

**Kumwell Corporation Public Company Limited and its subsidiary**  
**Notes to interim consolidated financial statements**  
**For the three-month and nine-month periods ended 30 September 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 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.

#### 1.5 New 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.

The management of the Group believes that adoption of these amendments will 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 30 September			
	Consolidated		Separate	
	financial statements	financial statements	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	-	1	-	1

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	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
<u>Transactions with related companies</u>				
Revenues from sales and services	3	-	3	-
Purchases of goods and services	1	4	1	4
Rental and service expenses	1	2	1	2

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		(Audited)		(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)	2,644	9	2,644	9
Total trade receivable - related party	2,644	9	2,644	9
<b><u>Accrued income - related party (Note 3)</u></b>				
Subsidiary	-	-	-	2
Total accrued income - related party	-	-	-	2
<b>Total trade and other receivables - related parties</b>	<b>2,644</b>	<b>9</b>	<b>2,644</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 trade payable - related party	-	-	321	321
<b><u>Other payables - related parties (Note 5)</u></b>				
Related companies (Common shareholders/directors)	187	899	187	899
Management and directors	54	904	54	904
Total other payables - related parties	241	1,803	241	1,803

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
<b><u>Accrued expenses - related party (Note 5)</u></b>				
Subsidiary	-	-	35	85
Total accrued expenses - related party	-	-	35	85
<b>Total trade and other payables - related parties</b>	<b>241</b>	<b>1,803</b>	<b>597</b>	<b>2,209</b>
<b><u>Lease liabilities - related parties</u></b>				
Subsidiary	-	-	1,484	4,091
Related company (Common shareholders/directors)	-	4,851	-	4,851
<b>Total lease liabilities - related parties</b>	<b>-</b>	<b>4,851</b>	<b>1,484</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	Decrease	Balance as at
	1 January 2023	during the period	30 September 2023
<b><u>Subsidiary</u></b>			
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 rate of MLR - 2 percent per annum (31 December 2022: MLR - 2 percent per annum).

Directors and management's remuneration

For the three-month and nine-month periods ended 30 September 2023 and 2022, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

For the three-month periods ended 30 September

	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	6,394	5,114
Post-employment benefits	184	245
Total	<u>6,578</u>	<u>5,359</u>

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	15,357	14,823
Post-employment benefits	554	753
Total	<u>15,911</u>	<u>15,576</u>

**3. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
<u>Trade receivable - related party</u>				
Aged on the basis of due dates				
Not yet due	71	9	71	9
Past due				
Up to 3 months	39	-	39	-
3 - 6 months	2,534	-	2,534	-
Total trade receivable - related party	2,644	9	2,644	9
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	68,941	79,216	68,941	79,216
Past due				
Up to 3 months	56,424	65,719	56,424	65,719
3 - 6 months	5,187	957	5,187	957
6 - 12 months	3,973	5,765	3,973	5,765
Over 12 months	9,558	6,039	9,558	6,039
Total	144,083	157,696	144,083	157,696
Less: Allowance for expected credit losses	(11,382)	(11,382)	(11,382)	(11,382)
Total trade receivables - unrelated parties, net	132,701	146,314	132,701	146,314
Total trade receivables - net	135,345	146,323	135,345	146,323
<u>Other receivables</u>				
Other receivables - unrelated parties	178	252	178	252
Accrued income - related party	-	-	-	2
Accrued income - unrelated parties	2,416	1,127	2,416	1,127
Total	2,594	1,379	2,594	1,381
Less: Allowance for expected credit losses	(157)	(157)	(157)	(157)
Total other receivables - net	2,437	1,222	2,437	1,224
Trade and other receivables - net	137,782	147,545	137,782	147,547

**4. Property, plant and equipment**

Movements of property, plant and equipment account for the nine-month period ended 30 September 2023 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2023</b>	452,532	452,035
Acquisitions during the period - at cost	34,500	34,500
Disposal/Write-off during the period - net book value as at disposal/write-off date	(1,177)	(1,177)
Depreciation for the period	(20,142)	(19,879)
<b>Net book value as at 30 September 2023</b>	<b>465,713</b>	<b>465,479</b>

**5. Trade and other payables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
				(Audited)
Trade payable - related party	-	-	321	321
Trade payables - unrelated parties	18,509	14,861	18,508	14,860
Other payables - related parties	241	1,803	241	1,803
Other payables - unrelated parties	3,664	63,132	3,662	63,131
Accrued expenses - related party	-	-	35	85
Accrued expenses - unrelated parties	17,080	4,007	17,046	3,927
<b>Total trade and other payables</b>	<b>39,494</b>	<b>83,803</b>	<b>39,813</b>	<b>84,127</b>

**6. Long-term loans from financial institutions**

Movements of long-term loans from financial institutions account for the nine-month period ended 30 September 2023 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements/ Separate financial statements
	<hr/>
<b>Balance as at 1 January 2023</b>	217,594
Additional borrowings	64,638
Repayments	(36,058)
	<hr/>
<b>Balance as at 30 September 2023</b>	246,174
Less: Current portion	(48,740)
	<hr/>
<b>Long-term loans from financial institutions</b>	
<b>- net of current portion</b>	<hr/> <hr/> 197,434

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

**7. Credit facilities**

Credit facilities granted to the Group by financial institutions, 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 management and directors.
- c) The mortgages of certain items of property and plant of the company. As at 30 September 2023, net book value of the guaranteed property and plant totaled Baht 176 million (31 December 2022: Baht 178 million).



**8. Leases****8.1 Right-of-use assets**

Movements of right-of-use assets account for the nine-month period ended 30 September 2023 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Net book value as at 1 January 2023</b>	11,686	15,488
Additions	762	762
Decrease by terminating the contract	(3,620)	(3,620)
Depreciation for the period	(1,742)	(4,186)
<b>Net book value as at 30 September 2023</b>	<u>7,086</u>	<u>8,444</u>

**8.2 Lease liabilities**

Movements of lease liabilities account for the nine-month period ended 30 September 2023 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Balance as at 1 January 2023</b>	13,538	17,629
Additions	762	762
Decrease by terminating the contract	(4,082)	(4,082)
Accretion of interest	467	561
Repayments	(2,335)	(5,036)
<b>Balance as at 30 September 2023</b>	<u>8,350</u>	<u>9,834</u>
Less: Current portion	(1,425)	(2,909)
<b>Lease liabilities - net of current portion</b>	<u>6,925</u>	<u>6,925</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 expenses for the three-month and nine month periods ended 30 September 2023 and 2022 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	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	2,761	2,505	2,743	2,505
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	111	(71)	1	(209)
<b>Income tax expenses reported in profit or loss</b>	<u>2,872</u>	<u>2,434</u>	<u>2,744</u>	<u>2,296</u>

	(Unit: Thousand Baht)			
	For the nine-month periods ended 30 September			
	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	7,178	9,008	7,160	9,008
Write-off withholding tax	201	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	441	5	9	(431)
<b>Income tax expenses reported in profit or loss</b>	<u>7,820</u>	<u>9,013</u>	<u>7,169</u>	<u>8,577</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. Dividends**

Dividends declared during the nine-month periods ended 30 September 2023 and 2022 consisted of the following:

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

**12. Commitments and contingent liabilities**

(Unit: Million Baht)

	Consolidated financial statements/ Separate financial statements	
	30 September 2023	31 December 2022
	(Audited)	
<b>Capital commitments</b>		
Building construction agreements	-	14
<b>Guarantee and contingent liabilities</b>		
Bank guarantee for purchases of goods from overseas (30 September 2023: USD 0.8 million 31 December 2022: USD 0.4 million)	29	14
Bank guarantees for contractual performance	1	7

**13. Foreign currency risk**

As at 30 September 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			
	Financial assets		Average buying rate	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	1	1	36.3944	34.3913

**14. Financial instruments****14.1 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.

**14.2 Fair value hierarchy**

As at 30 September 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	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022	30 September 2023	31 December 2022	30 September 2023	31 December 2022
<b>Assets measured at fair value</b>								
Other non-current financial assets	-	-	14	20	-	-	14	20

(Audited)

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.

**15. Reclassification**

During the current period, certain amounts in the statement of financial position as at 31 December 2022 and the statement of comprehensive income for the three-month and nine-month periods ended 30 September 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><u>Statement of financial position</u></b>				
<b>Assets</b>				
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
<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	-
<b><u>Statement of comprehensive income</u></b>				
<b><u>for the three - month period</u></b>				
<b>Revenues</b>				
Revenues from sales and services	117,698	117,035	117,698	117,035
Other income - others	540	1,203	540	1,203
<b><u>Statement of comprehensive income</u></b>				
<b><u>for the nine - month period</u></b>				
<b>Revenues</b>				
Revenues from sales and services	390,568	389,265	390,568	389,265
Other income - others	1,695	2,998	1,695	2,998

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 9 November 2023.