

**Kumwell Corporation Public Company Limited and its subsidiary**  
**Notes to interim consolidated financial statements**  
**For the three-month period ended 31 March 2023**

**1. General information**

**1.1 Corporate 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 in 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.

**1.2 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, 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.

The interim financial statements are 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 statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

**1.3 Basis of consolidation**

The interim consolidated financial statements include the financial statements of Kumwell Corporation Public Company Limited (“the Company”) and its subsidiary company (“the subsidiary”) (collectively as “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2022, with no significant change in the composition of the Group during the current period.

## 1.4 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2022.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023, do not have any significant impact on the Group's financial statements.

## 2. Related party transactions

During the period, the Group had significant business transactions with related parties. Such transactions, which were summarised below, arose in the ordinary course of business. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

Summarised significant business transactions with related parties are as follows.

	(Unit: Million Baht)			
	For the three-month periods ended 31 March			
	Consolidated		Separate	
	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	-	-	1	1
<u>Transactions with related companies</u>				
Purchases of goods and services	-	3	-	3
Rental and service expenses	1	1	1	1

The balances of the accounts between the Group and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2023	31 December 2022 (Audited)	31 March 2023	31 December 2022 (Audited)
<b><u>Trade and other receivables - related parties</u></b>				
<b><u>Trade receivable - related party (Note 3)</u></b>				
Related company (Common shareholders/directors)	-	9	-	9
Total trade receivable - related party	-	9	-	9
<b><u>Accrued income - related party (Note 3)</u></b>				
Subsidiary	-	-	1	2
Total accrued income - related party	-	-	1	2
<b>Total trade and other receivables - related parties</b>	<b>-</b>	<b>9</b>	<b>1</b>	<b>11</b>
<b><u>Trade and other payables - related parties</u></b>				
<b><u>Trade payable - related party (Note 5)</u></b>				
Subsidiary	-	-	321	321
Total other payable - related party	-	-	321	321
<b><u>Other payables - related parties (Note 5)</u></b>				
Related companies (Common shareholders/directors)	726	899	726	899
Total other payables - related parties	726	899	726	899
<b><u>Accrued expenses - related party (Note 5)</u></b>				
Subsidiary	-	-	14	85
Total accrued expenses - related party	-	-	14	85
<b>Total trade and other payables - related parties</b>	<b>726</b>	<b>899</b>	<b>1,061</b>	<b>1,305</b>
<b><u>Lease liabilities - related parties</u></b>				
Subsidiary	-	-	3,231	4,091
Related company (Common shareholders/directors)	4,276	4,851	4,276	4,851
<b>Total lease liabilities - related parties</b>	<b>4,276</b>	<b>4,851</b>	<b>7,507</b>	<b>8,942</b>

### Short-term loans to related party

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

(Unit: Thousand Baht)

Loans to	Separate financial statements		
	Balance as at 1 January 2023	Decrease during the period	Balance as at 31 March 2023
<b><u>Subsidiary</u></b>			
Kumwell-Nowcast Company Limited	2,587	(574)	2,013
Total	2,587	(574)	2,013

The above loans are repayable on demand, unsecured, and carry interest at the rate of 4.35 percent per annum (31 December 2022: 4.15 percent per annum).

### Directors and management's remuneration

For the three-month period ended 31 March 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	4,783	3,715
Post-employment benefits	185	264
Total	4,968	3,979

### 3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
<u>Trade receivable - related party</u>				
Aged on the basis of due dates				
Not yet due	-	9	-	9
Total trade receivable - related party	-	9	-	9
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	65,276	79,216	65,276	79,216
Past due				
Up to 3 months	63,428	65,719	63,428	65,719
3 - 6 months	3,520	957	3,520	957
6 - 12 months	2,573	5,765	2,573	5,765
Over 12 months	9,864	6,039	9,864	6,039
Total	144,661	157,696	144,661	157,696
Less: Allowance for expected credit losses	(11,382)	(11,382)	(11,382)	(11,382)
Total trade receivables - unrelated parties, net	133,279	146,314	133,279	146,314
Total trade receivable - net	133,279	146,323	133,279	146,323
<u>Other receivables</u>				
Other receivables - unrelated parties	150	252	150	252
Accrued income - related party	-	-	1	2
Accrued income - unrelated parties	1,192	1,127	1,192	1,127
Total	1,342	1,379	1,343	1,381
Less: Allowance for expected credit losses	(157)	(157)	(157)	(157)
Total other receivables - net	1,185	1,222	1,186	1,224
Trade and other receivables - net	134,464	147,545	134,465	147,547

#### 4. Property, plant and equipment

Movements of property, plant and equipment account for the three-month period ended 31 March 2023 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2023</b>	450,573	450,076
Acquisitions during the period - at cost	27,582	27,582
Write-off during the period - net book value as at write-off date	(1,110)	(1,110)
Depreciation for the period	(6,427)	(6,340)
<b>Net book value as at 31 March 2023</b>	<b>470,618</b>	<b>470,208</b>

#### 5. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	(Audited)		(Audited)	
Trade payable - unrelated party	-	-	321	321
Trade payables - unrelated parties	24,620	14,925	24,618	14,924
Other payables - related parties	726	899	726	899
Other payables - unrelated parties	22,152	63,132	22,151	63,131
Accrued expenses - related party	-	-	14	85
Accrued expenses - unrelated parties	10,760	4,847	10,732	4,767
<b>Total trade and other payables</b>	<b>58,258</b>	<b>83,803</b>	<b>58,562</b>	<b>84,127</b>

## 6. Long-term loans from financial institution

Movements of long-term loans from financial institution account for the three-month period ended 31 March 2023 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements/ Separate financial statements
<b>Balance as at 1 January 2023</b>	217,594
Additional borrowings	51,000
Repayments	(6,277)
<b>Balance as at 31 March 2023</b>	262,317
Less: Current portion	(41,768)
<b>Long-term loans from financial institution - net of current portion</b>	<b>220,549</b>

Long-term loans from financial institution are secured as described in Note 7 to the interim consolidated financial statements.

## 7. Credit facilities

Credit facilities granted to the Group by financial institution, as described in Note 6 to the interim 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 shareholders and directors.
- c) The mortgages of certain items of property and plant of the company. As at 31 March 2023, net book value of property and plant totaled Baht 177 million (31 December 2022: Baht 178 million).

## 8. Leases

### 8.1 Right-of-use assets

Movements of right-of-use assets account for the three-month period ended 31 March 2023 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2023</b>	11,686	15,488
Depreciation for the period	(888)	(1,702)
<b>Net book value as at 31 March 2023</b>	<b>10,798</b>	<b>13,786</b>

## 8.2 Lease liabilities

Movements of lease liabilities account for the three-month period ended 31 March 2023 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Balance as at 1 January 2023</b>	13,538	17,629
Increase from interest during the period	198	238
Repayment during the period	(1,143)	(2,043)
<b>Balance as at 31 March 2023</b>	12,593	15,824
Less: Current portion	(3,709)	(6,940)
<b>Lease liabilities - net of current portion</b>	<u>8,884</u>	<u>8,884</u>

## 9. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expense for the three-month period ended 31 March 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>
<b>Current income tax:</b>				
Interim corporate income tax charge	1,794	3,907	1,794	3,907
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	69	(55)	(45)	(217)
<b>Income tax expenses reported in profit or loss</b>	<u>1,863</u>	<u>3,852</u>	<u>1,749</u>	<u>3,690</u>



## 10. Segment information

The Group is organised into business units based on their products and services. The Group is principally engaged in production and distribution 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.

During the current period, the Group has not changed the organisation of their reportable segments from the last annual financial statements.

## 11. Commitments and contingent liabilities

	(Unit: Million Baht)	
	Consolidated financial statements/ Separate financial statements	
	31 March 2023	31 December 2022
		(Audited)
<b>Capital commitments</b>		
Building construction agreements	-	14
<b>Guarantee and contingent liabilities</b>		
Bank guarantee for purchases goods from overseas	7	14
(31 March 2023: USD 0.2 million 31 December 2022: USD 0.4 million)		
Bank guarantee for contractual performance	6	7

## 12. Foreign currency risk

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

Foreign currency	Consolidated financial statements/ Separate financial statements		Average buying rate	
	Financial assets			
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.5	1	33.9345	34.3913

## 13. Financial instruments

### 13.1 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

### 13.2 Fair value hierarchy

As at 31 March 2023 and 31 December 2022, the Group had the financial 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	
31 March 2023	31 December 2022	31 March 2023	31 December 2022	31 March 2023	31 December 2022	31 March 2023	31 December 2022

(Audited)

#### Assets measured at fair value

Other non-current financial assets	-	-	14	20	-	-	14	20
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During the current period, 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.

## 14. Events after the reporting period

On 27 April 2023, the Annual General Meeting of the Company's shareholders passed a resolution to approve the payment of a final dividend for the year 2022 to its shareholders at the rate of Baht 0.07 per share, calculated based on the 430 million registered and paid-up shares, or a total of Baht 30 million. The Company will pay and record such dividend in the second quarter of the year.

## 15. Reclassification

During the current period, certain amounts in the statement of financial position as at 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
<b>Assets</b>				
Trade and other receivables	147,545	158,160	147,547	157,672
Other current assets	10,615	699	10,125	699
Other non-current assets	2,078	1,379	2,078	1,379
<b>Liabilities</b>				
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	-
Net current portion of provision for long-term employee benefits	15,023	14,824	15,023	14,824
Other non-current liabilities	101	-	101	-

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

## 16. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 10 May 2023.