongnarktongdee
Certified Public Accountant (Thailand) No. 12199

November 28, 2025

Kulthorn Kirby Public Company Limited and its subsidiaries

Statements of financial position

As at June 30, 2025

(Unit: Thousand Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		80,197	46,948	18,299	922
Trade and other current receivables	4.1,5	258,399	261,581	30,586	31,163
Inventories	6	677,808	642,880	448,338	390,485
Current tax assets		1,573	4,309	467	1,404
VAT receivable		24,058	32,853	17,024	22,723
Other current assets		110,127	54,813	78,986	18,688
Total current assets		1,152,162	1,043,384	593,700	465,385
Non-current assets					
Investments in subsidiaries	7	-	-	776,674	776,674
Property, plant and equipment	8	3,382,179	3,665,524	2,460,945	2,613,513
Right-of-use assets		18,624	9,655	1,251	1,905
Goodwill on business combination	9	-	-	-	-
Other intangible assets		21,023	24,341	15,334	17,634
Other non-current assets		14,752	11,932	1,152	803
Total non-current assets		3,436,578	3,711,452	3,255,356	3,410,529
Total assets		4,588,740	4,754,836	3,849,056	3,875,914

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

Kulthorn Kirby Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at June 30, 2025

(Unit: Thousand Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	10	3,523,733	3,547,872	2,149,665	2,148,237
Trade and other current payables	4.1,11	1,388,857	898,522	1,799,167	1,349,426
Short-term loans from related parties	4.1	500	-	777,237	777,237
Short-term loans from major shareholder	4.1	200,000	182,000	200,000	182,000
Current portion of long-term loans	12	1,061,583	1,061,559	1,051,717	1,051,717
Current portion of lease liabilities		4,546	3,394	1,165	1,331
Dividend payable		888	888	884	884
Other current liabilities		12,455	18,024	4,324	5,642
Total current liabilities		6,192,562	5,712,259	5,984,159	5,516,474
Non-current liabilities					
Long-term loans, net of current portion	12	60,502	35,476	-	-
Lease liabilities, net of current portion		5,574	1,008	114	602
Deferred tax liabilities		344,318	371,473	266,664	283,629
Provision for long-term employee benefits		220,978	218,955	98,140	101,024
Total non-current liabilities		631,372	626,912	364,918	385,255
Total liabilities		6,823,934	6,339,171	6,349,077	5,901,729

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

Kulthorn Kirby Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at June 30, 2025

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered					
1,500,000,000 ordinary shares of Baht 1 each		<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
Issued and fully paid up					
1,500,000,000 ordinary shares of Baht 1 each		1,500,000	1,500,000	1,500,000	1,500,000
Share premium		700,000	700,000	700,000	700,000
Surplus from business combination					
under common control		207,898	207,898	-	-
Retained earnings (deficits)					
Appropriated - statutory reserve		120,000	120,000	120,000	120,000
Unappropriated		(6,132,850)	(5,572,598)	(5,885,674)	(5,479,635)
Other components of shareholders' equity		<u>1,369,758</u>	<u>1,460,365</u>	<u>1,065,653</u>	<u>1,133,820</u>
Total shareholders' equity (capital deficit)		<u>(2,235,194)</u>	<u>(1,584,335)</u>	<u>(2,500,021)</u>	<u>(2,025,815)</u>
Total liabilities and shareholders' equity		<u>4,588,740</u>	<u>4,754,836</u>	<u>3,849,056</u>	<u>3,875,914</u>

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

Kulthorn Kirby Public Company Limited and its subsidiaries**Statements of comprehensive income****For the six-month period ended June 30, 2025**

(Unit: Thousand Baht except loss per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2025	2024	2025	2024
Profit or loss:					
Revenues					
Revenue from contracts with customers	14	1,030,449	1,465,873	277,415	591,200
Rental income		2,369	8,739	6,523	13,240
Gain on exchange rate		6,151	-	6,117	-
Other income		147	11,393	4,609	16,445
Total revenues		1,039,116	1,486,005	294,664	620,885
Expenses					
Cost of sales and services		1,178,039	1,407,569	371,498	590,303
Selling and distribution expenses		19,088	28,556	6,834	15,475
Administrative expenses		80,759	187,817	106,944	103,580
Other expenses	15	147,269	233,381	83,229	142,261
Loss on exchange rate		-	7,830	-	7,217
Total expenses		1,425,155	1,865,153	568,505	858,836
Operating loss		(386,039)	(379,148)	(273,841)	(237,951)
Finance income		45	29	-	-
Finance cost		(292,444)	(229,893)	(217,330)	(203,817)
Loss before income tax		(678,438)	(609,012)	(491,171)	(441,768)
Income tax		27,579	30,163	16,965	16,361
Loss for the period		(650,859)	(578,849)	(474,206)	(425,407)
Other comprehensive income:		-	-	-	-
Total comprehensive income for the period		(650,859)	(578,849)	(474,206)	(425,407)
Basic loss per share (Baht)					
Loss attributable to equity holders of the Company		(0.43)	(0.39)	(0.32)	(0.28)

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

(Unaudited but reviewed)

Kulthorn Kirby Public Company Limited and its subsidiaries**Statements of changes in shareholders' equity****For the six-month period ended June 30, 2025**

(Unit: Thousand Baht)

Consolidated financial statements								
	Issued and fully paid-up share capital	Share premium	Surplus from business combination under common control	Retained earnings (deficits)		Other components of shareholders' equity		Total shareholders' equity
				Appropriated	Unappropriated	Revaluation surplus on assets	Total other components of shareholders' equity	
Balance as at January 1, 2024	1,500,000	700,000	207,898	120,000	(4,562,116)	1,358,081	1,358,081	(676,137)
Loss for the period	-	-	-	-	(578,849)	-	-	(578,849)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(578,849)	-	-	(578,849)
Transfer revaluation surplus on assets to retained earnings (deficits)	-	-	-	-	118,578	(118,578)	(118,578)	-
Balance as at June 30, 2024	<u>1,500,000</u>	<u>700,000</u>	<u>207,898</u>	<u>120,000</u>	<u>(5,022,387)</u>	<u>1,239,503</u>	<u>1,239,503</u>	<u>(1,254,986)</u>
Balance as at January 1, 2025	1,500,000	700,000	207,898	120,000	(5,572,598)	1,460,365	1,460,365	(1,584,335)
Loss for the period	-	-	-	-	(650,859)	-	-	(650,859)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(650,859)	-	-	(650,859)
Transfer revaluation surplus on assets to retained earnings (deficits)	-	-	-	-	90,607	(90,607)	(90,607)	-
Balance as at June 30, 2025	<u>1,500,000</u>	<u>700,000</u>	<u>207,898</u>	<u>120,000</u>	<u>(6,132,850)</u>	<u>1,369,758</u>	<u>1,369,758</u>	<u>(2,235,194)</u>

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

(Unaudited but reviewed)

Kulthorn Kirby Public Company Limited and its subsidiaries**Statements of changes in shareholders' equity (continued)****For the six-month period ended June 30, 2025**

(Unit: Thousand Baht)

Separate financial statements

	Issued and fully paid-up share capital	Share premium	Retained earnings (deficits)		Other components of shareholders' equity	Total shareholders' equity
			Appropriated	Unappropriated	Other comprehensive income Revaluation surplus on assets	
Balance as at January 1, 2024	1,500,000	700,000	120,000	(4,128,004)	874,143	(933,861)
Loss for the period	-	-	-	(425,407)	-	(425,407)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(425,407)	-	(425,407)
Transfer revaluation surplus on assets to retained earnings (deficits)	-	-	-	64,771	(64,771)	-
Balance as at June 30, 2024	<u>1,500,000</u>	<u>700,000</u>	<u>120,000</u>	<u>(4,488,640)</u>	<u>809,372</u>	<u>(1,359,268)</u>
Balance as at January 1, 2025	1,500,000	700,000	120,000	(5,479,635)	1,133,820	(2,025,815)
Loss for the period	-	-	-	(474,206)	-	(474,206)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(474,206)	-	(474,206)
Transfer revaluation surplus on assets to retained earnings (deficits)	-	-	-	68,167	(68,167)	-
Balance as at June 30, 2025	<u>1,500,000</u>	<u>700,000</u>	<u>120,000</u>	<u>(5,885,674)</u>	<u>1,065,653</u>	<u>(2,500,021)</u>

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

Kulthorn Kirby Public Company Limited and its subsidiaries**Cash flow statements****For the six-month period ended June 30, 2025**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Cash flows from operating activities				
Loss before tax	(678,438)	(609,012)	(491,171)	(441,768)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	286,926	257,503	156,001	146,380
Amortise right-of-use assets	(13,026)	6,998	654	731
Allowance for expected credit losses	11,758	3,451	7,193	4,567
The reduction of inventory to net realisable value (reversal)	822	(3,687)	12,465	8,646
Reversal of allowance for impairment of assets	-	(233)	-	(422)
Loss on sales of property, plant and equipment	1,655	707	(194)	853
Loss on write-off of property, plant and equipment	-	132	-	-
Loss from termination of lease contracts	-	3	-	3
Provision for long-term employee benefits	5,873	9,141	2,883	3,941
Subsidies income from government grants	(645)	(917)	(645)	(917)
Unrealised loss (gain) on exchange	(1,341)	(786)	(1,221)	(807)
Dividend income	(111)	(2)	(111)	(2)
Finance income	(45)	(29)	-	-
Finance cost	292,444	229,893	217,330	203,816
Loss from operating activities before changes in operating assets and liabilities	(94,128)	(106,838)	(96,816)	(74,979)
Operating assets (increase) decrease				
Trade and other receivables	8,391	(49,304)	(6,138)	(27,857)
Inventories	(35,750)	99,777	(57,853)	516
Other current assets	(55,313)	(2,056)	(58,424)	(8,517)
Other non-current assets	(2,820)	(3,919)	(350)	-
Operating liabilities increase (decrease)				
Trade and other payables	196,624	(9,924)	230,943	29,489
Other current liabilities	12,409	4,167	(5,485)	(785)
Cash flows from (used in) operating activities	29,413	(68,097)	5,877	(82,133)
Cash paid for long-term employee benefits	(3,850)	(561)	(3,850)	(360)
Cash received from interest	-	29	-	-
Cash received from tax refund	-	1,030	-	1,030
Interest paid	-	(28,798)	-	(13,779)
Corporate income tax paid	(11,531)	(2,056)	(937)	(630)
Net cash flows from (used in) operating activities	14,032	(98,453)	1,090	(95,872)

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 six-month period ended June 30, 2025**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Cash flows from investing activities				
Acquisition of property, plant and equipment and intangible assets	(6,169)	(1,764)	(1,364)	(967)
Proceeds from sales of property, plant and equipment and intangible assets	194	807	194	2,976
Dividend income	111	2	111	2
Net cash flows from (used in) investing activities	<u>(5,864)</u>	<u>(955)</u>	<u>(1,059)</u>	<u>2,011</u>
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans from financial institutions	887	657,517	-	49,548
Decrease in bank overdrafts and short-term loans from financial institutions	-	(618,874)	-	(55,047)
Cash received from short-term loan from major shareholder	18,000	98,000	18,000	98,000
Proceeds from borrowings from related parties	500	-	-	-
Repayment of long-term loans	(24)	(4,383)	-	-
Payment of principal portion of lease liabilities	-	(8,882)	(654)	(734)
Increase in finance lease liabilities	5,718	-	-	-
Net cash flows from (used in) financing activities	<u>25,081</u>	<u>123,378</u>	<u>17,346</u>	<u>91,767</u>
Net increase (decrease) in cash and cash equivalents	<u>33,249</u>	<u>23,970</u>	<u>17,377</u>	<u>(2,094)</u>
Cash and cash equivalents at beginning of period	<u>46,948</u>	<u>17,348</u>	<u>922</u>	<u>3,605</u>
Cash and cash equivalents at end of period	<u><u>80,197</u></u>	<u><u>41,318</u></u>	<u><u>18,299</u></u>	<u><u>1,511</u></u>

Supplemental disclosures of cash flows information

1) Non-cash related transactions for investing activities

Transfer right-of-use assets to fixed assets	-	5,345	-	-
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2) Non-cash related transactions for financing activities

Dividend payable	888	888	884	884
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The accompanying notes are an integral part of the financial statements.

KULTHORN KIRBY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Condensed notes to interim financial information

For the six-month period ended June 30, 2025

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 and rehabilitation plans

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 six-month period ended June 30, 2025 of Baht 651 million (the Company only: Baht 474 million). As at June 30, 2025, the Group’s total current liabilities exceeded its total current assets by Baht 5,040 million (the Company only: Baht 5,390 million). The Group had retained deficit of Baht 6,013 million (the Company only: Baht 5,766 million) and capital deficit of Baht 2,235 million (the Company only: Baht 2,500 million). The major current liabilities of the Group consisted of the bank overdraft and short-term loans from financial institutions amounting to Baht 3,524 million (the Company only: Baht 2,150 million), trade and other current payables amounting to Baht 1,389 million (the Company only: Baht 1,799 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 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 12.

Up to the present, the Group has continued to face liquidity shortages and insufficient working capital, making it unable to purchase raw materials and cover production expenses necessary to produce sufficient goods to fulfil customers’ purchase orders, as well as unable to repay loans and other liabilities as they fall due. The Group’s management is in the process of implementing various measures, including business rehabilitation proceedings under the Bankruptcy Act, negotiations with financial institution creditors to restructure debts and to establish a repayment plan aligned with the Group’s cash flows, and securing new credit facilities from both financial institutions and the Company’s major shareholder. In addition, the Group has adjusted its product strategies by focusing on manufacturing and selling high margin products and reducing production costs and other expenses to increase liquidity, including requesting advance payments for goods from customers and obtaining financial support from the Company’s major shareholder.

1.2 Fundamental accounting assumptions and rehabilitation plans (Continued)

On January 9, 2025, the Company, as a debtor, filed a petition for business rehabilitation and proposed itself as the rehabilitation planner to the Central Bankruptcy Court under the Bankruptcy Act B.E. 2483 (Including the additional amendments) pursuant to the resolution of the Board of Directors' Meeting No. 7/2024 held on December 20, 2024.

Due to the Company's liquidity shortage and inability to repay debts to creditors under the agreed conditions, which constituted an event of default, the Company recorded default interest at the rates of 8.62% to 18.00% per annum, depending on each contract, resulting in the Company's liabilities exceeding its assets. On January 10, 2025, the Central Bankruptcy Court accepted the Company's rehabilitation petition for consideration, resulting in the Company being granted Automatic Stay Protection under Section 90/12 of the Bankruptcy Act B.E. 2483 (as amended), effective from January 10, 2025, which may also affect the Company's assets and liabilities recorded as at June 30, 2025.

The details of the Company's rehabilitation petition can be summarized as follows:

- The Company, as a debtor, filed the rehabilitation petition with the Central Bankruptcy Court.
- The Company proposed Kulthorn Kirby Public Company Limited as the rehabilitation planner.
- Entering into the rehabilitation process will enable the Company to restructure its debts and resolve liquidity issues effectively under legal protection, ensuring fairness to all relevant parties. The Company will also be able to continue its normal operations during the rehabilitation process in order to address its financial issues and to generate sustainable profits going forward.

On April 25, 2025, the Central Bankruptcy Court ordered the Company to enter rehabilitation and appointed the Company as the rehabilitation planner. Subsequently, on June 4, 2025, the Central Bankruptcy Court approved the Company's request to obtain a loan facility from Sima Kulthorn Holding Company Limited of up to THB 100 million under the supervision of the Official Receiver. The Company has gradually drawn down the loan, totaling THB 46 million as of August 28, 2025.

On November 4, 2025, the Company submitted the rehabilitation plan to the Official Receiver for the purpose of convening a creditors' meeting to seek approval from the creditors' meeting and the Bankruptcy Court.

The Group's ability to continue as a going concern depends on the success of all the measures above, including the approval of the rehabilitation plan by the creditors' meeting and the Bankruptcy Court, success in obtaining new credit facilities from financial institutions, the successful implementation of the rehabilitation plan, and the Company's ability to continue its operations.

1.2 Fundamental accounting assumptions and rehabilitation plans (Continued)

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 seeking approval from the creditors' meeting and the Bankruptcy Court. During this period, the Company can continue to carry out any actions necessary for its normal business operations to continue, ensuring that the Company can operate as a going concern for at least 12 months from the date of the statement of financial position. Therefore, no adjustments have been made to the value of assets to their realizable value, nor to liabilities to the amounts that may ultimately be payable, nor any reclassifications, which may be required should the Group be unable to continue as a going concern.

2. Basis for the preparation of interim financial information

This interim financial information has been prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company presenting condensed interim financial information. The Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements and has presented notes to the interim financial information on a condensed basis.

Interim financial information is intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and circumstances so as not to duplicate information previously reported. These interim financial information should therefore be read in conjunction with the latest annual financial statements.

The interim financial information in Thai language is the official statutory financial information of the Company. The interim financial information in the English language has been translated from the Thai language interim financial information.

3. Basis of consolidation

The interim consolidated financial information has been prepared by including the financial information of Kulthorn Kirby Public Company Limited and its subsidiaries (the “Group”). They have been prepared using the same basis as the consolidated financial information for the year ended December 31, 2024, except that the Company has included the financial statements of the subsidiary, Kulthorn Pingfeng Co., Ltd., which is held by the Company’s subsidiary (Kulthorn Premier Co., Ltd.), in the consolidated financial statements during the current quarter. The details are as follows.

Subsidiary companies	Nature of business	Country of incorporation	Percentage of shareholding	
			June 30, 2025	December 31, 2024
			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
<u>Subsidiaries held by Kulthorn Premier Company Limited</u>				
Kulthorn Pingfeng Co., Ltd.	Import of components and manufacture of compressors	Thailand	51	-

4. Accounting policies

The interim financial information is prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2024.

The revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2025, do not have any significant impact on the Group's financial information.

4.1 Related party transactions

During the period, the Group had significant business transactions with related parties mainly in respect of sales and purchases of goods. Such transactions, which have been concluded on commercial terms and basis agreed upon in the ordinary course of business between the Group and those related parties. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

The business transactions with related parties are summarized as follows.

	(Unit: Thousand Baht)			
	For the six-month period ended June 30,			
	Consolidated financial statements		Separate financial statements	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<u>Transactions with subsidiaries</u>				
<i>(Eliminated from the consolidated financial information)</i>				
Purchases of goods	-	-	96,162	118,004
Sales and service income and scrap sales	-	-	16,567	32,600
Other income	-	-	3,469	4,673
Rental income	-	-	5,552	5,773
Interest expenses	-	-	30,318	29,187
Other expenses	-	-	2,897	34,098
<u>Transactions with related parties</u>				
Sales and service income and scrap sales	115,742	192,087	6,025	67,888
Purchases of goods	2,553	2,915	2,372	2,785
Other expenses	1,889	3,111	343	628

4.1 Related party transactions (Continued)

Outstanding balances between the Group and related parties as of June 30, 2025 and December 31, 2024, the details are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
<u>Trade and other current receivables - related parties (Note 5)</u>				
Subsidiary companies	-	-	25,689	28,156
Related companies (related by common director/ shareholder)	44,562	43,187	1,740	1,995
Total trade and other current receivables - related parties	44,562	43,187	27,429	30,151
<u>Trade and other payables - related parties (Note 11)</u>				
Subsidiary companies	-	-	725,913	711,375
Related companies (related by common director/ shareholder)	18,197	26,656	27,661	15,971
Total trade and other current payables - related parties	18,197	26,656	753,574	727,346

Short-term loans from related parties

During the six-month period ended June 30, 2025, short-term loans from related parties had the following movements:

	(Unit: Thousand Baht)			
	Separate financial statements			
	Balance as at January 1, 2025	Increase during the period	Decrease during the period	Balance as at June 30, 2025
<u>Short-term loans from subsidiaries</u>				
Kulthorn Premier Co., Ltd.	461,000	-	-	461,000
Kulthorn Kirby Foundry Co., Ltd.	157,000	-	-	157,000
Kulthorn Steel Co., Ltd.	33,237	-	-	33,237
Kulthorn Materials and Controls Co., Ltd.	126,000	-	-	126,000
Total	777,237	-	-	777,237

4.1 Related party transactions (Continued)

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance as at January 1, 2025	Increase during the period	Decrease during the period	Balance as at June 30, 2025
<u>Short-term loans from director</u>				
Director	-	500	-	500
Total	-	500	-	500

(Unit: Thousand Baht)

	Consolidated/separate financial statements			
	Balance as at January 1, 2025	Increase during the period	Decrease during the period	Balance as at June 30, 2025
<u>Short-term loans from major shareholder</u>				
Major shareholder	182,000	18,000	-	200,000
Total	182,000	18,000	-	200,000

On July 19, 2024, the Company entered into a loan agreement with its major shareholder for a credit line of Baht 200 million. In 2024, the Company drew Baht 182 million, and in the first quarter of 2025, the Company drew Baht 18 million, totaling Baht 200 million under the loan agreement. The loan is repayable within one year from the date the loan was received and bears interest at the rate of THOR + 2.5% per annum. The lender will begin charging interest from July 19, 2024, onwards, and the interest is payable upon completion of one year. Subsequently, in November 2024, the major shareholder reduced the interest rate to 1.50% per annum, with retroactive effect from the commencement date of this loan agreement.

On June 4, 2025, the Central Bankruptcy Court granted permission for the Company to enter into loan transactions with its major shareholder for a credit line not exceeding Baht 100 million. In the third quarter of 2025, the Company drew Baht 46 million as working capital of the Company, bearing interest at the minimum lending rate (MLR) per annum.

4.1 Related party transactions (Continued)**Directors and management's remuneration**

During the six-month period ended June 30, 2025, and 2024, the Group had employee benefit expenses payable to their directors and management as follows.

	(Unit: Thousand Baht)			
	For the six-month period ended 30 June			
	Consolidated financial statements		Consolidated financial statements	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Short-term employee benefits	16,773	16,348	8,111	8,111
Post-employment benefits	<u>598</u>	<u>986</u>	<u>342</u>	<u>342</u>
Total	<u>17,371</u>	<u>17,334</u>	<u>8,453</u>	<u>8,453</u>

Guarantee obligations with related parties

The Group has outstanding guarantee obligations with its related parties, as described in Note 18.2

5. Trade and other current receivables

Trade receivables balance as of June 30, 2025, and December 31, 2024, classified by the aging of outstanding amounts from the due date, are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
<u>Trade receivables - related parties</u>				
Not yet due	23,792	37,377	4,740	8,580
Overdue				
Less than 3 months	4,824	5,578	4,048	8,108
3 - 6 months	3,355	334	9,791	2,519
6 - 12 months	11,866	1,147	10,012	1,200
Over 12 months	11,507	-	1,263	64
Total	55,344	44,436	29,854	20,471
Less: Allowance for expected credit loss	(11,266)	(1,249)	(19,071)	(8,971)
Total trade receivables - related parties - net	44,078	43,187	10,783	11,500
<u>Trade receivables - unrelated parties</u>				
Not yet due	163,443	166,334	105	36
Overdue				
Less than 3 months	47,539	49,727	49	501
3 - 6 months	33	1,246	31	166
6 - 12 months	408	583	375	125
Over 12 months	15,833	12,593	2,413	2,533
Total	227,256	230,483	2,973	3,361
Less: Allowance for expected credit loss	(15,175)	(13,434)	(424)	(2,697)
Total trade receivables - unrelated parties	212,081	217,049	2,549	664
Total trade receivables - net	256,643	260,236	13,332	12,164
<u>Other receivables</u>				
Other receivables - related parties	-	-	16,646	19,284
Other receivables - unrelated parties	2,240	1,345	608	348
Total	2,240	1,345	17,254	19,632
Less: Allowance for expected credit loss	-	-	-	(633)
Total other receivables - net	1,756	1,345	17,254	18,999
Total trade and other receivables - net	258,399	261,581	30,586	31,163

6. Inventory**Reduction of inventory to net realizable value**

Movements in the reduction of inventory to net realizable value account during the six-month period ended June 30, 2025, are summarized as follows.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
	<u> </u>	<u> </u>
Balance as of January 1, 2025	158,738	118,751
Reduction of inventory to net realizable value during the period	<u>822</u>	<u>12,465</u>
Balance as of June 30, 2025	<u><u>159,560</u></u>	<u><u>131,216</u></u>

7. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statement as of June 30, 2025, and December 31, 2024, the Company had long-term investments in the ordinary shares of the following subsidiaries:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	June 30, 2025	December 31,2024	June 30, 2025	December 31,2024	June 30, 2025	December 31,2024
			(%)	(%)		
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	<u>12,500</u>	<u>12,500</u>
Total					<u>3,629,879</u>	<u>3,629,879</u>
Less: Allowance for impairment loss on investments in subsidiaries					<u>(2,853,205)</u>	<u>(2,853,205)</u>
Total investments in subsidiaries - net					<u><u>776,674</u></u>	<u><u>776,674</u></u>

For the six-month period ended June 30, 2025 and 2024, the Company received no dividend income from subsidiaries.

8. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended June 30, 2025 are summarized as follows.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	<u> </u>	<u> </u>
Net book value as of January 1, 2025	3,665,524	2,613,513
Acquisitions during the period - at cost	1,918	1,133
Disposal/write-off during the period - net book value at disposal/write-off date	(1,655)	(439)
Depreciation for the period	<u>(283,608)</u>	<u>(153,262)</u>
Net book value as of June 30, 2025	<u><u>3,382,179</u></u>	<u><u>2,460,945</u></u>

The Group pledged their land and buildings thereon with financial institutions as collateral to secure loans, as described in Note 12.

In addition, the Group entered negative pledge memoranda, which are part of the short-term credit facility agreements with three financial institutions. Under these memoranda, the Company and its subsidiaries are 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 described in Note 10

9. Goodwill on business combination

	(Unit: Thousand Baht)	
	<u>Consolidated financial statements</u>	
	June 30, 2025	December 31, 2024
	<u> </u>	<u> </u>
Goodwill on business combination	37,620	37,620
Less: Accumulated impairment loss	<u>(37,620)</u>	<u>(37,620)</u>
Net book value	<u><u>-</u></u>	<u><u>-</u></u>

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

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated financial statements		Separate financial statements	
		June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Bank overdrafts	7.00 - 7.59	166,318	201,309	42,350	40,922
Short-term loans	5.90 - 18.00	1,120,566	1,109,714	834,714	834,714
Trust receipts	5.90 - 18.00	1,348,147	1,348,147	561,099	561,099
Packing credit	5.65 - 15.00	888,702	888,702	711,502	711,502
Total		3,523,733	3,547,872	2,149,665	2,148,237

The Group entered into negative pledge memoranda, which are part of the short-term credit facility agreements with three 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 information and debt to equity ratio for the consolidated financial information 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 executed the Second and Third amendment agreement to the debt restructuring agreements with a financial institution to convert the outstanding principal and interest obligations under the promissory notes that were due THB 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 November 30, 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 April 25, 2024 while maintaining terms and interest rate.

On March 1, 2024, the Company was formally notified by a financial institution that the overdraft facility of THB 25 million would be temporarily suspended, effective March 8, 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.

In September 2025, a financial institution filed civil lawsuits with the Central Intellectual Property and International Trade Court and the Min Buri Civil Court against several subsidiaries on the grounds of default on loan and mortgage agreements, as described in Note 20

(Unaudited but reviewed)

11. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Trade payables - related parties	9,815	8,898	605,429	614,149
Trade payables - unrelated parties	214,834	193,598	120,209	82,180
Other current payables - related parties	5,852	16,694	37,705	32,372
Other current payables - unrelated parties	319,878	128,049	290,330	94,842
Accrued interest expenses - related parties	2,530	1,064	110,440	80,825
Accrued interest expenses - unrelated parties	745,000	461,384	570,167	385,822
Accrued expenses - unrelated parties	90,948	88,835	64,887	59,236
Total trade and other payables	1,388,857	898,522	1,797,167	1,349,426

12. Long-term loans

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Long-term loans	1,122,085	1,097,035	1,051,717	1,051,717
Less: Current portion	(1,061,583)	(1,061,559)	(1,051,717)	(1,051,717)
Long-term loans, net of current portion	60,502	35,476	-	-

Movement of long-term loans during the six-month period ended June 30, 2025 are summarized as follows.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial	financial
	statements	statements
Balance as of 1 January 2025	1,097,035	1,051,717
Add : Received debt transfer from bank overdraft	25,050	-
Balance as of June 30, 2025	1,122,085	1,051,717

12. Long-term loans (continued)

In December 2016, the Group entered into a credit facility agreement with three financial institutions to obtain a long-term syndicated loans facility for THB 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 March 31, 2020. Subsequently, in March 2021, the Group received a waiver letter from three financial institutions, approving an extension of the principal repayment period for an additional year, starting from March 31, 2021. The Group executed the third amendment agreement to the credit facility agreement for such loan repayment extension with the three financial institutions on April 30, 2021.

In March 2022, the Group received a waiver letter from three financial institutions, approving an extension of the principal repayment period for an additional year, starting from March 31, 2022. The Group executed the fourth amendment agreement to the credit facility agreement for such loan repayment extension with the three financial institutions on April 29, 2022.

In June 2023, the Group received a waiver letter from three financial institutions, approving an extension of the principal commence repayment on December 31, 2023, with a total of THB 360 million principal repayment period for an additional nine months, starting from March 31, 2023, for the principal amount from the two financial institutions. The Group is required to start the repayment on December 31, 2023, with THB 360 million in total. After that, the Group has to repay THB 90 million on a quarterly basis, starting from March 31, 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 June 29, 2023.

The loan is subject to interest at the rate with reference to the average MLR charged by the bank for prime large customers from four financial institutions, decreased by 1.50% per annum (Average MLR-1.5% per annum). Interest is to be paid monthly.

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 information as at 30 June and 31 December.

12. Long-term loans (continued)

As at December 31, 2023 and June 30, 2024 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, as at December 31, 2023 and June 30, 2024, 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

On March 1, 2024, the Company received a dunning letter from a financial institution urging the Company to repay the debts and contact with the bank due to the Company's failure to adhere to the terms of the loan agreement.

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

In addition, during the year 2021, 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 40 million, into 24 monthly installment payments. The debt is divided into two parts whereby the first half, totaling Baht 20 million shall be paid in the first installment on January 20, 2021, and the latter half, totaling Baht 20 million, shall be paid in the first installment on October 20, 2021. The loan is subject to interest at a Prime rate - 1.50 % per annum.

During the year 2022, Kulthorn Steel Co., Ltd. (a subsidiary) entered into a machine sales and leaseback agreement with a financial institution, which was deemed to be a financing transaction and is not true sell. The agreement has principal of Baht 29.60 million monthly repayment for sixty periods. The first payment was in July 2022, and it is subject to interest at 3.25% per annum.

On February 23, 2023, Kulthorn Premier Co., Ltd. (a subsidiary) entered into a long-term loan agreement with a financial institution to obtain loan amounting to Baht 35.80 million. The term of such a loan is ten years and is secured by a mortgage of the subsidiary's land thereon.

13. Loss per share

Basic loss per share is calculated by dividing loss for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

14. Revenue from contracts with customers

(Unit: Thousand Baht)

	For the six-month period ended June 30,			
	Consolidated financial statements		Separate financial statements	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Type of goods or service:				
Sales of goods	1,008,678	1,441,525	275,734	588,589
Service income	21,053	21,824	1,582	1,809
Income from scrap sales	718	2,524	99	802
Total revenue from contracts with customers	<u>1,030,449</u>	<u>1,465,873</u>	<u>277,415</u>	<u>591,200</u>
- recognized at a point in time				

15. Other expenses

During the period, the Group has suffered from a lack of financial liquidity and working capital for purchasing raw materials for production, 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 six-month period ended June 30, 2025 of Baht 147 million (2024: Baht 233 million), the Company only: Baht 83 million (2024: Baht 142 million), from production cost and recognized such idle conversion as other expenses in the statement of comprehensive income.

16. Segment information

The Group is organized into business units based on its products and services. During the current period, the Group has not changed the organization of its reportable segments.

The following tables present revenue and profit (loss) information regarding the Group's operating segments for the six-month periods ended June 30, 2025, and 2024, respectively.

(Unit: Million Baht)

	For the six-month period ended June 30,												Consolidated financial statements	
	Compressors and parts		Enameled wire		Steel sheet		Steel coil center		Total Segments		Adjustments and Eliminations			
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<u>Revenue</u>														
External customers	398	672	233	332	174	214	225	248	1,030	1,466	-	-	1,030	1,466
Inter-segments	50	56	17	17	48	96	36	41	151	210	(151)	(210)	-	-
Total revenue	448	728	250	349	222	310	261	289	1,181	1,676	(151)	(210)	1,030	1,466
<u>Operating results</u>														
Segment gross profit (loss)													(148)	58
Other income													3	20
Gain (Loss) on exchange rate													6	(8)
Selling and distribution expenses													(19)	(28)
Administrative expenses													(80)	(188)
Other expenses													(147)	(233)
Finance cost													(292)	(230)
Loss before income tax													(677)	(609)
Income tax													26	30
Loss for the period													(651)	(579)

17. Litigation

In September 2024, a financial institution filed a foreclosure lawsuit against the Company and its subsidiaries due to defaults on repayment of long-term loans and interest under the loan agreements since September 2023. The claimed amount comprised principal of Baht 86.8 million, interest of Baht 6.3 million, and legal costs of Baht 0.3 million, totaling Baht 93.4 million. Subsequently, in October 2024, the Group submitted its defense to the Civil Court within the prescribed period.

During 2025, the Civil Court heard the plaintiff's witnesses in January 2025 and the defendants' witnesses in February 2025. The Civil Court scheduled the judgment for the subsidiary (excluding the Company) on March 10, 2025, and dismissed the plaintiff's claims, ruling that the plaintiff lacked standing to sue.

For the Company, the Civil Court stayed the proceedings because the Company had filed a business rehabilitation petition with the Central Bankruptcy Court, which accepted the petition on January 10, 2025. This state prohibits any civil action against the Company regarding its assets, and in cases previously filed, the proceedings are suspended under Section 90/12(4) of the Bankruptcy Act B.E. 2483 (1940).

18. Commitment and contingent liabilities

18.1 Capital commitments

As at June 30, 2025, the Group has capital commitments of approximately Baht 12.40 million (December 31, 2024: Baht 4.60 million) (the Company only: Baht 4.06 million, December 31, 2024: Baht 4.06 million), relating to the construction of factory building and purchase and installation of machinery.

18.2 Guarantees

As at June 30, 2025, there were outstanding bank guarantees of approximately Baht 21 million (December 31, 2024: Baht 43 million), the Company only: Baht 17 million (December 31, 2024: 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 include guarantee letter to guarantee electricity usage amounting to Baht 12 million (December 31, 2024: Baht 33 million), the Company only: Baht 7 million (December 31, 2023: Baht 7 million) and to guarantee import duty, natural gas agreements and others amounting to Baht 9.7 million (December 31, 2024: Baht 9.9 million), the Company only: Baht 9.7 million (December 31, 2024: Baht 9.7 million).

19. Financial instrument

Fair value of financial instrument

Most of the Group's financial instruments are classified as short-term or have interest rates that are close to market rates. Therefore, the amount carried by these financial instruments is estimated to approximate their fair value.

20. Subsequent events

20.1 Litigation

On July 3, 2025, a company filed a claim for overdue electricity and steam charges (including charges for electricity usage below the contractual minimum, totaling Baht 388.78 million). The Company did not recognize this liability in its financial statements. The Company filed an objection on July 18, 2025, requesting that the Official Receiver dismiss the claim related to electricity usage below the contractual minimum. The matter is currently pending the Official Receiver's decision. The Company has not recognized the liability because it considers that the claimant has no right to claim the under-usage charges, as the minimum electricity usage requirement under the power purchase agreement has been canceled and the claim is time-barred.

In September 2025, financial institution filed several civil lawsuits against the subsidiaries (Kulthorn Steel Company Limited, Kulthorn Premier Company Limited, Kulthorn Kirby Foundry Company Limited, and Kulthorn Materials and Controls Company Limited) in the Central Intellectual Property and International Trade Court and Minburi Civil Court, alleging breach of contract, letter of credit, trust receipt, current account overdraft, export credit, and mortgage. The total claimed amount is Baht 728.62 million. The Company submitted its defenses in October 2025. The cases are currently pending mediation.

20.2 Progress of the rehabilitation plan

On November 4, 2025, the Company submitted the rehabilitation plan to the Official Receiver in order to schedule a creditors' meeting. The Official Receiver will determine and notify the date of the meeting for the creditors with voting rights to consider the rehabilitation plan.

21. Approval of interim financial information

These interim financial information was approved by the company's rehabilitation plan committee for issuance on November 28, 2025.