

Kumwell Corporation Public Company Limited and its subsidiary
Notes to consolidated financial statements
For the year ended 31 December 2023

1. General information

Kumwell Corporation Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in production and distribution of electrical equipment, graphite mould, metal powder and ground wire.

On 27 April 2023, the Annual General Meeting of the Company’s shareholders passed a resolution to approve an amendment of the Memorandum of Association. The new registered office of the Company is at 358 Liang Mueang Nonthaburi, Bang Kraso, Muang Nonthaburi, Nonthaburi.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions 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 Kumwell Corporation Public Company Limited (“the Company”) and the following subsidiary company (“the subsidiary”) (collectively as “the Group”):

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2023</u> Percent	<u>2022</u> Percent
Kumwell-Nowcast Company Limited	Antenna rental for providing lighting information	Thailand	100	100

b) The Company is deemed to have control over an investee or subsidiary 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) Subsidiary are fully consolidated, being 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 subsidiary are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiary under the cost method net of allowance for impairment loss (if any).

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 2023. 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 2024

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 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 management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant 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 upon 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 (if any).

Rendering of services

Service revenue is recognised at a point in time upon completion of the service.

Revenues from construction project contracts

The Group has determined that its construction project contracts generally have one performance obligation. The Group recognises construction revenue over time where the stage of completion is measured using an input method, based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs at completion.

When the value and stage of completion of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

Finance income

Finance 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 (if any) 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 3 months or less and not subject to withdrawal restrictions.

4.3 Inventories

Finished goods and work in progress are valued at the lower of cost (under the first-in, first-out method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials and factory supplies are valued at the lower of cost (under the first-in, first-out method) and net realisable value and are charged to production costs whenever consumed.

4.4 Investments in subsidiary

Investments in subsidiary is accounted for in the separate financial statements using the cost net of allowance for impairment loss (if any).

4.5 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Buildings and buildings improvement	20 and 30 years
Utility system	10 and 25 years
Machinery and equipment	3 - 15 years
Furniture, fixtures and office equipment	3 and 5 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and construction.

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 are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any 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.

Intangible assets of the Group with finite useful lives comprise computer software, and have useful lives of 3 - 5 years.

4.8 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 (if any), and adjusted for any remeasurement of lease liabilities (if any). 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 buildings	15 years
Tools	5 years
Motor vehicles	3 and 5 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.

4.9 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the Group's operations.

4.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency.

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.

4.11 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. 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.

An impairment loss is recognised in profit or loss.

4.12 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 Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company'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 it must make to employees upon retirement under labor law. 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 plan are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

4.13 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.

4.14 Income tax

Income tax 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 it recognises 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.

4.15 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, 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, fair value through other comprehensive income (“FVOCI”), 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.

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.

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.

4.16 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 maximises 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 categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an 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:

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.

Net realisable value of inventories

The management uses judgement to estimate net realisable value of inventories taking into account fluctuations of price or cost directly related to events occurring after the end of the reporting period and movements of inventories and the prevailing economic condition.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan 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. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	
<u>Transactions with subsidiary</u>					
(eliminated from the consolidated financial statements)					
Rental and service expenses	-	-	3	3	Contract price
<u>Transactions with related companies</u>					
Revenues from sales and services	6	-	6	-	Cost plus margin
Purchases of goods and services	1	5	1	5	Cost plus margin
Rental and service expenses	1	3	1	3	Contract price

As at 31 December 2023 and 2022, the balances of the accounts between the Group and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Trade and other receivables - related parties</u>				
<u>Trade receivable - related party (Note 8)</u>				
Related company (Common shareholders/directors)	5,964	9	5,964	9
Total trade receivable - related party	5,964	9	5,964	9
<u>Accrued income - related party (Note 8)</u>				
Subsidiary	-	-	-	2
Total accrued income - related party	-	-	-	2
Total trade and other receivables - related parties	5,964	9	5,964	11
<u>Trade and other payables - related parties</u>				
<u>Trade payable - related party (Note 14)</u>				
Subsidiary	-	-	321	321
Total trade payable - related party	-	-	321	321

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Other payables - related parties (Note 14)</u>				
Related companies (Common shareholders/directors)	24	899	24	899
Management and directors	22	904	22	904
Total other payables - related parties	46	1,803	46	1,803
<u>Accrued expenses - related party (Note 14)</u>				
Subsidiary	-	-	53	85
Total accrued expenses - related party	-	-	53	85
Total trade and other payables - related parties	46	1,803	420	2,209
<u>Lease liabilities - related parties</u>				
Subsidiary	-	-	597	4,091
Related company (Common shareholders/directors)	-	4,851	-	4,851
Total lease liabilities - related parties	-	4,851	597	8,942

Short-term loans to related party

During the years, movements in short-term loans to related party between the Company and the subsidiary are as follows:

(Unit: Thousand Baht)

Loans to	Separate financial statements		
	Balance as at 1 January 2023	Decrease during the year	Balance as at 31 December 2023
<u>Subsidiary</u>			
Kumwell-Nowcast Company Limited	2,587	(2,587)	-
Total	2,587	(2,587)	-

The above loans are repayable on demand, unsecured, and carry interest at the rates of MLR-2 percent per annum (2022: MLR-1 to MLR-2 percent per annum).

Directors and management's remuneration

During the years ended 31 December 2023 and 2022, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	21,916	21,529
Post-employment benefits	739	979
Total	<u>22,655</u>	<u>22,508</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash	205	205	200	200
Bank deposits	43,961	26,032	43,049	25,603
Total	<u>44,166</u>	<u>26,237</u>	<u>43,249</u>	<u>25,803</u>

As at 31 December 2023, bank deposits in saving accounts carried interest rates between 0.05 to 0.60 percent per annum (2022: 0.05 to 0.35 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Trade receivable - related party</u>				
Aged on the basis of due dates				
Not yet due	3,430	9	3,430	9
Past due				
6 - 12 months	2,534	-	2,534	-
Total trade receivable - related party	5,964	9	5,964	9
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	45,609	79,216	45,609	79,216
Past due				
Up to 3 months	63,971	65,719	63,971	65,719
3 - 6 months	2,627	957	2,627	957
6 - 12 months	2,164	5,765	2,164	5,765
Over 12 months	9,808	6,039	9,808	6,039
Total	124,179	157,696	124,179	157,696
Less: Allowance for expected credit losses	(10,286)	(11,382)	(10,286)	(11,382)
Total trade receivables - unrelated parties, net	113,893	146,314	113,893	146,314
Total trade receivables - net	119,857	146,323	119,857	146,323
<u>Other receivables</u>				
Other receivables - unrelated parties	157	252	157	252
Accrued income - related party	-	-	-	2
Accrued income - unrelated parties	357	1,127	357	1,127
Total	514	1,379	514	1,381
Less: Allowance for expected credit losses	(157)	(157)	(157)	(157)
Total other receivables - net	357	1,222	357	1,224
Total trade and other receivables - net	120,214	147,545	120,214	147,547

The normal credit term are 15 to 60 days.

9. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2023	2022	2023	2022	2023	2022
Raw materials	69,514	71,389	(4,506)	(4,735)	65,008	66,654
Finished goods	97,151	115,509	(5,496)	(5,985)	91,655	109,524
Work in progress	59,466	57,405	(1,036)	(1,296)	58,430	56,109
Factory supplies	225	435	-	-	225	435
Goods in transit	7,034	3,462	-	-	7,034	3,462
Total	233,390	248,200	(11,038)	(12,016)	222,352	236,184

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2023	2022	2023	2022	2023	2022
Raw materials	69,514	71,389	(4,506)	(4,735)	65,008	66,654
Finished goods	97,151	115,592	(5,496)	(5,985)	91,655	109,607
Work in progress	59,466	57,405	(1,036)	(1,296)	58,430	56,109
Factory supplies	225	435	-	-	225	435
Goods in transit	7,034	3,462	-	-	7,034	3,462
Total	233,390	248,283	(11,038)	(12,016)	222,352	236,267

During the current year, the Group reversed the write-down of cost of inventories by Baht 1 million (2022: Baht 2 million) (the Company only: Baht 1million, 2022: Baht 2 million), and reduced the amount of inventories recognised as expenses during the year.

10. Other non-current financial assets

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
<u>Debt instruments at fair value through profit or loss</u>		
Investment in fixed income open-ended funds	13,956	20,204
Total	<u>13,956</u>	<u>20,204</u>

Movements in other non-current financial assets account for the years ended 31 December 2023 and 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Net book value as at 1 January	20,204	25,153
Purchases of unit trust during the year	16,600	50,000
Sales of unit trust during the year	(23,000)	(55,000)
Gain from changes in fair value of other non-current financial assets	<u>152</u>	<u>51</u>
Net book value as at 31 December	<u>13,956</u>	<u>20,204</u>

Other non-current financial assets are investments in debt securities open-ended fund at FVTPL. The fair value of investments are determined from their net asset value at the last working day of the end of each reporting period which is the fair value measurement level 2 based on the fair value hierarchy. During the current year, there were no transfers within the fair value hierarchy.

11. Investment in subsidiary

Details of investment in subsidiary as presented in separate financial statements

(Unit: Thousand Baht)

Company	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment loss on investment		Carrying amounts based on equity method - net	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
			(Percent)	(Percent)						
Kumwell-Nowcast Company Limited	5,000	5,000	100	100	102,148	102,148	(102,148)	(102,148)	-	-
Total					102,148	102,148	(102,148)	(102,148)	-	-

12. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements

Cost basis

	Land and land improvements	Buildings and buildings improvement	Utility system	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction	Total
Cost								
1 January 2022	97,344	124,890	20,662	83,745	16,395	7,696	18,333	369,065
Additions	-	2,564	549	5,897	7,716	998	176,153	193,877
Disposals/write-off	-	(279)	-	(3,547)	(813)	(1,178)	(1)	(5,818)
Transfers in (out)	-	452	15,603	3,853	452	1,205	(20,360)	1,205
31 December 2022	97,344	127,627	36,814	89,948	23,750	8,721	174,125	558,329
Additions	-	1,059	136	5,391	2,735	-	25,289	34,610
Disposals/write-off	-	(848)	(190)	(671)	(2,969)	(156)	(45)	(4,879)
Transfers in (out)	-	182,466	2,004	7,236	2,585	-	(194,291)	-
31 December 2023	97,344	310,304	38,764	101,904	26,101	8,565	5,078	588,060
Accumulated depreciation								
1 January 2022	-	19,376	5,470	49,127	11,096	6,675	-	91,744
Depreciation for the year	-	4,934	2,439	6,398	2,510	546	-	16,827
Depreciation on disposals/write-off	-	(99)	-	(1,894)	(808)	(1,178)	-	(3,979)
Transfers in	-	-	-	-	-	1,205	-	1,205
31 December 2022	-	24,211	7,909	53,631	12,798	7,248	-	105,797
Depreciation for the year	-	11,110	3,401	7,336	4,560	580	-	26,987
Depreciation on disposals/write-off	-	(210)	(134)	(512)	(2,639)	(128)	-	(3,623)
31 December 2023	-	35,111	11,176	60,455	14,719	7,700	-	129,161

(Unit: Thousand Baht)

Consolidated financial statements

Cost basis

	Land and land improvements	Buildings and buildings improvement	Utility system	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction	Total
Net book value								
31 December 2022	97,344	103,416	28,905	36,317	10,952	1,473	174,125	452,532
31 December 2023	97,344	275,193	27,588	41,449	11,382	865	5,078	458,899
Depreciation for the year								
2022 (Baht 11 million included in manufacturing cost and administrative expenses)								16,827
2023 (Baht 14 million included in manufacturing cost and administrative expenses)								26,987

(Unit: Thousand Baht)

Separate financial statements

Cost basis

	Land and land improvements	Buildings and buildings improvement	Utility system	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction	Total
Cost								
1 January 2022	97,344	124,890	20,662	75,861	16,317	7,696	18,333	361,103
Additions	-	2,564	549	5,897	7,716	998	176,153	193,877
Disposals/write-off	-	(279)	-	(3,547)	(813)	(1,178)	(1)	(5,818)
Transfers in (out)	-	452	15,603	3,853	452	1,205	(20,360)	1,205
31 December 2022	97,344	127,627	36,814	82,064	23,672	8,721	174,125	550,367
Additions	-	1,059	136	5,391	2,735	-	25,289	34,610
Disposals/write-off	-	(848)	(190)	(671)	(2,969)	(156)	(45)	(4,879)
Transfers in (out)	-	182,466	2,004	7,236	2,585	-	(194,291)	-
31 December 2023	97,344	310,304	38,764	94,020	26,023	8,565	5,078	580,098
Accumulated depreciation								
1 January 2022	-	19,376	5,470	42,070	11,040	6,675	-	84,631
Depreciation for the year	-	4,934	2,439	6,054	2,502	546	-	16,475
Depreciation on disposals/write-off	-	(99)	-	(1,894)	(808)	(1,178)	-	(3,979)
Transfers in	-	-	-	-	-	1,205	-	1,205
31 December 2022	-	24,211	7,909	46,230	12,734	7,248	-	98,332
Depreciation for the year	-	11,110	3,401	7,023	4,553	580	-	26,667
Depreciation on disposals/write-off	-	(210)	(134)	(512)	(2,639)	(128)	-	(3,623)
31 December 2023	-	35,111	11,176	52,741	14,648	7,700	-	121,376

(Unit: Thousand Baht)

Separate financial statements

Cost basis

	Land and land improvements	Buildings and buildings improvement	Utility system	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction	Total
Net book value								
31 December 2022	97,344	103,416	28,905	35,834	10,938	1,473	174,125	452,035
31 December 2023	97,344	275,193	27,588	41,278	11,376	865	5,078	458,722
Depreciation for the year								
2022 (Baht 11 million included in manufacturing cost and administrative expenses)								16,475
2023 (Baht 14 million included in manufacturing cost and administrative expenses)								26,667

The Group has mortgages of certain items of property and plant of the Company as collateral, as described in Note 16 to the consolidated financial statements.

As at 31 December 2023, certain items of buildings and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 55 million (2022: Baht 49 million) (the Company only: Baht 47 million, 2022: Baht 43 million).

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

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Bank overdrafts	-	19,123
Short-term loans from financial institutions	35,000	-
Total	<u>35,000</u>	<u>19,123</u>

The balances of short-term loans from financial institutions represent promissory notes of the Company with a term of 3 to 4 months and the interests are payable in monthly installment at the rates as agreed upon in the agreement. Bank overdrafts and short-term loans from financial institutions are secured as described in Note 16 to the consolidated financial statements.

14. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Trade payable - related party	-	-	321	321
Trade payables - unrelated parties	10,734	14,861	10,732	14,860
Other payables - related parties	46	1,803	46	1,803
Other payables - unrelated parties	5,288	63,132	5,287	63,131
Accrued expenses - related party	-	-	53	85
Accrued expenses - unrelated parties	3,100	4,007	3,050	3,927
Total trade and other payables	<u>19,168</u>	<u>83,803</u>	<u>19,489</u>	<u>84,127</u>

15. Long-term loans from financial institutions

The balance of long-term loans from financial institutions as at 31 December 2023 and 2022 are as follows:

(Unit: Thousand Baht)

Loan	Loan facility	Contract date	Borrowing period	Repayment schedule	Consolidated financial statements/Separate financial statements					
					2023			2022		
					Current portion	Long-term portion	Total	Current portion	Long-term portion	Total
<u>The Company</u>										
1	Baht 67 million	25 December 2018	7 years	Principles are repayable in monthly installments from July 2019 to December 2025 and interests are repayable in monthly installments starting from January 2019.	11,118	-	11,118	13,037	10,106	23,143
2	Baht 35 million	25 June 2021	8 years	Principles are repayable in monthly installments from July 2022 to June 2029 and interests are repayable in monthly installments starting from July 2021.	4,822	22,987	27,809	4,707	27,809	32,516
3	Baht 20 million	14 June 2021	10 years	Principles and interests are repayable in monthly installments from July 2021 to June 2031.	2,232	13,156	15,388	2,275	15,388	17,663
4	Baht 136 million	25 June 2021	8 years	Principles are repayable in monthly installments from May 2023 to May 2029 and interests are repayable in monthly installments starting from May 2022.	17,490	107,154	124,644	13,065	71,935	85,000
5	Baht 18 million	26 April 2022	7 years	Principles and interests are repayable in monthly installments from June 2022 to October 2029.	2,329	11,980	14,309	2,462	14,123	16,585
6	Baht 9 million	16 June 2021	5 years	Principles is repayable in June 2026 and interests are repayable in monthly installments from July 2021 to June 2026.	-	-	-	-	9,000	9,000

(Unit: Thousand Baht)

Loan	Loan facility	Contract date	Borrowing period	Repayment schedule	Consolidated financial statements/Separate financial statements					
					2023			2022		
					Current portion	Long-term portion	Total	Current portion	Long-term portion	Total
7	Baht 15 million	29 November 2021	5 years	Principles are repayable in monthly installments from December 2022 to December 2026 and interests are repayable in monthly installments starting from January 2022.	3,750	7,187	10,937	3,750	10,938	14,688
8	Baht 19 million	12 July 2022	5 years	Principles are repayable in monthly installments from July 2023 to June 2027 and interests are repayable in monthly installments starting from July 2022.	4,750	11,875	16,625	2,375	16,625	19,000
9	Baht 16 million	25 April 2022	9 years	Principles are repayable in monthly installments from December 2023 to April 2031 and interests are repayable in monthly installments starting from May 2023.	2,711	10,697	13,408	-	-	-
Total long-term loans from financial institutions					49,202	185,036	234,238	41,671	175,924	217,595

Movements in long-term loans from financial institutions account for the years ended 31 December 2023 and 2022 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Beginning balance	217,595	92,004
Additional borrowings	64,638	144,000
Repayments	(47,995)	(18,409)
Ending balance	<u>234,238</u>	<u>217,595</u>

The group has repayment interest payable in monthly installment at the same rate as agreed upon in the agreement. The loans are secured as described in Note 16 to the consolidated financial statements.

As at 31 December 2023, the long-term credit facilities of the Group which have not yet been drawn down amounted to Baht 7 million (2022: Baht 72 million) (the Company only: Baht 7 million, 2022: Baht 72 million).

16. Credit facilities

Credit facilities granted to the Group by financial institutions, as described in Note 13, Note 15 and Note 27 to the consolidated financial statements, are secured by the following:

- a) The guarantee provided by Thai Credit Guarantee Corporation.
- b) The mortgages of certain items of property of management and directors.
- c) The mortgages of certain items of property and plant of the company. As at 31 December 2023, net book value of the guaranteed property and plant totaled Baht 175 million (2022: Baht 178 million).

17. Leases

17.1 The Group as a lessee

The Group has lease contracts used in its operations. Leases generally have lease terms between 3 to 15 years.

a) Right-of-use assets

Movements of right-of-use assets account for the years ended 31 December 2023 and 2022 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Land and buildings	Motor vehicles	Total
1 January 2022	14,068	796	14,864
Additions	-	450	450
Depreciation for the year	(3,199)	(429)	(3,628)
31 December 2022	10,869	817	11,686
Additions	-	762	762
Decrease by terminating the contract	(3,620)	-	(3,620)
Depreciation for the year	(1,751)	(445)	(2,196)
31 December 2023	5,498	1,134	6,632

(Unit: Thousand Baht)

	Separate financial statements			
	Land and buildings	Tools	Motor vehicles	Total
1 January 2022	14,068	7,061	796	21,925
Additions	-	-	450	450
Depreciation for the year	(3,199)	(3,259)	(429)	(6,887)
31 December 2022	10,869	3,802	817	15,488
Additions	-	-	762	762
Decrease by terminating the contract	(3,620)	-	-	(3,620)
Depreciation for the year	(1,751)	(3,259)	(445)	(5,455)
31 December 2023	5,498	543	1,134	7,175

b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Lease payments	9,380	15,664	9,980	19,865
Less: Deferred interest expenses	(1,383)	(2,126)	(1,386)	(2,236)
Total	7,997	13,538	8,594	17,629
Less: Current portion	(1,461)	(3,722)	(2,058)	(7,216)
Lease liabilities - net of current portion	<u>6,536</u>	<u>9,816</u>	<u>6,536</u>	<u>10,413</u>

Movements of lease liabilities account for the years ended 31 December 2023 and 2022 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Balance at beginning of year	13,538	16,790	17,629	24,229
Additions	762	450	762	450
Decrease by terminating the contract	(4,082)	-	(4,082)	-
Accretion of interest	598	902	691	1,154
Repayments	(2,819)	(4,604)	(6,406)	(8,204)
Balance at end of year	<u>7,997</u>	<u>13,538</u>	<u>8,594</u>	<u>17,629</u>

A maturity analysis of lease payments is described in Note 29.1 to the consolidated financial statements 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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Depreciation expenses of right-of-use assets	2,196	3,628	5,455	6,887
Interest expenses on lease liabilities	598	902	691	1,154
Expenses relating to short-term leases	263	464	263	464
Expenses relating to leases of low-value assets	127	64	127	64

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2023 of Baht 3 million (2022: Baht 5 million) (the Company only: Baht 7 million, 2022: Baht 9 million), including the cash outflow related to short-term leases and leases of low-value assets.

18. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Provision for long-term employee benefits at beginning of year	15,023	15,307
Included in profit or loss:		
Current service cost	1,686	2,088
Interest cost	510	396
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	-	953
Financial assumptions changes	-	(2,692)
Experience adjustments	-	(57)
Benefits paid during the year	(192)	(972)
Provision for long-term employee benefits at end of year	<u>17,027</u>	<u>15,023</u>

The Group expects to pay Baht 5 million of long-term employee benefits during the next year (2022: Baht 0.1 million) (the Company only: Baht 5 million, 2022: Baht 0.1 million).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefits is 9 to 14 years (2022: 9 to 14 years) (the Company only: 9 to 14 years, 2022: 9 to 14 years).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Discount rate	2.52 - 3.15	2.52 - 3.15
Salary increase rate	3.86	3.86
Turnover rate	0 - 24	0 - 24

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below:

	(Unit: Million Baht)			
	Consolidated financial statements/ Separate financial statements			
	<u>2023</u>		<u>2022</u>	
	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
Discount rate	(1)	1	(1)	1
Salary increase rate	1	(1)	1	(1)
Turnover rate	(1)	1	-	1

19. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside 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. At present, the statutory reserve has fully been set aside.

20. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Changes in inventories of finished goods				
and work in progress	16,297	(44,452)	16,380	(44,433)
Raw materials and consumables used	170,080	229,306	170,080	229,306
Salaries and wages and other employee benefits	130,366	127,580	130,366	127,580
Depreciation and amortisation expenses	30,542	21,736	33,461	24,622
Utility expenses	5,780	6,220	3,498	4,598
Repair and maintenance expenses	3,627	4,605	3,627	4,605
Consultant and professional fees	8,227	9,555	8,123	9,349
Research and development expenses	2,158	1,066	2,158	1,066

21. Income tax

Income tax expenses for the years ended 31 December 2023 and 2022 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current income tax:				
Current income tax charge for the year	8,795	14,131	8,711	14,131
Write-off of withholding tax	201	-	-	-
Deferred tax:				
Relating to origination and reversal of				
temporary differences	593	(180)	176	(753)
Income tax expenses reported in profit or loss	<u>9,589</u>	<u>13,951</u>	<u>8,887</u>	<u>13,378</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Deferred tax on actuarial gains	-	359
	-	359

The reconciliation between accounting profit and income tax is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Accounting profit before tax	44,117	75,761	41,356	73,179
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	8,823	15,152	8,271	14,636
Write-off of withholding tax	201	-	-	-
Effects of:				
Promotional privileges (Note 22)	-	(1,459)	-	(1,459)
Income not subject to tax	(92)	-	(92)	-
Non-deductible expenses	962	522	1,013	522
Additional expenses deductions allowed	(305)	(264)	(305)	(321)
Total	565	(1,201)	616	(1,258)
Income tax expenses reported in profit or loss	9,589	13,951	8,887	13,378

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

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Deferred tax assets				
Allowance for expected credit losses	2,089	2,308	2,089	2,308
Reduce cost to net realisable value	2,208	2,403	2,208	2,403
Provision for long-term employee benefits	3,405	3,004	3,405	3,004
Lease liabilities	1,112	3,415	1,661	3,415
Unused tax loss	-	411	-	-
Total	8,814	11,541	9,363	11,130
Deferred tax liabilities				
Right-of-use assets	(800)	(2,934)	(1,343)	(2,934)
Total	(800)	(2,934)	(1,343)	(2,934)
Deferred tax assets - net	8,014	8,607	8,020	8,196

22. Promotional privileges

The Company has received promotional privileges from the Board of Investment for the manufacture of metal power production which is production efficiency improvement for using renewable energy, pursuant to the investment promotion certificate No. 64-0206-1-04-1-0 issued on 1 March 2021 and metal forming part which is production efficiency contributes to the reduction of environmental impact, pursuant to the investment promotion certificate No. 65-1434-1-04-1-0 issued on 11 November 2022 which is production efficiency improvement for using renewable energy as follows:

- Exemption of import duties for machinery as be approved by the Board of Directors.
- Exemption of juristic person income tax on the net profit derived from promoted activity 50% of investment capital for production efficiency improvement excluding cost of land and working capital for a period of 3 years from the date income is first derived such activity.
- According to Section 31, dividends derived from a promoted activity granted an exemption of juristic person income tax shall be exempted from computation of taxable income throughout the period the promoted person receives the exemption of juristic person income tax.

In 2022, the Company utilised the entire corporate income tax reduction applicable to income generated from the promoted operations, pursuant to the investment promotion certificate No. 64-0206-1-04-1-0.

The Company's operating revenues for the years ended 31 December 2023 and 2022, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues from						
sales and services	93,287	75,118	433,378	484,352	526,665	559,470

23. Earnings per share

Basic earnings per share is calculated by dividing profit 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 earnings per share:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Profit attributable to equity holders of the Company (Thousand Baht)	34,528	61,811	32,469	59,801
Weighted average number of ordinary shares (Thousand shares)	430,000	430,000	430,000	430,000
Earnings per share (Baht)	0.08	0.14	0.08	0.14

24. 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. The chief operating decision maker has been identified as the Group's Managing Director.

The Group is principally engaged in production and distribution of electrical equipment, graphite mould, metal powder and ground wire. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

No operating segments have been aggregated to form the above reportable operating segments. The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

Geographic information

Sales of production and distribution in electrical equipment, graphite mould, metal powder and ground wire by geographic markets are as follows:

	(Unit: Million Baht)	
	<u>Consolidated financial statements</u>	
	<u>2023</u>	<u>2022</u>
Segment in Thailand	475	478
Segment in overseas	52	81
Total	<u>527</u>	<u>559</u>

Major customers

For the year 2023, the Group has revenue from two major customers in amount of Baht 97 million and Baht 58 million (2022: Baht 87 million and Baht 56 million), arising from sales by production and distribution electrical equipment, graphite mould, metal powder and ground wire segment.

25. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Group and employees contribute to the fund monthly at the rates of 3 and 5 percent of basic salary. The fund, which is managed by Bangkok Capital Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2023 amounting to approximately Baht 3 million (2022: Baht 3 million) were recognised as expenses.

26. Dividends

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends (Thousand Baht)</u>	<u>Dividend per share (Baht)</u>
Final dividends for 2022	Annual General Meeting of the shareholders on 27 April 2023	30,100	0.07
Total for 2023		<u>30,100</u>	<u>0.07</u>
Final dividends for 2021	Annual General Meeting of the shareholders on 27 April 2022	25,800	0.06
Total for 2022		<u>25,800</u>	<u>0.06</u>

27. Commitments and contingent liabilities

(Unit: Million Baht)

	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Capital commitments		
Building construction agreements	-	14
Guarantee and contingent liabilities		
Bank guarantee for purchases of goods from overseas (2023: USD 0.2 million 2022: USD 0.4 million)	6	14
Bank guarantees for contractual performance	1	7

28. Fair value hierarchy

As at 31 December 2023 and 2022, the Group had the assets that were measured at fair value, using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements/Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets measured at fair value								
Other non-current financial assets	-	-	14	20	-	-	14	20

29. Financial instruments

29.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, loans to, restricted bank deposits, investments, trade and other payables, bank overdrafts and short-term, long-term loans and lease liabilities. 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 receivables, loans to and deposits with banks and financial institutions. The Group's maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade and other 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.

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 geography, product type, 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.

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. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Market risk

There are two types of market risk comprising foreign currency risk and interest rate risk.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its cash deposits and trading transactions that are denominated in foreign currencies.

As at 31 December 2023 and 2022, the balances of financial assets denominated in foreign currencies are summarised below.

<u>Foreign currency</u>	<u>Consolidated financial statements/ Separate financial statements</u>			
	<u>Financial assets</u>		<u>Average buying rate</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.9	0.7	34.0590	34.3913

Foreign currency sensitivity

The Group considers that the sensitivity of the Group's profit before tax to a reasonably possible change in exchange rates affected as at 31 December 2023 and 2022 are not material.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, loans to, bank overdrafts and short-term, long-term loans and lease liabilities. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2023 and 2022, 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													
	Fixed interest rate						Floating				Total		Effective interest rate	
	Within 1 year		1 - 5 years		Over 5 years		interest rate		Non-interest bearing					
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(% per annum)													
<u>Financial assets</u>														
Cash and cash equivalent	-	-	-	-	-	-	24	9	20	17	44	26	Note 7	Note 7
Trade and other receivables	-	-	-	-	-	-	-	-	120	148	120	148	-	-
Other non-current financial assets	-	-	-	-	-	-	-	-	14	20	14	20	-	-
	-	-	-	-	-	-	24	9	154	185	178	194		
<u>Financial liabilities</u>														
Bank overdrafts and short-term loans from financial institutions	-	-	-	-	-	-	35	19	-	-	35	19	Note 13	Note 13
Trade and other payables	-	-	-	-	-	-	-	-	19	84	19	84	-	-
Long-term loans from financial institutions	8	6	19	37	-	-	207	175	-	-	234	218	Note 15	Note 15
Lease liabilities	1	4	6	8	1	2	-	-	-	-	8	14	3.25 - 6.00	3.25 - 6.00
	9	10	25	45	1	2	242	194	19	84	296	335		

(Unit: Million Baht)

Separate financial statements

	As at 31 December													
	Fixed interest rate						Floating				Total		Effective interest rate	
	Within 1 year		1 - 5 years		Over 5 years		interest rate		Non-interest bearing					
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(% per annum)													
Financial assets														
Cash and cash equivalent	-	-	-	-	-	-	23	9	19	17	42	26	Note 7	Note 7
Trade and other receivables	-	-	-	-	-	-	-	-	120	148	120	148	-	-
Short-term loans to related party	-	-	-	-	-	-	-	3	-	-	-	3	Note 6	Note 6
Other non-current financial assets	-	-	-	-	-	-	-	-	14	20	14	20	-	-
	-	-	-	-	-	-	23	12	153	185	176	197		
Financial liabilities														
Bank overdrafts and short-term loans from financial institutions	-	-	-	-	-	-	35	19	-	-	35	19	Note 13	Note 13
Trade and other payables	-	-	-	-	-	-	-	-	19	84	19	84	-	-
Long-term loans from financial institutions	8	6	19	37	-	-	207	175	-	-	234	218	Note 15	Note 15
Lease liabilities	2	7	6	9	1	2	-	-	-	-	9	18	3.25 - 6.00	3.25 - 6.00
	10	13	25	46	1	2	242	194	19	84	297	339		

Interest rate sensitivity

The Group considers that the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate affected as at 31 December 2023 and 2022 are not material.

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans and lease contracts. The Group considers that the liquidity risk is low, since the Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2023 and 2022 based on contractual undiscounted cash flows:

(Unit: Million Baht)

Consolidated financial statements

	As at 31 December							
	Within 1 year		1 - 5 years		Over 5 years		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Non-derivatives								
Bank overdrafts and short-term loans								
from financial institutions	35	20	-	-	-	-	35	19
Trade and other payables	19	84	-	-	-	-	19	84
Long-term loans from financial institutions	59	48	204	183	5	3	268	234
Lease liabilities	2	4	7	9	-	3	9	16
Total non-derivatives	115	156	211	192	5	6	331	353

(Unit: Million Baht)

Separate financial statements

	As at 31 December							
	Within 1 year		1 - 5 years		Over 5 years		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Non-derivatives								
Bank overdrafts and short-term loans								
from financial institutions	35	20	-	-	-	-	35	19
Trade and other payables	19	84	-	-	-	-	19	84
Long-term loans from financial institutions	59	48	204	183	5	3	268	234
Lease liabilities	2	8	7	9	1	3	10	20
Total non-derivatives	115	160	211	192	6	6	332	357

29.2 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.

During the current year, there were no changes in the methods and assumptions used in estimating the fair value of financial instruments and there were no transfers within the fair value hierarchy.

30. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

As at 31 December 2023 and 2022, the Group's debt-to-equity ratio was as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Debt-to-equity ratio	0.58:1	0.65:1	0.59:1	0.66:1

31. Events after the reporting period

On 27 February 2024, the meeting of the Company's Board of Directors passed a resolution to approve the dividend payment for the year 2023 to its shareholders at the rate of Baht 0.05 per share, calculated based on 430 million registered and paid-up shares, or a total of Baht 22 million. The Company expects to pay and record such dividend in the second quarter of the year. However, the granting of right to receive such dividends is still uncertain until the proposal has been approved by the Shareholders' Meeting.

32. Reclassification

During the current year, certain amounts in the statement of financial position as at 31 December 2022 and the statement of comprehensive income for the year ended 31 December 2022 have been reclassified to conform to the current year's classifications. The reclassifications are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
<u>Statement of financial position</u>				
Assets				
Trade and other receivables	147,545	158,160	147,547	157,672
Inventories	236,184	234,706	236,267	234,789
Other current assets	7,178	699	6,688	699
Property, plant and equipment	452,532	450,573	452,035	450,076
Other non-current assets	2,078	1,379	2,078	1,379
Liabilities				
Trade and other payables	83,803	88,484	84,127	88,786
Current portion of provision for long-term employee benefits	-	199	-	199
Other current liabilities	4,580	-	4,558	-
Provision for long-term employee benefits, net of current portion	15,023	14,824	15,023	14,824
Other non-current liabilities	101	-	101	-
<u>Statement of comprehensive income</u>				
Revenues				
Revenues from sales and services	559,470	557,682	559,470	557,682
Other income - others	2,120	3,908	2,120	3,908

The reclassifications had no effect to previously reported profit or shareholders' equity.

33. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2024.