



No. 0097/2026

27 May 2026

Subject: Management Discussion and Analysis of the Operating Performance for the sixth-month period ended 31 December 2025

To: The President
The Stock Exchange of Thailand

6 Month Summary

Statement of comprehensive income	Jul-Dec.2025	Jan. - Jul. 2025	Jul-Dec.2024	% QoQ	% YoY
Revenue from contracts with customers	1,079	1,030	1,167	5	(8)
Cost of Sales and services	1,129	1,178	1,100	(4)	3
Gross Profit	(50)	(148)	67	66	(175)
Selling and distribution expenses	23	19	21	21	10
Administrative expenses	182	81	184	125	(1)
Other expenses	14	147	340	(91)	(96)
Profit (Loss) on exchange	9	6	(8)	50	213
Finance Cost	286	292	243	(2)	18
Profit (Loss) for the period	(522)	(650)	(661)	(20)	(21)

Operating Performance for the six months ended 31 December 2025

- Revenue from contracts with customers of Baht 1,079 million which was a decrease of a decrease of 8% YoY or Baht 88 million, respectively. This was due to the company not delivering products to customers as scheduled. Revenue increased Baht 49 QoQ or 5%.
- Cost of sales and services of Baht 1,129 million which was 105% of revenue. The group was impacted by a lack of revolving working capital from financial institutions. The limited cash available for procurement of raw materials cannot cover the risk of the price of main raw materials.

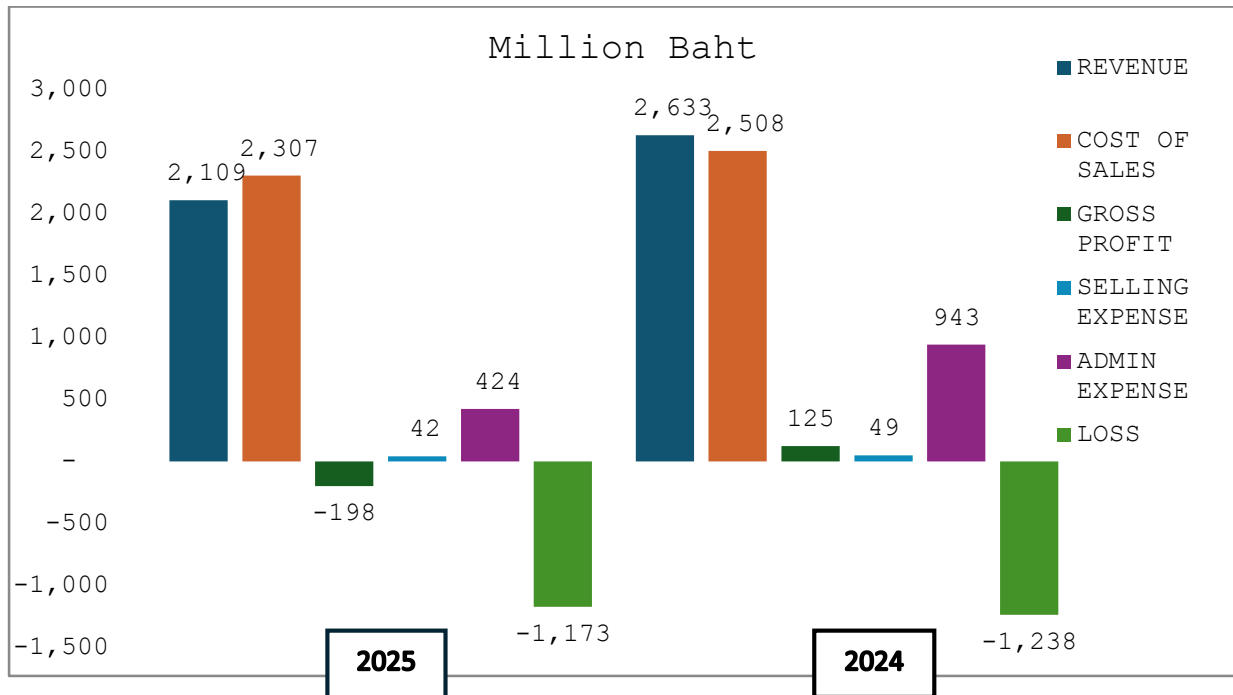
Due to this constraint, the Group's management has negotiations with financial institutions to restructure debts, and to obtain new credit facilities. However, the group has adjusted the production and distribution strategies and reduced manufacturing costs, other expenses and still maintains quality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



- Gross profit of Baht loss of 50 million which was 5% of revenue. The gross profit this decreased by 175% YoY. However, Gross profit improved by Baht of 98 million compared to QoQ.
- Selling and distribution expenses of Baht 23 million which was an increase of 10% YoY or Baht 2 million.
- Administrative expenses of Baht 182 million which was a decrease of 1% YoY or Baht 2 million. However, the Group of Companies continue to maintain expenses control measures.
- Other expenses of Baht are 14 million a decrease of 96% YoY or 326 Baht million. This decrease is several reasons including in the prior year that included an impairment of an asset.
- Profit on exchange of Baht 9 million. This increased from the previous quarter and the prior year quarter.
- The financial cost of Baht was 286 million, an increase by 18% YoY or Baht 43 million, respectively, because of the increasing interest market rate and overdue rate.
- Net Loss of Baht 522 million which was 48% of revenue. The loss decreased by 21% YoY. The Group's management has implemented various plans, including negotiations with financial institutions to restructure debts, and to obtain new credit facilities from both financial institutions and a major shareholder and getting advance payment from customers to increase the Group's liquidity to purchase raw materials for production to fulfill purchase orders from customers.



Business overview and Operating Performance



- Revenue from contracts with customers for the year 2025 amounted to Baht 2,109 million, a decrease of Baht 524 million or a decrease of 20% 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 2025 was Baht 2,307 million, representing 109% as a percentage of revenue. an increase from the same period last year. which was 95% of revenue. The Group is adjusting its distribution strategy as well as reducing production costs and other expenses.
- Gross profit for the year 2025 amounted to Baht loss of 198 million or 9% of sales revenue. increasing from the same period last year, which has a gross profit of 5% of sales revenue. The company has negotiated with customers and adjusted the selling price.
- Selling expenses for the year 2025 amounted to Baht 42 million, representing a rate of 2% compared to sales revenue. a decrease of Baht 7 million or a decrease of 14% from the same period last year. However, the Group has a policy to continuously manage selling expenses.
- Administrative expenses for the year 2025 amounted to Baht 424 million, representing a rate of 20% compared to sales revenue. Administrative expenses decrease of Baht 519 million from the same prior last year; However, the Group has a policy to continuously manage administrative expenses.



- The company had a net loss for the year 2025 in the amount of Baht 1,173 million, representing 55% of sales revenue. The loss decreased from the same period last year, as the loss in 2024. However, the management has implemented various plans, including negotiations with financial institutions to restructure debts, and to obtain new credit facilities from both financial institutions and a major shareholder to increase the Group's liquidity.

Statement of Financial Position

(Unit : Million Baht)

	31 December 2025		31 December 2024		Change	
	Amount	%	Amount	%	Amount	%
Current Assets	937	22	1,043	22	(106)	(10)
Non-current assets	3,363	78	3,712	78	(350)	(9)
Total Assets	4,300	100	4,755	100	(455)	(10)
Current liabilities	6,480	151	5,712	120	767	13
Non-current liabilities	535	12	627	13	(92)	(15)
Total liabilities	7,015	163	6,339	133	676	11
Total shareholders' equity	(2,715)	(63)	(1,584)	(33)	(1,131)	(71)
Total liabilities and shareholders' equity	4,300	100	4,755	100	(455)	(10)

- Total assets as of 31 December 2025 decreased by Baht 455 million from 31 December 2024. Due to the depreciation of fixed assets.
- Total liabilities as of 31 December 2025 increased by Baht 767 million from 31 December 2024. The liabilities increased due to several factors including the increased default interest rate from the outstanding bank loans.
- Total shareholders' equity loss lower than zero as of 31 December 2025 of Baht (2,715) million an increase from 31 December 2024 due to the operating loss of Baht 1,173 million. shareholders' equity.

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 2025 of Baht 1,173 million (the Company only: Baht 934 million). As of 31 December 2025, the Group's total current liabilities exceeded its total current assets by Baht 5,542 million (the Company only: Baht 5,711 million). The Group had deficit of Baht 6,547 million (the Company only: Baht 6,265 million) and capital deficit of Baht 2,715 million (the Company only: Baht 2,946 million). The major current liabilities of the Group consisted of the following:

- Bank overdraft and short-term loans from financial institutions amounting to Baht 3,551 million (the Company only: Baht 2,150 million),
- Trade and other current payables amounting to Baht 1,539 million (the Company only: Baht 1,860 million), and
- Current portion of long-term loans from financial institutions amounting to Baht 1,084 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 18 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.



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LEADING MANUFACTURER IN HERMETIC COMPRESSOR FOR REFRIGERATION & AIR CONDITIONING SINCE

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.

Yours Sincerely,

Kulthorn Kirby Public Company Limited




(Mr. Sutee Simakulthorn)
President