

Sri Trang Agro-Industry Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2023

Independent Auditor's Report

To the Shareholders of Sri Trang Agro-Industry Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Sri Trang Agro-Industry Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Sri Trang Agro-Industry Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sri Trang Agro-Industry Public Company Limited and its subsidiaries and of Sri Trang Agro-Industry Public Company Limited as at 31 December 2023, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Revenue recognition

Revenue from sales of goods is significant to the financial statements. The competition in the natural rubber market has a direct impact on selling prices of natural rubber products. Moreover, the Group has a large number of customers under a variety of conditions. As a result, revenue from sale of goods is a significant account which directly affects the Group's operating results.

I assessed and tested the effectiveness of the Group's internal controls relating to the revenue cycle, examined supporting documents on a sampling basis for actual sale transactions occurring during the year, expanded the scope of audit near the end of the reporting period and tested sale transactions with respect to the accuracy and timing of revenue recognition. I also examined credit notes issued by the Group after the period end and performed analytical procedures on disaggregated data, including reconciliation of sales to cash receipts, to detect possible irregularities in sale transactions throughout the period, particularly accounting entries made through journal vouchers.

Financial instruments

The Group has entered into financial instruments with numerous counterparties which are financial institutions, in order to mitigate its exposure to fluctuations in rubber prices, foreign exchange rates and interest rates. It presents the fair value of such financial instruments in the statement of financial position, and recognises material gains or losses on financial instruments in the financial statements. Management therefore relies on valuation techniques and models suggested by the counterparties, in which most of the inputs used are observable in the relevant market. Differences in the assumptions used in the calculation may therefore affect the fair value of such financial instruments presented in the financial statements.

I gained an understanding of the transactions and the process of recording the fair value of financial instruments, and the accounting records related to financial instruments. Moreover, I recalculated the fair value of such financial instruments, sent confirmation requests to counterparties to determine the completeness of the recording of the transactions and verified supporting documents, on a sampling basis, for actual transactions occurring during the year. In addition, I tested the appropriateness of the fair values by comparing them to available market inputs. Moreover, I examined the information disclosed in the notes to the financial statements for appropriateness and completeness.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Krongkaew Limkittikul
Certified Public Accountant (Thailand) No. 5874

EY Office Limited
Bangkok: 16 February 2024

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets					
Current assets					
Cash and cash equivalents	7	6,986,222,450	22,500,428,361	564,227,664	5,373,978,382
Trade and other receivables	8	7,292,933,813	8,191,993,894	4,639,720,164	4,655,399,761
Amounts due from future brokers		648,477,627	660,607,783	-	-
Inventories	9	26,959,432,492	25,261,064,870	15,513,425,732	13,828,811,139
Short-term loans to subsidiaries	6	-	-	-	343,913,000
Derivative financial instruments	36.1	448,837,234	1,003,874,851	310,764,124	641,646,085
Other current financial assets	11	5,213,142,211	-	-	-
Other current assets	10	803,757,893	1,545,934,547	54,870,561	71,564,748
Total current assets		48,352,803,720	59,163,904,306	21,083,008,245	24,915,313,115
Non-current assets					
Derivative financial instruments	36.1	1,516,396	1,997,355	-	-
Other non-current financial assets	11	4,724,823,604	1,062,491,829	38,332,788	38,279,840
Investments in subsidiaries	12	-	-	19,158,309,019	19,005,708,104
Investment in associate	13	468,985,266	583,948,421	142,500,000	142,500,000
Investment in joint venture	14	294,656,063	570,062,923	134,716,526	134,716,526
Investment properties	15	236,096,759	235,340,906	89,643,125	89,643,125
Property, plant and equipment	16	50,079,367,485	47,885,312,171	13,265,800,037	11,879,608,448
Right-of-use assets	22	492,426,154	518,689,132	116,707,757	117,124,600
Economic tree plantations	17	2,616,619,845	2,546,569,812	24,105,688	16,098,215
Intangible asset - Computer software	18	426,547,176	457,291,395	237,652,159	253,119,447
Goodwill	19	3,174,667,132	3,174,667,132	-	-
Withholding tax deducted at source		433,244,269	355,321,543	149,586,864	150,344,954
Deferred tax assets	29	323,892,216	486,260,956	-	-
Other non-current assets		111,850,497	41,915,800	13,324,917	12,300,951
Total non-current assets		63,384,692,862	57,919,869,375	33,370,678,880	31,839,444,210
Total assets		111,737,496,582	117,083,773,681	54,453,687,125	56,754,757,325

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	20	3,978,993,430	5,058,138,423	1,292,820,047	1,576,159,547
Short-term borrowings from financial institutions	21.1	5,495,039,176	5,889,871,582	814,000,000	347,335,000
Current portions of long-term liabilities:					
- Long-term borrowings from financial institutions	21.2	1,884,604,188	1,715,714,709	-	-
- Debentures	21.3	2,727,584,141	1,233,004,519	2,713,631,918	1,219,051,096
- Lease liabilities	22	197,842,679	206,145,429	56,473,403	55,702,317
Short-term loan from subsidiary	6	-	-	-	145,000,000
Income tax payable		23,293,332	145,231,321	-	49,439,703
Derivative financial instruments	36.1	357,383,725	95,261,047	337,016,593	9,889,569
Other current liabilities		101,003,908	119,153,235	35,287,653	41,377,941
Total current liabilities		14,765,744,579	14,462,520,265	5,249,229,614	3,443,955,173
Non-current liabilities					
Derivative financial instruments	36.1	-	1,126,858	-	-
Long-term liabilities, net of current portions:					
- Long-term borrowings from financial institutions	21.2	3,527,377,855	5,411,982,152	-	-
- Debentures	21.3	23,324,038,254	25,818,975,999	21,825,320,772	24,320,710,920
- Lease liabilities	22	263,199,873	284,536,834	64,083,558	64,346,009
Provision for retirement benefit obligations	23	413,961,569	416,403,281	137,632,299	137,884,846
Deferred tax liabilities	29	1,263,895,462	1,468,901,008	506,307,234	726,513,330
Other non-current liabilities		33,005,238	33,024,745	-	-
Total non-current liabilities		28,825,478,251	33,434,950,877	22,533,343,863	25,249,455,105
Total liabilities		43,591,222,830	47,897,471,142	27,782,573,477	28,693,410,278

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Shareholders' equity					
Share capital					
Registered					
1,535,999,998 ordinary shares of Baht 1 each		<u>1,535,999,998</u>	<u>1,535,999,998</u>	<u>1,535,999,998</u>	<u>1,535,999,998</u>
Issued and fully paid-up					
1,535,999,998 ordinary shares of Baht 1 each		1,535,999,998	1,535,999,998	1,535,999,998	1,535,999,998
Premium on ordinary shares		10,851,951,634	10,851,951,634	10,851,951,634	10,851,951,634
Surplus on the change in the ownership interests in subsidiaries		6,257,143,381	6,257,143,381	-	-
Retained earnings					
Appropriated - statutory reserve	24	153,600,000	153,600,000	153,600,000	153,600,000
Unappropriated		25,382,210,772	27,130,151,340	11,135,921,730	12,445,918,517
Other components of shareholders' equity					
Surplus on revaluation of assets - net of income tax	25	6,205,672,564	5,809,537,342	2,785,097,740	2,920,108,422
Surplus (deficit) on changes in fair value through other comprehensive income of investments in equity - net of income tax		350,164,037	(109,993,490)	4,923,941	4,881,582
Cash flow hedge reserve - net of income tax		239,077,855	233,517,547	203,618,605	148,886,894
Share of other comprehensive income from associate and joint venture		(48,172,398)	-	-	-
Exchange differences on translation of financial statements in foreign currencies		<u>(587,447,117)</u>	<u>(473,567,808)</u>	<u>-</u>	<u>-</u>
Equity attributable to equity holders of the Company		50,340,200,726	51,388,339,944	26,671,113,648	28,061,347,047
Non-controlling interests of the subsidiaries		<u>17,806,073,026</u>	<u>17,797,962,595</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>68,146,273,752</u>	<u>69,186,302,539</u>	<u>26,671,113,648</u>	<u>28,061,347,047</u>
Total liabilities and shareholders' equity		<u>111,737,496,582</u>	<u>117,083,773,681</u>	<u>54,453,687,125</u>	<u>56,754,757,325</u>
		-	-	-	-

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

Directors

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Profit or loss:					
Revenues from sales of goods and services	30	84,244,908,888	110,656,726,212	50,308,694,954	61,208,863,185
Cost of sales and services		<u>(76,082,009,977)</u>	<u>(94,851,076,084)</u>	<u>(47,014,830,463)</u>	<u>(54,891,887,948)</u>
Gross profit		8,162,898,911	15,805,650,128	3,293,864,491	6,316,975,237
Other income	26	353,467,543	292,662,869	241,906,037	176,546,585
Dividend income		16,070,075	6,430,998	590,771,161	1,876,368,887
Selling and distribution expenses		(5,247,469,228)	(7,784,891,136)	(2,823,887,593)	(3,490,397,693)
Administrative expenses		(2,815,650,966)	(2,462,957,082)	(808,667,737)	(794,313,180)
Gain on exchange rates		39,260,360	506,123,498	136,715,523	150,997,235
Other gain (loss)	27	<u>(32,496,357)</u>	<u>505,958,593</u>	<u>(66,237,246)</u>	<u>885,069,548</u>
Profit from operating activities		476,080,338	6,868,977,868	564,464,636	5,121,246,619
Share of profit (loss) from investments in associate and joint venture		(107,484,318)	335,657,202	-	-
Finance income		526,155,095	184,841,170	93,091,191	27,180,646
Finance cost		<u>(1,421,727,511)</u>	<u>(1,222,063,180)</u>	<u>(772,192,503)</u>	<u>(637,977,825)</u>
Profit (loss) before income tax		(526,976,396)	6,167,413,060	(114,636,676)	4,510,449,440
Income tax	29	<u>71,017,609</u>	<u>(649,582,977)</u>	<u>200,462,016</u>	<u>(236,890,732)</u>
Profit (loss) for the year		<u><u>(455,958,787)</u></u>	<u><u>5,517,830,083</u></u>	<u><u>85,825,340</u></u>	<u><u>4,273,558,708</u></u>

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Other comprehensive income:					
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods					
Exchange differences on translation of					
financial statements in foreign currencies		(173,793,390)	(9,338,170)	-	-
Gain (loss) on cash flow hedge - net of income tax		(21,235,785)	297,523,016	54,731,711	139,067,200
Share of other comprehensive income from					
investments in associate and joint venture		<u>(52,381,761)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to					
profit or loss in subsequent periods - net of income tax		<u>(247,410,936)</u>	<u>288,184,846</u>	<u>54,731,711</u>	<u>139,067,200</u>
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods					
Changes in revaluation of assets					
- net of income tax	25	670,067,858	2,484,689,724	-	1,232,568,646
Actuarial gain - net of income tax	23	18,868,051	15,907,121	5,167,189	5,682,326
Gain (loss) on changes in value of equity investments					
designated at fair value through other comprehensive					
income - net of income tax	11	821,136,161	(218,948,510)	42,359	(21,808,783)
Share of other comprehensive income from					
investments in associate and joint venture		<u>4,209,363</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income not to be reclassified to					
profit or loss in subsequent periods - net of income tax		<u>1,514,281,433</u>	<u>2,281,648,335</u>	<u>5,209,548</u>	<u>1,216,442,189</u>
Other comprehensive income for the year		<u>1,266,870,497</u>	<u>2,569,833,181</u>	<u>59,941,259</u>	<u>1,355,509,389</u>
Total comprehensive income for the year		<u>810,911,710</u>	<u>8,087,663,264</u>	<u>145,766,599</u>	<u>5,629,068,097</u>

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Profit (loss) attributable to:				
Equity holders of the Company	(434,368,615)	4,794,868,438	<u>85,825,340</u>	<u>4,273,558,708</u>
Non-controlling interests of the subsidiaries	<u>(21,590,172)</u>	<u>722,961,645</u>		
	<u>(455,958,787)</u>	<u>5,517,830,083</u>		
 Total comprehensive income attributable to:				
Equity holders of the Company	487,860,780	7,261,244,070	<u>145,766,599</u>	<u>5,629,068,097</u>
Non-controlling interests of the subsidiaries	<u>323,050,930</u>	<u>826,419,194</u>		
	<u>810,911,710</u>	<u>8,087,663,264</u>		
 Earnings per share				
Basic earnings per share	31			
Profit (loss) attributable to equity holders				
of the Company	<u>(0.28)</u>	<u>3.12</u>	<u>0.06</u>	<u>2.78</u>

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2023

(Unit: Baht)

Consolidated financial statements								
Attributable to the equity holders of the Company								
		Surplus on	Retained earnings		Total other	Total equity	Non-controlling	Total
	Issued and	Premium	the change in	Appropriated	components	attributable to	interests of the	shareholders'
	paid-up	on ordinary	the ownership	- statutory	of shareholders'	equity holders of	subsidiaries	shareholders'
	share capital	shares	interests in	reserve	equity	the Company		equity
			subsidiaries		Unappropriated			
Balance as at 1 January 2022	1,535,999,998	10,851,951,634	6,247,647,636	153,600,000	24,741,526,831	3,121,405,162	46,652,131,261	65,048,588,256
Profit for the year	-	-	-	-	4,794,868,438	-	4,794,868,438	5,517,830,083
Other comprehensive income for the year	-	-	-	-	12,634,524	2,453,741,108	2,466,375,632	2,569,833,181
Total comprehensive income for the year	-	-	-	-	4,807,502,962	2,453,741,108	7,261,244,070	8,087,663,264
Amortisation on surplus on revaluation of assets	-	-	-	-	134,178,907	(134,178,907)	-	-
Dividend paid (Note 33)	-	-	-	-	(2,534,399,997)	-	(2,534,399,997)	(2,534,399,997)
Dividend paid by the subsidiaries	-	-	-	-	-	-	-	(1,447,319,220)
Share-based payment paid by the subsidiary	-	-	-	-	-	-	-	2,858,441
Increase in share capital of the subsidiary	-	-	9,495,745	-	-	(131,135)	9,364,610	28,911,795
Disposal of other financial assets	-	-	-	-	1,782,419	(1,782,419)	-	-
Refund of other financial assets (Note 11)	-	-	-	-	(20,439,782)	20,439,782	-	-
Balance as at 31 December 2022	<u>1,535,999,998</u>	<u>10,851,951,634</u>	<u>6,257,143,381</u>	<u>153,600,000</u>	<u>27,130,151,340</u>	<u>5,459,493,591</u>	<u>51,388,339,944</u>	<u>69,186,302,539</u>
Balance as at 1 January 2023	1,535,999,998	10,851,951,634	6,257,143,381	153,600,000	27,130,151,340	5,459,493,591	51,388,339,944	69,186,302,539
Profit (loss) for the year	-	-	-	-	(434,368,615)	-	(434,368,615)	(455,958,787)
Other comprehensive income for the year	-	-	-	-	14,821,674	907,407,721	922,229,395	1,266,870,497
Total comprehensive income for the year	-	-	-	-	(419,546,941)	907,407,721	487,860,780	810,911,710
Amortisation on surplus on revaluation of assets	-	-	-	-	207,606,371	(207,606,371)	-	-
Dividend paid (Note 33)	-	-	-	-	(1,535,999,998)	-	(1,535,999,998)	(1,535,999,998)
Dividend paid by the subsidiaries	-	-	-	-	-	-	-	(314,940,499)
Balance as at 31 December 2023	<u>1,535,999,998</u>	<u>10,851,951,634</u>	<u>6,257,143,381</u>	<u>153,600,000</u>	<u>25,382,210,772</u>	<u>6,159,294,941</u>	<u>50,340,200,726</u>	<u>68,146,273,752</u>

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2023

Details of other components of shareholders' equity:

(Unit: Baht)

	Consolidated financial statements					
	Attributable to the equity holders of the Company					
	Other components of shareholders' equity					
	Other comprehensive income					
	Surplus on revaluation of assets - net of income tax	Surplus (deficit) on changes in fair value through other comprehensive income of investments in equity - net of income tax	Cash flow hedge reserve - net of income tax	Share of other comprehensive income from associate and joint venture	Exchange differences on translation of financial statements in foreign currencies	Total other components of shareholders' equity
Balance as at 1 January 2022	3,635,007,392	3,645,991	(22,960,096)	-	(494,288,125)	3,121,405,162
Profit for the year	-	-	-	-	-	-
Other comprehensive income for the year	2,308,761,027	(132,383,321)	256,430,747	-	20,932,655	2,453,741,108
Total comprehensive income for the year	2,308,761,027	(132,383,321)	256,430,747	-	20,932,655	2,453,741,108
Amortisation on surplus on revaluation of assets	(134,178,907)	-	-	-	-	(134,178,907)
Increase in share capital of the subsidiary	(52,170)	86,477	46,896	-	(212,338)	(131,135)
Disposal of other financial assets	-	(1,782,419)	-	-	-	(1,782,419)
Refund of other financial assets (Note 11)	-	20,439,782	-	-	-	20,439,782
Balance as at 31 December 2022	<u>5,809,537,342</u>	<u>(109,993,490)</u>	<u>233,517,547</u>	<u>-</u>	<u>(473,567,808)</u>	<u>5,459,493,591</u>
Balance as at 1 January 2023	5,809,537,342	(109,993,490)	233,517,547	-	(473,567,808)	5,459,493,591
Profit (loss) for the year	-	-	-	-	-	-
Other comprehensive income for the year	603,741,593	460,157,527	5,560,308	(48,172,398)	(113,879,309)	907,407,721
Total comprehensive income for the year	603,741,593	460,157,527	5,560,308	(48,172,398)	(113,879,309)	907,407,721
Amortisation on surplus on revaluation of assets	(207,606,371)	-	-	-	-	(207,606,371)
Balance as at 31 December 2023	<u>6,205,672,564</u>	<u>350,164,037</u>	<u>239,077,855</u>	<u>(48,172,398)</u>	<u>(587,447,117)</u>	<u>6,159,294,941</u>

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2023

(Unit: Baht)

	Separate financial statements					
			Retained earnings		Total other	
	Issued and	Premium	Appropriated		components	Total
	paid-up	on ordinary	- statutory		of shareholders'	shareholders'
	share capital	shares	reserve	Unappropriated	equity	equity
Balance as at 1 January 2022	1,535,999,998	10,851,951,634	153,600,000	10,638,643,488	1,786,483,827	24,966,678,947
Profit for the year	-	-	-	4,273,558,708	-	4,273,558,708
Other comprehensive income for the year	-	-	-	5,682,326	1,349,827,063	1,355,509,389
Total comprehensive income for the year	-	-	-	4,279,241,034	1,349,827,063	5,629,068,097
Amortisation on surplus on revaluation of assets	-	-	-	82,873,774	(82,873,774)	-
Dividend paid (Note 33)	-	-	-	(2,534,399,997)	-	(2,534,399,997)
Refund of other financial assets (Note 11)	-	-	-	(20,439,782)	20,439,782	-
Balance as at 31 December 2022	1,535,999,998	10,851,951,634	153,600,000	12,445,918,517	3,073,876,898	28,061,347,047
Balance as at 1 January 2023	1,535,999,998	10,851,951,634	153,600,000	12,445,918,517	3,073,876,898	28,061,347,047
Profit for the year	-	-	-	85,825,340	-	85,825,340
Other comprehensive income for the year	-	-	-	5,167,189	54,774,070	59,941,259
Total comprehensive income for the year	-	-	-	90,992,529	54,774,070	145,766,599
Amortisation on surplus on revaluation of assets	-	-	-	135,010,682	(135,010,682)	-
Dividend paid (Note 33)	-	-	-	(1,535,999,998)	-	(1,535,999,998)
Balance as at 31 December 2023	1,535,999,998	10,851,951,634	153,600,000	11,135,921,730	2,993,640,286	26,671,113,648

The accompanying notes are an integral part of the interim financial statements.

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2023

Details of other components of shareholders' equity:

(Unit: Baht)

	Separate financial statements		
	Other components of shareholders' equity		
	Other comprehensive income		
	Surplus on revaluation of assets - net of income tax	Surplus (deficit) on changes in fair value through other comprehensive income of investments in equity - net of income tax	Cash flow hedge reserve - net of income tax
			Total other components of shareholders' equity
Balance as at 1 January 2022	1,770,413,550	6,250,583	9,819,694
Profit for the year	-	-	-
Other comprehensive income for the year	1,232,568,646	(21,808,783)	139,067,200
Total comprehensive income for the year	1,232,568,646	(21,808,783)	139,067,200
Amortisation on surplus on revaluation of assets	(82,873,774)	-	-
Refund of other financial assets (Note 11)	-	20,439,782	-
Balance as at 31 December 2022	<u>2,920,108,422</u>	<u>4,881,582</u>	<u>148,886,894</u>
Balance as at 1 January 2023	2,920,108,422	4,881,582	148,886,894
Profit for the year	-	-	-
Other comprehensive income for the year	-	42,359	54,731,711
Total comprehensive income for the year	-	42,359	54,731,711
Amortisation on surplus on revaluation of assets	(135,010,682)	-	-
Balance as at 31 December 2023	<u>2,785,097,740</u>	<u>4,923,941</u>	<u>203,618,605</u>

The accompanying notes are an integral part of the interim financial statements.

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash flows from operating activities				
Profit (loss) before income tax	(526,976,396)	6,167,413,060	(114,636,676)	4,510,449,440
Adjustments to reconcile profit (loss) before income tax to net cash provided by (paid from) operating activities:				
Unrealised loss (gain) on exchange rates	10,755,598	165,442,021	(3,845,894)	17,954,515
Unrealised loss (gain) on revaluation of derivative financial instruments	324,333,953	(354,665,902)	246,892,402	(224,875,986)
Loss (gain) on conversion of derivative instruments to underlying equity instruments	(6,560,620)	83,848,169	-	-
Share-based payment expenses	-	2,858,441	-	-
Expected credit losses (reversal)	17,796,075	103,689,359	(2,698,989)	102,529
Loss on bad debt	5,166,720	-	5,166,720	-
Reduction of inventory cost to net realisable value (reversal)	(69,903,499)	296,307,397	(67,872,594)	97,434,398
Expenses for retirement benefit obligations	30,455,604	17,865,535	9,897,939	11,895,440
Depreciation	3,486,150,911	3,069,968,157	964,948,855	791,056,553
Amortisation on economic tree plantations	37,269,538	27,761,942	282,803	356,254
Amortisation on intangible asset	93,302,591	88,394,742	64,759,255	63,903,286
Loss on impairment of asset	294,078,157	-	-	-
Impairment loss from assets revaluation (reversal)	(3,773,081)	16,372,171	-	25,911,932
Write-off for withholding tax	16,362,043	71,900,958	12,389,421	71,900,958
Finance income	(526,155,095)	(184,841,170)	(93,091,191)	(27,180,646)
Finance cost	1,421,727,511	1,222,063,180	772,192,503	637,977,825
Dividend income	(16,070,075)	(6,430,998)	(590,771,161)	(1,876,368,887)
Share of (profit) loss from investments in associate and joint venture	107,484,318	(335,657,202)	-	-
Loss (gain) on disposal and write-off for property, plant and equipment, right-of-use assets, economic tree plantations and intangible asset	(1,289,617)	38,703,642	4,927,821	16,311,221
Gain on change in fair value of investment properties	-	(15,820,031)	-	(13,980,000)
Profit from operating activities before changes in operating assets and liabilities	4,694,154,636	10,475,173,471	1,208,541,214	4,102,848,832

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Operating assets (increase) decrease				
Trade and other receivables	875,757,146	494,211,294	8,331,516	(140,734,799)
Amounts due from future brokers	12,130,156	646,882,851	-	105,737,796
Inventories	(919,375,317)	6,468,755,240	(1,169,200,040)	2,468,746,339
Other current assets	478,545,024	302,940,170	16,694,187	135,735
Other non-current assets	(10,958,154)	(5,905,855)	(1,023,966)	717,756
Operating liabilities increase (decrease)				
Trade and other payables	(1,059,818,547)	(390,120,957)	(279,732,933)	193,162,781
Other current liabilities	(18,149,327)	(185,727,405)	(6,090,288)	(163,933,117)
Provision for retirement benefit obligations	(9,336,923)	(7,090,375)	(3,691,500)	(5,299,387)
Other non-current liabilities	<u>(19,507)</u>	<u>(358,332)</u>	<u>-</u>	<u>-</u>
Cash flows provided by (used in) operating activities	4,042,929,187	17,798,760,102	(226,171,810)	6,561,381,936
Interest received	499,439,331	180,200,128	93,187,868	27,162,099
Interest paid	(1,531,483,769)	(1,133,744,830)	(826,400,108)	(495,145,109)
Withholding tax deducted at source refunded	284,010,318	206,798,920	53,039,716	179,301,202
Income tax paid	<u>(407,543,133)</u>	<u>(1,379,321,587)</u>	<u>(116,850,882)</u>	<u>(116,172,619)</u>
Net cash flows provided by (used in) operating activities	<u>2,887,351,934</u>	<u>15,672,692,733</u>	<u>(1,023,195,216)</u>	<u>6,156,527,509</u>
Cash flows from investing activities				
Cash paid for purchases of other financial assets	(8,108,105,443)	(693,287,674)	-	(500)
Cash paid for purchases of derivative financial instruments	-	(1,682,522)	-	-
Dividends received	250,701,317	210,561,298	590,771,161	1,876,368,887
Cash paid for short-term loan to subsidiary	-	-	(1,200,000,000)	(1,534,598,000)
Cash received from repayment of short-term loan to subsidiary	-	-	1,534,598,000	1,532,469,000
Cash paid for investment in subsidiary	-	-	(152,600,915)	(166,570,396)
Cash received from disposals of property, plant and equipment and economic tree plantations	84,217,605	27,455,718	19,658,501	11,390,912
Cash paid for purchases of plant and equipment, economic tree plantations, intangible asset and investment properties	(5,344,081,675)	(10,490,458,653)	(2,316,204,347)	(3,275,830,956)
Cash received from disposal of other financial assets	-	28,455,995	-	-
Cash refunded from other financial assets	<u>-</u>	<u>43,560,218</u>	<u>-</u>	<u>43,560,218</u>
Net cash flows used in investing activities	<u>(13,117,268,196)</u>	<u>(10,875,395,620)</u>	<u>(1,523,777,600)</u>	<u>(1,513,210,835)</u>

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash flows from financing activities				
Increase (decrease) in short-term borrowings from financial institutions	(436,417,605)	(15,796,771,717)	481,200,000	(11,484,981,000)
Cash received from short-term loan from subsidiary	-	-	145,000,000	145,000,000
Cash paid for repayment of short-term loan from subsidiary	-	-	(290,000,000)	(145,000,000)
Repayments of long-term borrowings from financial institutions	(1,716,200,000)	(2,140,829,000)	-	(807,279,000)
Proceeds from issuance of debentures	-	16,838,000,000	-	15,338,000,000
Cash paid for redemption of debentures	(1,000,000,000)	-	(1,000,000,000)	-
Payment of principal portion of lease liabilities	(224,334,308)	(191,433,545)	(62,798,239)	(52,538,996)
Dividend paid	(1,536,179,663)	(2,534,575,748)	(1,536,179,663)	(2,534,575,748)
Dividend paid by subsidiaries	(314,940,501)	(1,447,319,220)	-	-
Cash received from increase in share capital of subsidiary	-	28,911,795	-	-
Net cash flows provided by (used in) financing activities	<u>(5,228,072,077)</u>	<u>(5,244,017,435)</u>	<u>(2,262,777,902)</u>	<u>458,625,256</u>
Increase (decrease) in translation adjustments	<u>(56,217,572)</u>	<u>137,498,270</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>(15,514,205,911)</u>	<u>(309,222,052)</u>	<u>(4,809,750,718)</u>	<u>5,101,941,930</u>
Cash and cash equivalents at beginning of the year	<u>22,500,428,361</u>	<u>22,809,650,413</u>	<u>5,373,978,382</u>	<u>272,036,452</u>
Cash and cash equivalents at end of the year	<u><u>6,986,222,450</u></u>	<u><u>22,500,428,361</u></u>	<u><u>564,227,664</u></u>	<u><u>5,373,978,382</u></u>
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions:				
Increase in payables from purchases of assets	-	-	-	153,507,871
Purchases of assets by entering into lease agreements	199,069,193	299,495,494	64,067,883	61,588,118
Increase in retention	-	164,543,568	-	75,350,526

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2023

1. General information

Sri Trang Agro-Industry Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of natural rubber products such as ribbed smoked sheets, concentrated latex, block rubber, and other products. In addition, the Group is engaged in the manufacture and distribution of natural gloves, rubber plantation, provides engineering, logistics and IT services. The registered office of the Company is at 10 Soi 10, Phetkasem Road, Hat Yai, Songkhla, Thailand.

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 Sri Trang Agro-Industry Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Paid-up capital			Percentage of shareholding	
			Currency	2023	2022	2023	2022
(%)							
<u>Subsidiaries directly owned by the Company</u>							
Rubberland Products Co., Ltd. (“RBL”)	Manufacture of rubber products	Thailand	THB	1,600,000,000	1,600,000,000	99.99	99.99
Namhua Rubber Co., Ltd. (“NHR”)	Manufacture of rubber products	Thailand	THB	500,000,000	500,000,000	99.99	99.99
PT Sri Trang Lingga Indonesia	Manufacture of block rubber products	Indonesia	Million IDR	91,050	91,050	90.00	90.00
Shi Dong Shanghai Rubber Co., Ltd.	Distribution of rubber products	China	USD	5,000,000	5,000,000	100.00	100.00
Sri Trang Africa SA.	Distribution of rubber products	Côte d'Ivoire	F.CFA	350,000,000	10,000,000	100.00	100.00
Sri Trang Gloves (Thailand) Plc. (50.61% owned by the Company and 5.42% owned by RBL)	Manufacture of medical gloves	Thailand	THB	1,432,589,955	1,432,589,955	56.03	56.03
Anvar Parawood Co., Ltd.	Manufacture of processed rubber wood	Thailand	THB	10,000,000	10,000,000	99.94	99.94
Startex Rubber Co., Ltd. (“STC”)	Investment holding	Thailand	THB	2,635,000,000	2,635,000,000	99.99	99.99

Company's name	Nature of business	Country of incorporation	Paid-up capital			Percentage of shareholding	
			<u>Currency</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
						(%)	
Starlight Express Transport Co., Ltd. (79.99% owned by the Company, 13.33% owned by RBL, 3.33% owned by NHR, and 3.33% owned by STC)	Providing of logistics services	Thailand	THB	15,000,000	15,000,000	99.99	99.99
Sri Trang Rubber & Plantation Co., Ltd.	Rubber plantation	Thailand	THB	7,360,000,000	7,215,000,000	99.99	99.99
Sri Trang IBC Co., Ltd.	Providing of IT Services	Thailand	THB	6,000,000	6,000,000	99.99	99.99
<u>Subsidiaries indirectly owned by the Company</u>							
Held by Startex Rubber Co., Ltd.							
Sri Trang International Pte Ltd.	Distribution of rubber products	Singapore	USD	61,000,000	61,000,000	99.99	99.99
Held by Sri Trang International Pte Ltd.							
Sri Trang Ayeyar Rubber Industry Co., Ltd.	Manufacture of block rubber products	Myanmar	USD	1,000,000	1,000,000	58.99	58.99
Sri Trang Indochina (Vietnam) Co., Ltd.	Distribution of rubber products	Vietnam	VND	21,287,000,000	21,287,000,000	99.99	99.99
Shi Dong Investments Pte Ltd.	Investment holding	Singapore	USD	58,000,000	58,000,000	99.99	99.99

Company's name	Nature of business	Country of incorporation	Paid-up capital			Percentage of shareholding	
			<u>Currency</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
						(%)	
Held by Shi Dong Investments Pte Ltd.							
PT Star Rubber	Manufacture of block rubber products	Indonesia	Million IDR	515,875	515,875	98.99	98.99
Held by Sri Trang Gloves (Thailand) Plc.							
Shidong Shanghai Medical Equipment Co., Ltd.	Distribution of gloves	China	USD	4,150,000	4,150,000	56.03	56.03
Sri Trang USA, Inc.	Distribution of gloves	USA	USD	115	115	56.03	56.03
Sri Trang Gloves (Singapore) Pte. Ltd.	Distribution of gloves and research and development	Singapore	USD	1,000,000	1,000,000	56.03	56.03
PT Sri Trang Gloves Indo	Distribution of gloves	Indonesia	Million IDR	10,000	10,000	56.03	56.03
Sri Trang Gloves Vietnam Co., Ltd.	Distribution of gloves	Vietnam	VND	22,670,000,000	22,670,000,000	56.03	56.03
Sri Trang Responsible Gloves Supply Inc.	Distribution of gloves	USA	USD	500,000	500,000	56.03	56.03
Sri Trang Gloves Philippines Inc.	Distribution of gloves	Philippines	PHP	10,470,100	10,470,100	56.03	56.03

**Held by Sri Trang Gloves
(Thailand) Plc.**

Shidong Shanghai Medical Equipment Co., Ltd.	Distribution of gloves	China	USD	4,150,000	4,150,000	56.03	56.03
Sri Trang USA, Inc.	Distribution of gloves	USA	USD	115	115	56.03	56.03
Sri Trang Gloves (Singapore) Pte. Ltd.	Distribution of gloves and research and development	Singapore	USD	1,000,000	1,000,000	56.03	56.03
PT Sri Trang Gloves Indo	Distribution of gloves		Million				
		Indonesia	IDR	10,000	10,000	56.03	56.03
Sri Trang Gloves Vietnam Co., Ltd.	Distribution of gloves	Vietnam	VND	22,670,000,000	22,670,000,000	56.03	56.03
Sri Trang Responsible Gloves Supply Inc.	Distribution of gloves	USA	USD	500,000	500,000	56.03	56.03
Sri Trang Gloves Philippines Inc.	Distribution of gloves	Philippines	PHP	10,470,100	10,470,100	56.03	56.03

Company's name	Nature of business	Country of incorporation	Paid-up capital			Percentage of shareholding	
			<u>Currency</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
						(%)	
Premier System Engineering Co., Ltd.	Providing engineering services	Thailand	THB	50,000,000	50,000,000	56.03	56.03
Sadao P.S. Rubber Co., Ltd.	Providing rental services of real estate	Thailand	THB	40,000,000	40,000,000	56.03	56.03
Sri Trang Gloves Global Pte. Ltd.	Financial asset management and financial investment	Singapore	USD	305,000,000	180,000,000	56.03	56.03

- b) The Company is deemed to have control over an investee or subsidiaries 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) Subsidiaries 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 subsidiaries are prepared using the same significant accounting policies as the Company.
 - e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
 - f) Material balances and transactions between the Group has been eliminated from the consolidated financial statements.
 - g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
 - h) A change in the ownership interest of subsidiaries of the Group, without a loss of control, is recorded as “Surplus (deficit) from the changes in the ownership interests in subsidiaries” within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries, a joint venture and an associate 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 are 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 are 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 except for the following standard, which involves changes to key principles, as summarised below.

TAS 12, Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendment narrows the scope of the initial recognition exception, so that deferred tax related to assets and liabilities arising from a single transaction that give rise to equal taxable and deductible temporary differences such as leases and decommissioning obligations shall be recognised.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented.

The management of the Group is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

TAS 12, Income Taxes - International Tax Reform - Pillar Two Model Rules

The amendment requires that entities shall neither recognise nor disclose information about deferred taxes related to Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). This mandatory temporary exemption applies immediately.

The amendment also includes disclosure requirements for affected entities to help users of financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date. These disclosure requirements apply for annual reporting periods beginning on or after 1 January 2024, but not for any interim periods ending on or before 31 December 2024.

The management of the Group is currently in the process of assessing the potential exposure to Pillar Two income taxes on the financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

The Group recognises revenue when the revenue and related costs can be reliably measured. It is probable that future economic benefits will flow to the Group, which relates to these transactions as follows.

Sales of goods

Revenue from sales of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on 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, and discounts.

Rendering of services

Service revenue is recognised over time when services have been rendered taking into account the stage of completion, measuring based on information provided by the Group's engineers or project managers.

The recognised revenue which is not yet due per the contracts has been presented under caption of "Unbilled receivables" included in trade and other receivables in the statement of financial position. The amounts recognised as unbilled receivables are reclassified to other receivables when the Group's right to consideration is unconditional such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer is presented under the caption of "Advance received from customers" included in trade and other payables in the statement of financial position. Advance received from customers are recognised as revenue when the Group performs under the contract.

Finance income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the carrying amount of a financial asset net of the allowance for expected credit loss allowance (if any).

Dividends

Dividends are recognised when the right to receive the dividends is established.

Rental income

Rental income is recognised on an accrual basis based on a straight-line basis over the lease term.

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.2 Government Grants

The Group recognises government grants when all attached conditions have been met and there is reasonable assurance that the grants will be received. The Group recognises those government grants as income in profit or loss, included in other income.

4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.4 Inventories

Inventories are valued at the lower of cost or net realisable value. Cost is determined by weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, or rebates.

The costs of finished goods and work in process are measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads based on the normal operating capacity, but excluding borrowing costs. Raw materials, chemicals, spare parts and factory supplies are charged to production costs whenever consumed.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion finished goods and the estimated costs necessary to make the sale.

4.5 Investments in subsidiaries, a joint venture and an associate

Investments in a joint venture and an associate are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries, a joint venture and an associate in the separate financial statements are stated at cost net of allowance for impairment loss (if any).

4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value estimated by an independent professional appraiser. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year when the asset is derecognised.

When there is a change in the use of investment property, if the investment property recorded at fair value is transferred to owner-occupied property or inventory, the deemed cost for subsequent accounting is the fair value at the date of change in use. If an owner-occupied property becomes an investment property recorded at fair value, any difference between the carrying amount of the property and its fair value on the date of the change in use is treated in the same manner as a revaluation, in accordance with the stated accounting policy for property, plant and equipment.

4.7 Property, plant and equipment and depreciation

Land and building are stated at revalued amount. Other assets are stated at cost less accumulated depreciation and allowance for loss on impairment of asset (if any).

Such subsequent cost may include the cost of replacing part of the buildings and equipment, only when it is probable that future economic benefits are expected from its use will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in profit or loss as incurred.

Land and buildings are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows.

- When an asset's carrying amount is increased as a result of a revaluation of the Group's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Surplus on revaluation of assets". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.

- When an asset's carrying amount is decreased as a result of a revaluation of the Group's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Surplus on revaluation of assets" in respect of the same asset.

The surplus is amortised to retained earnings on a straight-line basis over the remaining useful lives of the related assets, and can neither be offset against deficit nor used for dividend payment.

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

Land improvements	3 - 50 years
Buildings and structures	5 - 50 years
Machinery and equipment	2 - 20 years
Furniture, fixtures and office equipment	2 - 10 years
Motor vehicles	2 - 12 years

Depreciation is recognised as expenses in profit or loss.

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

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.

The assets will be tested for impairment whenever there is an indication. The residual values and useful lives of assets are reviewed at each reporting period, and adjusted if appropriate.

4.8 Economic tree plantations

Rubber and palm plantations

Rubber trees for tapping of latex and palm oil trees for harvesting of fresh fruit bunches are stated at cost less accumulated amortisation and allowance for impairment loss (if any).

Costs of rubber and palm plantation are comprised of costs of land clearing, land terracing and drainage, planting, weeding and fertilizing. These are incurred from the immature stage until the rubber and palm trees are ready for commercial harvesting at ages of approximately 7 years and 3 years, respectively.

The Group amortises costs less salvage value of rubber and palm trees that are commercially harvested using a straight-line basis over the estimated harvesting period of 25 years.

Amortisation is recognised as expenses in profit or loss.

Biological assets, which consist of latex produced inside the rubber trees and fresh fruit bunches on trees, are measured at fair value less costs to sell, upon initial recognition and at the end of each reporting period.

Agricultural produce, which consists of latex and harvested fresh fruit bunches, is measured at fair value less costs to sell at the point of harvest.

Economic plantations

Economic plantations of the Group consist of perennial plants (e.g. teak, padauk, rosewood, makha, and eucalyptus).

Costs of economic plantations comprise of costs of land and trench preparation, seeding, weeding and fertilizing which are incurred from the planting and maintenance period until the economic trees are ready for commercial harvesting at approximately 20 - 50 years for perennial plants.

Biological assets, which are immature perennial plants, are measured at fair value less costs to sell upon initial recognition and at the end of each reporting period. However, young perennial plants for which there has not yet been recognised a market price are stated at cost less allowance for impairment loss (if any).

Agricultural produce, which consists of logs from perennial plants are measured at fair value less costs to sell at the point of harvest.

Gains or losses on changes in the fair value of biological assets and agricultural produce are recognised in profit or loss.

4.9 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 asset. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

4.10 Intangible assets - computer software

Intangible assets - computer software is recognised at cost. Following the initial recognition, the intangible assets - computer software is carried at cost less accumulated amortisation and allowance for impairment loss (if any).

Intangible assets - computer software with finite useful lives of 3 - 10 years is amortised on the straight-line basis over the economic useful lives and tested for impairment whenever there is an indication that the intangible assets - computer software may be impaired. The amortisation period and the amortisation method of such intangible assets - computer software are reviewed at least at each financial year end. Amortisation is recognised as expenses in profit or loss.

No amortisation is provided on computer software under installation.

4.11 Business combinations and goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss on the initial recognition date.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of group of cash-generating unit that is expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each group of cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss and will not be reversed in future periods.

Business combinations under common control

Business combinations under common control are accounted for using the similar to pooling of interests method, with the cost of the business combinations under common control being the fair value, at the date of exchange, of the consideration transferred to obtain control. The assets and liabilities of the entities pooled are recognised based on their book values, in proportion to the interests previously under common control.

Differences between the cost of the business combination under common control and the acquirer's proportionate interests in the book value of the pooled entities is presented as "Surplus (deficit) on business combination under common control" in shareholders' equity.

Costs relating to business combinations under common control are accounted for as expenses in the period in which the business combination occurred.

4.12 Leases

At inception of contract, the Group assesses whether the contract is 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 recognises right-of-use assets and lease liabilities for all lease at the date the underlying asset is available for use (the commencement date of the lease). However, the Group recognises rental expenses on a straight-line basis over the lease term not more than 12 months or leases of low-value assets.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, allowance for impairment losses (if any), and adjusted for 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 on or before the commencement date of the lease.

Depreciation of right-of-use assets is calculated by reference to their costs on the straight-line basis over the lease terms or estimated useful lives of the asset, if ownership of the leased asset is transferred to the Group at the end of the lease term as follows.

Land and land improvement	1 - 3 years
Buildings and building improvement	3 years
Motor vehicles	1 - 5 years
Equipment	1 - 5 years

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term, which discounted 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 and is remeasured if there is a change in the lease.

The Group as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

4.13 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 an associate, a joint venture 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.

4.14 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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.

Gain and loss on exchange are included in profit or loss.

4.15 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, economic tree plantations and/or computer software whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. 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. However in cases where land and building were previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, a reversal of that impairment loss is recognised in profit or loss but shall not exceed the impairment loss was previously recognised in profit or loss, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.16 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

Defined contribution plans

The Group and its employees in Thailand have jointly established a provident fund. The fund is monthly contributed by employees and by the Group in Thailand. The fund's assets are held in a separate trust fund and contributions of the Group in Thailand are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law of each country. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the entity recognises restructuring-related costs.

4.17 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.

4.18 Share-based payments with equity-settled transactions

The Group recognises share-based payment transactions on the date on which the options are granted, based on the fair value of the options. They are recorded to expenses over the expected lives of the share options, and a capital reserve for share-based payment transactions is presented in shareholders' equity.

Estimating the fair value of share-based payment transactions requires the exercise of judgement to make valuations, as well as appropriate assumptions regarding various matters, such as the expected life of the share options, share price volatility and dividend yield.

4.19 Income tax

Income tax expense 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.

4.20 Financial instruments

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be 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 cash flows with the contractual terms. The cash flows are solely payments of principal and interest on the principal amount outstanding complied with the period specified in the contract.

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 designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Moreover, Equity instruments designated at FVOCI are not subject to impairment assessment.

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 derivative financial instruments, Equity linked notes, 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.

Return on the such financial assets is recognised as other income in profit or loss.

Classification and measurement of financial liabilities

The Group's financial liabilities are initially recognised at fair value net of transaction costs and classified as financial liabilities to be subsequently measured at amortised cost, except for derivative liabilities as described in Note 36.1 to the financial statements. In determining amortised cost, the Group takes into account any 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 over it.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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. The Group recognises a loss based on lifetime ECLs at each reporting date. It is 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.

4.21 Derivatives and hedge accounting

The Group has entered into contracts of derivative financial instruments as follows.

- Foreign exchange options and forward foreign exchange contracts to hedge its foreign currency risks
- Interest rate swaps to hedge its interest rate risks
- Rubber options, rubber price swaps, rubber futures, physical forward contracts and open rubber sale contracts to hedge its commodity price risks
- Equity accumulators to manage its investing activity risks

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss unless the derivative is designated and effective as a hedging instrument under fair value hedge and cash flow hedge. Derivatives are carried as financial assets or financial liabilities by considering the fair value of the derivatives.

Derivatives are presented as non-current assets or liabilities and current assets or liabilities by considering the remaining maturity with more than or less than 12 months respectively.

Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to a variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

The Group prepares formal documentation on the date that hedge accounting is applied, and provides regular updates regarding the risk management objectives and strategies and the hedging relationships.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk is not the dominant factor in the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all of the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

Fair value hedge accounting is applied to hedge the Group's exposure to changes in the fair value that are attributable to changes in the prices of a commodity (rubber). The carrying amount of inventory (hedged item) is adjusted for gains and losses attributable to changes in rubber price, while designated open rubber sale contracts (hedging instrument) are recorded at fair value as a derivative asset or liability. Gains and losses on remeasurement of these two items are recognised in profit and loss.

The application of hedge accounting is discontinued in cases where the Group revokes the hedging relationship, a hedging relationship ceases to meet the hedge accounting criteria or there is a change in the risk management objective. Adjustment of the carrying amount of the inventory (hedged item) then ceases and the cumulative change in the fair value is taken to profit and loss when the inventory is sold. Where a hedge relationship does not meet the criteria for an effective hedge due to the hedge ratio, the Group may adjust the hedge ratio to re-establish the effectiveness of the hedging relationship, or may decide to discontinue the hedge in case where the risk management objective has changed.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve and later reclassified to profit or loss when the hedged cash flows affect profit or loss or no longer exist.

The Group considers of the hedge effectiveness by comparing the critical terms between hedging instruments and hedged items. If the critical terms match, the hedging relationship is expected to be highly effective.

4.22 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 observable 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.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Property, plant and equipment

The Group measures land and buildings at revalued amounts. Such amounts are determined by the independent professional appraiser using the market approach for land and the depreciated replacement cost approach for buildings. The valuation involves certain assumptions and estimations.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and to record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill

The initial recognition and measurement of goodwill and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

6. Related party transactions

During the year, the Group has significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and are concluded on commercial terms and bases agreed upon between the Group and those related parties.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Transactions with subsidiaries				
Sales of goods	-	-	14,540,024	25,176,488
Purchases of goods	-	-	4,199,118	2,695,475
Service income	-	-	178,649	189,961
Service expenses	-	-	782,141	628,338
Rental expenses	-	-	824	799
Dividend income	-	-	378,518	1,691,585
Interest income	-	-	4,943	23,278
Interest expenses	-	-	1,402	1,434
Transactions with an associate				
Sales of goods	18,537	20,484	-	-
Purchases of goods	130	118	-	13
Service income	22,707	27,862	2,785	2,776
Rental income	400	400	-	-
Dividend income	209,211	178,628	184,598	157,613
Transactions with a joint venture				
Sales of goods	134,008	-	-	-
Purchases of goods	2,362,258	3,213,451	-	-
Service income	17,730	15,189	17,695	15,163
Dividend income	25,503	25,503	25,503	25,503

The pricing policies of the Group are as follows.

- 1) Sales/purchases of goods are made at market prices or reference to market prices.
- 2) Service and rental income/expenses are based on contract prices or rates.
- 3) Dividend income is made with the announced payment rate.
- 4) Interest income/expenses are charged at the rates with reference to loan agreements.
- 5) Sales/purchases of assets are based on contract prices which reference to market prices.

Outstanding balances arising from significant business transactions

As at 31 December 2023 and 2022, the balances of the accounts between the Group and those related parties were as follows.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Trade accounts receivable (Note 8)				
Subsidiaries	-	-	1,257,405	1,314,507
Associate	3,058	3,004	394	388
	<u>3,058</u>	<u>3,004</u>	<u>1,257,799</u>	<u>1,314,895</u>
Other receivables (Note 8)				
Subsidiaries	-	-	22,942	28,572
Associate	363	599	-	-
Joint venture	-	11	-	-
	<u>363</u>	<u>610</u>	<u>22,942</u>	<u>28,572</u>
Advance payments for goods (Note 8)				
Subsidiaries	-	-	859,209	582,750
Trade accounts payable (Note 20)				
Subsidiaries	-	-	132,682	82,311
Associate	8	-	-	-
Joint venture	32,714	-	-	-
	<u>32,722</u>	<u>-</u>	<u>132,682</u>	<u>82,311</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Other payables (Note 20)				
Subsidiaries	-	-	63,056	48,629
Associate	2	-	-	-
	<u>2</u>	<u>-</u>	<u>63,056</u>	<u>48,629</u>
Retention payables (Note 20)				
Subsidiaries	-	-	-	79
Advance receipt for goods and others (Note 20)				
Associate	-	463	-	-

Short-term loans to subsidiaries

Movements in the balance of short-term loan to subsidiaries during the years ended 31 December 2023 and 2022 are as follows.

Short-term loans to subsidiaries - PT Star Rubber

		(Unit: Thousand Baht)	
		Separate financial statements	
		<u>2023</u>	<u>2022</u>
Balance at beginning of year		343,913	332,469
Increase		-	334,598
Decrease		(334,598)	(332,469)
Unrealised gain on exchange rate		(9,315)	9,315
Balance at end of year		-	343,913
Interest rates per annum (%)		5.06	5.06
Collateral		Unsecured	Unsecured
Repayment term		March 2023	March 2023

Short-term loans to subsidiaries - Rubberland Products Co., Ltd.

(Unit: Thousand Baht)

	Separate financial statements	
	<u>2023</u>	<u>2022</u>
Balance at beginning of year	-	-
Increase	1,200,000	1,200,000
Decrease	(1,200,000)	(1,200,000)
Balance at end of year	-	-
Interest rates per annum (%)	1.74	1.31
Collateral	Unsecured	Unsecured
Repayment term	On call	On call

Short-term loan from subsidiary

Movements in the balance of short-term loan from Startex Rubber Co., Ltd. during the years ended 31 December 2023 and 2022 are as follows.

(Unit: Thousand Baht)

	Separate financial statements	
	<u>2023</u>	<u>2022</u>
Balance at beginning of year	145,000	145,000
Increase	145,000	145,000
Decrease	(290,000)	(145,000)
Balance at end of year	-	145,000
Interest rates per annum (%)	1.00	1.00
Collateral	Unsecured	Unsecured
Repayment term	On call	On call

Directors and management's benefits

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
			financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	323,811	329,073	56,611	63,967
Post-employment benefits	11,306	10,977	3,237	3,234
Share-based payment benefits	-	1,643	-	-
Total	<u>335,117</u>	<u>341,693</u>	<u>59,848</u>	<u>67,201</u>

Guarantee obligations with related parties

The Group has outstanding guarantee obligations with its related parties, as described in Note 21.1 to the financial statements.

7. Cash and cash equivalents

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
			financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash	68,192	70,613	6,776	6,464
Bank deposits	6,918,030	22,429,815	557,452	5,367,514
Total	<u>6,986,222</u>	<u>22,500,428</u>	<u>564,228</u>	<u>5,373,978</u>
Interest rate (percent per annum)	0.10 - 6.70	0.05 - 8.50	0.10 - 0.60	0.05 - 2.50

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>	
Trade accounts receivable				
- related parties (Note 6)				
Aged on the basis of due dates				
Not yet due	3,058	3,004	1,253,923	1,237,242
Past due				
Up to 30 days	-	-	3,873	32,926
31 - 60 days	-	-	3	44,727
Total trade accounts receivable - related parties	3,058	3,004	1,257,799	1,314,895
Trade accounts receivable				
- unrelated parties				
Aged on the basis of due dates				
Not yet due	5,783,731	6,207,688	2,083,270	2,185,422
Past due				
Up to 30 days	647,185	603,272	193,450	369,582
31 - 60 days	52,947	35,471	10,618	13,714
61 - 90 days	29,135	48,497	17,868	-
91 - 120 days	25,007	10,874	25,039	-
121 - 365 days	28,407	168,135	26,078	-
Over 365 days	186,744	42,144	24,638	30,885
Total	6,753,156	7,116,081	2,380,961	2,599,603
Less: Allowance for expected credit losses	(163,431)	(145,635)	(28,519)	(31,218)
Total trade accounts receivable	6,589,725	6,970,446	2,352,442	2,568,385
- unrelated parties, net				
Total trade accounts receivable - net	6,592,783	6,973,450	3,610,241	3,883,280

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Other receivables				
Other receivables - related parties (Note 6)	363	610	22,942	28,572
Other receivables - unrelated parties	285,149	155,724	50,812	17,219
Advance payments for goods				
- related parties (Note 6)	-	-	859,209	582,750
Prepaid expenses and advance payments				
for goods - unrelated parties	414,639	1,062,210	96,516	143,579
Total other receivables	700,151	1,218,544	1,029,479	772,120
Total trade and other receivables - net	<u>7,292,934</u>	<u>8,191,994</u>	<u>4,639,720</u>	<u>4,655,400</u>

The normal credit term are 30 to 90 days.

9. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduction of cost to net realisable value		Inventories, net	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Finished goods	6,977,204	7,916,207	(162,686)	(256,053)	6,814,518	7,660,154
Work in process	6,522,918	4,715,862	(93,248)	(90,987)	6,429,670	4,624,875
Raw materials, packaging, and chemicals	12,745,249	12,316,309	(53,976)	(26,181)	12,691,273	12,290,128
Spare parts and supplies	848,264	957,827	(67,721)	(74,313)	780,543	883,514
Total	<u>27,093,635</u>	<u>25,906,205</u>	<u>(377,631)</u>	<u>(447,534)</u>	26,716,004	25,458,671
Fair value hedge adjustments					243,428	(197,606)
Total inventory - net					<u>26,959,432</u>	<u>25,261,065</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduction of cost to net realisable value		Inventories, net	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Finished goods	2,968,815	3,267,330	(29,147)	(84,811)	2,939,668	3,182,519
Work in process	4,263,911	2,746,588	-	(4,933)	4,263,911	2,741,655
Raw materials, packaging, and chemicals	7,978,391	8,035,168	(505)	(7,755)	7,977,886	8,027,413
Spare parts and supplies	<u>72,436</u>	<u>65,267</u>	<u>(692)</u>	<u>(718)</u>	<u>71,744</u>	<u>64,549</u>
Total	<u>15,283,553</u>	<u>14,114,353</u>	<u>(30,344)</u>	<u>(98,217)</u>	15,253,209	14,016,136
Fair value hedge adjustments					<u>260,217</u>	<u>(187,325)</u>
Total inventory - net					<u>15,513,426</u>	<u>13,828,811</u>

For the years ended 31 December 2023 and 2022, reduction of cost to net realisable value (reversal) is summarised as follows.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Recorded amount is included in cost of sales	-	296	-	97
Reversed and reduced the amount of inventories recognised as cost of sales	70	-	68	-

Additional information

Inventory balances of the Group, only for ribbed smoked sheets, concentrated latex and block rubber (net of fair value hedge transactions), as at 31 December 2023 and 2022 are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Inventories at net realisable value (NRV)*	16,098,409	10,717,031	9,890,653	5,224,003
Inventories at lower of cost or net realisable value (NRV) - as measured and included in the financial statements	<u>15,110,435</u>	<u>10,495,690</u>	<u>9,270,545</u>	<u>5,160,061</u>
Differences	<u>987,974</u>	<u>221,341</u>	<u>620,108</u>	<u>63,942</u>

* For reporting purposes, inventories are stated at the lower of cost or net realisable value, while for inventory management purposes the Group uses net realisable value (NRV) which is the estimated selling price in the ordinary course of business less the necessary costs of completion and cost to make the sale. The use of different valuation methods for these two purposes resulted in differences at the reporting date.

Under Thai Financial Reporting Standards, such differences are not allowed to be recognised in the profit and loss until the inventories are actually sold. The amount of such difference changes over time depending on the actual price at the time of sale.

10. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Refundable value-added tax	762,343	1,296,404	44,441	56,661
Current tax assets	12,561	217,216	-	-
Input tax waiting for tax invoice or not yet due	<u>28,854</u>	<u>32,315</u>	<u>10,430</u>	<u>14,904</u>
Total other current assets	<u>803,758</u>	<u>1,545,935</u>	<u>54,871</u>	<u>71,565</u>

11. Other financial assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Financial assets at amortised cost				
Fixed deposits due later than 3 months	5,213,142	-	-	-
Equity instruments designated at fair value through other comprehensive income				
Quoted equity instruments				
Domestic listed companies	38,592	38,624	38,333	38,280
Oversea listed companies	1,415,561	572,153	-	-
Unquoted equity instruments				
Paragon Alpha VCC	3,270,671	451,715	-	-
Total other financial assets	<u>9,937,966</u>	<u>1,062,492</u>	<u>38,333</u>	<u>38,280</u>
Current	5,213,142	-	-	-
Non-current	<u>4,724,824</u>	<u>1,062,492</u>	<u>38,333</u>	<u>38,280</u>
	<u>9,937,966</u>	<u>1,062,492</u>	<u>38,333</u>	<u>38,280</u>

Movements in the balances of other financial assets during the years ended 31 December 2023 and 2022 are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Net book value as at beginning of year	1,062,492	739,947	38,280	103,991
Increase from investing	8,114,666	609,440	-	-
Decrease from disposal	-	(28,456)	-	-
Refunded	-	(43,560)	-	(43,560)
Unrealised gain (loss) on changes in fair value *	819,527	(221,183)	53	(22,151)
Unrealised gain on exchange rate *	1,603	1,873	-	-
Translation adjustment	(60,322)	4,431	-	-
Net book value as at end of year	<u>9,937,966</u>	<u>1,062,492</u>	<u>38,333</u>	<u>38,280</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
* Other comprehensive income attributable to:				
Equity holders of the Company	460,158	(132,383)	42	(21,809)
Non-controlling interests of the subsidiaries	360,978	(86,566)	-	-
	<u>821,136</u>	<u>(218,949)</u>	<u>42</u>	<u>(21,809)</u>

As at 31 December 2023, an overseas subsidiary had fixed deposits due later than 3 months of Baht 5,213 million, which bore a fixed interest rate at 5 - 6 percent per annum. They will mature in January to May 2024.

During the current year, the Group received dividends in the equivalent amount of approximately Baht 16 million (2022: Baht 6 million) from listed companies (the Company only: Baht 2 million (2022: Baht 2 million)).

12. Investments in subsidiaries

12.1 Details of investments in subsidiaries as presented in the separate financial statements

Company's name	(Unit: Million Baht)			
	Cost		Dividend received during the year	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Subsidiaries				
Rubberland Products Co., Ltd.	1,935	1,935	-	-
Namhua Rubber Co., Ltd.	560	560	-	-
PT Sri Trang Lingga Indonesia	330	330	-	-
Shi Dong Shanghai Rubber Co., Ltd.	155	155	-	-
Sri Trang Africa SA.	20	1	-	-
Sri Trang Gloves (Thailand) Plc.	6,551	6,551	362	1,668
Anvar Parawood Co., Ltd.	26	26	-	-
Startex Rubber Co., Ltd.	2,196	2,196	-	-
Starlight Express Transport Co., Ltd.	42	42	16	24
Sri Trang Rubber & Plantation Co., Ltd.	7,338	7,205	-	-
Sri Trang IBC Co., Ltd.	5	5	-	-
Total	<u>19,158</u>	<u>19,006</u>	<u>378</u>	<u>1,692</u>

12.1.1 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by		Accumulated balance of		Profit allocated to		Dividend paid to	
	non-controlling interests		non-controlling interests		non-controlling interests		non-controlling interests	
	during the year		during the year		during the year		during the year	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(%)	(%)						
Sri Trang Gloves								
(Thailand) Plc. *	43.97	43.97	17,240	17,448	67	662	315	1,447

* The consolidated financial statements of Sri Trang Gloves (Thailand) Public Company Limited

12.1.2 Summarised financial information that based on amounts before inter-company elimination of Sri Trang Gloves (Thailand) Public Company Limited (Unit: Million Baht)

Summarised information about financial position

	As at 31 December	
	<u>2023</u>	<u>2022</u>
Current assets	16,035	20,343
Non-current assets	33,371	31,546
Current liabilities	4,418	4,407
Non-current liabilities	9,787	7,392

Summarised information about comprehensive income

	For the year ended 31 December	
	<u>2023</u>	<u>2022</u>
Revenue	19,665	23,305
Profit	153	1,507
Other comprehensive income	590	208
Total comprehensive income	743	1,715

Summarised information about cash flow

	For the year ended 31 December	
	<u>2023</u>	<u>2022</u>
Cash flow provided by operating activities	1,684	4,085
Cash flow used in investing activities	(9,146)	(7,734)
Cash flow used in financing activities	(2,587)	(2,965)
Increase (decrease) in translation adjustment	(72)	(41)
Net decrease in cash and cash equivalents	(10,121)	(6,655)

12.2 Sri Trang Gloves (Thailand) Public Company Limited (“STGT”)

Dividend payment

On 10 April 2023, the Annual General Meeting of STGT passed resolutions approving the dividend payment for the year 2022 of Baht 0.75 per share, totaling Baht 2,148.88 million. The interim dividend which STGT already paid in September 2022 is Baht 0.50 per share, totaling Baht 1,432.59 million.

During May 2023, STGT made payment of the remaining dividend at the rate of Baht 0.25 per share, totaling Baht 716.29 million.

On 16 February 2024, the meeting of STGT’s Board of Directors passed resolutions approving a dividend payment in respect of retained earnings and operating results of 2023 to shareholders of Baht 0.5 per share, totaling of Baht 1,432.59 million. STGT will propose the Shareholder Annual General Meeting of STGT to approve the dividend payment within second quarter of 2024.

Increase of registered share capital of Sri Trang Gloves Global Pte. Ltd. (“STGG”)

On 9 May 2023, the meeting of STGT’s Board of Directors passed a resolution approving the increase in its investment in STGG amounting to USD 100 million in preferred shares. As a result of the increase in this investment, STGG has the registered share capital of USD 280 million, comprising of 20,000,000 ordinary shares and 260,000,000 preferred shares, with a par value of USD 1 per share.

STGT paid for the shares of USD 100 million, or approximately Baht 3,433 million and STGG already registered its share capital increase in May 2023.

Subsequently on 22 September 2023, the meeting of STGT’s Board of Directors passed a resolution approving the increase in its investment in STGG amounting to USD 25 million in preferred shares. As a result of the increase in this investment, STGG has the registered share capital of USD 305 million, comprising of 20,000,000 ordinary shares and 285,000,000 preferred shares, with a par value of USD 1 per share.

STGT paid for the shares of USD 25 million, or approximately Baht 905 million and STGG already registered its share capital increase in October 2023.

Dissolution of Sri Trang Responsible Gloves Supply Inc. (“STRG”)

On 24 November 2023, the meeting of STGT’s Board of Directors passed a resolution approving the dissolution of STRG due to recurring losses from the operation. STGT is in the process of dissolving and liquidating STRG.

12.3 Sri Trang Rubber & Plantation Co., Ltd. (“SRP”)

During the current year, the Company paid the capital of SRP amounting to Baht 10 million. The Company fully made payment of the additional capital which was called up in 2022.

On 21 March 2023, the Extraordinary General Meeting of SRP passed resolutions approving the increase in its registered share capital amounting to Baht 145 million for operation in 2023. During the current year, SRP called up the additional registered share capital amounting to Baht 124 million, for which the Company already paid. Therefore, in the separate financial statements as at 31 December 2023, the Company had investment in SRP of Baht 7,338 million.

Subsequently, on 2 February 2024, a meeting of the Company’s Board of Directors passed resolutions approving the increase in SRP’s registered share capital amounting to Baht 30 million for operation in 2024.

12.4 Sri Trang Africa SA. (“STF”)

On 14 March 2023, the Extraordinary General Meeting of STF passed resolutions approving the increase in its registered share capital amounting to F.CFA 340 million or approximately Baht 19 million for its operation.

Subsequently, STF called up all additional registered share capital in April 2023, for which the Company already paid in the same month.

On 9 May 2023, the meeting of the Company’s Board of Directors passed a resolution approving financial support by one-year guarantee on credit facility of STF with an overseas commercial bank amounting to USD 5.5 million or approximately Baht 190 million.

13. Investment in an associate

13.1 Details of an associate

(Unit: Thousand Baht)								
Associate	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements		Separate financial statements	
					Carrying amounts		Cost	
			2023	2022	2023	2022	2023	2022
			(%)	(%)				
Semperflex Asia Co., Ltd.	Manufacture of hydraulic hoses	Thailand	42.50	42.50	468,985	583,948	142,500	142,500

(Shareholding held by the Company 37.50% and by a subsidiary 5.00%)

13.2 Share of comprehensive income and dividend received

During the year, the Group has recognised its share of profit and dividend income from investment in associate in the consolidated financial statements and dividend income in the separate financial statements as follows.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	Carrying amounts based on equity method		Cost	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Net book value at beginning of year	583,948	553,365	142,500	142,500
Share of profit from investment in associate	93,588	209,210	-	-
Share of other comprehensive income				
from investment in associate	660	-	-	-
Dividends received by the Group *	(209,211)	(178,627)	-	-
Net book value at end of year	<u>468,985</u>	<u>583,948</u>	<u>142,500</u>	<u>142,500</u>

* The Company only: Dividend income of Baht 184,598 thousand (2022: Baht 157,613 thousand)

13.3 Summarised financial information about Semperfex Asia Co., Ltd. (Unit: Thousand Baht)

Summarised information about financial position

	As at 31 December	
	<u>2023</u>	<u>2022</u>
Current assets	1,020,291	1,395,015
Non-current assets	291,824	228,633
Current liabilities	(169,984)	(210,755)
Non-current liabilities	(21,457)	(21,309)
Net assets	1,120,674	1,391,584
Shareholding percentage (%)	42.50%	42.50%
Share of net assets	476,286	591,423
Adjustments on equity method	(7,301)	(7,475)
Carrying amounts of the associate based on equity method	<u>468,985</u>	<u>583,948</u>

Summarised information about comprehensive income

	For the year ended 31 December	
	<u>2023</u>	<u>2022</u>
Revenue	1,093,217	1,839,047
Profit	220,206	492,684
Other comprehensive income	1,552	(424)
Total comprehensive income	221,758	492,260

13.4 Semperfex Asia Co., Ltd.

On 18 January 2017, the meeting of the Company's Board of Directors passed a resolution to enter into the Umbrella agreement, the Share Sale and Purchase agreement, Call Option agreement between the Company and Semperit Technische Produkte Gesellschaft m.b.H. ("Semperit") which collectively was the Demerger agreement for all associates and joint ventures, in which the Company had invested with Semperit both locally and abroad.

The Company granted a call option to Semperit for the acquisition of Semperfex Asia Co., Ltd. totalling 1,615,000 shares, representing 42.50 percent of paid-in capital of Semperfex Asia Co., Ltd. from the Company and its subsidiary, at the exercise price of USD 51 million, and with a condition to pay all dividend from profit contribution after the acquisition date. The exercise period is commencing as from 30 June 2019 to 30 June 2026.

14. Investment in a joint venture

14.1 Details of investment in a joint venture

Investment in a joint venture represents investment in the entity which is jointly controlled by the Company and other companies. Details of this investment are as follows.

				(Unit: Thousand Baht)				
Joint venture	Nature of business	Country of incorporation	Shareholding		Consolidated financial statements		Separate financial statements	
			percentage		Carrying amounts		Cost	
			<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
			(%)	(%)	based on equity method			
Thaitech Rubber Corp., Ltd.	Manufacture of rubber products	Thailand	42.505	42.505	294,656	570,063	134,717	134,717

14.2 Share of comprehensive income and dividend received

During the year, the Group recognised its share of comprehensive income from Thaitech Rubber Corp., Ltd. in the consolidated financial statements and dividend income in the separate financial statements as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Carrying amounts based on equity method		Cost	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Net book value at beginning of year	570,063	469,119	134,717	134,717
Share of profit (loss) from investment in joint venture	(201,072)	126,447	-	-
Share of other comprehensive income from investment in joint venture	(48,832)	-	-	-
Dividends received by the Group *	(25,503)	(25,503)	-	-
Net book value at end of year	<u>294,656</u>	<u>570,063</u>	<u>134,717</u>	<u>134,717</u>

* The Company only: Dividend income of Baht 25,503 thousand (2022: Baht 25,503 thousand)

14.3 Summarised financial information about Thaitech Rubber Corp., Ltd. (Unit: Thousand Baht)

Summarised information about financial position

	As at 31 December	
	<u>2023</u>	<u>2022</u>
Current assets	1,909,295	2,475,125
Non-current assets	1,199,914	1,081,005
Current liabilities	(2,340,004)	(2,325,639)
Non-current liabilities	(77,077)	(36,375)
Net assets	692,128	1,194,116
Shareholding percentage (%)	42.505%	42.505%
Share of net assets	294,189	507,559
Adjustments on equity method	467	62,504
Carrying amounts of the joint venture based on equity method	<u>294,656</u>	<u>570,063</u>

Summarised information about comprehensive income

	For the year ended 31 December	
	<u>2023</u>	<u>2022</u>
Revenue	6,931,795	9,292,736
Profit (loss)	(470,435)	311,011
Other comprehensive income	(114,885)	(29,195)
Total comprehensive income	(585,320)	281,816

15. Investment properties

A reconciliation of the net book value of investment properties for the years 2023 and 2022 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Net book value at beginning of year	235,341	215,174	89,643	75,663
Addition	2,079	-	-	-
Net gain from a fair value adjustment	-	15,820	-	13,980
Translation adjustment	(1,323)	4,347	-	-
Net book value at end of year	<u>236,097</u>	<u>235,341</u>	<u>89,643</u>	<u>89,643</u>

The investment properties of the Group are land not being used in operations and office building held for rent. The Group has not determined whether being held as owner-occupied property or for short-term capital gain appreciation.

The Group's land not being used in operations and office building for rent are revalued by an independent professional appraiser. The revaluation is based on market approach and sales comparison approach between the investment property with the same characteristic in market or same location respectively.

16. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Revaluation basis		Cost basis				Total
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	Advance payments and assets under construction and installation	
As at 1 January 2022							
Cost / Revalued amount	12,717,829	8,675,412	17,941,057	1,267,636	755,992	12,053,062	53,410,988
Less: Accumulated depreciation	(1,766,558)	(2,318,262)	(10,361,077)	(934,051)	(655,472)	-	(16,035,420)
Less: Allowance for impairment	(51,514)	(5,032)	(1,692)	-	-	-	(58,238)
Net book value	<u>10,899,757</u>	<u>6,352,118</u>	<u>7,578,288</u>	<u>333,585</u>	<u>100,520</u>	<u>12,053,062</u>	<u>37,317,330</u>
For the year ended 31 December 2022							
Net book value at beginning of year	10,899,757	6,352,118	7,578,288	333,585	100,520	12,053,062	37,317,330
Additions	19,932	16,830	115,344	202,747	46,991	10,096,003	10,497,847
Additions of assets revaluation	2,151,760	1,019,648	-	-	-	-	3,171,408
Reductions of assets revaluation	(25,996)	(90,077)	-	-	-	-	(116,073)
Transfers in (out)	272,671	827,083	3,339,396	155,756	35,687	(4,630,593)	-
Transfer from (to) other assets, net (Notes 18, 22)	-	-	-	1,250	-	(21,732)	(20,482)
Disposals and write-off, net	(2,145)	(16,903)	(39,921)	(63)	(437)	(1,704)	(61,173)
Depreciation for the year	(224,757)	(529,085)	(1,929,352)	(136,398)	(53,317)	-	(2,872,909)
Depreciation capitalised to assets (Note 17)	(28,643)	(4,058)	(1,337)	(452)	(8)	-	(34,498)
Interest capitalised to assets	-	-	-	-	-	106,194	106,194
Translation adjustment, net	(31,254)	(56,609)	(11,548)	(1,328)	(537)	(1,056)	(102,332)
Net book value at end of year	<u>13,031,325</u>	<u>7,518,947</u>	<u>9,050,870</u>	<u>555,097</u>	<u>128,899</u>	<u>17,600,174</u>	<u>47,885,312</u>

(Unit: Thousand Baht)

Consolidated financial statements

	Revaluation basis		Cost basis				
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	Advance payments and assets under construction and installation	Total
As at 31 December 2022							
Cost / Revalued amount	14,355,269	8,799,745	21,042,085	1,557,514	803,131	17,600,174	64,157,918
Less: Accumulated depreciation	(1,272,429)	(1,275,765)	(11,989,523)	(1,002,417)	(674,232)	-	(16,214,366)
Less: Allowance for impairment	(51,515)	(5,033)	(1,692)	-	-	-	(58,240)
Net book value	13,031,325	7,518,947	9,050,870	555,097	128,899	17,600,174	47,885,312
For the year ended 31 December 2023							
Net book value at beginning of year	13,031,325	7,518,947	9,050,870	555,097	128,899	17,600,174	47,885,312
Additions	43,995	14,358	63,452	114,002	36,412	4,923,869	5,196,088
Additions of assets revaluation	418,920	456,093	-	-	-	-	875,013
Reductions of assets revaluation	(31,189)	(1,659)	-	-	-	-	(32,848)
Transfers in (out)	449,073	1,903,436	3,406,270	81,273	83,641	(5,923,693)	-
Transfer from (to) other assets, net (Notes 17, 18, 22)	812	-	39	828	-	(225)	1,454
Disposals and write-off, net	(850)	(3,629)	(47,001)	(2,323)	(4,344)	(24,167)	(82,314)
Depreciation for the year	(295,513)	(647,735)	(2,089,653)	(176,627)	(57,796)	-	(3,267,324)
Depreciation capitalised to assets (Note 17)	(17,990)	(3,735)	(1,473)	(890)	(12)	-	(24,100)
Interest capitalised to assets	-	-	-	-	-	92,584	92,584
Loss on impairment	-	(63,639)	(231,246)	-	-	-	(294,885)
Transfer to inventories	-	-	-	-	-	(268,054)	(268,054)
Translation adjustment, net	(4,773)	(557)	3,805	276	(70)	(240)	(1,559)
Net book value at end of year	13,593,810	9,171,880	10,155,063	571,636	186,730	16,400,248	50,079,367

(Unit: Thousand Baht)

Consolidated financial statements

	Revaluation basis		Cost basis				
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	Advance payments and assets under construction and installation	Total
As at 31 December 2023							
Cost / Revalued amount	15,193,932	10,987,509	24,158,459	1,758,956	886,049	16,400,248	69,385,153
Less: Accumulated depreciation	(1,548,607)	(1,746,959)	(13,770,458)	(1,187,320)	(699,319)	-	(18,952,663)
Less: Allowance for impairment	(51,515)	(68,670)	(232,938)	-	-	-	(353,123)
Net book value	13,593,810	9,171,880	10,155,063	571,636	186,730	16,400,248	50,079,367
Depreciation for the year						<u>2023</u>	<u>2022</u>
Included in manufacturing cost						2,766,654	2,578,843
Included in selling and administrative expenses						500,670	294,066
						<u>3,267,324</u>	<u>2,872,909</u>

(Unit: Thousand Baht)

Separate financial statements

	Revaluation basis		Cost basis				
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	Advance payments and assets under construction and installation	Total
As at 1 January 2022							
Cost / Revalued amount	4,092,209	3,039,270	4,920,602	285,920	382,469	684,399	13,404,869
Less: Accumulated depreciation	(671,980)	(883,522)	(3,621,290)	(241,203)	(347,286)	-	(5,765,281)
Less: Allowance for impairment	-	-	(1,670)	-	-	-	(1,670)
Net book value	3,420,229	2,155,748	1,297,642	44,717	35,183	684,399	7,637,918
For the year ended 31 December 2022							
Net book value at beginning of year	3,420,229	2,155,748	1,297,642	44,717	35,183	684,399	7,637,918
Additions	59,008	12,187	47,172	72,818	8,578	3,269,956	3,469,719
Additions of assets revaluation	906,633	675,294	-	-	-	-	1,581,927
Reductions of assets revaluation	(12,688)	(54,441)	-	-	-	-	(67,129)
Transfers in (out)	30,550	99,135	539,285	41,433	10,854	(721,257)	-
Disposals and write-off, net	(875)	(15,322)	(9,463)	(5)	(168)	(1,704)	(27,537)
Depreciation for the year	(96,077)	(198,075)	(404,483)	(22,578)	(16,287)	-	(737,500)
Depreciation capitalised to assets (Note 17)	(35)	(26)	(151)	(107)	(8)	-	(327)
Interest capitalised to assets	-	-	-	-	-	22,537	22,537
Net book value at end of year	4,306,745	2,674,500	1,470,002	136,278	38,152	3,253,931	11,879,608

(Unit: Thousand Baht)

Separate financial statements

	Revaluation basis		Cost basis				
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	Advance payments and assets under construction and installation	Total
As at 31 December 2022							
Cost / Revalued amount	4,582,017	2,851,197	5,410,384	366,784	388,691	3,253,931	16,853,004
Less: Accumulated depreciation	(275,272)	(176,697)	(3,938,712)	(230,506)	(350,539)	-	(4,971,726)
Less: Allowance for impairment	-	-	(1,670)	-	-	-	(1,670)
Net book value	4,306,745	2,674,500	1,470,002	136,278	38,152	3,253,931	11,879,608
For the year ended 31 December 2023							
Net book value at beginning of year	4,306,745	2,674,500	1,470,002	136,278	38,152	3,253,931	11,879,608
Additions	39,189	1,688	31,350	59,316	17,775	2,108,930	2,258,248
Transfers in (out)	139,093	488,453	694,805	54,044	18,417	(1,394,812)	-
Transfer from other assets, net (Notes 17)	812	-	39	-	-	-	851
Disposals and write-off, net	(337)	(1,613)	(6,930)	(324)	(109)	(15,300)	(24,613)
Depreciation for the year	(128,006)	(241,827)	(466,919)	(46,057)	(18,389)	-	(901,198)
Depreciation capitalised to assets (Note 17)	(120)	(76)	(161)	(108)	(12)	-	(477)
Interest capitalised to assets	-	-	-	-	-	53,381	53,381
Net book value at end of year	4,357,376	2,921,125	1,722,186	203,149	55,834	4,006,130	13,265,800

(Unit: Thousand Baht)

Separate financial statements

	Revaluation basis	Cost basis					
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	Advance payments and assets under construction and installation	Total
As at 31 December 2023							
Cost / Revalued amount	4,759,557	3,336,088	6,031,395	461,559	415,791	4,006,130	19,010,520
Less: Accumulated depreciation	(402,181)	(414,963)	(4,307,539)	(258,410)	(359,957)	-	(5,743,050)
Less: Allowance for impairment	-	-	(1,670)	-	-	-	(1,670)
Net book value	4,357,376	2,921,125	1,722,186	203,149	55,834	4,006,130	13,265,800
Depreciation for the year						<u>2023</u>	<u>2022</u>
Included in manufacturing cost						790,994	678,639
Included in selling and administrative expenses						110,204	58,861
						<u>901,198</u>	<u>737,500</u>

The Group arranges to have its land and building revalued by independent professional appraisers (who are approved by The Securities and Exchange Commission). Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value. The methods of the asset revaluation are as follows.

- Land and land improvements are revalued using the market approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as spaces, location, environment, and highest best use. The most significant input into this valuation approach is price per Rai and size of land.
- Buildings and structures are revalued the depreciated replacement cost approach. Replacement value is calculated from construction prices in the market to build the similar characteristics of properties in close proximity and adjusted for depreciation which calculated from utilised period and remaining expected useful lives. The most significant input into this valuation approach is construction price per square meter, utility spaces and useful lives of buildings.

Had the land, land improvement, building and structures been carried in the financial statements on a historical cost basis, their net book value as of 31 December 2023 and 2022 would have been as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land and land improvements	6,156,880	6,226,485	1,978,864	1,782,315
Buildings and structures	3,439,674	3,124,486	1,953,200	1,471,096

As at 31 December 2023 and 2022, the Company and a domestic subsidiary's construction of new plants has been financed by debentures and loans from financial institutions respectively. Borrowing costs are capitalised with details as follows.

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Outstanding balance of new plants				
under construction (Million Baht)	13,836	17,025	2,793	3,104
Borrowing costs included in costs of				
the project (Million Baht)	93	106	53	23
Capitalisation weighted average rates				
(percent per annum)	2.83 - 5.27	2.36 - 3.97	2.83 - 3.40	2.83 - 3.40

As at 31 December 2023 and 2022, certain items of buildings and equipment had been fully depreciated but were still in use of which the amounts were as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
The gross carrying amount before				
deducting accumulated depreciation				
and allowance for impairment loss	9,798	7,345	3,289	2,593

In November 2023, the meeting of a domestic subsidiary's Board of Directors passed a resolution approving the recognition of the allowance for impairment of certain buildings and machinery with net book values as at 31 October 2023 amounting to Baht 295 million, which the subsidiary planned to permanently stop using. The Group recognised impairment loss on assets amounting to Baht 294 million included in profit or loss, and decrease in surplus on revaluation of assets (net of income tax) amounting to Baht 1 million included in other comprehensive income.

17. Economic tree plantations

(Unit: Thousand Baht)

	Consolidated financial statements					
	Rubber plantations		Palm and other plantations		Economic tree plantations- Immature	Total
	Mature	Immature	Mature	Immature		
As at 1 January 2022						
Cost	1,047,991	1,423,440	9,807	7,366	32,800	2,521,404
Less: Accumulated amortisation	(45,512)	-	(6,145)	-	-	(51,657)
Net book value	1,002,479	1,423,440	3,662	7,366	32,800	2,469,747
For the year ended 31 December 2022						
Net book value at beginning of year	1,002,479	1,423,440	3,662	7,366	32,800	2,469,747
Additions	-	64,099	-	1,362	7,924	73,385
Transfer in (out)	488,831	(488,831)	-	-	-	-
Disposals and write-off, net	(3,713)	(1,239)	(169)	-	(8)	(5,129)
Amortisation	(27,227)	-	(535)	-	-	(27,762)
Depreciation capitalised to assets (Note 16, 22)	-	35,932	-	293	104	36,329
Net book value at end of year	1,460,370	1,033,401	2,958	9,021	40,820	2,546,570
As at 31 December 2022						
Cost	1,532,009	1,033,401	9,175	9,021	40,820	2,624,426
Less: Accumulated amortisation	(71,639)	-	(6,217)	-	-	(77,856)
Net book value	1,460,370	1,033,401	2,958	9,021	40,820	2,546,570

(Unit: Thousand Baht)

	Consolidated financial statements					
	Rubber plantations		Palm and other plantations		Economic tree	Total
	Mature	Immature	Mature	Immature	plantations- Immature	
For the year ended 31 December 2023						
Net book value at beginning of year	1,460,370	1,033,401	2,958	9,021	40,820	2,546,570
Additions	-	49,954	-	8,389	25,153	83,496
Transfer in (out)	228,154	(228,154)	-	-	-	-
Transfer to other assets, net (Notes 16)	-	-	-	(851)	-	(851)
Disposals and write-off, net	-	(823)	-	-	(12)	(835)
Amortisation	(36,831)	-	(439)	-	-	(37,270)
Depreciation capitalised to assets						
(Note 16, 22)	-	23,204	-	439	1,867	25,510
Net book value at end of year	1,651,693	877,582	2,519	16,998	67,828	2,616,620
As at 31 December 2023						
Cost	1,760,162	877,582	9,175	16,998	67,828	2,731,745
Less: Accumulated amortisation	(108,469)	-	(6,656)	-	-	(115,125)
Net book value	1,651,693	877,582	2,519	16,998	67,828	2,616,620

(Unit: Thousand Baht)

	Separate financial statements				
	Rubber plantations		Palm and other plantations		Total
	Mature	Immature	Mature	Immature	
As at 1 January 2022					
Cost	4,044	3,312	4,281	7,366	19,003
Less: Accumulated amortisation	(2,490)	-	(2,078)	-	(4,568)
Net book value	1,554	3,312	2,203	7,366	14,435
For the year ended 31 December 2022					
Net book value at beginning of year	1,554	3,312	2,203	7,366	14,435
Additions	-	499	-	1,362	1,861
Disposals and write-off, net	-	-	(169)	-	(169)
Amortisation	(109)	-	(247)	-	(356)
Depreciation capitalised to assets (Note 16)	-	34	-	293	327
Net book value at end of year	1,445	3,845	1,787	9,021	16,098
As at 31 December 2022					
Cost	4,044	3,845	3,648	9,021	20,558
Less: Accumulated amortisation	(2,599)	-	(1,861)	-	(4,460)
Net book value	1,445	3,845	1,787	9,021	16,098

(Unit: Thousand Baht)

	Separate financial statements				
	Rubber plantations		Palm and other plantations		Total
	Mature	Immature	Mature	Immature	
For the year ended 31 December 2023					
Net book value at beginning of year	1,445	3,845	1,787	9,021	16,098
Additions	-	276	-	8,389	8,665
Transfer to other assets, net (Notes 16)	-	-	-	(851)	(851)
Amortisation	(109)	-	(174)	-	(283)
Depreciation capitalised to assets (Note 16)	-	37	-	440	477
Net book value at end of year	1,336	4,158	1,613	16,999	24,106
As at 31 December 2023					
Cost	4,044	4,158	3,649	16,999	28,850
Less: Accumulated amortisation	(2,708)	-	(2,036)	-	(4,744)
Net book value	1,336	4,158	1,613	16,999	24,106

18. Intangible asset - Computer software

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
As at 1 January 2022		
Cost	925,472	673,109
Less: Accumulated amortisation	(464,296)	(389,197)
Net book value	461,176	283,912
For the year ended 31 December 2022		
Net book value at beginning of year	461,176	283,912
Additions	83,771	33,110
Transfers from fixed assets (Note 16)	627	-
Amortisation	(88,395)	(63,903)
Translation adjustment	112	-
Net book value at end of year	457,291	253,119
As at 31 December 2022		
Cost	1,002,701	703,982
Less: Accumulated amortisation	(545,410)	(450,863)
Net book value	457,291	253,119
For the year ended 31 December 2023		
Net book value at beginning of year	457,291	253,119
Additions	62,419	49,292
Transfers from fixed assets (Note 16)	225	-
Amortisation	(93,303)	(64,759)
Translation adjustment	(85)	-
Net book value at end of year	426,547	237,652
As at 31 December 2023		
Cost	1,037,697	740,469
Less: Accumulated amortisation	(611,150)	(502,817)
Net book value	426,547	237,652

19. Goodwill

For the propose of annually impairment testing for goodwill, the Group determines the recoverable amount of the cash generating units based on value in use, with the cash flow projections derived from financial budgets approved by management. The projections cover a five-year period. The cash flow projections after the fifth-year period are extrapolated using the estimated growth rates stated below. The terminal growth rate does not exceed the long-term average growth rate for the business in which the cash generating units operate.

Key assumptions used in the value in use calculation of the cash generating units are summarised below:

Terminal growth rate at the year-end that the projection were prepared.	0.00% per annum
Pre-tax discount rate	14.14% per annum

The management determines the forecasted operations and future cash flow projections based on factors including historical operating results, expected market growth and economic growth. The discount rate is a pre-tax rate that reflects the risks specific to cash generating units.

The management determines that goodwill is not impaired.

20. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Trade accounts payable - related parties (Note 6)	32,722	-	132,682	82,311
Trade accounts payable - unrelated parties	1,500,498	1,216,000	529,486	377,910
Other payables - related parties (Note 6)	2	-	63,056	48,629
Other payables - unrelated parties	1,240,593	1,547,138	354,444	579,613
Retention payables - related parties (Note 6)	-	-	-	79
Retention payables - unrelated parties	323,329	422,642	93,907	98,050
Advance receipt for goods and others - related parties (Note 6)	-	463	-	-
Advance receipt for goods and others - unrelated parties	881,849	1,871,895	119,245	389,568
Total trade and other payables	<u>3,978,993</u>	<u>5,058,138</u>	<u>1,292,820</u>	<u>1,576,160</u>

21. Borrowings

21.1 Short-term borrowings from financial institutions

Movements in the short-term borrowing 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	5,889,872	21,639,969	347,335	11,817,781
Increase (decrease), net	(436,419)	(15,796,772)	481,200	(11,484,981)
Unrealised loss (gain) on exchange rates	(14,535)	9,265	(14,535)	14,535
Translation adjustment	56,121	37,410	-	-
Balance at end of year	<u>5,495,039</u>	<u>5,889,872</u>	<u>814,000</u>	<u>347,335</u>

As at 31 December 2023 and 2022, overseas subsidiaries had balances of short-term borrowings with overseas financial institutions which were guaranteed by the Group as follows.

			(Unit: (Equivalent) Million Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Balances	1,962	3,456	1,919	3,292

21.2 Long-term loans from financial institutions

Movements in the long-term borrowing 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	7,127,697	9,267,835	-	807,279
Repayments	(1,716,200)	(2,140,829)	-	(807,279)
Amortisation of finance fee	485	691	-	-
Balance at end of year	<u>5,411,982</u>	<u>7,127,697</u>	<u>-</u>	<u>-</u>

As at 31 December 2023 and 2022, the Group had entered into long-term borrowing agreements with commercial banks with details as follows.

(Unit: Thousand Baht)					
No.	Credit facility	Borrowing periods	Interest rate (%) per annum	Principal and interest are repayable quarterly from	Consolidated financial statements
					<u>2023</u> <u>2022</u>
<u>Subsidiary</u>					
1	Baht 950 million granted in 2018	7 years 6 months	MLR less fixed rate	September 2018	350,000 518,000
2	Baht 700 million granted in 2018	4 years 6 months	MLR less fixed rate	June 2019	- 115,000
3	Baht 1,623 million granted in 2019	7 years	THOR (2022: 6M THBFIX) plus fixed rate*	December 2019	518,000 883,000**
4	Baht 1,445 million granted in 2019	7 years 9 months	MLR less fixed rate	March 2020	605,000 905,000
5	Baht 1,000 million granted in 2020	6 years	THOR (2022: 6M THBFIX) plus fixed rate*	March 2022	750,000 900,000
6	Baht 2,000 million granted in 2020	6 years 1 months	MLR less fixed rate	June 2021	1,425,000 1,725,000
7	Baht 1,500 million granted in 2021	6 years 2 months	MLR less fixed rate	March 2022	1,080,000 1,320,000
8	Baht 782 million granted in 2021	6 years	MLR less fixed rate	December 2022	684,250 762,450
Total					5,412,250 7,128,450
Less: Deferred financial service fee					(268) (753)
Long-term borrowing - net					5,411,982 7,127,697
Less: Current portion of long-term borrowings					(1,884,604) (1,715,715)
Long-term borrowings - net of current portion					<u>3,527,378</u> <u>5,411,982</u>

* During the current year, STGT amended its long-term borrowing agreements and related interest rate swap agreements, in which the interest rate benchmark was changed from 6M THBFIX to THOR becoming effective from March and December 2023 onwards. As a result, STGT can continue to apply the hedge accounting.

** The Group manages interest rate risk of the partial credit facilities by entering into interest rate swap contracts with fixed rate per annum.

In addition, the long-term borrowing agreements of the Group contain certain covenants that, among other things, require the Group to maintain financial ratios.

21.3 Debentures

Movements in the debenture account for the years ended 31 December 2023 and 2022 are summarised below.

	Consolidated financial		(Unit: Thousand Baht)	
	statements		Separate financial	
	2023	2022	2023	2022
Balance at beginning of year	27,051,981	10,058,207	25,539,762	10,058,207
Issuance	-	16,838,000	-	15,338,000
Redemption	(1,000,000)	-	(1,000,000)	-
Increase in accrued interest expenses	813,139	584,051	757,789	569,645
Interest paid	(818,558)	(404,191)	(763,208)	(404,191)
Increase in deferred expenses of issuing debentures	-	(26,349)	-	(24,044)
Amortisation of deferred expenses of issuing debentures	5,060	2,263	4,610	2,145
Balance at end of year	<u>26,051,622</u>	<u>27,051,981</u>	<u>24,538,953</u>	<u>25,539,762</u>

The Group issues senior unsecured debentures and green debentures, interest is payable semi-annually. Details of the debentures are summarised below:

								(Unit: Thousand Baht)			
Debenture	Term (years)	Issue date	Maturity date	Quantity (Thousand Units)	Par value (Baht per unit)	Fixed interest rate (Percent per annum)	Interest payment condition	Consolidated		Separate	
								financial statements		financial statements	
Company								2023	2022	2023	2022
STA234A	2	1 April 2021	1 April 2023	1,000	1,000	2.15	Starting from 1 October 2022 to 3 April 2023	-	1,000,000	-	1,000,000
STA264A	5	1 April 2021	1 April 2026	1,800	1,000	3.70	Starting from 1 October 2022 to 1 April 2026	1,800,000	1,800,000	1,800,000	1,800,000
STA314A	10	1 April 2021	1 April 2031	700	1,000	4.40	Starting from 1 October 2022 to 1 April 2031	700,000	700,000	700,000	700,000
STA247A	3	22 July 2021	22 July 2024	1,500	1,000	1.79	Starting from 24 January 2023 to 23 July 2024	1,500,000	1,500,000	1,500,000	1,500,000
STA257A	4	22 July 2021	22 July 2025	500	1,000	2.75	Starting from 24 January 2023 to 22 July 2025	500,000	500,000	500,000	500,000
STA31DA	10	3 December 2021	3 December 2031	1,250	1,000	3.56	Starting from 6 June 2023 to 3 December 2031	1,250,000	1,250,000	1,250,000	1,250,000
STA25DA	4	3 December 2021	3 December 2025	1,000	1,000	2.39	Starting from 6 June 2023 to 3 December 2025	1,000,000	1,000,000	1,000,000	1,000,000
STA28DA	7	3 December 2021	3 December 2028	1,250	1,000	3.12	Starting from 6 June 2023 to 4 December 2028	1,250,000	1,250,000	1,250,000	1,250,000
STA24DA	3	3 December 2021	3 December 2024	1,000	1,000	1.98	Starting from 6 June 2023 to 3 December 2024	1,000,000	1,000,000	1,000,000	1,000,000
STA253A	3	31 March 2022	31 March 2025	2,000	1,000	2.08	Starting from 30 September 2023 to 31 March 2025	2,000,000	2,000,000	2,000,000	2,000,000

								(Unit: Thousand Baht)			
Debenture	Term (years)	Issue date	Maturity date	Quantity (Thousand Units)	Par value (Baht per unit)	Fixed interest rate (Percent per annum)	Interest payment condition	Consolidated		Separate	
								financial statements		financial statements	
								2023	2022	2023	2022
STA273A	5	31 March 2022	31 March 2027	500	1,000	2.85	Starting from 30 September 2023 to 31 March 2027	500,000	500,000	500,000	500,000
STA293A	7	31 March 2022	31 March 2029	1,000	1,000	3.56	Starting from 30 September 2023 to 4 February 2029	1,000,000	1,000,000	1,000,000	1,000,000
STA323A	10	31 March 2022	31 March 2032	2,000	1,000	3.94	Starting from 30 September 2023 to 31 March 2032	2,000,000	2,000,000	2,000,000	2,000,000
STA343A	12	31 March 2022	31 March 2034	1,500	1,000	4.17	Starting from 30 September 2023 to 31 March 2034	1,500,000	1,500,000	1,500,000	1,500,000
STA324A	10	21 April 2022	21 April 2032	1,180	1,000	3.94	Starting from 21 October 2023 to 21 April 2032	1,180,000	1,180,000	1,180,000	1,180,000
STA257B	3	27 July 2022	27 July 2025	1,000	1,000	2.89	Starting from 27 January 2023 to 27 July 2025	1,000,000	1,000,000	1,000,000	1,000,000
STA277A	5	27 July 2022	27 July 2027	2,400	1,000	3.69	Starting from 27 January 2023 to 27 July 2027	2,400,000	2,400,000	2,400,000	2,400,000
STA297A	7	27 July 2022	27 July 2029	1,100	1,000	3.94	Starting from 27 January 2023 to 27 July 2029	1,100,000	1,100,000	1,100,000	1,100,000
STA327A	10	27 July 2022	27 July 2032	1,000	1,000	4.16	Starting from 27 January 2023 to 27 July 2032	1,000,000	1,000,000	1,000,000	1,000,000
STA26NA	4	4 November 2022	4 November 2026	678	1,000	3.55	Starting from 4 May 2023 to 4 November 2026	678,700	678,700	678,700	678,700
STA26NB	4	4 November 2022	4 November 2026	979	1,000	3.55	Starting from 4 May 2023 to 4 November 2026	979,300	979,300	979,300	979,300

								(Unit: Thousand Baht)			
Debtenture Subsidiary	Term (years)	Issue date	Maturity date	Quantity (Thousand Units)	Par value (Baht per unit)	Fixed interest rate (Percent per annum)	Interest payment condition	Consolidated financial statements		Separate financial statements	
								2023	2022	2023	2022
STGT259A	3	28 September 2022	28 September 2025	550	1,000	2.97	Starting from 28 March 2023 to 28 September 2025	550,000	550,000	-	-
STGT299A	7	28 September 2022	28 September 2029	400	1,000	3.91	Starting from 28 March 2023 to 28 September 2029	400,000	400,000	-	-
STGT329A	10	28 September 2022	28 September 2032	550	1,000	4.25	Starting from 28 March 2023 to 28 September 2032	550,000	550,000	-	-
Total								25,838,000	26,838,000	24,338,000	25,338,000
<u>Add</u> accrued interest expenses								232,648	238,067	218,242	223,661
<u>Less</u> deferred expenses of issuing debentures								(19,026)	(24,087)	(17,289)	(21,899)
Debentures - net								26,051,622	27,051,980	24,538,953	25,539,762
<u>Less</u> current portion								(2,727,584)	(1,233,004)	(2,713,632)	(1,219,051)
Debentures, net of current portion								23,324,038	25,818,976	21,825,321	24,320,711
Fair value								25,837,365	27,284,304	24,291,512	25,712,004

The debenture agreements contain covenants and restrictions on the Group, pertaining to matters such as the maintenance of a certain debt to equity ratio. In addition, the Company has to prepare bank deposits for repayment of principal and interest of debentures, which will be due **in the next period**.

On 10 April 2023, the Annual General Meeting of the Company passed resolutions to approve the additional issuance and offering of debentures at the amount of Baht 20,000 million.

22. Lease

The Group as a lessee

The Group has lease contracts for use in its operations. Leases generally have lease terms between 1 - 5 years.

A) Right-of-use assets

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

(Unit: Thousand Baht)

	Consolidated financial statements				
	Land and land improvement	Buildings and building improvement	Motor vehicles	Equipment	Total
As at 1 January 2022	10,241	117,408	180,999	95,254	403,902
Additions	3,456	56,937	152,158	86,944	299,495
Transfers from fixed assets					
(Note 16)	-	-	19,855	-	19,855
Write-off, net	-	(1,813)	(1,323)	-	(3,136)
Depreciation for the year	(7,603)	(68,522)	(90,609)	(30,325)	(197,059)
Depreciation capitalised to assets (Note 17)	-	-	(1,830)	-	(1,830)
Translation adjustment	(25)	(1,794)	(719)	-	(2,538)
As at 31 December 2022	6,069	102,216	258,531	151,873	518,689
Additions	10,568	76,802	101,475	10,224	199,069
Transfers from fixed assets (Note 16)	-	-	(829)	-	(829)
Write-off, net		(206)	(1,805)	-	(2,011)
Depreciation for the year	(8,018)	(67,177)	(96,804)	(46,828)	(218,827)
Depreciation capitalised to assets (Note 17)	-	-	(1,411)	-	(1,411)
Translation adjustment	6	(2,533)	273	-	(2,254)
As at 31 December 2023	8,625	109,102	259,430	115,269	492,426

(Unit: Thousand Baht)

	Separate financial statements				
	Land and land improvement	Buildings and building improvement	Motor vehicles	Equipment	Total
As at 1 January 2022	1,796	31,527	76,023	267	109,613
Additions	3,113	-	58,475	-	61,588
Write-off, net	-	-	(519)	-	(519)
Depreciation for the year	(3,444)	(13,062)	(36,843)	(208)	(53,557)
As at 31 December 2022	1,465	18,465	97,136	59	117,125
Additions	7,087	-	56,981	-	64,068
Write-off, net	-	-	(734)	-	(734)
Depreciation for the year	(3,560)	(13,062)	(47,070)	(59)	(63,751)
As at 31 December 2023	4,992	5,403	106,313	-	116,708

B) Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Lease payments	486,939	513,800	126,357	124,180
Less: Deferred interest expenses	(25,896)	(23,118)	(5,800)	(4,132)
Total	461,043	490,682	120,557	120,048
Less: Portion due within one year	(197,843)	(206,145)	(56,473)	(55,702)
Lease liabilities - net of current portion	263,200	284,537	64,084	64,346

Movements of the lease liability account during 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>	<u>2023</u>	<u>2022</u>
Balance at beginning of year	490,682	388,218	120,048	111,521
Additions	199,069	299,495	64,068	61,588
Write off	(2,232)	(3,278)	(761)	(522)
Repayments	(224,334)	(191,434)	(62,798)	(52,539)
Translation adjustment	(2,142)	(2,319)	-	-
Balance at end of year	461,043	490,682	120,557	120,048

A maturity analysis of lease payments is disclosed in Note 36.2 to the 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 of Right-of-use assets	218,827	197,059	63,751	53,557
Interest payments on lease liabilities	16,971	9,366	3,597	2,696
Expense relating to leases of low-value assets	45,245	93,905	66,463	96,361

23. Provision for retirement benefit obligations

Movements of provision for retirement benefit obligations, which represent compensation payable to employees after they retire, during 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	416,403	425,374	137,885	138,392
Included in profit or loss:				
Current service cost	35,894	37,154	9,051	9,270
Interest cost	13,270	11,464	3,477	2,625
Past service cost	(18,708)	(30,752)	(2,630)	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	(4,981)	-	(1,680)
Financial assumptions changes	(39,582)	(28,699)	(12,230)	(9,129)
Experience adjustments	16,022	13,933	5,771	3,706
Benefits paid during the year	(9,337)	(7,090)	(3,692)	(5,299)
Balance at end of year	<u>413,962</u>	<u>416,403</u>	<u>137,632</u>	<u>137,885</u>

The Group expects to pay Baht 13 million of long-term employee benefits during the next year (the Company only: Baht 7 million) (2022: Baht 7 million, the Company only: Baht 4 million).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit was 15 years (2022: 16 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	Consolidated and separate financial statements	
	<u>2023</u>	<u>2022</u>
Discount rate	3.1	3.1
Future salary increase rate	3.0	3.0 - 4.0
Turnover rate	0.0 - 35.0	0.0 - 35.0

The results of sensitivity analysis for significant assumptions that affect the present value of the provision for retirement benefit obligations as at 31 December 2023 and 2022 are summarised below:

	(Unit: Thousand Baht)			
	As at 31 December 2023			
	Consolidated financial statements		Separate financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(37,897)	43,661	(11,731)	13,450
Future salary increase rate	43,553	(38,498)	13,318	(11,838)
	<u>Increase 20%</u>	<u>Decrease 20%</u>	<u>Increase 20%</u>	<u>Decrease 20%</u>
Turnover rate	(19,387)	22,946	(6,540)	7,775

	As at 31 December 2022			
	Consolidated financial statements		Separate financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(41,159)	47,671	(12,240)	14,063
Future salary increase rate	47,148	(41,488)	13,798	(12,250)
	<u>Increase 20%</u>	<u>Decrease 20%</u>	<u>Increase 20%</u>	<u>Decrease 20%</u>
Turnover rate	(21,173)	24,958	(6,855)	8,123

24. 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.

25. Revaluation surplus

	(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				
- net of income tax	5,809,537	3,635,007	2,920,108	1,770,414
Changes in revaluation of assets				
- net of income tax *	603,742	2,308,761	-	1,232,569
Amortisation on surplus on revaluation				
of assets - net of income tax	(207,606)	(134,179)	(135,010)	(82,875)
Increase in share capital of a subsidiary	-	(52)	-	-
Balance at end of year - net of income tax	<u>6,205,673</u>	<u>5,809,537</u>	<u>2,785,098</u>	<u>2,920,108</u>
* Other comprehensive income attributable to:				
Equity holders of the Company	603,742	2,308,761	-	1,232,569
Non-controlling interests				
of the subsidiaries	<u>66,326</u>	<u>175,929</u>	<u>-</u>	<u>-</u>
	<u>670,068</u>	<u>2,484,690</u>	<u>-</u>	<u>1,232,569</u>

26. Other income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Compensation income received under the credit support program for rubber producers by the Rubber Authority of Thailand	76,753	91,980	-	-
Income of production waste sales	37,650	39,821	14,642	12,312
Income from insurance claim compensation	124,587	73,359	100,606	61,495
Income of management fee	17,695	15,163	17,695	15,163
Rental income	15,811	14,869	738	880
Income from computer software	124	120	2,591	2,535
Income from guaranteed loans	-	97	20,602	22,344
Office service income	901	982	81,364	61,387
Others	79,947	56,272	3,668	431
Total other income	<u>353,468</u>	<u>292,663</u>	<u>241,906</u>	<u>176,547</u>

27. Other gain (loss)

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Gain (loss) on derivative financial instruments	(33,786)	528,843	(61,309)	887,401
Gain on change in fair value of investment properties	-	15,820	-	13,980
Gain (loss) on disposals and write-off for fixed assets	1,290	(38,704)	(4,928)	(16,311)
Total other gain (loss), net	<u>(32,496)</u>	<u>505,959</u>	<u>(66,237)</u>	<u>885,070</u>

28. 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	(1,590,763)	3,328,182	(1,218,808)	1,350,942
Raw materials and consumables				
used	63,727,137	81,679,872	36,917,493	43,680,031
Reduction of inventory cost to net				
realisable value (reversal)	(69,915)	296,307	(67,899)	97,434
Salaries and wages and other employee				
benefits	4,348,141	4,560,669	960,220	998,487
Depreciation	3,274,799	3,069,968	901,199	791,057
Impairment loss from assets revaluation				
(reversal)	(3,773)	16,372	-	25,912
Loss on impairment of assets	294,885	-	-	-
Amortisation - economic tree				
plantations	37,270	27,762	283	356
Amortisation - intangible assets	93,303	88,395	64,759	65,903
Transportation and distribution				
expense	2,896,724	5,113,728	1,014,962	1,630,186
Energy expense	4,319,322	4,011,155	1,060,043	987,468
Cess expense*	1,723,044	1,990,130	1,274,560	1,417,894

* The cess expense is a fee charged to exporters of natural rubber products for the rubber replanting aid fund managed by the Office of the Rubber Authority of Thailand (RAOT) for the purpose of replanting support. Such fee is calculated based on exported quantity at the price on export dates multiplied by a fixed rate as agreed.

29. Income tax

Income tax for the years ended 31 December 2023 and 2022 is 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	116,528	534,887	-	165,613
Adjustment in respect of income tax of previous year	(1,612)	440	2,740	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(185,934)	114,256	(203,202)	71,278
Income tax reported in profit or loss	<u>(71,018)</u>	<u>649,583</u>	<u>(200,462)</u>	<u>236,891</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		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Deferred tax relating to				
Gain (loss) on changes in value of equity investments designated at Fair value through other comprehensive income	(6)	(361)	10	(343)
Gain on revaluation of assets	167,517	587,018	-	308,142
Actuarial gain	4,692	3,838	1,292	1,421
Gain (loss) on cash flow hedges	(29,910)	62,061	(18,306)	34,767
	<u>142,293</u>	<u>652,556</u>	<u>(17,004)</u>	<u>343,987</u>

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 (loss) before tax	<u>(526,976)</u>	<u>6,167,413</u>	<u>(114,637)</u>	<u>4,510,449</u>
Applicable tax rate	8 - 25%	8 - 25%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(118,414)	1,294,284	(22,927)	902,090
Share of (profit) loss from investments in an associate and a joint venture	21,497	(67,131)	-	-
Unused tax losses and deductible temporary difference were not recognised during the year	57,278	12,805	-	-
Utilisation of previously unused tax losses and deductible temporary unrecognised difference	-	(144,632)	-	(93,273)
Adjustment in respect of income tax of previous year	(1,612)	440	2,740	-
Write-off deferred tax assets	105,007	-	-	-
Effects of:				
Promotional privileges (Note 30)	(463)	(460,068)	-	(175,286)
Exempted income	(7,420)	(11,351)	(118,154)	(375,274)
Non-deductible expenses	134,249	99,561	40,663	31,915
Additional expense deductions allowed	(182,292)	(60,034)	(103,402)	(53,360)
Tax at concessionary rate of 10% (a)	(9,527)	(13,977)	-	-
Corporate income tax exemption (b)	(53,099)	5,739	-	-
Others	(16,221)	(6,053)	618	79
Total	<u>(134,773)</u>	<u>(446,183)</u>	<u>(180,275)</u>	<u>(571,926)</u>
Income tax reported in the profit or loss	<u>(71,017)</u>	<u>649,583</u>	<u>(200,462)</u>	<u>236,891</u>

Additional information

- (a) On 11 May 2005, the Ministry of Trade and Industry of Singapore awarded the Global Trader Programme status to a subsidiary of the Group for the period from 1 April 2005 to 31 December 2009. Under this programme, income derived from qualifying trading transactions of approved products is taxed at the concessionary rate of 10%. On 13 December 2020, this status was extended from 1 January 2020 to 31 December 2024.
- (b) A subsidiary is awarded the lifetime of Enhanced-Tier Fund Tax Incentive Scheme under section 13U from The Monetary Authority of Singapore (MAS). Under this scheme, upon specified terms and conditions, specific income derived by designated investments is exempted from corporate income tax in Singapore. Withholding tax on interest and dividend under the scheme paid by the subsidiary is also exempted. In addition, the Fund can obtain a remission of Goods and Services Tax ("GST") incurred on expenses.

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				
Unused tax losses	463,350	223,836	167,570	-
Unrealised losses on derivative financial instruments	14,300	26,782	14,557	1,726
Allowance for diminution in value of inventories	42,064	63,969	2,579	11,246
Cumulative loss from assets revaluation and allowance for asset impairment	109,588	83,942	21,802	21,835
Provision for retirement benefit obligations	81,409	82,079	27,526	27,577
Loss on cash flow hedge	113	975	33	252
Intercompany profit in inventories	34,525	184,630	-	-
Intercompany profit in fixed assets	47,446	47,073	-	-
Others	38,166	52,866	246	1,526
Total	830,961	766,152	234,313	64,162
Deferred tax liabilities				
Asset revaluation surplus	1,714,897	1,655,187	696,274	730,027
Fair value estimation of investment properties	15,742	15,742	15,374	15,374
Unrealised gains on derivative financial instruments	92	6,581	8,793	6,581
Gains on cash flow hedge	24,651	67,925	18,948	37,473
Others	15,582	3,357	1,231	1,220
Total	1,770,964	1,748,792	740,620	790,675
Deferred tax liabilities, net	(940,003)	(982,640)	(506,307)	(726,513)

(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 (liabilities) presented in the statements of financial position:				
Deferred tax assets	323,892	486,261	-	-
Deferred tax liabilities	(1,263,895)	(1,468,901)	(506,307)	(726,513)
	<u>(940,003)</u>	<u>(982,640)</u>	<u>(506,307)</u>	<u>(726,513)</u>

Movements of deferred tax liabilities (net) during the years ended 31 December 2023 and 2022 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Balance at beginning of year - net	982,640	203,551	726,513	311,248
Deferred tax recognised in				
profit or loss	(185,934)	114,256	(203,202)	71,278
other comprehensive income	142,293	652,556	(17,004)	343,987
Translation adjustment	<u>1,004</u>	<u>12,277</u>	<u>-</u>	<u>-</u>
Balance at end of year - net	<u>940,003</u>	<u>982,640</u>	<u>506,307</u>	<u>726,513</u>

As at 31 December 2023, the Group had deductible temporary differences and unused tax losses totaling Baht 858 million (the Company only: Nil) (2022: Baht 589 million, the Company only: Nil), on which deferred tax assets have not been recognised as the Group and the Company believe that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The Group has the unused tax losses amounting to Baht 809 million (2022: Baht 539 million) which will expire since 2024.

30. Promotional privileges

The Group is granted certain privileges on its manufactures of concentrated latex, block rubber Skim Crepe and rubber gloves, which included among others, as follows.

- a) Exemption from payment of import duty on imported machinery and equipment as approved by BOI committee
- b) Exemption from payment of income tax for the periods of 5 - 8 years starting from the commencement date of the promoted business, and 50 percent reduced from the normal income tax rate for the next 3 to 5 years after the period of exemption from payment of income tax is expired
- c) Reduction 50 percent from payment of income tax for investment in improve performance excluding the cost of land and working capital for a period of 3 years starting from the date of first income after obtaining the promotion certificates and applying for such privileges

As a promoted industry, the Group must comply with certain conditions and restrictions provided for in the promotional certificates.

The Group'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)

	Consolidated 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>
Sales and service income						
Domestic sales and service income	8,591,894	6,482,109	15,432,117	22,524,779	24,024,011	29,006,888
Export sales and service income	<u>32,573,034</u>	<u>32,608,552</u>	<u>61,325,503</u>	<u>100,018,710</u>	<u>93,898,537</u>	<u>132,627,262</u>
Total sales and service income	<u>41,164,928</u>	<u>39,090,661</u>	<u>76,757,620</u>	<u>122,543,489</u>	117,922,548	161,634,150
Elimination					<u>(33,677,639)</u>	<u>(50,977,424)</u>
Total					<u>84,244,909</u>	<u>110,656,726</u>

(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>
Sales and service income						
Domestic sales and service income	7,502,516	5,955,116	7,443,945	12,239,588	14,946,461	18,194,704
Export sales and service income	18,795,787	16,815,477	16,566,447	26,198,682	35,362,234	43,014,159
Total sales and service income	<u>26,298,303</u>	<u>22,770,593</u>	<u>24,010,392</u>	<u>38,438,270</u>	<u>50,308,695</u>	<u>61,208,863</u>

31. Earnings per share

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

The basic earnings per share are as follows.

	For the year ended 31 December			
	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Profit (loss) attributable to owners of the Company (Thousand Baht)	(434,369)	4,794,868	85,825	4,273,559
Weighted average number of ordinary shares (Thousand shares)	1,536,000	1,536,000	1,536,000	1,536,000
Basic earnings per share (Baht)	(0.28)	3.12	0.06	2.78

32. Segment information

The chief operating decision-maker has been identified as the Managing Director. The Managing Director reviews the Group's internal reporting regularly in order to assess performance and allocate resources. The Managing Director measures the business based on a measure of segment profit, which is derived on a basis consistent with the measurement of profit for the year in the consolidated financial statements.

Operating segments are defined as components of the Group for which separate financial statements available on a company basis are evaluated regularly by the chief operating decision-maker.

There are three reportable segments as follows.

- 1) Natural rubber products: This segment is engaged in manufacture, sale and trading of ribbed smoked sheets, concentrated latex and block rubbers.
- 2) Gloves: this segment also includes the manufacture and sale of powdered, powder-free, and nitrile latex gloves.
- 3) Other businesses:
 - Plantation: This is engaged in plantations including rubber, palm, temperate fruits and economic trees.
 - Engineering business: This is engaged in the engineering services including research and development of machinery and production processes, and also providing information system services.
 - Logistics services and other services: These services are provided mainly to the Group, with minor services provided externally.
 - Other rubber products: This segment is engaged in manufacture, sale of escalator handrails, rubber injection-moulded goods, and high-pressure hydraulic hoses.
 - Financial asset management and financial investment

The Group's financial information by segments for the years ended 31 December 2023 and 2022

(Unit: Million Baht)

	Natural rubbers		Gloves		Others		Elimination		Consolidated financial statements	
	<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>
Revenues										
Revenues from external customers	65,008	87,626	19,035	22,913	202	118	-	-	84,245	110,657
Inter-segment revenues	5,510	5,823	1	-	3,460	4,539	(8,971)	(10,362)	-	-
Total revenues	<u>70,518</u>	<u>93,449</u>	<u>19,036</u>	<u>22,913</u>	<u>3,662</u>	<u>4,657</u>	<u>(8,971)</u>	<u>(10,362)</u>	<u>84,245</u>	<u>110,657</u>
Other income and expenses										
Depreciation and amortisation	(1,652)	(1,450)	(1,793)	(1,588)	(186)	(154)	14	6	(3,617)	(3,186)
Finance income	163	24	72	73	294	92	(3)	(4)	526	185
Finance cost	(1,111)	(1,032)	(306)	(187)	(8)	(7)	3	4	(1,422)	(1,222)
Share of profit (loss) from investments in associate and joint venture	(201)	127	-	-	94	209	-	-	(107)	336
Segment profit (loss)										
Profit (loss) before income tax	(110)	6,151	(446)	1,713	666	461	(637)	(2,157)	(527)	6,167
Income tax	54	(414)	41	(196)	(22)	(38)	(2)	(2)	71	(649)
Profit (loss) for the year	<u>(56)</u>	<u>5,737</u>	<u>(405)</u>	<u>1,517</u>	<u>644</u>	<u>423</u>	<u>(639)</u>	<u>(2,159)</u>	<u>(456)</u>	<u>5,518</u>
Total assets	<u>78,863</u>	<u>80,365</u>	<u>47,371</u>	<u>51,081</u>	<u>26,375</u>	<u>21,314</u>	<u>(40,872)</u>	<u>(35,676)</u>	<u>111,737</u>	<u>117,084</u>

Geographic information

Revenue from external customers based on locations of the customers is as follows.

(Unit: Million Baht)

	<u>2023</u>	<u>2022</u>
Revenue from external customers		
Thailand	10,368	13,385
China	40,970	51,491
USA	10,890	11,245
Singapore	1,830	3,479
Japan	3,067	4,487
Others	17,120	26,570
Total	<u>84,245</u>	<u>110,657</u>
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	55,512	54,357
Indonesia	2,478	1,697
Others	342	298
Total	<u>58,332</u>	<u>56,352</u>

Major customers

The Group has no major customer with revenue of 10 percent or more of its revenues.

33. Dividends

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u>	<u>Dividend per share</u>
		(Million Baht)	(Baht per share)
Dividends for the year 2021	The Company's Annual General Meeting on 7 April 2022	998	0.65
Interim dividends from the operating for 2022	The Company's Board of Directors meeting on 10 August 2022	<u>1,536</u>	1.00
Total dividend paid in 2022		<u>2,534</u>	
Dividends for the year 2022	The Company's Annual General Meeting on 10 April 2023	<u>1,536</u>	1.00
Total dividend paid in 2023		<u>1,536</u>	

On 16 February 2024, the Company's Board of Directors meeting passed resolutions to approve a dividend payment in respect of operating results of 2023 to shareholders of Baht 1.00 per share, totaling of Baht 1,536 million. The Company will propose the Company's Shareholder Annual General Meeting to approve the dividend payment within second quarter of 2024.

34. Commitments and contingent liabilities

(Unit: Million Baht)

	As at 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Sales and purchases commitments*				
Purchases from				
Joint venture	666	911	-	-
Third parties	24	54	-	-
Sales to				
Subsidiaries	-	-	3,075	4,279
Third parties	19,741	22,320	8,179	6,867
Joint venture	7		-	
Capital commitments relating to				
the construction of factory buildings and				
acquisition of machinery	1,561	4,638	1,319	1,242
the acquisition of computer software	1	1	-	-
Guarantees and contingent liabilities				
Bank guarantees for electricity usage and				
sales of goods	272	249	92	76
The future aggregate minimum payments under				
 non-cancellable lease and service agreements				
Not later than 1 year	48	41	7	15
Later than 1 year but not later than 5 years	6	16	1	7

* The Group is committed to certain sales and purchases of natural rubber. Some of the contractual prices are fixed, and settled at future dates, and some of the contractual prices are not fixed at the contract date. However, the values of these commitments are presented at the fixed contractual prices, or the market prices at the end of the period in cases where the contract price is not fixed at the contract date.

35. Fair value hierarchy

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

(Unit: Thousand Baht)

Consolidated financial statements				
As at 31 December 2023				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Equity instruments designated at fair value				
through other comprehensive income	1,454,153	-	3,270,671	4,724,824
Derivative financial instruments	19,767	430,586	-	450,353
Land and building	-	-	22,765,690	22,765,690
Investment properties	-	-	236,097	236,097
Liabilities measured at fair value				
Derivative financial instruments	60,444	53,017	243,923	357,384
Liabilities for which fair value are disclosed				
Debentures	-	25,837,365	-	25,837,365

(Unit: Thousand Baht)

Consolidated financial statements				
As at 31 December 2022				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Equity instruments designated at fair value				
through other comprehensive income	610,077	-	451,715	1,062,492
Derivative financial instruments	27,221	743,957	234,694	1,005,872
Land and building	-	-	20,550,272	20,550,272
Investment properties	-	-	235,341	235,341
Liabilities measured at fair value				
Derivative financial instruments	6,472	79,948	9,968	96,388
Liabilities for which fair value are disclosed				
Debentures	-	27,284,304	-	27,284,304

(Unit: Thousand Baht)

Separate financial statements				
As at 31 December 2023				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Equity instruments designated at fair value				
through other comprehensive income	38,333	-	-	38,333
Derivative financial instruments	10,589	300,175	-	310,764
Land and building	-	-	7,278,501	7,278,501
Investment properties	-	-	89,643	89,643
Liabilities measured at fair value				
Derivative financial instruments	21,623	47,226	268,168	337,017
Liabilities for which fair value are disclosed				
Debentures	-	24,291,512	-	24,291,512

(Unit: Thousand Baht)

Separate financial statements				
As at 31 December 2022				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Equity instruments designated at fair value				
through other comprehensive income	38,280	-	-	38,280
Derivative financial instruments	27,222	361,232	253,192	641,646
Land and building	-	-	6,981,245	6,981,245
Investment properties	-	-	89,643	89,643
Liabilities measured at fair value				
Derivative financial instruments	5,832	4,058	-	9,890
Liabilities for which fair value are disclosed				
Debentures	-	25,712,004	-	25,712,004

During the current year, there are no transfer within the fair value hierarchy.

36. Financial instruments

36.1 Derivatives and hedge accounting

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Current derivative assets				
<i>Derivative assets not designated as hedging instruments</i>				
Rubber options	943	1,963	943	-
Rubber price swaps	-	5,682	-	5,682
Forward foreign exchange contracts	2,453	21,053	-	-
Rubber futures	19,767	27,222	10,589	27,222
Equity accumulator	378	12	-	-
<i>Derivative assets designated as hedging instruments</i>				
Forward foreign exchange contracts	425,296	713,249	299,232	355,550
Open rubber sale contracts	-	234,694	-	253,192
Total current derivative assets	448,837	1,003,875	310,764	641,646
Non - current derivative assets				
<i>Derivative assets designated as hedging instruments</i>				
Interest rate swaps	1,516	1,997	-	-
Total non - current derivative assets	1,516	1,997	-	-
Total derivative assets	450,353	1,005,872	310,764	641,646

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Current derivative liabilities				
<i>Derivative liabilities not designated as hedging instruments</i>				
Rubber options	46,838	2,800	46,838	2,800
Forward foreign exchange contracts	4,944	58,935	-	-
Rubber futures	60,444	6,472	21,623	5,832
Equity accumulators	-	15,511	-	-
<i>Derivative liabilities designated as hedging instruments</i>				
Forward foreign exchange contracts	1,235	1,575	388	1,258
Open rubber sale contracts	243,923	9,968	268,168	-
Total current derivative liabilities	357,384	95,261	337,017	9,890
Non - current derivative liabilities				
<i>Derivative liabilities designated as hedging instruments</i>				
Interest rate swaps	-	1,127	-	-
Total non - current derivative liabilities	-	1,127	-	-
Total derivative liabilities	357,384	96,388	337,017	9,890

Derivatives not designated as hedging instruments

The Group has entered into contracts of derivative financial instruments as described in Note 4.21. The contracts are entered into for periods consistent with the underlying transactions, generally within 1 year.

Derivatives designated as hedging instruments

Cash flow hedges

Interest rate risk

The Group has an interest rate swap agreement to hedge the exposure to cash flow volatility which the Group has to pay. The Group receives a variable rate of interest and pays fixed rate of interest.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the variable interest rate loan (i.e., interest rate, notional amount, maturity and payment dates). There is no ineffectiveness portion of such hedge.

	(Unit Million Baht)	
	Consolidated financial statements	
	<u>2023</u>	<u>2022</u>
Carrying liability amount of the interest rate swap		
Assets	2	2
Liabilities	-	(1)
Notional amount	259	883
Hedge ratio	1 : 1	1 : 1
Maturity date	March 2025	June 2023 to March 2025
Changes in fair value of the hedging instruments		
used for measuring ineffectiveness	1	22
Cash flow hedge reserve	1	1

Foreign currency risk

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast sales in US dollar. These forecast transactions are highly probable. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

In addition, hedge ineffectiveness can arise from changes to the forecasted amount of cash flows of hedged items and hedging instruments.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Carrying amount of the foreign exchange forward contracts				
Assets	425	713	299	356
Liabilities	(1)	(2)	(1)	(1)
Notional amount (USD)	1,087	516	334	296
Hedge ratio	1 : 1	1 : 1	1 : 1	1 : 1
Maturity date	January to July 2024	January to July 2023	January to July 2024	January to July 2023
Changes in fair value of the hedging instruments used for measuring ineffectiveness	(288)	321	(55)	186
Cash flow hedge reserve	245	226	204	149

Impact of hedging on equity

Set out below is a reconciliation of each component of equity and analysis of other comprehensive income:

	(Unit: Million Baht)	
	Cash flow hedge reserve	
	Consolidated	Separate
	financial statements	financial statements
As at 1 January 2022	(30)	10
Effective portion of changes in fair value arising from derivatives designated as hedging instruments for cash flow hedges	737	343
Amount reclassified to profit or loss	(378)	(169)
Tax effect	(62)	(35)
As at 31 December 2022	267	149
Effective portion of changes in fair value arising from derivatives designated as hedging instruments for cash flow hedges	(287)	(55)
Amount reclassified to profit or loss	237	92
Tax effect	30	18
As at 31 December 2023	247	204

Fair value hedge

Commodity price risk (rubber)

For natural rubber product segment of the Group, it purchases cup lump which is main raw material of block rubber manufacturing. The Group enters into open rubber sale contracts to hedge against risks of rubber price volatility in sales expected to be delivered in the future in accordance with the risk management strategy outlined by the Board of Directors.

There is an economic relationship between the open rubber sale contracts and the cup lump or block rubber as the significant terms, i.e. volume and deliver period, match those of the forecast sales considered to be highly probable within the next 12 months.

In addition, hedge ineffectiveness can arise from quality inspection results of block rubber or cup lump not complied with the term of sale contracts, or changes in conditions of sale contracts.

(Unit: Million Baht)

	As at 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Carrying amount of the open rubber sale contracts				
Assets	-	225	-	253
Liabilities	(244)	-	(268)	-
Delivery period	January to	January to	January to	January to
	July 2024	May 2023	July 2024	March 2023
Reference rubber price at end of year	1,542 -	1,296 -	1,542 -	1,296 -
(USD per ton)	1,561	1,350	1,561	1,326
Hedge ratio	1 : 1	1 : 1	1 : 1	1 : 1
Changes in fair value of the hedging instruments				
used for measuring ineffectiveness (presented in				
profit or loss net of sales of goods)	(244)	225	(268)	253
Changes in fair value of the hedged items used for				
measuring ineffectiveness (presented in profit or				
loss net of cost of sales)	243	(198)	260	(187)
Carrying amount with accumulated fair value				
adjustments of inventories only part of cup lump,				
crepe rubber and block rubber which are the				
hedged items (presented in statement of				
financial position as inventories)	243	(198)	260	(187)

36.2 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. Thus, risk management plan for the Group focusing on the fluctuation of financial market to reduce the effect of risk to the Group's operations. The Group uses financial instruments to protect potential risk.

Risk management is carried out under supervision by the Group management, who identifies, evaluates and hedges financial risks. In addition, the Group applies hedge accounting as follows.

- Interest rate swap to leverage risk of volatility of interest rate
- Forward foreign exchange contracts to leverage risk of volatility of foreign currency
- Open rubber sale contracts to leverage risk of volatility of raw material and finished goods price

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, loans to subsidiaries, investments, short-term and long-term loans from financial institutions and debentures. 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, deposits with banks and financial institutions and loans. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and loans as stated in the statement of financial position.

Trade 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. In addition, the Group does not have high concentrations of credit risk since it has a large customer.

An impairment analysis is performed at each reporting date to measure expected credit losses. The allowance rates are based on days past due for groupings of various customer segments with similar credit risks based on past experience updated with future forecast information. The Group classifies customer into different segments by geography, product type, customer type and customer rating.

Cash deposits and financial instruments

The credit risk on cash deposits and financial instruments are limited because the Group has a policy to consider and approve credit limits assigned to each counterparty by the Group's Board of Director. The counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, loan to subsidiaries, short-term and long-term borrowings from financial institutions and debentures. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

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: Thousand Baht))

	Consolidated financial statements as at 31 December 2023						
	Fixed interest rates						
	Within	1 - 5	Over	Floating	Non- interest		Effective
	1 year	years	5 years	interest rate	bearing	Total	interest rate
Financial Assets							
Cash and cash equivalent	3,108,580	-	-	2,670,158	1,207,485	6,986,223	0.13 - 6.0
Trade and other receivables*	-	-	-	-	6,878,295	6,878,295	
Amounts due from future brokers	648,478	-	-	-	-	648,478	(1)
Other financial assets	5,213,142	-	-	-	4,724,824	9,937,966	
Total	8,970,200	-	-	2,670,158	12,810,604	24,450,962	
Financial liabilities							
Trade and other payables*	-	-	-	-	2,773,815	2,773,815	-
Short-term borrowings from							
financial institutions	5,130,610	-	-	364,429	-	5,495,039	(1)
Debentures	2,500,000	12,658,000	10,680,000	-	213,622	26,051,622	(1)
Long-term borrowings from							
financial institutions*	-	-	-	5,411,982	-	5,411,982	(2) , (4)
Total	7,630,610	12,658,000	10,680,000	5,776,411	2,987,437	39,732,458	

* excluded from non-financial assets or liabilities

((Unit: Thousand Baht))

Consolidated financial statements as at 31 December 2022

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate
	Within 1 year	1 - 5 years	Over 5 years				
Financial Assets							
Cash and cash equivalent	6,431,653	-	-	15,427,761	641,014	22,500,428	0.05 - 8.55
Trade and other receivables*	-	-	-	-	7,129,784	7,129,784	-
Amounts due from future brokers	660,608	-	-	-	-	660,608	(1)
Other financial assets	-	-	-	-	1,062,492	1,062,492	-
Total	7,092,261	-	-	15,427,761	8,833,290	31,353,312	
Financial liabilities							
Trade and other payables*	-	-	-	-	3,185,780	3,185,780	-
Short-term borrowings from financial institutions	5,487,549	-	-	402,323	-	5,889,872	(1)
Debentures	1,000,000	13,908,000	11,930,000	-	213,980	27,051,980	(1)
Long-term borrowings from financial institutions*	-	-	-	7,127,697	-	7,127,697	(2) , (3)
Total	6,487,549	13,908,000	11,930,000	7,530,020	3,399,760	43,255,329	

* excluded from non-financial assets or liabilities

((Unit: Thousand Baht))

Separate financial statements as at 31 December 2023

	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Effective interest rate
	Within 1 year	1 - 5 years	Over 5 years				
Financial Assets							
Cash and cash equivalent	-	-	-	202,491	361,737	564,228	0.13 - 2.65
Trade and other receivables*	-	-	-	-	3,683,995	3,683,995	-
Other financial assets	-	-	-	-	38,333	38,333	-
Total	-	-	-	202,491	4,084,065	4,286,556	
Financial liabilities							
Trade and other payables*	-	-	-	-	1,079,668	1,079,668	-
Short-term borrowings from financial institutions	814,000	-	-	-	-	814,000	(1)
Debentures	2,500,000	12,108,000	9,730,000	-	200,953	24,538,953	(1)
Total	3,314,000	12,108,000	9,730,000	-	1,280,621	26,432,621	

* excluded from non-financial assets or liabilities

(Unit: Thousand Baht)

Separate financial statements as at 31 December 2022

	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Effective interest rate
	Within 1 year	1 - 5 years	Over 5 years				
Financial Assets							
Cash and cash equivalent	-	-	-	5,240,969	133,009	5,373,978	0.10 - 0.45
Trade and other receivables*	-	-	-	-	3,929,071	3,929,071	-
Long-term loans to subsidiary	343,913	-	-	-	-	343,913	(1)
Other financial assets	-	-	-	-	38,280	38,280	-
Total	343,913	-	-	5,240,969	4,100,360	9,685,242	
Financial liabilities							
Trade and other payables*	-	-	-	-	1,186,592	1,186,592	-
Short-term borrowings from financial institutions	347,335	-	-	-	-	347,335	(1)
Short-term borrowings from subsidiary	145,000	-	-	-	-	145,000	(1)
Debentures	1,000,000	13,358,000	10,980,000	-	201,762	25,539,762	(1)
Total	1,492,335	13,358,000	10,980,000	-	1,388,354	27,218,689	

* excluded from non-financial assets or liabilities

(1) Fixed rate per annum

(2) MLR less fixed rate per annum

(3) THBFIX6M plus fixed rate per annum

(4) THOR plus fixed rate per annum

Interest rate sensitivity analysis

The Group's interest rate risk arises from long-term borrowings. The borrowings on which interest is charged at floating rates expose the Group to risk in respect of interest cash flows. If the interest rate changes by 1.00% per annum (2022: 0.10% per annum), with all other variables held constant, the impact of floating rate borrowings on profit before tax would be as follows.

	(Unit: Thousand Baht)	
	For the year ended 31 December	
	Consolidated financial statements	
	<u>2023</u>	<u>2022</u>
Impact to profit before tax		
in the statements of comprehensive income		
- Decrease in interest rate by 0.10%		
Pre-tax profit increase	-	6,245
- Increase in interest rate by 0.10%		
Pre-tax profit decrease	-	(6,245)
- Decrease in interest rate by 1.00%		
Pre-tax profit increase	48,943	-
- Increase in interest rate by 1.00%		
Pre-tax profit decrease	(48,943)	-

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from trading transactions and loans that are denominated in foreign currencies. The Group manages its risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted foreign sales by entering into forward foreign exchange contracts with maturity within one year.

the Group negotiates the terms of forward foreign exchange contracts to match the terms of such sales. The derivative covers the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable that is denominated in the foreign currency.

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

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	113.9	116.1	18.0	20.2	34.2233	34.5624
Japan yen	1,657.0	1,112.0	-	-	0.2423	0.2609
Singapore dollar	3.4	3.2	-	0.1	25.9733	25.7206
China renminbi	70.9	67.8	-	-	4.8071	4.9664
Euro	0.7	-	0.7	2.6	38.0334	36.8274

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	61.0	70.5	6.6	16.1	34.2233	34.5624
Singapore dollar	0.1	0.1	-	-	25.9733	25.7206

In addition, the Group's exposures to foreign currency risk arises from investments in overseas subsidiaries companies and an indirect joint venture which are unhedged. The management of the Group intends to hold such investments for the long term, and has no plans to dispose of them in the future.

Foreign currency sensitivity analysis

The Group operates internationally and is exposed to foreign currency risk in respect of various foreign currencies, primarily the US Dollar and Indonesian Rupiah. Foreign currency risk arises from commercial transactions, net investment in foreign operations and borrowings. If the exchange rate of the Thai Baht changes by 2.76% (2022: 1.93%) against the US Dollar and by 1.04% (2022: 1.01%) against the Indonesian Rupiah, with all other variables held constant, profit before tax and shareholders' equity would be affected as follows.

(Unit: Thousand Baht)

	For the year ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Impact to profit before tax				
in the statements of comprehensive income				
THB against USD				
- Weakened	90,645	215,142	51,640	30,791
- Strengthened	(90,645)	(215,142)	(51,640)	(30,791)
Impact to shareholders' equity				
in the statements of financial position				
THB against USD				
- Weakened	540,434	285,213	-	-
- Strengthened	(540,434)	(285,213)	-	-
THB against IDR				
- Weakened	13,573	8,109	-	-
- Strengthened	(13,573)	(8,109)	-	-

Risk from fluctuation in raw material and finished goods prices

The Group is exposed to natural rubber price risk. The Group, therefore, enters into rubber options, rubber price swaps, rubber futures, physical forward contracts and open rubber sale contracts to manage the risks arising from such rubber price fluctuations.

Commodity price sensitivity analysis

The Group uses derivative instruments to manage commodity price risk exposure. If the price of natural rubber changes by 0.40% (2022: 3.90%), with all other variables held constant, profit before tax for the years would be affected as follows.

	(Unit: Thousand Baht)			
	For the year ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Impact to profit before tax				
in the statements of comprehensive income				
- Decrease in price of natural rubber				
Pre-tax profit decrease	(6,996)	(62,648)	(2,906)	(58,887)
- Increase in price of natural rubber				
Pre-tax profit increase	6,996	62,648	2,906	58,887

Liquidity risk

The Group monitors its liquidity requirements to ensure it has sufficient cash to meet operational needs.

The table below analyses the Group's maturity grouping based on the remaining periods at the date of statements of financial position to the contractual maturity date based on notional amount.

The amounts disclosed below are the contractual undiscounted cash flows.

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2023					
	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	Total
Short-term borrowings					
from financial institutions	5,527,452	-	-	-	5,527,452
Trade and other payables*	2,773,815	-	-	-	2,773,815
Long-term borrowings					
from financial institutions	2,105,926	2,114,313	1,588,247	-	5,808,486
Debentures	299,505	8,481,956	9,458,090	12,032,259	30,271,810
Finance lease liabilities	212,281	175,613	99,045	-	486,939
Derivative liabilities	357,384	-	-	-	357,384

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2022					
	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	Total
Short-term borrowings					
from financial institutions	5,952,560	-	-	-	5,952,560
Trade and other payables*	3,185,780	-	-	-	3,185,780
Long-term borrowings					
from financial institutions	1,932,975	2,050,317	3,657,613	-	7,640,905
Debentures	1,866,461	3,347,867	13,313,957	13,609,986	32,138,271
Finance lease liabilities	182,909	140,394	108,962	-	432,265
Derivative liabilities	95,261	1,127	-	-	96,388

(Unit: Thousand Baht)

Separate financial statements as at 31 December 2023					
	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	Total
Short-term borrowings					
from financial institutions	815,446	-	-	-	815,446
Trade and other payables*	1,079,668	-	-	-	1,079,668
Debentures	244,155	7,880,768	9,341,045	10,982,888	28,448,856
Finance lease liabilities	59,940	44,433	21,985	-	126,358
Derivative liabilities	337,017	-	-	-	337,017

* excluded from non-financial liabilities

(Unit: Thousand Baht)

	Separate financial statements as at 31 December 2022				
	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	Total
Short-term borrowings					
from financial institutions	350,919	-	-	-	350,919
Trade and other payables*	1,186,592	-	-	-	1,186,592
Debentures	1,811,111	3,292,517	12,634,740	12,521,600	30,259,968
Finance lease liabilities	58,102	37,193	28,885	-	124,180
Derivative liabilities	9,890	-	-	-	9,890

* excluded from non-financial liabilities

36.3 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.

The methods and assumptions used by the Grouping estimating the fair value of financial instruments are as follows:

- The fair value of derivatives has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Group has considered counterparty credit risk when determining the fair value of derivatives.
- The fair value of fixed rate debentures is estimated by discounting expected future cash flow by the current market interest rate of debentures with similar terms and conditions.
- The carrying amounts of long-term loans carrying interest at rates approximating the market rate, in the statement of financial position approximates their fair value.
- The fair value of equity securities is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.

During the current year, there are no transfers within the fair value hierarchy.

37. 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 and it meets financial covenants attached to the loan and debenture agreements. The Group has complied with these covenants throughout the reporting periods.

38. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 16 February 2024.