

Sri Trang Agro-Industry Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2022

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 2022, 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 2022, 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 rubber glove market has a direct impact on selling prices of rubber glove 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.

Supachai Phanyawattano
Certified Public Accountant (Thailand) No. 3930

EY Office Limited
Bangkok: 17 February 2023

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2022

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|------|-----------------------------------|------------------------|-------------------------------|-----------------------|
| | | 2022 | 2021 | 2022 | 2021 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 7 | 22,500,428,361 | 22,809,650,413 | 5,373,978,382 | 272,036,452 |
| Trade and other receivables | 8 | 8,191,993,894 | 8,946,114,385 | 4,655,399,761 | 4,550,919,850 |
| Amounts due from future brokers | | 660,607,783 | 1,307,490,634 | - | 105,737,796 |
| Inventories | 9 | 25,261,064,870 | 32,578,453,173 | 13,828,811,139 | 16,849,685,126 |
| Short-term loan to subsidiary | 6 | - | - | 343,913,000 | 332,469,000 |
| Derivative financial instruments | 36.1 | 1,003,874,851 | 215,294,913 | 641,646,085 | 111,626,440 |
| Other current financial assets | 11 | - | 264,105,305 | - | - |
| Other current assets | 10 | 1,545,934,547 | 1,665,458,806 | 71,564,748 | 71,700,484 |
| Total current assets | | 59,163,904,306 | 67,786,567,629 | 24,915,313,115 | 22,294,175,148 |
| Non-current assets | | | | | |
| Derivative financial instruments | 36.1 | 1,997,355 | - | - | - |
| Other non-current financial assets | 11 | 1,062,491,829 | 475,841,743 | 38,279,840 | 103,990,591 |
| Investments in subsidiaries | 12 | - | - | 19,005,708,104 | 18,839,137,708 |
| Investment in associate | 13 | 583,948,421 | 553,365,209 | 142,500,000 | 142,500,000 |
| Investment in joint venture | 14 | 570,062,923 | 469,119,233 | 134,716,526 | 134,716,526 |
| Investment properties | 15 | 235,340,906 | 215,174,171 | 89,643,125 | 75,663,125 |
| Property, plant and equipment | 16 | 47,885,312,171 | 37,317,329,706 | 11,879,608,448 | 7,637,917,584 |
| Right-of-use assets | 22 | 518,689,132 | 403,901,677 | 117,124,600 | 109,612,548 |
| Economic tree plantations | 17 | 2,546,569,812 | 2,469,746,973 | 16,098,215 | 14,434,997 |
| Intangible asset - Computer software | 18 | 457,291,395 | 461,176,066 | 253,119,447 | 283,911,559 |
| Goodwill | 19 | 3,174,667,132 | 3,174,667,132 | - | - |
| Withholding tax deducted at source | | 355,321,543 | 547,354,998 | 150,344,954 | 401,547,114 |
| Deferred tax assets | 29 | 486,260,956 | 616,835,426 | - | - |
| Other non-current assets | | 41,915,800 | 36,009,945 | 12,300,951 | 13,018,707 |
| Total non-current assets | | 57,919,869,375 | 46,740,522,279 | 31,839,444,210 | 27,756,450,459 |
| Total assets | | 117,083,773,681 | 114,527,089,908 | 56,754,757,325 | 50,050,625,607 |

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 2022

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
| | | 2022 | 2021 | 2022 | 2021 |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 20 | 5,058,138,423 | 5,263,750,674 | 1,576,159,547 | 1,155,935,587 |
| Short-term borrowings from financial institutions | 21.1 | 5,889,871,582 | 21,639,969,479 | 347,335,000 | 11,817,781,000 |
| Current portions of: | | | | | |
| - Long-term borrowings from financial institutions | 21.2 | 1,715,714,709 | 2,140,100,708 | - | 807,279,000 |
| - Debentures | 21.3 | 1,233,004,519 | 58,206,575 | 1,219,051,096 | 58,206,575 |
| - Lease liabilities | 22 | 206,145,429 | 148,072,594 | 55,702,317 | 43,435,693 |
| Short-term loan from subsidiary | 6 | - | - | 145,000,000 | 145,000,000 |
| Income tax payable | | 145,231,321 | 702,429,814 | 49,439,703 | - |
| Derivative financial instruments | 36.1 | 95,261,047 | 552,736,881 | 9,889,569 | 333,273,161 |
| Other current liabilities | | 119,153,235 | 304,880,640 | 41,377,941 | 205,311,058 |
| Total current liabilities | | 14,462,520,265 | 30,810,147,365 | 3,443,955,173 | 14,566,222,074 |
| Non-current liabilities | | | | | |
| Derivative financial instruments | 36.1 | 1,126,858 | 21,332,231 | - | - |
| Non-current portions of: | | | | | |
| - Long-term borrowings from financial institutions | 21.2 | 5,411,982,152 | 7,127,733,907 | - | - |
| - Debentures | 21.3 | 25,818,975,999 | 10,000,000,000 | 24,320,710,920 | 10,000,000,000 |
| - Lease liabilities | 22 | 284,536,834 | 240,145,648 | 64,346,009 | 68,085,258 |
| Provision for retirement benefit obligations | 23 | 416,403,281 | 425,373,598 | 137,884,846 | 138,391,700 |
| Deferred tax liabilities | 29 | 1,468,901,008 | 820,385,826 | 726,513,330 | 311,247,628 |
| Other non-current liabilities | | 33,024,745 | 33,383,077 | - | - |
| Total non-current liabilities | | 33,434,950,877 | 18,668,354,287 | 25,249,455,105 | 10,517,724,586 |
| Total liabilities | | 47,897,471,142 | 49,478,501,652 | 28,693,410,278 | 25,083,946,660 |

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 2022

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|------------------------|-------------------------------|-----------------------|
| | | 2022 | 2021 | 2022 | 2021 |
| 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 | | | | | |
| | 12.2 | 6,257,143,381 | 6,247,647,636 | - | - |
| Retained earnings | | | | | |
| Appropriated - statutory reserve | 24 | 153,600,000 | 153,600,000 | 153,600,000 | 153,600,000 |
| Unappropriated | | 27,130,151,340 | 24,741,526,831 | 12,445,918,517 | 10,638,643,488 |
| Other components of shareholders' equity | | | | | |
| Surplus on revaluation of assets - net of income tax | 25 | 5,809,537,342 | 3,635,007,392 | 2,920,108,422 | 1,770,413,550 |
| Surplus (deficit) on changes in fair value through other comprehensive income of investments in equity - net of income tax | | | | | |
| | | (109,993,490) | 3,645,991 | 4,881,582 | 6,250,583 |
| Cash flow hedge reserve - net of income tax | | 233,517,547 | (22,960,096) | 148,886,894 | 9,819,694 |
| Exchange differences on translation of financial statements in foreign currencies | | | | | |
| | | <u>(473,567,808)</u> | <u>(494,288,125)</u> | - | - |
| Equity attributable to equity holders of the Company | | 51,388,339,944 | 46,652,131,261 | 28,061,347,047 | 24,966,678,947 |
| Non-controlling interests of the subsidiaries | 12.2 | <u>17,797,962,595</u> | <u>18,396,456,995</u> | - | - |
| Total shareholders' equity | | <u>69,186,302,539</u> | <u>65,048,588,256</u> | <u>28,061,347,047</u> | <u>24,966,678,947</u> |
| Total liabilities and shareholders' equity | | <u>117,083,773,681</u> | <u>114,527,089,908</u> | <u>56,754,757,325</u> | <u>50,050,625,607</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 2022

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
| | | 2022 | 2021 | 2022 | 2021 |
| Profit or loss: | | | | | |
| Revenues from sales of goods and services | 30 | 110,656,726,212 | 118,275,372,503 | 61,208,863,185 | 50,926,372,325 |
| Cost of sales and services | | (94,851,076,084) | (80,216,448,854) | (54,891,887,948) | (44,494,317,576) |
| Gross profit | | 15,805,650,128 | 38,058,923,649 | 6,316,975,237 | 6,432,054,749 |
| Other income | 26 | 292,662,869 | 420,579,507 | 176,546,585 | 137,448,398 |
| Dividend income | | 6,430,998 | 1,414,541 | 1,876,368,887 | 9,204,701,672 |
| Selling and distribution expenses | | (7,819,766,416) | (5,952,552,884) | (3,519,026,680) | (2,859,597,386) |
| Administrative expenses | | (2,428,081,802) | (1,974,619,744) | (765,684,193) | (605,497,174) |
| Gain (loss) on exchange rates | | 506,123,498 | 474,369,128 | 150,997,235 | (70,392,399) |
| Gain from disposal of non-current assets held for sale | | - | - | - | 957,865,596 |
| Other gain (loss) | 27 | 505,958,593 | (1,835,522,913) | 885,069,548 | (816,075,885) |
| Profit from operating activities | | 6,868,977,868 | 29,192,591,284 | 5,121,246,619 | 12,380,507,571 |
| Share of profit from investments in associate and joint venture | | 335,657,202 | 241,386,542 | - | - |
| Finance income | | 184,841,170 | 113,208,829 | 27,180,646 | 14,129,704 |
| Finance cost | | (1,222,063,180) | (828,733,698) | (637,977,825) | (315,813,666) |
| Profit before income tax | | 6,167,413,060 | 28,718,452,957 | 4,510,449,440 | 12,078,823,609 |
| Income tax | 29 | (649,582,977) | (2,541,576,681) | (236,890,732) | (209,386,108) |
| Profit for the year | | <u>5,517,830,083</u> | <u>26,176,876,276</u> | <u>4,273,558,708</u> | <u>11,869,437,501</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 2022

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
| | | 2022 | 2021 | 2022 | 2021 |
| 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 | | (9,338,170) | 785,403,262 | - | - |
| Gain on cash flow hedge - net of income tax | | 297,523,016 | 5,120,134 | 139,067,200 | 9,819,694 |
| Other comprehensive income to be reclassified to | | | | | |
| profit or loss in subsequent periods - net of income tax | | 288,184,846 | 790,523,396 | 139,067,200 | 9,819,694 |
| Other comprehensive income not to be reclassified | | | | | |
| to profit or loss in subsequent periods | | | | | |
| Changes in revaluation of assets | | | | | |
| - net of income tax | 25 | 2,484,689,724 | (10,816,551) | 1,232,568,646 | - |
| Actuarial gain - net of income tax | | 15,907,121 | 56,931,511 | 5,682,326 | 6,377,837 |
| Gain (loss) on changes in value of equity investments | | | | | |
| designated at fair value through other comprehensive | | | | | |
| income - net of income tax | | (218,948,510) | 1,578,316 | (21,808,783) | 6,335,250 |
| Other comprehensive income not to be reclassified to | | | | | |
| profit or loss in subsequent periods - net of income tax | | 2,281,648,335 | 47,693,276 | 1,216,442,189 | 12,713,087 |
| Other comprehensive income for the year | | 2,569,833,181 | 838,216,672 | 1,355,509,389 | 22,532,781 |
| Total comprehensive income for the year | | 8,087,663,264 | 27,015,092,948 | 5,629,068,097 | 11,891,970,282 |

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 2022

(Unit: Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | | |
|--|--|-----------------------|--------------------------------------|-----------------------|-------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | |
| Profit attributable to: | | | | | |
| Equity holders of the Company | 4,794,868,438 | 15,846,701,459 | <u>4,273,558,708</u> | <u>11,869,437,501</u> | |
| Non-controlling interests of the subsidiaries | <u>722,961,645</u> | <u>10,330,174,817</u> | | | |
| | <u>5,517,830,083</u> | <u>26,176,876,276</u> | | | |
| Total comprehensive income attributable to: | | | | | |
| Equity holders of the Company | 7,261,244,070 | 16,543,432,394 | <u>5,629,068,097</u> | <u>11,891,970,282</u> | |
| Non-controlling interests of the subsidiaries | <u>826,419,194</u> | <u>10,471,660,554</u> | | | |
| | <u>8,087,663,264</u> | <u>27,015,092,948</u> | | | |
| Earnings per share | | | | | |
| Basic earnings per share | 31 | | | | |
| Profit attributable to equity holders of the Company | | <u>3.12</u> | <u>10.32</u> | <u>2.78</u> | <u>7.73</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 2022

(Unit: Baht)

| Consolidated financial statements | | | | | | | | | | | | | |
|---|----------------------------|--|----------------------------------|--------------------|--|---|---|---|--|--|---|----------------------------|-----------------------|
| Attributable to the equity holders of the Company | | | | | | | | | | | | | |
| Other components of shareholders' equity | | | | | | | | | | | | | |
| Other comprehensive income | | | | | | | | | | | | | |
| Surplus (deficit) on changes in fair value | | | | | | | | | | | | | |
| Surplus on the change in the ownership interests in subsidiaries | | | | | | | | | | | | | |
| Retained earnings | | | | | | | | | | | | | |
| Surplus on revaluation of assets - net of income tax | | | | | | | | | | | | | |
| Surplus on comprehensive income through other investments in equity - net of income tax | | | | | | | | | | | | | |
| Cash flow hedge reserve - net of income tax | | | | | | | | | | | | | |
| Exchange differences on translation of financial statements in foreign currencies | | | | | | | | | | | | | |
| Total other components of shareholders' equity | | | | | | | | | | | | | |
| Total equity attributable to equity holders of the Company | | | | | | | | | | | | | |
| Non-controlling interests of the subsidiaries | | | | | | | | | | | | | |
| Total shareholders' equity | | | | | | | | | | | | | |
| Issued and paid-up share capital | Premium on ordinary shares | Surplus on the change in the ownership interests in subsidiaries | Appropriated - statutory reserve | Unappropriated | Surplus on revaluation of assets - net of income tax | Surplus on comprehensive income through other investments in equity - net of income tax | Cash flow hedge reserve - net of income tax | Exchange differences on translation of financial statements in foreign currencies | Total other components of shareholders' equity | Total equity attributable to equity holders of the Company | Non-controlling interests of the subsidiaries | Total shareholders' equity | |
| Balance as at 1 January 2021 | 1,535,999,998 | 10,851,951,634 | 6,087,887,261 | 153,600,000 | 16,795,645,402 | 3,815,836,066 | (66,260) | (19,987,589) | (1,149,629,226) | 2,646,152,991 | 38,071,237,286 | 15,325,680,930 | 53,396,918,216 |
| Profit for the year | - | - | - | - | 15,846,701,459 | - | - | - | - | - | 15,846,701,459 | 10,330,174,817 | 26,176,876,276 |
| Other comprehensive income for the year | - | - | - | - | 51,358,373 | (10,816,551) | 3,712,251 | (3,001,202) | 655,478,064 | 645,372,562 | 696,730,935 | 141,485,737 | 838,216,672 |
| Total comprehensive income for the year | - | - | - | - | 15,898,059,832 | (10,816,551) | 3,712,251 | (3,001,202) | 655,478,064 | 645,372,562 | 16,543,432,394 | 10,471,660,554 | 27,015,092,948 |
| Amortisation on surplus on revaluation of assets | - | - | - | - | 111,821,587 | (111,821,587) | - | - | - | (111,821,587) | - | - | - |
| Dividend paid (Note 33) | - | - | - | - | (8,063,999,990) | - | - | - | - | - | (8,063,999,990) | - | (8,063,999,990) |
| Dividend paid by the subsidiaries | - | - | - | - | - | - | - | - | - | - | - | (7,522,703,733) | (7,522,703,733) |
| Share-based payment paid by the subsidiary | - | - | - | - | - | - | - | - | - | - | - | 10,618,118 | 10,618,118 |
| Increase in share capital of the subsidiary | - | - | 101,714,804 | - | - | (144,965) | - | 28,695 | (136,963) | (253,233) | 101,461,571 | 111,201,126 | 212,662,697 |
| Effect of restructuring of the subsidiaries | - | - | 58,045,571 | - | - | (58,045,571) | - | - | - | (58,045,571) | - | - | - |
| Balance as at 31 December 2021 | 1,535,999,998 | 10,851,951,634 | 6,247,647,636 | 153,600,000 | 24,741,526,831 | 3,635,007,392 | 3,645,991 | (22,960,096) | (494,288,125) | 3,121,405,162 | 46,652,131,261 | 18,396,456,995 | 65,048,588,256 |
| 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 | 3,635,007,392 | 3,645,991 | (22,960,096) | (494,288,125) | 3,121,405,162 | 46,652,131,261 | 18,396,456,995 | 65,048,588,256 |
| Profit for the year | - | - | - | - | 4,794,868,438 | - | - | - | - | - | 4,794,868,438 | 722,961,645 | 5,517,830,083 |
| Other comprehensive income for the year | - | - | - | - | 12,634,524 | 2,308,761,027 | (132,383,321) | 256,430,747 | 20,932,655 | 2,453,741,108 | 2,466,375,632 | 103,457,549 | 2,569,833,181 |
| Total comprehensive income for the year | - | - | - | - | 4,807,502,962 | 2,308,761,027 | (132,383,321) | 256,430,747 | 20,932,655 | 2,453,741,108 | 7,261,244,070 | 826,419,194 | 8,087,663,264 |
| Amortisation on surplus on revaluation of assets | - | - | - | - | 134,178,907 | (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) | (1,447,319,220) |
| Share-based payment paid by the subsidiary | - | - | - | - | - | - | - | - | - | - | - | 2,858,441 | 2,858,441 |
| Increase in share capital of the subsidiary (Note 12.2) | - | - | 9,495,745 | - | - | (52,170) | 86,477 | 46,896 | (212,338) | (131,135) | 9,364,610 | 19,547,185 | 28,911,795 |
| Disposal of other financial assets | - | - | - | - | 1,782,419 | - | (1,782,419) | - | - | (1,782,419) | - | - | - |
| Refund of other financial assets (Note 11) | - | - | - | - | (20,439,782) | - | 20,439,782 | - | - | 20,439,782 | - | - | - |
| Balance as at 31 December 2022 | 1,535,999,998 | 10,851,951,634 | 6,257,143,381 | 153,600,000 | 27,130,151,340 | 5,809,537,342 | (109,993,490) | 233,517,547 | (473,567,808) | 5,459,493,591 | 51,388,339,944 | 17,797,962,595 | 69,186,302,539 |

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 2022

(Unit: Baht)

| | Separate financial statements | | | | | | | | |
|--|-------------------------------|----------------------------------|--------------------|--|---|---|--|----------------------------|-----------------------|
| | | | | | Other components of shareholders' equity | | | | |
| | | | | | Other comprehensive income | | | | |
| | | | | | Surplus (deficit) on changes in fair value through other | | | | |
| | Retained earnings | | | Surplus on revaluation of assets - net of income tax | comprehensive income of investments in equity - net of income tax | Cash flow hedge reserve - net of income tax | Total other components of shareholders' equity | Total shareholders' equity | |
| Issued and paid-up share capital | Premium on ordinary shares | Appropriated - statutory reserve | Unappropriated | | | | | | |
| Balance as at 1 January 2021 | 1,535,999,998 | 10,851,951,634 | 153,600,000 | 6,702,074,215 | 1,895,167,475 | (84,667) | - | 1,895,082,808 | 21,138,708,655 |
| Profit for the year | - | - | - | 11,869,437,501 | - | - | - | - | 11,869,437,501 |
| Other comprehensive income for the year | - | - | - | 6,377,837 | - | 6,335,250 | 9,819,694 | 16,154,944 | 22,532,781 |
| Total comprehensive income for the year | - | - | - | 11,875,815,338 | - | 6,335,250 | 9,819,694 | 16,154,944 | 11,891,970,282 |
| Amortisation on surplus on revaluation of assets | - | - | - | 124,753,925 | (124,753,925) | - | - | (124,753,925) | - |
| Dividend paid (Note 33) | - | - | - | (8,063,999,990) | - | - | - | - | (8,063,999,990) |
| Balance as at 31 December 2021 | <u>1,535,999,998</u> | <u>10,851,951,634</u> | <u>153,600,000</u> | <u>10,638,643,488</u> | <u>1,770,413,550</u> | <u>6,250,583</u> | <u>9,819,694</u> | <u>1,786,483,827</u> | <u>24,966,678,947</u> |
| Balance as at 1 January 2022 | 1,535,999,998 | 10,851,951,634 | 153,600,000 | 10,638,643,488 | 1,770,413,550 | 6,250,583 | 9,819,694 | 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 | 1,232,568,646 | (21,808,783) | 139,067,200 | 1,349,827,063 | 1,355,509,389 |
| Total comprehensive income for the year | - | - | - | 4,279,241,034 | 1,232,568,646 | (21,808,783) | 139,067,200 | 1,349,827,063 | 5,629,068,097 |
| Amortisation on surplus on revaluation of assets | - | - | - | 82,873,774 | (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 | - | 20,439,782 | - |
| Balance as at 31 December 2022 | <u>1,535,999,998</u> | <u>10,851,951,634</u> | <u>153,600,000</u> | <u>12,445,918,517</u> | <u>2,920,108,422</u> | <u>4,881,582</u> | <u>148,886,894</u> | <u>3,073,876,898</u> | <u>28,061,347,047</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

For the year ended 31 December 2022

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|--|----------------|--------------------------------------|-----------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Cash flows from operating activities | | | | |
| Profit before income tax | 6,167,413,060 | 28,718,452,957 | 4,510,449,440 | 12,078,823,609 |
| Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities: | | | | |
| Unrealised loss on exchange rates | 165,442,021 | 6,997,206 | 17,954,515 | 7,587,088 |
| Unrealised loss (gain) on revaluation of derivative financial instruments | (354,665,902) | 62,521,448 | (224,875,986) | 76,914,555 |
| Loss on conversion of derivative instruments to underlying equity instruments | 83,848,169 | - | - | - |
| Share-based payment expenses | 2,858,441 | 10,618,118 | - | - |
| Expected credit losses | 103,689,359 | 6,671,563 | 102,529 | 4,418,178 |
| Reduction of inventory cost to net realisable value (reversal) | 296,307,397 | 3,514,186 | 97,434,398 | (48,319,232) |
| Expenses for retirement benefit obligations | 17,865,535 | 61,860,764 | 11,895,440 | 11,761,108 |
| Depreciation | 3,069,968,157 | 2,909,791,117 | 791,056,553 | 816,093,056 |
| Amortisation - economic tree plantations | 27,761,942 | 17,168,916 | 356,254 | 409,263 |
| Amortisation - intangible asset | 88,394,742 | 79,484,243 | 63,903,286 | 65,342,773 |
| Loss on impairment of asset | - | 6,868,384 | - | - |
| Impairment loss from assets revaluation | 16,372,171 | - | 25,911,932 | - |
| Write-off for withholding tax | 71,900,958 | - | 71,900,958 | - |
| Finance income | (184,841,170) | (113,208,829) | (27,180,646) | (14,129,704) |
| Finance cost | 1,222,063,180 | 828,733,698 | 637,977,825 | 315,813,666 |
| Dividend income | (6,430,998) | (1,414,541) | (1,876,368,887) | (9,204,701,672) |
| Share of profit from investments in associate and joint venture | (335,657,202) | (241,386,542) | - | - |
| Write-off for machinery and assets under construction from fire incident | - | 51,195,141 | - | - |
| Loss (gain) on disposal and write-off for property, plant and equipment, right-of-use assets, economic tree plantations and intangible asset | 38,703,642 | 56,223,174 | 16,311,221 | (31,996,182) |
| Gain on change in fair value of investment properties | (15,820,031) | - | (13,980,000) | - |
| Gain from disposal of non-current assets held for sale | - | - | - | (957,865,596) |
| Profit from operating activities before changes in operating assets and liabilities | 10,475,173,471 | 32,464,091,003 | 4,102,848,832 | 3,120,150,910 |

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 2022

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|--|-------------------------|--------------------------------------|------------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Operating assets (increase) decrease | | | | |
| Trade and other receivables | 494,211,294 | 346,320,397 | (140,734,799) | (1,670,241,191) |
| Amounts due from future brokers | 646,882,851 | (505,946,583) | 105,737,796 | (105,737,796) |
| Inventories | 6,468,755,240 | (13,195,706,352) | 2,468,746,339 | (6,458,384,814) |
| Other current assets | 302,940,170 | (43,346,087) | 135,735 | 1,114,731 |
| Other non-current assets | (5,905,855) | (30,583) | 717,756 | (1,435,092) |
| Operating liabilities increase (decrease) | | | | |
| Trade and other payables | (390,120,957) | (311,644,012) | 193,162,781 | 119,268,258 |
| Other current liabilities | (185,727,405) | 120,923,428 | (163,933,117) | 117,137,584 |
| Provision for retirement benefit obligations | (7,090,375) | (4,525,192) | (5,299,387) | (2,070,633) |
| Other non-current liabilities | (358,332) | 91,578 | - | - |
| Cash flows provided by (used in) operating activities | <u>17,798,760,102</u> | <u>18,870,227,597</u> | <u>6,561,381,936</u> | <u>(4,880,198,043)</u> |
| Cash received from interest income | 180,200,128 | 107,680,489 | 27,162,099 | 14,219,162 |
| Cash paid for interest expense | (1,133,744,830) | (884,091,965) | (495,145,109) | (266,027,032) |
| Cash refunded from income tax | 206,798,920 | 51,864,050 | 179,301,202 | - |
| Cash paid for income tax | <u>(1,379,321,587)</u> | <u>(3,549,079,775)</u> | <u>(116,172,619)</u> | <u>(15,163,147)</u> |
| Net cash flows provided by (used in) operating activities | <u>15,672,692,733</u> | <u>14,596,600,396</u> | <u>6,156,527,509</u> | <u>(5,147,169,060)</u> |
| Cash flows from investing activities | | | | |
| Cash paid for purchases of other financial assets | (664,831,679) | (639,673,615) | (500) | - |
| Cash paid for purchases of derivative financial instruments | (1,682,522) | - | - | - |
| Dividends received | 210,561,298 | 159,942,341 | 1,876,368,887 | 9,204,701,672 |
| Cash paid for long-term loan to subsidiary | - | - | (1,534,598,000) | (311,818,000) |
| Cash received from repayment of long-term loan to subsidiary | - | - | 1,532,469,000 | 597,348,000 |
| Cash paid for short-term loan to subsidiary | - | - | (145,000,000) | - |
| Cash received from repayment of short-term loan to subsidiary | - | - | 145,000,000 | - |
| Cash paid for investment in subsidiary | - | - | (166,570,396) | (133,499,895) |
| Cash received from disposal of property, plant and equipment economic tree plantations and intangible assets | 27,455,718 | 47,608,589 | 11,390,912 | 165,978,677 |
| Cash paid for purchases of investment properties, property, plant and equipment, economic tree plantations and intangible asset | (10,490,458,653) | (11,754,545,753) | (3,275,830,956) | (772,510,742) |
| Cash received from disposal of non-current assets held for sale | - | - | - | 1,265,268,566 |
| Cash refunded from other financial assets | <u>43,560,218</u> | <u>-</u> | <u>43,560,218</u> | <u>-</u> |
| Net cash flows provided by (used in) investing activities | <u>(10,875,395,620)</u> | <u>(12,186,668,438)</u> | <u>(1,513,210,835)</u> | <u>10,015,468,278</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 2022

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|--|------------------------------|--------------------------------------|---------------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Cash flows from financing activities | | | | |
| Decrease in short-term borrowings from financial institutions | (15,796,771,717) | (906,898,034) | (11,484,981,000) | (4,072,013,000) |
| Cash received from long-term borrowings from financial institutions | - | 3,244,500,000 | - | 309,500,000 |
| Repayments of long-term borrowings from financial institutions | (2,140,829,000) | (2,329,136,000) | (807,279,000) | (1,554,136,000) |
| Proceeds from issuance of debentures | 16,838,000,000 | 10,000,000,000 | 15,338,000,000 | 10,000,000,000 |
| Cash paid for redemption of debentures | - | (1,455,000,000) | - | (1,455,000,000) |
| Repayments of lease liabilities | (191,433,545) | (167,520,402) | (52,538,996) | (59,512,672) |
| Dividend paid | (2,534,575,748) | (8,063,881,477) | (2,534,575,748) | (8,063,881,477) |
| Dividend paid by subsidiaries | (1,447,319,220) | (7,522,703,733) | - | - |
| Cash received from increase in share capital of subsidiary | 28,911,795 | 212,662,697 | - | - |
| Net cash flows provided by (used in) financing activities | <u>(5,244,017,435)</u> | <u>(6,987,976,949)</u> | <u>458,625,256</u> | <u>(4,895,043,149)</u> |
| Increase in translation adjustments | <u>137,498,270</u> | <u>941,011,868</u> | <u>-</u> | <u>-</u> |
| Net increase (decrease) in cash and cash equivalents | <u>(309,222,052)</u> | <u>(3,637,033,123)</u> | <u>5,101,941,930</u> | <u>(26,743,931)</u> |
| Cash and cash equivalents at beginning of the year | <u>22,809,650,413</u> | <u>26,446,683,536</u> | <u>272,036,452</u> | <u>298,780,383</u> |
| Cash and cash equivalents at end of the year | <u><u>22,500,428,361</u></u> | <u><u>22,809,650,413</u></u> | <u><u>5,373,978,382</u></u> | <u><u>272,036,452</u></u> |
| | - | - | - | - |
| Supplemental cash flows information | | | | |
| Non-cash transactions: | | | | |
| Increase in payables from purchases of assets | - | 600,205,955 | 153,507,871 | 43,067,074 |
| Purchases of assets by entering into lease agreements | 299,495,494 | 290,810,392 | 61,588,118 | 58,548,248 |
| Increase in retention | 164,543,568 | 339,296,409 | 75,350,526 | 13,456,902 |
| Transfer advance payments for fixed assets | | | | |
| to be assets under construction and machinery | - | 181,195,804 | - | - |

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 2022

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 and 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 | Percentage of shareholding | |
|--|--------------------------------------|--------------------------|----------------------------|-------------|
| | | | <u>2022</u> | <u>2021</u> |
| | | | (%) | (%) |
| <u>Subsidiaries directly owned by the Company</u> | | | | |
| Rubberland Products Co., Ltd. | Manufacture of rubber products | Thailand | 99.99 | 99.99 |
| Namhua Rubber Co., Ltd. | Manufacture of rubber products | Thailand | 99.99 | 99.99 |
| PT Sri Trang Lingga Indonesia | Manufacture of block rubber products | Indonesia | 90.00 | 90.00 |
| Shi Dong Shanghai Rubber Co., Ltd. | Distribution of rubber products | China | 100.00 | 100.00 |

| Company's name | Nature of business | Country of incorporation | Percentage of shareholding | |
|--|---|--------------------------|----------------------------|--------------------|
| | | | <u>2022</u> (%) | <u>2021</u> (%) |
| Sri Trang Africa SA. | Distribution of rubber products | Côte d'Ivoire | 100.00 | - |
| Sri Trang Gloves (Thailand) Plc. | Manufacture of medical gloves | Thailand | 56.03 | 56.07 |
| Anvar Parawood Co., Ltd. | Manufacture of processed rubber wood | Thailand | 99.94 | 99.94 |
| Startex Rubber Co., Ltd. | Investment holding | Thailand | 99.99 | 99.99 |
| Starlight Express Transport Co., Ltd. | Providing of logistics services | Thailand | 99.99 | 99.99 |
| Sri Trang Rubber & Plantation Co., Ltd. | Rubber plantation | Thailand | 99.99 | 99.99 |
| Sri Trang IBC Co., Ltd. | Providing of IT Services | Thailand | 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 | 99.99 | 99.99 |
| Held by Sri Trang International Pte Ltd. | | | | |
| Sri Trang Ayeyar Rubber Industry Co., Ltd. | Manufacture of block rubber products | Myanmar | 58.99 | 58.99 |
| Sri Trang Indochina (Vietnam) Co., Ltd. | Distribution of rubber products | Vietnam | 99.99 | 99.99 |
| Shi Dong Investments Pte Ltd. | Investment holding | Singapore | 99.99 | 99.99 |
| Held by Shi Dong Investments Pte Ltd. | | | | |
| PT Star Rubber | Manufacture of block rubber products | Indonesia | 98.99 | 98.99 |
| Held by Sri Trang Gloves (Thailand) Plc. | | | | |
| Shidong Shanghai Medical Equipment Co., Ltd. | Distribution of gloves | China | 56.03 | 56.07 |
| Sri Trang USA, Inc. | Distribution of gloves | USA | 56.03 | 56.07 |
| Sri Trang Gloves (Singapore) Pte. Ltd. | Distribution of gloves and research and development | Singapore | 56.03 | 56.07 |
| PT Sri Trang Gloves Indo | Distribution of gloves | Indonesia | 56.03 | 56.07 |
| Sri Trang Gloves Vietnam Co., Ltd. | Distribution of gloves | Vietnam | 56.03 | 56.07 |
| Sri Trang Responsible Gloves Supply Inc. | Distribution of gloves | USA | 56.03 | - |
| Sri Trang Gloves Philippines Inc. | Distribution of gloves | Philippines | 56.03 | - |
| Premier System Engineering Co., Ltd. | Providing engineering services | Thailand | 56.03 | 56.07 |
| Sadao P.S. Rubber Co., Ltd. | Providing rental services of real estate | Thailand | 56.03 | 56.07 |
| Sri Trang Gloves Global Pte. Ltd. | Financial asset management and financial investment | Singapore | 56.03 | 56.07 |

- 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 and interpretations which are effective for fiscal years beginning on or after 1 January 2022. 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.

However, the Group has adopted the temporary reliefs in accordance with TFRS 9 Financial Instruments and TFRS 7 Disclosure of Financial Instruments, which apply to transactions directly affected by interest rate benchmark reform, including changes to contractual cash flows or hedging relationships arising from the replacement of the referenced interest rate benchmark with an alternative benchmark rate.

The adoption of these temporary reliefs 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 2023

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

4. Significant accounting policies

4.1 Revenue and expense recognition

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" in the statement of financial position. The amounts recognised as unbilled receivables are reclassified to 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" in the statement of financial position. Advance received from customers are recognised as revenue when the Group perform 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 and makha) and herbaceous plants (e.g. hemp).

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 and not more than 1 year for herbaceous plants.

Biological assets, which are immature perennial and herbaceous 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 and parts of hemp (e.g. seeds, leaves and roots) 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 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 property and plant was 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 have 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>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Transactions with subsidiaries | | | | |
| Sales of goods | - | - | 25,176,488 | 19,199,808 |
| Purchases of goods | - | - | 2,695,475 | 895,598 |
| Service income | - | - | 189,961 | 155,959 |
| Service expenses | - | - | 628,338 | 521,228 |
| Rental expenses | - | - | 799 | 854 |
| Dividend income | - | - | 1,691,585 | 9,060,411 |
| Interest income | - | - | 23,278 | 13,969 |
| Interest expenses | - | - | 1,434 | 1,450 |
| Sales of fixed assets | - | - | - | 333,285 |
| Sales of investments | - | - | - | 1,087,799 |
| Transactions with an associate | | | | |
| Sales of goods | 20,484 | 21,065 | - | - |
| Purchases of goods | 118 | 195 | 13 | - |
| Service income | 27,862 | 29,912 | 2,776 | 2,622 |
| Rental income | 400 | 400 | - | - |
| Dividend income | 178,628 | 133,025 | 157,613 | 117,375 |
| Transactions with a joint venture | | | | |
| Purchases of goods | 3,213,451 | 2,303,918 | - | - |
| Service income | 15,189 | 15,453 | 15,163 | 15,434 |
| Dividend income | 25,503 | 25,503 | 25,503 | 25,503 |
| Transactions with directors and related parties | | | | |
| Purchases of fixed assets | - | 27,366 | - | 14,046 |

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 announced payment rate.
- 4) Interest income/expenses are charged at 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 2022 and 2021, the balances of the accounts between the Group and those related parties were as follows.

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|---------------|----------------------|------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Trade accounts receivable (Note 8) | | | | |
| Subsidiaries | - | - | 1,314,507 | 1,448,813 |
| Associate | 3,004 | 5,129 | 388 | 223 |
| | <u>3,004</u> | <u>5,129</u> | <u>1,314,895</u> | <u>1,449,036</u> |
| Other receivables (Note 8) | | | | |
| Subsidiaries | - | - | 28,572 | 33,617 |
| Associate | 599 | 1,026 | - | - |
| Joint venture | 11 | - | - | - |
| | <u>610</u> | <u>1,026</u> | <u>28,572</u> | <u>33,617</u> |
| Advance payments for goods (Note 8) | | | | |
| Subsidiaries | - | - | 582,750 | 505,353 |
| Trade accounts payable (Note 20) | | | | |
| Subsidiaries | - | - | 82,311 | 130,434 |
| Associate | - | 26 | - | - |
| Joint venture | - | 62,360 | - | - |
| | <u>-</u> | <u>62,386</u> | <u>82,311</u> | <u>130,434</u> |

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Other payables (Note 20) | | | | |
| Subsidiaries | - | - | 48,629 | 21,096 |
| Retention payables (Note 20) | | | | |
| Subsidiaries | - | - | 79 | - |
| Advance receipt for goods and others (Note 20) | | | | |
| Associate | 463 | - | - | - |

Short-term loans to subsidiaries

| Subsidiaries | Balance as at | | Interest rates per annum (%) | Collateral | Repayment term |
|----------------------------------|-----------------------|----------------|---------------------------------|------------|-------------------|
| | 31 December 2022 | 2021 | | | |
| | (Unit: Thousand Baht) | | | | |
| PT Star Rubber | 343,913 | 332,469 | 5.06 | Unsecured | March 2023 |
| Rubberland Products Co., Ltd. | - | - | 1.31 | Unsecured | On call |
| Total | <u>343,913</u> | <u>332,469</u> | | | |

Movements in the balance of short-term loans to subsidiaries during the year ended 31 December 2022 are as follows.

| | (Unit: Thousand Baht) |
|----------------------------------|--------------------------------------|
| | <u>Separate financial statements</u> |
| Balance as at 1 January 2022 | 332,469 |
| Increase | 1,534,598 |
| Decrease | (1,532,469) |
| Unrealised gain on exchange rate | 9,315 |
| Balance as at 31 December 2022 | <u>343,913</u> |

Short-term loan from a subsidiary

Short-term loan from Startex Rubber Co., Ltd. of Baht 145 million carried interests at the rates of 1.00 percent per annum and was repayable on call and unsecured.

Movements in the balance of short-term loan from the subsidiary during the year ended 31 December 2022 are as follows.

| | (Unit: Thousand Baht) |
|--------------------------------|--------------------------------------|
| | <u>Separate financial statements</u> |
| Balance as at 1 January 2022 | 145,000 |
| Increase | 145,000 |
| Decrease | (145,000) |
| Balance as at 31 December 2022 | <u>145,000</u> |

Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses of its directors and management as below.

| | Consolidated | | (Unit: Thousand Baht) | |
|------------------------------|----------------------|----------------|-----------------------|---------------|
| | financial statements | | Separate | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Short-term employee benefits | 329,073 | 373,120 | 63,967 | 82,409 |
| Post-employment benefits | 10,977 | 10,167 | 3,234 | 2,956 |
| Share-based payment benefits | 1,643 | 6,104 | - | - |
| Total | <u>341,693</u> | <u>389,391</u> | <u>67,201</u> | <u>85,365</u> |

Guarantee obligations with related parties

The Group has outstanding guarantee obligations with its related parties, as described in Note 34 to the financial statements.

7. Cash and cash equivalents

| | Consolidated | | (Unit: Thousand Baht) | |
|---------------|----------------------|-------------------|-----------------------|----------------|
| | financial statements | | Separate | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Cash | 70,613 | 77,562 | 6,464 | 9,971 |
| Bank deposits | 22,429,815 | 22,732,088 | 5,367,514 | 262,065 |
| Total | <u>22,500,428</u> | <u>22,809,650</u> | <u>5,373,978</u> | <u>272,036</u> |

As at 31 December 2022, bank deposits carried interests between 0.05 and 8.50 percent per annum (2021: between 0.05 and 2.50 percent per annum).

8. Trade and other receivables

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|------------------|----------------------|------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Trade accounts receivable - related parties (Note 6) | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 3,004 | 5,129 | 1,237,242 | 1,093,560 |
| Past due | | | | |
| Up to 30 days | - | - | 32,926 | 195,200 |
| 31 - 60 days | - | - | 44,727 | 101,287 |
| 61 - 90 days | - | - | - | 58,989 |
| Total trade accounts receivable - related parties | <u>3,004</u> | <u>5,129</u> | <u>1,314,895</u> | <u>1,449,036</u> |
| Trade accounts receivable - unrelated parties | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 6,207,688 | 7,573,069 | 2,185,422 | 2,126,886 |
| Past due | | | | |
| Up to 30 days | 603,272 | 626,515 | 369,582 | 300,366 |
| 31 - 60 days | 35,471 | 63,981 | 13,714 | 8,238 |
| 61 - 90 days | 48,497 | 15,983 | - | - |
| 91 - 120 days | 10,874 | 6,138 | - | - |
| 121 - 365 days | 168,135 | 57 | - | - |
| Over 365 days | 42,144 | 37,900 | 30,885 | 30,885 |
| Total | <u>7,116,081</u> | <u>8,323,643</u> | <u>2,599,603</u> | <u>2,466,375</u> |
| Less: Allowance for expected credit losses | <u>(145,635)</u> | <u>(41,946)</u> | <u>(31,218)</u> | <u>(31,115)</u> |
| Total trade accounts receivable - unrelated parties, net | <u>6,970,446</u> | <u>8,281,697</u> | <u>2,568,385</u> | <u>2,435,260</u> |
| Total trade accounts receivable - net | <u>6,973,450</u> | <u>8,286,826</u> | <u>3,883,280</u> | <u>3,884,296</u> |
| Other receivables | | | | |
| Other receivables - related parties (Note 6) | 610 | 1,026 | 28,572 | 33,617 |
| Other receivables - unrelated parties | 155,724 | 161,962 | 17,219 | 17,396 |
| Advance payments for goods | | | | |
| - related parties (Note 6) | - | - | 582,750 | 505,353 |
| Prepaid expenses and advance payments for goods | | | | |
| - unrelated parties | 1,062,210 | 496,300 | 143,579 | 110,258 |
| Total other receivables | <u>1,218,544</u> | <u>659,288</u> | <u>772,120</u> | <u>666,624</u> |
| Total trade and other receivables - net | <u>8,191,994</u> | <u>8,946,114</u> | <u>4,655,400</u> | <u>4,550,920</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>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Finished goods | 7,916,207 | 10,015,802 | (256,053) | (14,157) | 7,660,154 | 10,001,645 |
| Work in process | 4,715,862 | 5,944,449 | (90,987) | (73,494) | 4,624,875 | 5,870,955 |
| Raw materials, packaging, and chemicals | 12,316,309 | 15,610,300 | (26,181) | (27,890) | 12,290,128 | 15,582,410 |
| Spare parts and supplies | 957,827 | 804,409 | (74,313) | (35,686) | 883,514 | 768,723 |
| Total | 25,906,205 | 32,374,960 | (447,534) | (151,227) | 25,458,671 | 32,223,733 |
| Fair value hedge adjustments | | | | | (197,606) | 354,720 |
| Total inventory - net | | | | | 25,261,065 | 32,578,453 |

(Unit: Thousand Baht)

| | Separate financial statements | | | | | |
|---|-------------------------------|-------------------|---|--------------|-------------------|-------------------|
| | Cost | | Reduction of cost to net realisable value | | Inventories, net | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Finished goods | 3,267,330 | 4,052,851 | (84,811) | - | 3,182,519 | 4,052,851 |
| Work in process | 2,746,588 | 3,312,009 | (4,933) | - | 2,741,655 | 3,312,009 |
| Raw materials, packaging, and chemicals | 8,035,168 | 9,162,628 | (7,755) | - | 8,027,413 | 9,162,628 |
| Spare parts and supplies | 65,267 | 55,611 | (718) | (783) | 64,549 | 54,828 |
| Total | 14,114,353 | 16,583,099 | (98,217) | (783) | 14,016,136 | 16,582,316 |
| Fair value hedge adjustments | | | | | (187,325) | 267,369 |
| Total inventory - net | | | | | 13,828,811 | 16,849,685 |

For the year ended 31 December 2022 and 2021, reduction of cost to net realisable value is summarised as follows.

| | (Unit: Million Baht) | | | |
|--|-----------------------------------|-------------|-------------------------------|-------------|
| | Consolidated financial statements | | Separate financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Recorded amount is included in cost of sales | 296 | 4 | 97 | - |
| Reversed and reduced the amount of inventories recognised as cost of sales | - | - | - | 48 |

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 2022 and 2021 are as follows.

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|-------------------|----------------------|------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Inventories at net realisable value (NRV)* | 10,717,031 | 15,293,209 | 5,224,003 | 7,416,257 |
| Inventories at lower of cost or net realisable value (NRV) - as measured and included in the financial statements | <u>10,495,690</u> | <u>14,063,664</u> | <u>5,160,061</u> | <u>6,756,718</u> |
| Differences | <u>221,341</u> | <u>1,229,545</u> | <u>63,942</u> | <u>659,539</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>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Refundable value-added tax | 1,296,404 | 1,544,504 | 56,661 | 62,572 |
| Prepaid withholding tax deducted at source | 217,216 | 33,800 | - | - |
| Input tax waiting for tax invoice or not yet due | <u>32,315</u> | <u>87,155</u> | <u>14,904</u> | <u>9,128</u> |
| Total other current assets | <u>1,545,935</u> | <u>1,665,459</u> | <u>71,565</u> | <u>71,700</u> |

11. Other financial assets

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|----------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Financial assets at amortised cost | | | | |
| Fixed deposits pledged as collateral | - | 701 | - | - |
| Equity instruments designated at fair value through other comprehensive income | | | | |
| Quoted equity instruments | 610,777 | 77,493 | 38,280 | 40,991 |
| Unquoted equity instruments | 451,715 | 397,648 | - | 63,000 |
| Financial assets at fair value through profit or loss | | | | |
| Equity linked notes | - | 264,105 | - | - |
| Total other financial assets | <u>1,062,492</u> | <u>739,947</u> | <u>38,280</u> | <u>103,991</u> |
| Current | - | 264,105 | - | - |
| Non-current | <u>1,062,492</u> | <u>475,842</u> | <u>38,280</u> | <u>103,991</u> |
| | <u>1,062,492</u> | <u>739,947</u> | <u>38,280</u> | <u>103,991</u> |

During the current year, the Company received a capital refund amounting to Baht 44 million from the entity, used to present as unquoted equity instruments, according to the Company's interest, after the entity completed its liquidation process. The Company recorded a difference amounting to Baht 20 million between the refund and the carrying amount in the retained earnings.

During the current year, a local subsidiary redeemed all fixed deposits pledged as collateral for electricity usage.

During the current year, an overseas subsidiary redeemed its equity linked notes with the carrying amount of USD 11 million (or approximately Baht 376 million) to equity instruments designated at fair value through other comprehensive income according to term and condition in the related agreement. The subsidiary recorded the fair value of the equity instruments on the redemption date of USD 9 million (or approximately Baht 320 million) in its account and loss of USD 2 million (or approximately Baht 56 million) in profit or loss.

12. Investments in subsidiaries

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

(Unit: Million Baht)

| Company's name | Paid-up capital | | Shareholding percentage | | Cost | | Dividend received during the year | |
|---|-----------------|-------------|-------------------------|-------------|---------------|---------------|-----------------------------------|--------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | | | (%) | (%) | | | | |
| Subsidiaries | | | | | | | | |
| Rubberland Products Co., Ltd. | 1,600 | 1,600 | 99.99 | 99.99 | 1,935 | 1,935 | - | 300 |
| Namhua Rubber Co., Ltd. | 500 | 500 | 99.99 | 99.99 | 560 | 560 | - | - |
| PT Sri Trang Lingga Indonesia | 359 | 359 | 90.00 | 90.00 | 330 | 330 | - | - |
| Shi Dong Shanghai Rubber Co., Ltd. | 155 | 155 | 100.00 | 100.00 | 155 | 155 | - | - |
| Sri Trang Africa SA. | 1 | - | 100.00 | - | 1 | - | - | - |
| Sri Trang Gloves (Thailand) Plc. | 1,432 | 1,432 | 50.61 | 50.64 | 6,551 | 6,551 | 1,668 | 8,700 |
| Anvar Parawood Co., Ltd. | 10 | 10 | 99.94 | 99.94 | 26 | 26 | - | 60 |
| Startex Rubber Co., Ltd. | 2,198 | 2,198 | 99.99 | 99.99 | 2,196 | 2,196 | - | - |
| Starlight Express Transport Co., Ltd. | 15 | 15 | 79.99 | 79.99 | 42 | 42 | 24 | - |
| Sri Trang Rubber & Plantation Co., Ltd. | 7,205 | 7,039 | 99.99 | 99.99 | 7,205 | 7,039 | - | - |
| Sri Trang IBC Co., Ltd. | 5 | 5 | 99.99 | 99.99 | 5 | 5 | - | - |
| Total | | | | | <u>19,006</u> | <u>18,839</u> | <u>1,692</u> | <u>9,060</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 non-controlling interests | | Accumulated balance of non-controlling interests | | Profit allocated to non-controlling interests during the year | | Dividend paid to non-controlling interests during the year | |
|------------------------------------|---|-------------|--|---------------|---|---------------|--|--------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | (%) | (%) | | | | | | |
| Sri Trang Gloves (Thailand) Plc. * | 43.97 | 43.93 | <u>17,448</u> | <u>18,115</u> | <u>662</u> | <u>10,394</u> | <u>1,447</u> | <u>7,523</u> |

* 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>2022</u> | <u>2021</u> |
| Current assets | 20,343 | 29,546 |
| Non-current assets | 31,546 | 21,757 |
| Current liabilities | 4,407 | 5,646 |
| Non-current liabilities | 7,392 | 7,443 |

Summarised information about comprehensive income

| | For the year ended 31 December | |
|----------------------------|--------------------------------|-------------|
| | <u>2022</u> | <u>2021</u> |
| Revenue | 23,305 | 47,551 |
| Profit | 1,507 | 23,704 |
| Other comprehensive income | 208 | 300 |
| Total comprehensive income | 1,715 | 24,004 |

Summarised information about cash flow

| | For the year ended 31 December | |
|---|--------------------------------|----------------|
| | <u>2022</u> | <u>2021</u> |
| Cash flow provided by operating activities | 4,085 | 24,071 |
| Cash flow used in investing activities | (7,734) | (12,522) |
| Cash flow used in financing activities | (2,965) | (15,102) |
| Increase (decrease) in translation adjustment | (41) | 285 |
| Net decrease in cash and cash equivalents | <u>(6,655)</u> | <u>(3,268)</u> |

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

Dividend payment

On 7 April 2022, the Annual General Meeting of STGT passed resolutions approving the dividend payment for the year 2021 of Baht 4.65 per share, totaling Baht 13,305.61 million. The total interim dividend which STGT already paid is Baht 4.00 per share, totaling Baht 11,444.49 million.

During May 2022, STGT made payment of the remaining dividend at the rate of Baht 0.65 per share, totaling Baht 1,861.12 million.

On 10 August 2022, a meeting of STGT’s Board of Directors passed resolutions approving the interim dividend payment for the year 2022 of Baht 0.50 per share, totaling Baht 1,432.59 million to its shareholders. STGT already paid the dividend in September 2022.

On 17 February 2023, a meeting of STGT’s Board of Directors passed resolutions approving a dividend payment in respect of retained earnings and operating results of 2022 to shareholders of Baht 0.75 per share, totaling of Baht 2,148.88 million. STGT made the payment of interim dividend of Baht 0.50 per share, or approximately Baht 1,432.59 million. The payment of remaining dividend of Baht 0.25 per share, or approximately Baht 716.29 million. STGT will propose STGT’s Shareholder Annual General Meeting to approve the remaining dividend payment within second quarter of 2023.

Incorporation of new subsidiaries

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

On 9 May 2022, a meeting of STGT’s Board of Directors passed a resolution approving the incorporation of a new subsidiary, Sri Trang Responsible Gloves Supply Inc., in the United States of America to sell and distribute rubber gloves. STGT plans to invest in STRG amounting to USD 1,000,000. The STRG’s registered share capital is USD 10,000 (10,000 ordinary shares with a par value of USD 1 per share). STGT holds 100% interest in STRG.

STRG already registered the incorporation in June 2022. STRG issued and called up 5,000 ordinary shares at USD 100 per share, totaling USD 500,000, or approximately Baht 18 million. STGT paid for the ordinary shares in June 2022.

Sri Trang Gloves Philippines Inc. (“STGP”)

On 19 July 2021, a meeting of STGT’s Board of Directors passed a resolution approving the incorporation of a new subsidiary, Sri Trang Gloves Philippines Inc., in the Philippines to sell and distribute rubber gloves. The STGP’s registered share capital is PHP 104,662,400 (1,046,624 ordinary shares with a par value of PHP 100 per share), or approximately Baht 249 million. STGT holds 99.99% interest in STGP.

STGP already registered the incorporation in August 2022. STGP issued and called up 104,701 ordinary shares at PHP 100 per share, totaling PHP 10,470,100 or approximately Baht 7 million. STGT paid for the ordinary shares in August 2022.

Share-based payment under STGT ESOP

On 24 June 2022, a meeting of STGT's Board of Directors passed a resolution approving an offer of newly issued ordinary shares under the STGT ESOP for the third allocation of 6,000,000 new shares with a par value of Baht 0.5 each, at an offering price of Baht 15.07 per share, which is equivalent to 90 percent of the market price.

Subsequently, on 5 July 2022, there were 1,918,500 exercised rights to acquire. STGT received full payment of the additional capital and then registered the increase of its issued and paid-up share capital from Baht 1,431,630,705 (2,863,261,410 ordinary shares with a par value of Baht 0.5 each) to Baht 1,432,589,955 (2,865,179,910 ordinary shares with a par value of Baht 0.5 each) with the Ministry of Commerce in July 2022. In addition, the STGT ESOP expired for offering of the newly issued ordinary shares.

As a result, the shareholdings of the Company and Rubberland Products Co., Ltd. in STGT decreased from 50.64 percent and 5.43 percent to 50.61 percent and 5.42 percent, respectively, non-controlling interests of STGT increased by Baht 20 million, and surplus from the change in the ownership interests in STGT increased by Baht 9 million.

Share repurchase program

On 17 February 2022, a meeting of STGT's Board of Directors passed resolutions approving the share repurchase program for financial management purpose in the maximum amount not exceeding Baht 3,600 million and the number of the shares to be repurchased not exceeding 120,000,000 shares (par value of Baht 0.5 each) or equivalent to 4.2 percent of the total issued shares. The repurchase period covers the duration of 6 months, starting from 7 March 2022 to 6 September 2022. In this regard, STGT intends to repurchase the shares on the Stock Exchange of Thailand only. The share resales period will be determined after 6 months from the completion date not later than 3 years.

The share repurchase program for financial management purpose ended on 6 September 2022. The Company did not repurchase any shares from the program.

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

On 2 September 2022, a meeting of STGT's Board of Directors passed a resolution approving the increase in investment in STGG amounting to USD 80,000,000 in preferred shares. As a result of the increase in this investment, STGG has a registered share capital of USD 180,000,000, comprising of 20,000,000 ordinary shares and 160,000,000 preferred shares, with a par value of USD 1 per share.

STGT paid for the shares of USD 80,000,000, or approximately Baht 2,919 million and STGG already registered its share capital increase in September 2022.

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

During the current year, the Company paid the capital of SRP amounting to Baht 96 million. The Company fully made payment of the additional capital which was called up in 2021.

On 10 June 2022, the Extraordinary General Meeting of SRP passed resolutions approving the increase in its registered share capital amounting to Baht 80 million for use in its operation in 2022. During the current year, SRP called up the additional registered share capital amounting to Baht 70 million, for which the Company already paid. Therefore, in the separate financial statements as at 31 December 2022, the Company had investments in SRP of Baht 7,205 million.

Subsequently, on 17 February 2023, a meeting of the Company’s Board of Directors passed resolutions approving the increase in SRP’s registered share capital amounting to Baht 145 million for operation in 2023.

12.4 Sri Trang Africa SA. (“STF”)

On 25 July 2022, a meeting of the Company’s Board of Directors passed a resolution approving the incorporation of Sri Trang Africa SA. (“STF”), a new subsidiary in Côte d'Ivoire to conduct the trading, distribution, and exporting of natural rubber products. The Company holds 100% ownership in STF.

STF had already incorporated in September 2022. The STF’s initial registered and paid-up capital were F.CFA 10,000,000 or approximately Baht 571,000, divided into 1,000 ordinary shares with a par value of F.CFA 10,000 per share.

13. Investment in an associate

13.1 Details of an associate

| Associate | Nature of business | Country of incorporation | Shareholding percentage | | (Unit: Thousand Baht) | | | |
|---------------------------|--------------------------------|--------------------------|-------------------------|-------|---|---------|-------------------------------|---------|
| | | | | | Consolidated financial statements | | Separate financial statements | |
| | | | | | Carrying amounts based on equity method | | Cost | |
| | | | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Semperflex Asia Co., Ltd. | Manufacture of hydraulic hoses | Thailand | 42.50 | 42.50 | 583,948 | 553,365 | 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 years, the Group has recognised its share of profit and dividend income from investments in associate in the consolidated financial statements and dividend income in the separate financial statements as follows.

| Associate | Consolidated | | | | Separate | |
|---------------------------|--------------------------|-------------|-------------------|-------------|----------------------|-------------|
| | financial statements | | | | financial statements | |
| | Share of profit from | | Dividend received | | Dividend received | |
| | investments in associate | | during the years | | during the years | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Semperflex Asia Co., Ltd. | 209,210 | 178,649 | 178,627 | 133,025 | 157,612 | 117,375 |

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

Summarised information about financial position

| | As at 31 December | |
|--|-------------------|-------------|
| | <u>2022</u> | <u>2021</u> |
| Current assets | 1,395,015 | 1,372,362 |
| Non-current assets | 228,633 | 246,277 |
| Current liabilities | (210,755) | (279,082) |
| Non-current liabilities | (21,309) | (20,342) |
| Net assets | 1,391,584 | 1,319,215 |
| Shareholding percentage (%) | 42.50% | 42.50% |
| Share of net assets | 591,423 | 560,666 |
| Adjustments on equity method | (7,475) | (7,301) |
| Carrying amounts of the associate based on equity method | 583,948 | 553,365 |

Summarised information about comprehensive income

| | For the year ended 31 December | |
|----------------------------|--------------------------------|-------------|
| | <u>2022</u> | <u>2021</u> |
| Revenue | 1,839,047 | 1,489,341 |
| Profit | 492,684 | 420,350 |
| Other comprehensive income | (424) | (845) |
| Total comprehensive income | 492,260 | 419,505 |

13.4 Semperflex 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 Semperflex Asia Co., Ltd. totalling 1,615,000 shares, representing 42.50 percent of paid-in capital of Semperflex 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.

| Joint venture | Nature of business | Country of incorporation | Shareholding percentage | | (Unit: Thousand Baht) | | | |
|-----------------------------|--------------------------------|--------------------------|-------------------------|--------|---|---------|-------------------------------|---------|
| | | | | | Consolidated financial statements | | Separate financial statements | |
| | | | | | Carrying amounts based on equity method | | Cost | |
| | | | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | | | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | | | (%) | (%) | | | | |
| Thaitech Rubber Corp., Ltd. | Manufacture of rubber products | Thailand | 42.505 | 42.505 | 570,063 | 469,119 | 134,717 | 134,717 |

14.2 Share of comprehensive income and dividend received

During the years, 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 financial statements | | Separate financial statements | |
| Share of profit during the years | | Dividend received during the years | |
| 2022 | 2021 | 2022 | 2021 |
| 126,447 | 62,738 | 25,503 | 25,503 |

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

Summarised information about financial position

| | As at 31 December | |
|--|-------------------|----------------|
| | <u>2022</u> | <u>2021</u> |
| Current assets | 2,475,125 | 3,023,682 |
| Non-current assets | 1,081,005 | 1,051,189 |
| Current liabilities | (2,325,639) | (3,077,992) |
| Non-current liabilities | (36,375) | (18,095) |
| Net assets | 1,194,116 | 978,784 |
| Shareholding percentage (%) | 42.505% | 42.505% |
| Share of net assets | 507,559 | 416,032 |
| Adjustments on equity method | 62,504 | 53,087 |
| Carrying amounts of the joint venture based on equity method | <u>570,063</u> | <u>469,119</u> |

Summarised information about comprehensive income

| | For the year ended 31 December | |
|----------------------------|--------------------------------|-------------|
| | <u>2022</u> | <u>2021</u> |
| Revenue | 9,292,736 | 7,442,544 |
| Profit | 311,011 | 125,739 |
| Other comprehensive income | (29,195) | 43,029 |
| Total comprehensive income | 281,816 | 168,768 |

15. Investment properties

A reconciliation of the net book value of investment properties for the years 2022 and 2021 is presented below.

| | (Unit: Thousand Baht) | | | |
|---------------------------------------|-----------------------|----------------|----------------------|---------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Net book value at beginning of year | 215,174 | 193,600 | 75,663 | 75,663 |
| Transfer from fixed assets (Note 16) | - | 8,650 | - | - |
| Net gain from a fair value adjustment | 15,820 | - | 13,980 | - |
| Translation adjustment | 4,347 | 12,924 | - | - |
| Net book value at end of year | <u>235,341</u> | <u>215,174</u> | <u>89,643</u> | <u>75,663</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 were revalued by an independent professional appraiser. The revaluation was 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 | Assets under construction and installation | |
| As at 1 January 2021 | | | | | | | |
| Cost / Revalued amount | 12,505,446 | 8,452,319 | 16,285,753 | 1,095,333 | 751,615 | 1,690,403 | 40,780,869 |
| <u>Less</u> Accumulated depreciation | (1,499,245) | (1,801,963) | (8,664,911) | (893,347) | (626,701) | - | (13,486,167) |
| <u>Less</u> Allowance for impairment | (49,700) | - | (1,670) | - | - | - | (51,370) |
| Net book value | <u>10,956,501</u> | <u>6,650,356</u> | <u>7,619,172</u> | <u>201,986</u> | <u>124,914</u> | <u>1,690,403</u> | <u>27,243,332</u> |
| For the year ended 31 December 2021 | | | | | | | |
| Net book value at beginning of year | 10,956,501 | 6,650,356 | 7,619,172 | 201,986 | 124,914 | 1,690,403 | 27,243,332 |
| Additions | 26,864 | 6,947 | 108,356 | 148,299 | 38,162 | 12,393,690 | 12,722,318 |
| Transfers in (out) | 517,201 | 177,994 | 1,741,421 | 61,945 | 11,924 | (2,510,485) | - |
| Transfer to other assets, net (Notes 17, 18) | - | - | (95) | 1,402 | (1,392) | (133) | (218) |
| Transfer to investment properties (Note 15) | (8,650) | - | - | - | - | - | (8,650) |
| Disposals and write-off, net | (23,797) | (15,762) | (35,805) | (953) | (899) | (60,793) | (138,009) |
| Reductions of revaluation | (2,688) | (17,678) | (22) | - | - | - | (20,388) |
| Depreciation for the year | (230,115) | (497,982) | (1,850,528) | (82,112) | (74,576) | - | (2,735,313) |
| Depreciation capitalised to assets (Note 17) | (41,369) | (4,295) | (1,306) | (2,813) | - | - | (49,783) |
| Interest capitalized to assets | - | - | - | - | - | 108,737 | 108,737 |
| Translation adjustment, net | 51,244 | 106,453 | 29,289 | 5,831 | 2,389 | 98 | 195,304 |
| Net book value at end of year | <u>11,245,191</u> | <u>6,406,033</u> | <u>7,610,482</u> | <u>333,585</u> | <u>100,522</u> | <u>11,621,517</u> | <u>37,317,330</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 | Assets under construction and installation | Total |
| As at 31 December 2021 | | | | | | | |
| Cost / Revalued amount | 13,063,261 | 8,729,330 | 17,973,252 | 1,267,566 | 756,062 | 11,621,517 | 53,410,988 |
| <u>Less</u> Accumulated depreciation | (1,766,555) | (2,318,265) | (10,361,078) | (933,981) | (655,540) | - | (16,035,419) |
| <u>Less</u> Allowance for impairment | (51,515) | (5,032) | (1,692) | - | - | - | (58,239) |
| Net book value | <u>11,245,191</u> | <u>6,406,033</u> | <u>7,610,482</u> | <u>333,585</u> | <u>100,522</u> | <u>11,621,517</u> | <u>37,317,330</u> |
| For the year ended 31 December 2022 | | | | | | | |
| Net book value at beginning of year | 11,245,191 | 6,406,033 | 7,610,482 | 333,585 | 100,522 | 11,621,517 | 37,317,330 |
| Additions | 80,405 | 27,309 | 115,037 | 202,747 | 49,447 | 10,022,902 | 10,497,847 |
| Additions of assets revaluation | 2,151,760 | 1,019,649 | - | - | - | - | 3,171,409 |
| Reductions of assets revaluation | (25,996) | (90,077) | - | - | - | - | (116,073) |
| Transfers in (out) | 272,671 | 868,997 | 3,339,396 | 155,756 | 35,687 | (4,672,507) | - |
| Transfer 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) | (28,644) | (4,058) | (1,337) | (452) | (8) | - | (34,499) |
| Interest capitalized 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>13,437,231</u> | <u>7,625,256</u> | <u>9,082,757</u> | <u>555,097</u> | <u>131,357</u> | <u>17,053,614</u> | <u>47,885,312</u> |

(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 | Assets under construction and installation | |
| As at 31 December 2022 | | | | | | | |
| Cost / Revalued amount | 14,761,176 | 8,906,053 | 21,073,972 | 1,557,514 | 805,589 | 17,053,614 | 64,157,918 |
| <u>Less</u> Accumulated depreciation | (1,272,430) | (1,275,765) | (11,989,523) | (1,002,417) | (674,232) | - | (16,214,367) |
| <u>Less</u> Allowance for impairment | (51,515) | (5,032) | (1,692) | - | - | - | (58,239) |
| Net book value | <u>13,437,231</u> | <u>7,625,256</u> | <u>9,082,757</u> | <u>555,097</u> | <u>131,357</u> | <u>17,053,614</u> | <u>47,885,312</u> |
| Depreciation for the year | | | | | | <u>2022</u> | <u>2021</u> |
| Included in manufacturing cost | | | | | | 2,578,843 | 2,594,900 |
| Included in selling and administrative expenses | | | | | | 294,066 | 140,414 |
| | | | | | | <u>2,872,909</u> | <u>2,735,314</u> |

(Unit: Thousand Baht)

Separate financial statements

| | Revaluation basis | | Cost basis | | | | Total |
|--|---------------------------|-------------------------|-------------------------|---------------|------------------------------|--|------------------|
| | Land and land improvement | Building and structures | Machinery and equipment | Vehicles | Fixture and office equipment | Assets under construction and installation | |
| As at 1 January 2021 | | | | | | | |
| Cost / Revalued amount | 4,175,225 | 3,051,216 | 4,884,300 | 260,588 | 405,823 | 114,166 | 12,891,318 |
| <u>Less</u> Accumulated depreciation | (567,329) | (712,827) | (3,304,134) | (237,447) | (359,968) | - | (5,181,705) |
| <u>Less</u> Allowance for impairment | - | - | (1,670) | - | - | - | (1,670) |
| Net book value | <u>3,607,896</u> | <u>2,338,389</u> | <u>1,578,496</u> | <u>23,141</u> | <u>45,855</u> | <u>114,166</u> | <u>7,707,943</u> |
| For the year ended 31 December 2021 | | | | | | | |
| Net book value at beginning of year | 3,607,896 | 2,338,389 | 1,578,496 | 23,141 | 45,855 | 114,166 | 7,707,943 |
| Additions | 20,398 | 2,539 | 36,790 | 34,525 | 7,874 | 715,595 | 817,721 |
| Transfers in (out) | 3,214 | 18,793 | 118,643 | 328 | 2,502 | (143,480) | - |
| Disposals and write-off, net | (98,987) | (24,349) | (9,092) | (128) | (360) | (1,882) | (134,798) |
| Depreciation for the year | (112,292) | (179,624) | (427,195) | (13,149) | (20,688) | - | (752,948) |
| Net book value at end of year | <u>3,420,229</u> | <u>2,155,748</u> | <u>1,297,642</u> | <u>44,717</u> | <u>35,183</u> | <u>684,399</u> | <u>7,637,918</u> |
| As at 31 December 2021 | | | | | | | |
| Cost / Revalued amount | 4,092,209 | 3,039,270 | 4,920,602 | 285,920 | 382,469 | 684,399 | 13,404,869 |
| <u>Less</u> Accumulated depreciation | (671,980) | (883,522) | (3,621,290) | (241,203) | (347,286) | - | (5,765,281) |
| <u>Less</u> Allowance for impairment | - | - | (1,670) | - | - | - | (1,670) |
| Net book value | <u>3,420,229</u> | <u>2,155,748</u> | <u>1,297,642</u> | <u>44,717</u> | <u>35,183</u> | <u>684,399</u> | <u>7,637,918</u> |

(Unit: Thousand Baht)

Separate financial statements

| | Revaluation basis | | Cost basis | | | | Total |
|---|---------------------------|-------------------------|-------------------------|-----------|------------------------------|--|----------------|
| | Land and land improvement | Building and structures | Machinery and equipment | Vehicles | Fixture and office equipment | Assets under construction and installation | |
| 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 capitalized 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 |
| 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 |
| <u>Less</u> Accumulated depreciation | (275,272) | (176,697) | (3,938,712) | (230,506) | (350,539) | - | (4,971,726) |
| <u>Less</u> 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 |
| Depreciation for the year | | | | | | <u>2022</u> | <u>2021</u> |
| Included in manufacturing cost | | | | | | 678,639 | 679,492 |
| Included in selling and administrative expenses | | | | | | 58,861 | 73,456 |
| | | | | | | <u>737,500</u> | <u>752,948</u> |

The Group arranges to have its land and building revalued by independent professional appraisers (who were 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.

During the current year, in accordance with the Group's accounting policies, therefore the Group arranged to have its assets revaluation. Based on the reports of the independent professional appraisers, the Group already reflected the results of these revaluations into its financial statements for the year ended 31 December 2022. The details are as follows.

| | (Unit: Million Baht) | |
|--|-----------------------------|-----------------------------|
| | Consolidated | Separate |
| | <u>financial statements</u> | <u>financial statements</u> |
| Asset revaluation surplus net of applicable deferred | | |
| income tax recognised in other comprehensive | | |
| income | 2,485 | 1,233 |
| Loss on asset revaluation recognised in profit or loss | (16) | (26) |

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 2022 and 2021 would have been as follows.

| | (Unit: Thousand Baht) | | | |
|----------------------------|-----------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Land and land improvements | 6,226,485 | 7,649,362 | 1,782,315 | 1,770,216 |
| Buildings and structures | 3,124,486 | 5,035,581 | 1,471,096 | 1,511,194 |

As at 31 December 2022 and 2021, a domestic subsidiary's construction of new plants has been financed by loans from financial institutions. Borrowing costs were capitalised with details as follows.

| | Consolidated | | Separate | |
|---|----------------------|-------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Outstanding balance of new plants under construction (Million Baht) | 17,025 | 10,601 | 3,104 | - |
| Borrowing costs included in costs of the project (Million Baht) | 106 | 109 | 23 | - |
| Capitalisation weighted average rates (percent per annum) | 2.36 - 3.97 | 2.36 - 3.47 | 2.83 - 3.40 | Nil |

As at 31 December 2022 and 2021, certain items of buildings and equipment had been fully depreciated but were still in use as follows.

| | (Unit: Million Baht) | | | |
|---|----------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss | 7,345 | 9,782 | 2,593 | 2,677 |

17. Economic tree plantations

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | |
|--|-----------------------------------|-----------|----------------------------|----------|-----------------------|-----------|
| | Rubber plantations | | Palm and other plantations | | Economic tree | Total |
| | Mature | Immature | Mature | Immature | plantations- Immature | |
| As at 1 January 2021 | | | | | | |
| Cost | 588,935 | 1,797,906 | 11,476 | 6,680 | 21,266 | 2,426,263 |
| Less Accumulated amortisation | (28,957) | - | (7,075) | - | - | (36,032) |
| Net book value | 559,978 | 1,797,906 | 4,401 | 6,680 | 21,266 | 2,390,231 |
| For the year ended 31 December 2021 | | | | | | |
| Net book value at beginning of year | 559,978 | 1,797,906 | 4,401 | 6,680 | 21,266 | 2,390,231 |
| Acquisition | - | 51,794 | - | 686 | 12,009 | 64,489 |
| Transfer in (out) | 459,821 | (459,821) | - | - | - | - |
| Transfer from fixed assets (Note 16) | 208 | - | - | - | - | 208 |
| Disposals and write-off, net | (941) | (16,222) | (157) | - | (475) | (17,795) |
| Amortisation | (16,587) | - | (582) | - | - | (17,169) |
| Depreciation capitalised to assets (Note 16) | - | 49,783 | - | - | - | 49,783 |
| Net book value at end of year | 1,002,479 | 1,423,440 | 3,662 | 7,366 | 32,800 | 2,469,747 |
| As at 31 December 2021 | | | | | | |
| 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 |

(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 2022 | | | | | | |
| Net book value at beginning of year | 1,002,479 | 1,423,440 | 3,662 | 7,366 | 32,800 | 2,469,747 |
| Acquisition | - | 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 | <u>1,460,370</u> | <u>1,033,401</u> | <u>2,958</u> | <u>9,021</u> | <u>40,820</u> | <u>2,546,570</u> |
| As at 31 December 2022 | | | | | | |
| Cost | 1,532,009 | 1,033,401 | 9,175 | 9,021 | 40,820 | 2,624,426 |
| <u>Less</u> Accumulated amortisation | (71,639) | - | (6,217) | - | - | (77,856) |
| Net book value | <u>1,460,370</u> | <u>1,033,401</u> | <u>2,958</u> | <u>9,021</u> | <u>40,820</u> | <u>2,546,570</u> |

(Unit: Thousand Baht)

| | Separate financial statements | | | | Total |
|--|-------------------------------|--------------|----------------------------|--------------|---------------|
| | Rubber plantations | | Palm and other plantations | | |
| | Mature | Immature | Immature | Mature | |
| As at 1 January 2021 | | | | | |
| Cost | 4,043 | 3,093 | 5,732 | 6,680 | 19,548 |
| <u>Less</u> Accumulated amortisation | (2,380) | - | (3,229) | - | (5,609) |
| Net book value | <u>1,663</u> | <u>3,093</u> | <u>2,503</u> | <u>6,680</u> | <u>13,939</u> |
| For the year ended 31 December 2021 | | | | | |
| Net book value at beginning of year | 1,663 | 3,093 | 2,503 | 6,680 | 13,939 |
| Acquisition | - | 219 | - | 686 | 905 |
| Amortisation | (109) | - | (300) | - | (409) |
| Net book value at end of year | <u>1,554</u> | <u>3,312</u> | <u>2,203</u> | <u>7,366</u> | <u>14,435</u> |
| As at 31 December 2021 | | | | | |
| Cost | 4,044 | 3,312 | 4,281 | 7,366 | 19,003 |
| <u>Less</u> Accumulated amortisation | (2,490) | - | (2,078) | - | (4,568) |
| Net book value | <u>1,554</u> | <u>3,312</u> | <u>2,203</u> | <u>7,366</u> | <u>14,435</u> |

(Unit: Thousand Baht)

| | Separate financial statements | | | | |
|--|-------------------------------|--------------|----------------------------|--------------|----------------|
| | Rubber plantations | | Palm and other plantations | | Total |
| | Mature | Immature | Immature | Mature | |
| For the year ended 31 December 2022 | | | | | |
| Net book value at beginning of year | 1,554 | 3,312 | 2,203 | 7,366 | 14,435 |
| Acquisition | - | 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 | <u>1,445</u> | <u>3,845</u> | <u>1,787</u> | <u>9,021</u> | <u>16,098</u> |
| As at 31 December 2022 | | | | | |
| Cost | 4,044 | 3,845 | 3,648 | 9,021 | 20,558 |
| <u>Less</u> Accumulated amortisation | <u>(2,599)</u> | <u>-</u> | <u>(1,861)</u> | <u>-</u> | <u>(4,460)</u> |
| Net book value | <u>1,445</u> | <u>3,845</u> | <u>1,787</u> | <u>9,021</u> | <u>16,098</u> |

18. Intangible assets - computer software

| | (Unit: Thousand Baht) | |
|--|--------------------------------------|----------------------------------|
| | Consolidated financial statements | Separate financial statements |
| As at 1 January 2021 | | |
| Cost | 838,418 | 663,287 |
| <u>Less</u> Accumulated amortisation | (387,076) | (324,439) |
| Net book value | <u>451,342</u> | <u>338,848</u> |
| For the year ended 31 December 2021 | | |
| Net book value at beginning of year | 451,342 | 338,848 |
| Additions | 88,437 | 10,409 |
| Transfers from fixed assets (Note 16) | 10 | - |
| Write-off, net | (31) | (2) |
| Amortisation | (79,484) | (65,343) |
| Translation adjustment | 902 | - |
| Net book value at end of year | <u>461,176</u> | <u>283,912</u> |
| As at 31 December 2021 | | |
| Cost | 925,472 | 673,109 |
| <u>Less</u> Accumulated amortisation | (464,296) | (389,197) |
| Net book value | <u>461,176</u> | <u>283,912</u> |
| 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 | <u>457,291</u> | <u>253,119</u> |
| As at 31 December 2022 | | |
| Cost | 1,002,701 | 703,982 |
| <u>Less</u> Accumulated amortisation | (545,410) | (450,863) |
| Net book value | <u>457,291</u> | <u>253,119</u> |

19. Goodwill

For the propose of annually impairment testing for goodwill, the Group determined 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 | 10.15% per annum |

The management determined expected 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 determined that goodwill is not impaired.

20. Trade and other payables

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|------------------|----------------------|------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Trade payables - related parties (Note 6) | - | 62,386 | 82,311 | 130,434 |
| Trade payables - unrelated parties | 1,216,000 | 1,365,268 | 377,910 | 362,350 |
| Other payables - related parties (Note 6) | - | - | 48,629 | 21,096 |
| Other payables - unrelated parties | 1,547,138 | 2,174,019 | 579,613 | 375,938 |
| Retention payables | | | | |
| - related parties (Note 6) | - | - | 79 | - |
| Retention payables - unrelated parties | 422,642 | - | 98,050 | 22,699 |
| Advance receipt for goods and others | | | | |
| - related parties (Note 6) | 463 | - | - | - |
| Advance receipt for goods and others | | | | |
| - unrelated parties | 1,871,895 | 1,662,078 | 389,568 | 243,419 |
| Total trade and other payables | <u>5,058,138</u> | <u>5,263,751</u> | <u>1,576,160</u> | <u>1,155,936</u> |

21. Borrowings

21.1 Short-term borrowings from financial institutions

Movements in the short-term borrowing account for the years ended 31 December 2022 and 2021 are summarised below.

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|-------------------|----------------------|-------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Balance at beginning of year | 21,639,969 | 22,162,290 | 11,817,781 | 15,889,794 |
| Decrease, net | (15,796,772) | (906,898) | (11,484,981) | (4,072,013) |
| Unrealised loss (gain) on exchange rates | 9,265 | (1,276) | 14,535 | - |
| Translation adjustment | 37,410 | 385,853 | - | - |
| Balance at end of year | <u>5,889,872</u> | <u>21,639,969</u> | <u>347,335</u> | <u>11,817,781</u> |

As at 31 December 2022 and 2021, An overseas subsidiary had credit facilities with an overseas financial institution which were guaranteed by a domestic subsidiary as follows.

| | Consolidated financial statements | | | |
|----------------------------------|-----------------------------------|------------------------------|-------------|------------------------------|
| | 2022 | | 2021 | |
| | Million USD | (Equivalent) Million Baht | Million USD | (Equivalent) Million Baht |
| Credit facilities | 10 | 346 | 10 | 334 |
| Balance of short-term borrowings | 5 | 173 | - | - |

21.2 Long-term loans from financial institutions

Movements in the long-term borrowing account for the years ended 31 December 2022 and 2021 are summarised below.

| | (Unit: Thousand Baht) | | | |
|-----------------------------------|-----------------------|------------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Balance at beginning of year | 9,267,835 | 8,325,193 | 807,279 | 2,025,486 |
| Additional | - | 3,244,500 | - | 309,500 |
| Repayments | (2,140,829) | (2,329,136) | (807,279) | (1,554,136) |
| Amortisation of finance fee | 691 | 849 | - | - |
| Unrealised loss on exchange rates | - | 26,429 | - | 26,429 |
| Balance at end of year | <u>7,127,697</u> | <u>9,267,835</u> | <u>-</u> | <u>807,279</u> |

As at 31 December 2022 and 2021, 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 (%) | Principal and interest repayment | Outstanding balances as at 31 December | | | |
|---------------------|------------------------------------|---------------------|--------------------------------------|---|--|------------|-------------------------------|---------|
| | | | | | Consolidated financial statements | | Separate financial statements | |
| | | | | | 2022 | 2021 | 2022 | 2021 |
| <u>The Company</u> | | | | | | | | |
| 1 | Baht 3,800 million granted in 2012 | 10 years | MLR less fixed rate per annum | Principal is repayable quarterly from September 2012 and interest is repayable monthly. | - | 471,350 | - | 471,350 |
| 2 | USD 10 million granted in 2021 | 1 years | Fixed rate per annum | Principal is repayable in full on maturity and interest is repayable quarterly. | - | 335,929 | - | 335,929 |
| <u>Subsidiaries</u> | | | | | | | | |
| 1 | Baht 950 million granted in 2018 | 7 years 6 months | MLR less fixed rate per annum | Principal is repayable quarterly from September 2018 and interest is repayable quarterly. | 518,000 | 686,000 | - | - |
| 2 | Baht 700 million granted in 2018 | 4 years 6 months | MLR less fixed rate per annum | Principal is repayable quarterly from June 2019 and interest is repayable quarterly. | 115,000 | 271,000 | - | - |
| 3 | Baht 1,623 million granted in 2018 | 7 years | 6M THBFIX plus fixed rate per annum | Principal is repayable quarterly from December 2019 and interest is repayable quarterly. | 883,000* | 1,153,000* | - | - |
| 4 | Baht 1,445 million granted in 2019 | 7 years 9 months | MLR less fixed rate per annum | Principal is repayable quarterly from March 2020 and interest is repayable quarterly. | 905,000 | 1,145,000 | - | - |
| 5 | Baht 1,000 million granted in 2020 | 6 years | 6M THB FIX plus fixed rate per annum | Principal is repayable quarterly from March 2022 and interest is repayable quarterly. | 900,000 | 1,000,000 | - | - |

(Unit: Thousand Baht)

| No. | Credit facility | Borrowing periods | Interest rate (%) | Principal and interest repayment | Outstanding balances as at 31 December | | | |
|---|------------------------------------|---------------------|-------------------------------|--|--|------------------|-------------------------------|-------------|
| | | | | | Consolidated financial statements | | Separate financial statements | |
| | | | | | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| 6 | Baht 2,000 million granted in 2020 | 6 years 1 months | MLR less fixed rate per annum | Principal is repayable quarterly from June 2021 and interest is repayable quarterly. | 1,725,000 | 1,925,000 | - | - |
| 7 | Baht 1,500 million granted in 2020 | 6 years 2 months | MLR less fixed rate per annum | Principal is repayable quarterly from March 2022 and interest is repayable quarterly after the first drawdown of the loan. | 1,320,000 | 1,500,000 | - | - |
| 8 | Baht 782 million granted in 2021 | 6 years | MLR less fixed rate per annum | Principal is repayable quarterly from March 2022 and interest is repayable quarterly. | 762,450 | 782,000 | - | - |
| Total | | | | | 7,128,450 | 9,269,279 | - | 807,279 |
| <u>Less</u> Deferred financial service fee | | | | | (753) | (1,444) | - | - |
| Long-term borrowing - net | | | | | 7,127,697 | 9,267,835 | - | 807,279 |
| <u>Less</u> Current portion of long-term borrowings | | | | | (1,715,715) | (2,140,101) | - | (807,279) |
| Long-term borrowings - net of current portion | | | | | <u>5,411,982</u> | <u>7,127,734</u> | - | - |

* 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 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 2022 and 2021 are summarised below.

| | (Unit: Thousand Baht) | | | |
|---|------------------------|-------------------|--------------------|-------------------|
| | Consolidated financial | | Separate financial | |
| | statements | | statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Balance at beginning of year | 10,058,207 | 1,460,437 | 10,058,207 | 1,460,437 |
| Issuance | 16,838,000 | 10,000,000 | 15,338,000 | 10,000,000 |
| Redemption | - | (1,455,000) | - | (1,455,000) |
| Increase in accrued interest expenses | 584,051 | 117,820 | 569,645 | 117,820 |
| Interest paid | (404,191) | (65,050) | (404,191) | (65,050) |
| Increase in deferred expenses of issuing debentures | (26,349) | - | (24,044) | - |
| Amortisation of deferred expenses of issuing debentures | 2,263 | - | 2,145 | - |
| Balance at end of year | <u>27,051,981</u> | <u>10,058,207</u> | <u>25,539,762</u> | <u>10,058,207</u> |

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

| 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 financial statements | | (Unit: Thousand Baht) Separate financial statements | |
|-----------|--------------|-----------------|-----------------|---------------------------|---------------------------|---|---|-----------------------------------|-----------|--|-----------|
| | | | | | | | | 2022 | 2021 | 2022 | 2021 |
| STA234A | 2 | 1 April 2021 | 1 April 2023 | 1,000 | 1,000 | 2.15 | Starting from 1 October 2021 to 3 April 2023 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| STA264A | 5 | 1 April 2021 | 1 April 2026 | 1,800 | 1,000 | 3.70 | Starting from 1 October 2021 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 2021 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 2022 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 2022 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 2022 to 3 December 2031 | 1,250,000 | 1,250,000 | 1,250,000 | 1,250,000 |

| Debenture | Term (years) | Issue date | Maturity date | Quantity | Par value | Fixed interest rate | Interest payment condition | (Unit: Thousand Baht) | | | |
|-----------|-----------------|-----------------|-----------------|----------|-----------|------------------------|--|--------------------------------------|-----------|----------------------------------|-----------|
| | | | | | | | | Consolidated financial statements | | Separate financial statements | |
| | | | | | | | | 2022 | 2021 | 2022 | 2021 |
| STA25DA | 4 | 3 December 2021 | 3 December 2025 | 1,000 | 1,000 | 2.39 | Starting from 6 June 2022 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 2022 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 2022 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 2022 to 31 March 2025 | 2,000,000 | - | 2,000,000 | - |
| STA273A | 5 | 31 March 2022 | 31 March 2027 | 500 | 1,000 | 2.85 | Starting from 30 September 2022 to 31 March 2027 | 500,000 | - | 500,000 | - |
| STA293A | 7 | 31 March 2022 | 31 March 2029 | 1,000 | 1,000 | 3.56 | Starting from 30 September 2022 to 4 February 2029 | 1,000,000 | - | 1,000,000 | - |
| STA323A | 10 | 31 March 2022 | 31 March 2032 | 2,000 | 1,000 | 3.94 | Starting from 30 September 2022 to 31 March 2032 | 2,000,000 | - | 2,000,000 | - |
| STA343A | 12 | 31 March 2022 | 31 March 2034 | 1,500 | 1,000 | 4.17 | Starting from 30 September 2022 to 31 March 2034 | 1,500,000 | - | 1,500,000 | - |

| (Unit: Thousand Baht) | | | | | | | | | | | |
|-----------------------|-----------------|----------------------|----------------------|----------|-----------|------------------------|--|--------------------------------------|------|----------------------------------|------|
| Debenture | Term (years) | Issue date | Maturity date | Quantity | Par value | Fixed interest rate | Interest payment condition | Consolidated financial statements | | Separate financial statements | |
| | | | | | | | | 2022 | 2021 | 2022 | 2021 |
| STA324A | 10 | 21 April 2022 | 21 April 2032 | 1,180 | 1,000 | 3.94 | Starting from 21 October 2022 to 21 April 2032 | 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 | - |
| 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 | - |
| 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 | - |
| 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 | - |
| STGT259A | 3 | 28 September 2022 | 28 September 2025 | 550 | 1,000 | 2.97 | Starting from 28 March 2023 to 28 September 2025 | 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 | - | - | - |
| STGT329A | 10 | 28 September 2022 | 28 September 2032 | 550 | 1,000 | 4.25 | Starting from 28 March 2023 to 28 September 2032 | 550,000 | - | - | - |

| | | | | | | | | (Unit: Thousand Baht) | | | |
|---|-----------------|-----------------|-----------------|----------|-----------|------------------------|---|--------------------------------------|-------------------|----------------------------------|-------------------|
| Debtenture | Term (years) | Issue date | Maturity date | Quantity | Par value | Fixed interest rate | Interest payment condition | Consolidated financial statements | | Separate financial statements | |
| | | | | | | | | 2022 | 2021 | 2022 | 2021 |
| 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 | - |
| 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 | - |
| Total | | | | | | | | 26,838,000 | 10,000,000 | 25,338,000 | 10,000,000 |
| <u>Add</u> accrued interest expenses | | | | | | | | 238,067 | 58,207 | 223,661 | 58,207 |
| <u>Less</u> deferred expenses of issuing debentures | | | | | | | | (24,087) | - | (21,899) | - |
| Debentures - net | | | | | | | | 27,051,980 | 10,058,207 | 25,539,762 | 10,058,207 |
| <u>Less</u> current portion | | | | | | | | (1,233,004) | (58,207) | (1,219,051) | (58,207) |
| Debentures, net of current portion | | | | | | | | <u>25,818,976</u> | <u>10,000,000</u> | <u>24,320,711</u> | <u>10,000,000</u> |
| Fair value | | | | | | | | 27,284,304 | 10,179,654 | 25,712,004 | 10,179,654 |

The debenture agreements contain covenants and restrictions on the Group, pertaining to matters such as the maintenance of a certain debt to equity ratio.

On 17 February 2023, the Company's Board of Directors meeting passed resolutions to approve the additional issuance and offering of debentures in an amount of Baht 20,000 million, totaling not exceeding Baht 50,000 million. The Company will propose the Company's Shareholder Annual General Meeting to approve the proposal in second quarter of 2023.

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 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | |
|---|-----------------------------------|--|-------------------|-----------|-----------|
| | Land and land improvement | Buildings and building improvement | Motor vehicles | Equipment | Total |
| 1 January 2021 | 3,057 | 127,549 | 141,980 | 572 | 273,158 |
| Additions | 14,305 | 45,350 | 116,384 | 114,771 | 290,810 |
| Write-off, net | - | - | (906) | - | (906) |
| Depreciation for the year | (7,173) | (67,894) | (79,322) | (20,089) | (174,478) |
| Translation adjustment | 52 | 12,403 | 2,863 | - | 15,318 |
| 31 December 2021 | 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) |
| 31 December 2022 | 6,069 | 102,216 | 258,531 | 151,873 | 518,689 |

(Unit: Thousand Baht)

| | Separate financial statements | | | | |
|---------------------------|---------------------------------|--|-------------------|-----------|----------|
| | Land and land improvement | Buildings and building improvement | Motor vehicles | Equipment | Total |
| 1 January 2021 | 1,265 | 47,958 | 64,415 | 572 | 114,210 |
| Additions | 4,223 | 1,147 | 53,178 | - | 58,548 |
| Depreciation for the year | (3,692) | (17,578) | (41,570) | (305) | (63,145) |
| 31 December 2021 | 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) |
| 31 December 2022 | 1,465 | 18,465 | 97,136 | 59 | 117,125 |

B) Lease liabilities

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|--|----------------------|-------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Lease payments | 513,800 | 410,037 | 124,180 | 115,917 |
| Less: Deferred interest expenses | (23,118) | (21,819) | (4,132) | (4,396) |
| Total | 490,682 | 388,218 | 120,048 | 111,521 |
| Less: Portion due within one year | (206,145) | (148,072) | (55,702) | (43,436) |
| Lease liabilities - net of current portion | 284,537 | 240,146 | 64,346 | 68,085 |

Movements of the lease liability account during the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|------------------------------|----------------------|-------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Balance at beginning of year | 388,218 | 252,852 | 111,521 | 113,304 |
| Additions | 299,495 | 290,810 | 61,588 | 58,548 |
| Write off | (3,278) | (1,714) | (522) | (818) |
| Repayments | (191,434) | (167,520) | (52,539) | (59,513) |
| Translation adjustment | (2,319) | 13,790 | - | - |
| Balance at end of year | 490,682 | 388,218 | 120,048 | 111,521 |

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>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Depreciation of Right-of-use assets | 197,059 | 174,478 | 53,557 | 63,145 |
| Interest payments on lease liabilities | 9,366 | 10,005 | 2,696 | 3,001 |
| Expense relating to leases of low-value assets | 93,905 | 200,307 | 96,361 | 83,576 |

23. Provision for retirement benefit obligations

Movements of provision for retirement benefit obligations, which represents compensation payable to employees after they retire, during the years ended 31 December 2022 and 2021 are summarised below:

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|----------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Provision for retirement benefit obligations at beginning of year | 425,374 | 440,268 | 138,392 | 136,674 |
| Included in profit or loss: | | | | |
| Current service cost | 37,154 | 47,909 | 9,270 | 10,050 |
| Interest cost | 11,464 | 13,952 | 2,625 | 1,711 |
| Past service cost | (30,752) | - | - | - |
| Included in other comprehensive income: | | | | |
| Actuarial (gain) loss arising from | | | | |
| Demographic assumptions changes | (4,981) | - | (1,680) | - |
| Financial assumptions changes | (28,699) | (74,823) | (9,129) | (12,758) |
| Experience adjustments | 13,933 | 2,593 | 3,706 | 4,786 |
| Benefits paid during the year | (7,090) | (4,525) | (5,299) | (2,071) |
| Provision for retirement benefit obligations at end of year | <u>416,403</u> | <u>425,374</u> | <u>137,885</u> | <u>138,392</u> |

The Group expects to pay Baht 7 million of long-term employee benefits during the next year (Separate financial statements: Baht 4 million) (2021: Baht 9 million, separate financial statements: Baht 4 million).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit was 16 years (2021: 16 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

| | Consolidated and separate financial statements | |
|-----------------------------|--|-------------|
| | <u>2022</u> | <u>2021</u> |
| Discount rate | 3.1 | 2.4 |
| Future salary increase rate | 3.0 - 4.0 | 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 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

As at 31 December 2022

| | Consolidated | | Separate | |
|----------------------|----------------------|---------------------|----------------------|---------------------|
| | financial statements | | 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 |
| 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 |

(Unit: Thousand Baht)

As at 31 December 2021

| | Consolidated | | Separate | |
|----------------------|----------------------|---------------------|----------------------|---------------------|
| | financial statements | | financial statements | |
| | <u>Increase 1%</u> | <u>Decrease 1%</u> | <u>Increase 1%</u> | <u>Decrease 1%</u> |
| Discount rate | (45,010) | 52,549 | (12,859) | 14,756 |
| Salary increase rate | 51,767 | (45,060) | 14,479 | (12,796) |
| | <u>Increase 20%</u> | <u>Decrease 20%</u> | <u>Increase 20%</u> | <u>Decrease 20%</u> |
| Turnover rate | (23,074) | 27,468 | (7,694) | 9,179 |

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>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Balance at beginning of year - net of income tax | 3,635,007 | 3,815,836 | 1,770,414 | 1,895,167 |
| Increase from revaluation of assets | | | | |
| - net of income tax | 2,364,117 | - | 1,265,541 | - |
| Decrease from revaluation of assets | | | | |
| - net of income tax | (55,356) | (10,816) | (32,973) | - |
| Decrease from sale/write-off for assets | | | | |
| - net of income tax | (562) | (2,749) | (560) | (67,231) |
| <u>Less</u> depreciation on assets revaluation | | | | |
| - net of income tax | (133,617) | (109,073) | (82,314) | (57,522) |
| Increase in share capital of a subsidiary | (52) | (145) | - | - |
| Effect of restructuring of the subsidiaries | - | (58,046) | - | - |
| Balance at end of year - net of income tax | <u>5,809,537</u> | <u>3,635,007</u> | <u>2,920,108</u> | <u>1,770,414</u> |

26. Other income

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|----------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Compensation income received under the credit support program for rubber producers by the Rubber Authority of Thailand | 91,980 | 149,599 | - | - |
| Income of production waste sales | 39,821 | 72,923 | 12,312 | 7,372 |
| Income of export incentive | - | 57,209 | - | - |
| Income from insurance claim compensation | 73,359 | 47,835 | 61,495 | 37,615 |
| Income from government subsidy | - | 32,039 | - | - |
| Income of management fee | 15,163 | 15,434 | 15,163 | 15,434 |
| Rental income | 14,869 | 14,458 | 880 | 1,316 |
| Income of factory supply sales | 2,465 | 4,804 | 431 | 574 |
| Income from computer software | 120 | 120 | 2,535 | 3,013 |
| Income from guaranteed loans | 97 | 1 | 22,344 | 29,872 |
| Office service income | 982 | - | 61,387 | 42,252 |
| Others | 53,807 | 26,158 | - | - |
| Total other income | <u>292,663</u> | <u>420,580</u> | <u>176,547</u> | <u>137,448</u> |

27. Other gain (loss)

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|--------------------|----------------------|------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Gain (loss) from derivative financial instruments | 528,843 | (1,779,300) | 887,401 | (848,072) |
| Gain on change in fair value of investment properties | 15,820 | - | 13,980 | - |
| Gain (loss) from disposals and write-off for fixed assets | (38,704) | (56,223) | (16,311) | 31,996 |
| Total other gain (loss), net | <u>505,959</u> | <u>(1,835,523)</u> | <u>885,070</u> | <u>(816,076)</u> |

28. Expenses by nature

Significant expenses classified by nature are as follows.

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Changes in inventories of finished goods and work in progress | 3,328,182 | (6,150,621) | 1,350,942 | (2,468,794) |
| Raw materials and consumables used | 81,679,872 | 75,196,113 | 43,680,031 | 38,382,423 |
| Reduction of inventory cost to net realisable value (reversal) | 296,307 | 3,514 | 97,434 | (48,319) |
| Salaries and wages and other employee benefits | 4,560,669 | 4,346,678 | 998,487 | 930,740 |
| Depreciation | 3,069,968 | 2,909,791 | 791,057 | 816,093 |
| Impairment loss from assets revaluation | 16,372 | - | 25,912 | - |
| Amortisation - economic tree plantations | 27,762 | 17,169 | 356 | 409 |
| Amortisation - intangible assets | 88,395 | 79,484 | 65,903 | 65,343 |
| Transportation and distribution expense | 5,113,728 | 3,793,218 | 1,630,186 | 1,289,902 |
| Energy expense | 4,011,155 | 3,631,319 | 987,468 | 751,036 |
| Cess expense* | 1,990,130 | 1,630,058 | 1,417,894 | 1,167,767 |

* 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 2022 and 2021 are made up as follows.

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|------------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Current income tax: | | | | |
| Current income tax charge | 534,887 | 2,686,021 | 165,613 | - |
| Adjustment in respect of income tax of previous year | 440 | 19,530 | - | - |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences | 114,256 | (163,974) | 71,278 | 209,386 |
| Income tax reported in profit or loss | <u>649,583</u> | <u>2,541,577</u> | <u>236,891</u> | <u>209,386</u> |

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows.

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|---------------|----------------------|--------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Deferred tax relating to | | | | |
| Gain (loss) on changes in value of equity investments designated at fair value through other comprehensive income | (361) | 1,609 | (343) | 1,584 |
| Gain (loss) on revaluation of assets | 587,018 | (2,704) | 308,142 | - |
| Actuarial gain (loss) | 3,838 | 15,298 | 1,421 | 1,594 |
| Gain (loss) on cash flow hedges | 62,061 | 1,280 | 34,767 | 2,455 |
| | <u>652,556</u> | <u>15,483</u> | <u>343,987</u> | <u>5,633</u> |

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

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|---|----------------------|-------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Accounting profit before tax | 6,167,413 | 28,718,453 | 4,510,449 | 12,078,824 |
| Applicable tax rate | 8 - 30% | 8 - 25% | 20% | 20% |
| Accounting profit before tax multiplied by income tax rate | 1,294,284 | 5,924,308 | 902,090 | 2,415,765 |
| Share of profit from investments in an associate and a joint venture | (67,131) | (48,277) | - | - |
| Unused tax losses and deductible temporary difference were not recognised during the year | 12,805 | 99,177 | - | - |
| Utilisation of previously unused tax losses and deductible temporary unrecognised difference | (144,632) | (186,826) | (93,273) | (215,497) |
| Adjustment in respect of income tax of previous year | 440 | 19,530 | - | - |
| Effects of: | | | | |
| Promotional privileges (Note 30) | (460,068) | (3,130,710) | (175,286) | (114,054) |
| Exemption of income | (11,351) | (31,338) | (375,274) | (1,840,941) |
| Non-deductible expenses | 99,561 | 47,936 | 31,915 | 23,012 |
| Additional expense deductions allowed | (60,034) | (118,858) | (53,360) | (56,490) |
| Tax at concessionary rate of 10% (a) | (13,977) | (20,886) | - | - |
| Corporate income tax exemption (b) | 5,739 | - | - | - |
| Others | (6,053) | (12,479) | 79 | (2,409) |
| Total | (446,183) | (3,266,335) | (571,926) | (1,990,882) |
| Income tax reported in the profit or loss | 649,583 | 2,541,577 | 236,891 | 209,386 |

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 | financial statements | financial statements |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Deferred tax assets | | | | |
| Unused tax losses | 223,836 | 372,274 | - | 110,478 |
| Unrealised losses on derivative financial instruments | 26,782 | 7,317 | 1,726 | 3,732 |
| Allowance for diminution in value of inventories | 63,969 | 16,578 | 11,246 | 83 |
| Cumulative loss from assets revaluation and allowance for asset impairment | 83,942 | 51,959 | 21,835 | 16,691 |
| Provision for retirement benefit obligations | 82,079 | 84,410 | 27,577 | 27,678 |
| Loss on cash flow hedge | 975 | 21,621 | 252 | 9,113 |
| Intercompany profit in inventories | 184,630 | 366,088 | - | - |
| Intercompany profit in fixed assets | 47,073 | 40,043 | - | - |
| Others | 52,866 | 28,846 | 1,526 | 46 |
| Total | 766,152 | 989,136 | 64,162 | 167,821 |
| Deferred tax liabilities | | | | |
| Asset revaluation surplus | 1,655,187 | 1,142,407 | 730,027 | 442,603 |
| Fair value estimation of investment properties | 15,742 | 12,577 | 15,374 | 12,578 |
| Unrealised gains on derivative financial instruments | 6,581 | 17,533 | 6,581 | 10,757 |
| Gains on cash flow hedge | 67,925 | 18,079 | 37,473 | 11,568 |
| Others | 3,357 | 2,091 | 1,220 | 1,563 |
| Total | 1,748,792 | 1,192,687 | 790,675 | 479,069 |
| Deferred tax liabilities, net | <u>(982,640)</u> | <u>(203,551)</u> | <u>(726,513)</u> | <u>(311,248)</u> |
| Deferred tax assets (liabilities) presented in the statements of financial position: | | | | |
| Deferred tax assets | 486,261 | 616,835 | - | - |
| Deferred tax liabilities | <u>(1,468,901)</u> | <u>(820,386)</u> | <u>(726,513)</u> | <u>(311,248)</u> |
| | <u>(982,640)</u> | <u>(203,551)</u> | <u>(726,513)</u> | <u>(311,248)</u> |

Movements of deferred tax liabilities (net) during the years ended 31 December 2022 and 2021 are summarised below:

| | (Unit: Thousand Baht) | | | |
|------------------------------------|------------------------|----------------|--------------------|----------------|
| | Consolidated financial | | Separate financial | |
| | statements | | statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Balance at beginning of year - net | 203,551 | 378,101 | 311,248 | 96,228 |
| Deferred tax recognised in | | | | |
| profit or loss | 114,256 | (163,974) | 71,278 | 209,387 |
| other comprehensive income | 652,556 | 15,483 | 343,987 | 5,633 |
| Translation adjustment | 12,277 | (26,059) | - | - |
| Balance at end of year - net | <u>982,640</u> | <u>203,551</u> | <u>726,513</u> | <u>311,248</u> |

As at 31 December 2022, the Group had deductible temporary differences and unused tax losses totaling Baht 589 million (the Company only: Nil) (2021: Baht 883 million, the Company only: Baht 36 million), 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 539 million (the Company only: Nil) which will expire by 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 to 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 operating revenues for the years ended 31 December 2022 and 2021, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | |
|-----------------------------------|-----------------------------------|-------------------|-------------------------|--------------------|--------------------|--------------------|
| | Promoted operations | | Non-promoted operations | | Total | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Sales and service income | | | | | | |
| Domestic sales and service income | 6,482,109 | 7,043,850 | 22,524,779 | 19,620,526 | 29,006,888 | 26,664,376 |
| Export sales and service income | 32,608,552 | 38,010,514 | 100,018,710 | 101,295,548 | 132,627,262 | 139,306,062 |
| Total sales and service income | <u>39,090,661</u> | <u>45,054,364</u> | <u>122,543,489</u> | <u>120,916,074</u> | <u>161,634,150</u> | <u>165,970,438</u> |
| Elimination | | | | | (50,977,424) | (47,695,065) |
| Total | | | | | <u>110,656,726</u> | <u>118,275,373</u> |

(Unit: Thousand Baht)

| | Separate financial statements | | | | | |
|-----------------------------------|-------------------------------|-------------------|-------------------------|-------------------|-------------------|-------------------|
| | Promoted operations | | Non-promoted operations | | Total | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Sales and service income | | | | | | |
| Domestic sales and service income | 5,955,116 | 6,182,157 | 12,239,588 | 11,275,952 | 18,194,704 | 17,458,109 |
| Export sales and service income | 16,815,477 | 14,555,212 | 26,198,682 | 18,913,051 | 43,014,159 | 33,468,263 |
| Total sales and service income | <u>22,770,593</u> | <u>20,737,369</u> | <u>38,438,270</u> | <u>30,189,003</u> | <u>61,208,863</u> | <u>50,926,372</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 | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Profit attributable to owners of the Company (Thousand Baht) | 4,794,868 | 15,846,701 | 4,273,559 | 11,869,438 |
| 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) | 3.12 | 10.32 | 2.78 | 7.73 |

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 and powder-free latex examination 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 information by products and services for the years ended 31 December 2022 and 2021 is presented as follows.

The Group's financial information by segments for the year ended 31 December 2022 and 2021

(Unit: Thousand Baht)

| | Natural rubbers | | Gloves | | Others | | Elimination | | Consolidated financial statements | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|--------------------------------------|--------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | Revenues | | | | | | | | | |
| Revenues from external customers | 87,625,585 | 70,701,104 | 22,912,860 | 47,497,236 | 118,281 | 77,033 | - | - | 110,656,726 | 118,275,373 |
| Inter-segment revenues | 5,823,268 | 5,922,887 | 281 | - | 4,538,879 | 4,918,960 | (10,362,428) | (10,841,847) | - | - |
| Total revenues | <u>93,448,853</u> | <u>76,623,991</u> | <u>22,913,141</u> | <u>47,497,236</u> | <u>4,657,160</u> | <u>4,995,993</u> | <u>(10,362,428)</u> | <u>(10,841,847)</u> | <u>110,656,726</u> | <u>118,275,373</u> |
| Other income and expenses | | | | | | | | | | |
| Depreciation and amortisation | (1,449,586) | (1,478,634) | (1,581,835) | (1,416,383) | (154,704) | (112,325) | - | - | (3,186,125) | (3,007,342) |
| Finance income | 23,594 | 5,632 | 72,569 | 104,933 | 92,701 | 3,729 | (4,023) | (1,085) | 184,841 | 113,209 |
| Finance cost | (1,031,771) | (698,741) | (186,606) | (126,560) | (7,709) | (4,518) | 4,023 | 1,085 | (1,222,063) | (828,734) |
| Share of profit from investments in associate and joint venture | 126,446 | 62,738 | - | - | 209,211 | 178,649 | - | - | 335,657 | 241,387 |
| Segment profit | | | | | | | | | | |
| Profit before income tax | 6,151,295 | 13,706,078 | 1,718,645 | 25,769,562 | 460,967 | 463,662 | (2,163,494) | (11,220,849) | 6,167,413 | 28,718,453 |
| Income tax | (414,388) | (413,102) | (195,958) | (2,095,379) | (37,554) | (44,296) | (1,683) | 11,200 | (649,583) | (2,541,577) |
| Profit for the year | <u>5,736,907</u> | <u>13,292,976</u> | <u>1,522,687</u> | <u>23,674,183</u> | <u>423,413</u> | <u>419,366</u> | <u>(2,165,177)</u> | <u>(11,209,649)</u> | <u>5,517,830</u> | <u>26,176,876</u> |
| Total assets | <u>80,364,945</u> | <u>77,468,176</u> | <u>51,081,478</u> | <u>55,496,566</u> | <u>21,313,672</u> | <u>18,086,600</u> | <u>(35,676,321)</u> | <u>(36,524,252)</u> | <u>117,083,774</u> | <u>114,527,090</u> |

Geographic information

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

| | (Unit: Thousand Baht) | |
|---|-----------------------|--------------------|
| | <u>2022</u> | <u>2021</u> |
| Revenue from external customers | | |
| Thailand | 13,384,984 | 14,530,235 |
| China | 51,490,973 | 37,843,635 |
| USA | 11,244,868 | 18,249,915 |
| Singapore | 3,479,089 | 4,888,716 |
| Japan | 4,487,201 | 4,049,432 |
| Others | 26,569,611 | 38,713,440 |
| Total | <u>110,656,726</u> | <u>118,275,373</u> |
| Non-current assets (other than financial instruments and deferred tax assets) | | |
| Thailand | 54,356,341 | 43,282,040 |
| Indonesia | 1,697,251 | 2,062,888 |
| Others | 297,955 | 302,917 |
| Total | <u>56,351,547</u> | <u>45,647,845</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> (Million Baht) | <u>Dividend per share</u> (Baht per share) |
|---|---|--|---|
| Dividends for the year 2020 | The Company's Annual General Meeting on 16 February 2021 | 2,688 | 1.75 |
| Interim dividends from the operating for 2021 | The Company's Board of Directors meeting on 12 May 2021 | 1,536 | 1.00 |
| Interim dividends from the operating for 2021 | The Company's Board of Directors meeting on 10 August 2021 | 1,920 | 1.25 |
| Interim dividends from the operating for 2021 | The Company's Board of Directors meeting on 8 November 2021 | 1,920 | 1.25 |
| Total dividends for 2021 | | <u>8,064</u> | |
| 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 | 1,536 | 1.00 |
| Total dividends for 2022 | | <u>2,534</u> | |

On 17 February 2023, the Company's Board of Directors meeting passed resolutions to approve a dividend payment in respect of operating results of 2022 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 2023.

34. Commitments and contingent liabilities

(Unit: Million Baht)

| | As at 31 December | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | Consolidated | | Separate | |
| | financial statements | financial statements | financial statements | financial statements |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Sales and purchases commitments* | | | | |
| Purchases from | | | | |
| Joint venture | 911 | 1,335 | - | - |
| Third parties | 54 | 282 | - | - |
| Sales to | | | | |
| Subsidiaries | - | - | 4,279 | 6,015 |
| Third parties | 22,320 | 27,118 | 6,867 | 10,901 |
| Capital commitments relating to | | | | |
| the construction of factory buildings and | | | | |
| acquisition of machinery | 4,638 | 8,090 | 1,242 | 628 |
| the acquisition of computer software | 1 | - | - | 4 |
| Guarantees on borrowings of subsidiaries | | | | |
| (USD 5 million) (2021: USD 5 million) | 173 | 167 | - | - |
| (IDR 1,416 billion) (2021: IDR 1,031 billion) | 3,134 | 2,420 | 3,134 | 2,420 |
| (MMK 9 billion) (2021: Nil) | 149 | - | 149 | - |
| Guarantees and contingent liabilities | | | | |
| Bank guarantees for electricity usage and | | | | |
| sales of goods | 249 | 165 | 76 | 67 |
| Letters of credit with overseas suppliers | | | | |
| 2022: Nil (2021: USD 4 million) | - | 147 | - | - |
| The future aggregate minimum payments under | | | | |
| non-cancellable lease and service agreements | | | | |
| Not later than 1 year | 41 | 33 | 15 | 17 |
| Later than 1 year but not later than 5 years | 16 | 30 | 7 | 20 |

* 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 2022 and 2021, 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 2022 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Assets measured at fair value | | | | |
| Equity instruments designated at fair value through other comprehensive income | 1,062,493 | - | - | 1,062,493 |
| Financial assets at fair value through profit or loss | - | - | - | - |
| Derivative financial instruments | 27,221 | 743,957 | 234,694 | 1,005,872 |
| Property and plant | - | - | 21,062,487 | 21,062,487 |
| 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)

| | Consolidated financial statements | | | |
|--|-----------------------------------|------------|------------|------------|
| | As at 31 December 2021 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Assets measured at fair value | | | | |
| Equity instruments designated at fair value through other comprehensive income | 77,493 | 334,648 | 63,000 | 475,141 |
| Financial assets at fair value through profit or loss | - | 264,105 | - | 264,105 |
| Derivative financial instruments | 82,654 | 132,641 | - | 215,295 |
| Property and plant | - | - | 17,651,224 | 17,651,224 |
| Investment properties | - | - | 215,174 | 215,174 |
| Liabilities measured at fair value | | | | |
| Derivative financial instruments | 19,345 | 196,769 | 357,955 | 574,069 |
| Liabilities for which fair value are disclosed | | | | |
| Debentures | - | 10,179,654 | - | 10,179,654 |

(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 |
| Property and plant | - | - | 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 |

(Unit: Thousand Baht)

| | Separate financial statements | | | |
|---|-------------------------------|------------|-----------|------------|
| | As at 31 December 2021 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Assets measured at fair value | | | | |
| Equity instruments designated at fair value | | | | |
| through other comprehensive income | 40,991 | - | 63,000 | 103,991 |
| Derivative financial instruments | 49,649 | 61,977 | - | 111,626 |
| Property and plant | - | - | 5,946,285 | 5,946,285 |
| Investment properties | - | - | 75,663 | 75,663 |
| Liabilities measured at fair value | | | | |
| Derivative financial instruments | 13,702 | 50,522 | 269,049 | 333,273 |
| Liabilities for which fair value are disclosed | | | | |
| Debentures | - | 10,179,654 | - | 10,179,654 |

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 | |
| | 2022 | 2021 | 2022 | 2021 |
| Current derivative assets | | | | |
| <i>Derivative assets not designated as hedging instruments</i> | | | | |
| Rubber options | 1,963 | - | - | - |
| Rubber price swaps | 5,682 | 4,136 | 5,682 | 4,136 |
| Forward foreign exchange contracts | 21,053 | 58,201 | - | - |
| Rubber futures | 27,222 | 82,654 | 27,222 | 49,649 |
| Physical forward contracts | | 270 | | - |
| Others | 12 | - | - | - |
| <i>Derivative assets designated as hedging instruments</i> | | | | |
| Forward foreign exchange contracts | 713,249 | 70,034 | 355,550 | 57,841 |
| Open rubber sale contracts | 234,694 | - | 253,192 | - |
| Total current derivative assets | 1,003,875 | 215,295 | 641,646 | 111,626 |
| Non - current derivative assets | | | | |
| <i>Derivative assets designated as hedging instruments</i> | | | | |
| Interest rate swaps | 1,997 | - | - | - |
| Total non - current derivative assets | 1,997 | - | - | - |
| Total derivative assets | 1,005,872 | 215,295 | 641,646 | 111,626 |

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|---|----------------------|---------|----------------------|---------|
| | financial statements | | financial statements | |
| | 2022 | 2021 | 2022 | 2021 |
| Current derivative liabilities | | | | |
| <i>Derivative liabilities not designated as hedging instruments</i> | | | | |
| Rubber options | 2,800 | 6,085 | 2,800 | 2,108 |
| Rubber price swaps | - | 2,847 | - | 2,847 |
| Forward foreign exchange contracts | 58,935 | 77,829 | - | - |
| Rubber futures | 6,472 | 19,345 | 5,832 | 13,702 |
| Physical forward contracts | - | 1,482 | - | - |
| Equity accumulators | 15,511 | 420 | - | - |
| <i>Derivative liabilities designated as hedging instruments</i> | | | | |
| Forward foreign exchange contracts | 1,575 | 86,774 | 1,258 | 45,567 |
| Open rubber sale contracts | 9,968 | 357,955 | - | 269,049 |
| Total current derivative liabilities | 95,261 | 552,737 | 9,890 | 333,273 |
| Non - current derivative liabilities | | | | |
| <i>Derivative liabilities designated as hedging instruments</i> | | | | |
| Interest rate swaps | 1,127 | 21,332 | - | - |
| Total non - current derivative liabilities | 1,127 | 21,332 | - | - |
| Total derivative liabilities | 96,388 | 574,069 | 9,890 | 333,273 |

Derivative financial instruments are measured at fair value with hierarchy level 2, except for rubber futures are measured at fair value with hierarchy level 1.

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>2022</u> | <u>2021</u> |
| Carrying liability amount of the interest rate swap | | |
| Assets | 2 | - |
| Liabilities | (1) | (21) |
| Notional amount | 883 | 1,153 |
| Hedge ratio | 1 : 1 | 1 : 1 |
| Maturity date | June 2023 to March 2025 | June 2023 to March 2025 |
| Changes in fair value of the hedging instruments | | |
| used for measuring ineffectiveness | 22 | 24 |
| Cash flow hedge reserve | 1 | (17) |

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.

| | Consolidated | | (Unit: Million Baht) Separate | |
|---|------------------------------|------------------------------|----------------------------------|------------------------------|
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Carrying amount of the foreign exchange forward contracts | | | | |
| Assets | 713 | 70 | 356 | 58 |
| Liabilities | (2) | (87) | (1) | (46) |
| Notional amount (USD) | 516 | 458 | 296 | 321 |
| Hedge ratio | 1 : 1 | 1 : 1 | 1 : 1 | 1 : 1 |
| Maturity date | January 2023 to July 2023 | January 2022 to June 2022 | January 2023 to July 2023 | January 2022 to June 2022 |
| Changes in fair value of the hedging instruments used for measuring ineffectiveness | 321 | (17) | 186 | 12 |
| Cash flow hedge reserve | 226 | (13) | 149 | 10 |

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 financial statements | Separate financial statements |
| As at 1 January 2021 | (36) | - |
| Effective portion of changes in fair value arising from derivatives designated as hedging instruments for cash flow hedges | 7 | 12 |
| Amount reclassified to profit or loss | - | - |
| Tax effect | (1) | (2) |
| As at 31 December 2021 | (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 |

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>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Carrying amount of the open rubber sale contracts | 225 | (358) | 253 | (269) |
| Delivery period | January to May 2023 | January to May 2022 | January to March 2023 | January to May 2022 |
| Reference rubber price at end of year (USD per ton) | 1,296 - 1,350 | 1,738 - 1,830 | 1,296 - 1,326 | 1,738 - 1,830 |
| 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) | 225 | (358) | 253 | (269) |
| Changes in fair value of the hedged items used for measuring ineffectiveness (presented in profit or loss net of cost of sales) | (198) | 355 | (187) | 267 |
| 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) | (198) | 355 | (187) | 267 |

Effect from interest rate benchmark reform

The Group has exposures from certain loan agreements to benchmark InterBank Offered Rates (“IBORs”) on its financial instruments that will be reformed. The Group anticipates that IBORs reform will impact its risk management and hedge accounting. The Group applies temporary exceptions which enable entities to continue applying hedge accounting during the period of uncertainty.

However, the Group keeps monitoring and evaluating the effect of this matter. At present, the Group is in the process of transition to alternative benchmark rates.

As at 31 December 2022, the Group had interest rate swaps with nominal amounts of Baht 883 million, that are designated as hedging instruments to hedge cash flows on loans that carry interest at floating rates based on THBFX and mature within 2025.

36.2 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange 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 used 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 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 provision 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.

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 2022 and 2021, 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 2022

| | Fixed interest rates | | | | | | Effective interest rate |
|---------------------------------|----------------------|-------------------|-------------------|-------------------|------------------|-------------------|-------------------------|
| | Within | 1 - 5 | Over | Floating | Non- interest | Total | |
| | 1 year | years | 5 years | interest rate | bearing | | |
| 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))

Consolidated financial statements as at 31 December 2021

| | Fixed interest rates | | | | | Total | Effective interest rate |
|---|----------------------|------------------|------------------|------------------------|-----------------------|-------------------|-------------------------|
| | Within 1 year | 1 - 5 years | Over 5 years | Floating interest rate | Non- interest bearing | | |
| Financial Assets | | | | | | | |
| Cash and cash equivalent | 7,686,852 | - | - | 12,830,012 | 2,292,786 | 22,809,650 | 0.05 - 2.50 |
| Trade and other receivables* | - | - | - | - | 8,449,814 | 8,449,814 | - |
| Amounts due from future brokers | 1,307,491 | - | - | - | - | 1,307,491 | (1) |
| Other financial assets | 264,105 | 701 | - | - | 475,141 | 739,947 | 0.90 - 15.00 |
| Total | 9,258,448 | 701 | - | 12,830,012 | 11,217,741 | 33,306,902 | |
| Financial liabilities | | | | | | | |
| Trade and other payables* | - | - | - | - | 3,601,673 | 3,601,673 | - |
| Short-term borrowings from financial institutions | 21,639,969 | - | - | - | - | 21,639,969 | (1) |
| Debentures | - | 6,800,000 | 3,200,000 | - | 58,207 | 10,058,207 | (1) |
| Long-term borrowings from financial institutions* | 335,929 | - | - | 8,933,350 | - | 9,269,279 | (1) , (2) , (3) |
| Total | 21,975,898 | 6,800,000 | 3,200,000 | 8,933,350 | 3,659,880 | 44,569,128 | |

((Unit: Thousand Baht))

Separate financial statements as at 31 December 2022

| | Fixed interest rates | | | | | Total | Effective interest rate |
|---|----------------------|-------------------|-------------------|------------------------|------------------------|-------------------|-------------------------|
| | Within 1 year | 1 - 5 years | Over 5 years | Floating interest rate | Non - interest bearing | | |
| 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 | 4,100,359 | 9,685,241 | |
| 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) |
| Long-term borrowings from financial institutions* | - | - | - | - | - | - | - |
| Total | 1,492,335 | 13,358,000 | 10,980,000 | - | 1,388,354 | 27,218,689 | |

* excluded from non-financial assets or liabilities

(Unit: Thousand Baht)

Separate financial statements as at 31 December 2021

| | Fixed interest rates | | | | | Total | Effective interest rate |
|---|----------------------|------------------|------------------|------------------------|------------------------|-------------------|-------------------------|
| | Within 1 year | 1 - 5 years | Over 5 years | Floating interest rate | Non - interest bearing | | |
| Financial Assets | | | | | | | |
| Cash and cash equivalent | - | - | - | 188,033 | 84,003 | 272,036 | 0.05 - 0.55 |
| Trade and other receivables* | - | - | - | - | 3,935,309 | 3,935,309 | - |
| Amounts due from future brokers | 105,738 | - | - | - | - | 105,738 | (1) |
| Long-term loans to subsidiary | 332,469 | - | - | - | - | 332,469 | (1) |
| Other financial assets | - | - | - | - | 103,991 | 103,991 | - |
| Total | 438,207 | - | - | 188,033 | 4,123,303 | 4,749,543 | |
| Financial liabilities | | | | | | | |
| Trade and other payables* | - | - | - | - | 912,517 | 912,517 | - |
| Short-term borrowings from financial institutions | 11,817,781 | - | - | - | - | 11,817,781 | (1) |
| Short-term borrowings from subsidiary | 145,000 | - | - | - | - | 145,000 | (1) |
| Debentures | - | 6,800,000 | 3,200,000 | - | 58,207 | 10,058,207 | (1) |
| Long-term borrowings from financial institutions* | 335,929 | - | - | 471,350 | - | 807,279 | (1), (2) |
| Total | 12,298,710 | 6,800,000 | 3,200,000 | 471,350 | 970,724 | 23,740,784 | |

* 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

Interest rate sensitivity analysis

The Group's interest rate risk arises from borrowings. 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 0.10% per annum (2021: 0.25% 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 | | Separate | |
| | financial statements | financial statements | financial statements | financial statements |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</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 0.25% | | | | |
| Pre-tax profit increase | - | 22,330 | - | 1,178 |
| - Increase in interest rate by 0.25% | | | | |
| Pre-tax profit decrease | - | (22,330) | - | (1,178) |
| Impact to shareholders' equity | | | | |
| in the statements of financial position | | | | |
| - Decrease in interest rate by 0.75% | | | | |
| shareholders' equity decrease | (7,994) | (11,879) | - | - |
| - Increase in interest rate by 0.75% | | | | |
| shareholders' equity increase | 7,903 | 11,613 | - | - |

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 2022 and 2021, the balances of financial assets and liabilities denominated in foreign currencies were summarised below.

| Consolidated financial statements | | | | | | |
|-----------------------------------|------------------|-------------|-----------------------|-------------|------------------------------------|-------------|
| Foreign currency | Financial assets | | Financial liabilities | | Average exchange rate | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | (Million) | (Million) | (Million) | (Million) | (Baht per 1 foreign currency unit) | |
| US dollar | 116.1 | 124.5 | 20.2 | 34.5 | 34.5624 | 33.4199 |
| Japan yen | 1,112.0 | 990.9 | - | - | 0.2609 | 0.2906 |
| Singapore dollar | 3.2 | 1.0 | 0.1 | 0.1 | 25.7206 | 24.7357 |
| China renminbi | 67.8 | 133.8 | - | - | 4.9664 | 5.2507 |
| Euro | - | - | 2.6 | - | 36.8274 | 37.8948 |

| Separate financial statements | | | | | | |
|-------------------------------|------------------|-------------|-----------------------|-------------|------------------------------------|-------------|
| Foreign currency | Financial assets | | Financial liabilities | | Average exchange rate | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | (Million) | (Million) | (Million) | (Million) | (Baht per 1 foreign currency unit) | |
| US dollar | 70.5 | 56.5 | 16.1 | 14.9 | 34.5624 | 33.4199 |
| Singapore dollar | 0.1 | - | - | - | 25.7206 | 24.7357 |

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 exchange risk in respect of various foreign currencies, primarily the US Dollar and Indonesian Rupiah. Foreign exchange risk arises from commercial transactions, net investment in foreign operations and borrowings. If the exchange rate of the Thai Baht changes by 1.93% (2021: 1.56%) against the US Dollar and by 1.01% (2021: 3.32%) 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>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Impact to profit before tax | | | | |
| in the statements of comprehensive income | | | | |
| THB against USD | | | | |
| - Weakened | (215,142) | 121,429 | (30,791) | 16,326 |
| - Strengthened | 215,142 | (121,429) | 30,791 | (16,326) |
| THB against IDR | | | | |
| - Weakened | 31,151 | (77,634) | - | - |
| - Strengthened | (31,151) | 77,634 | - | - |
| Impact to shareholders' equity | | | | |
| in the statements of financial position | | | | |
| THB against USD | | | | |
| - Weakened | 285,213 | (190,667) | - | - |
| - Strengthened | (285,213) | 190,667 | - | - |
| THB against IDR | | | | |
| - Weakened | 8,109 | 41,265 | - | - |
| - Strengthened | (8,109) | (41,265) | - | - |

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 3.90% (2021: 1.76%), 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 | financial statements | financial statements |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Impact to profit before tax | | | | |
| in the statements of comprehensive income | | | | |
| - Decrease in price of natural rubber | | | | |
| Pre-tax profit decrease | (62,648) | (51,998) | (58,887) | (28,443) |
| - Increase in price of natural rubber | | | | |
| Pre-tax profit increase | 62,648 | 51,998 | 58,887 | 28,443 |

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 positive figures represent cash to be inflows and negative figures represent cash to be outflows due to be mature.

The amounts disclosed below are the contractual undiscounted cash flows.

(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 accounts payable | (1,216,000) | - | - | - | (1,216,000) |
| Accrued expenses | (1,547,138) | - | - | - | (1,547,138) |
| 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 financial instruments | | | | | |
| - Interest rate swaps | - | - | (883,000) | - | (883,000) |
| - Rubber futures (Buy) | (370,357) | - | - | - | (370,357) |
| - Rubber futures (Sell) | 1,733,285 | - | - | - | 1,733,285 |
| - Forward foreign exchange contracts (Buy) | (1,021,673) | - | - | - | (1,021,673) |
| - Forward foreign exchange contracts (Sell) | 18,706,977 | - | - | - | 18,706,977 |
| - Physical forward contracts | - | - | - | - | - |
| - Rubber price swaps (Buy) | (26,070) | - | - | - | (26,070) |
| - Rubber price swaps (Sell) | 155,523 | - | - | - | 155,523 |
| - Rubber options (Buy) | (19,217) | - | - | - | (19,217) |
| - Rubber options (Sell) | 131,830 | - | - | - | 131,830 |

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2021

| | Less than 1 year | Between 1 to 2 years | Between 2 to 5 years | Over 5 years | Total |
|--|---------------------|-------------------------|-------------------------|-----------------|--------------|
| Short-term borrowings | | | | | |
| from financial institutions | (21,724,645) | - | - | - | (21,724,645) |
| Trade accounts payable | (1,427,654) | - | - | - | (1,427,654) |
| Accrued expenses | (2,174,019) | - | - | - | (2,174,019) |
| Long-term borrowings | | | | | |
| from financial institutions | (2,378,590) | (1,565,790) | (5,867,194) | (118,424) | (9,929,998) |
| Debentures | (286,700) | (1,270,560) | (6,393,769) | (3,625,600) | (11,576,629) |
| Finance lease liabilities | (159,378) | (134,837) | (115,822) | - | (410,037) |
| Derivative financial instruments | | | | | |
| - Interest rate swaps | - | - | (1,153,000) | - | (1,153,000) |
| - Rubber futures (Buy) | (582,394) | - | - | - | (582,394) |
| - Rubber futures (Sell) | 3,327,511 | - | - | - | 3,327,511 |
| - Forward foreign exchange contracts (Buy) | (3,566,678) | - | - | - | (3,566,678) |
| - Forward foreign exchange contracts (Sell) | 22,388,362 | - | - | - | 22,388,362 |
| - Physical forward contracts | 45,949 | - | - | - | 45,949 |
| - Rubber price swaps (Buy) | (160,520) | - | - | - | (160,520) |
| - Rubber price swaps (Sell) | 113,385 | - | - | - | 113,385 |
| - Rubber options (Sell) | 207,496 | - | - | - | 207,496 |

(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 accounts payable | (460,221) | - | - | - | (460,221) |
| Accrued expenses | (628,321) | - | - | - | (628,321) |
| 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 financial instruments | | | | | |
| - Rubber futures (Buy) | (365,539) | - | - | - | (365,539) |
| - Rubber futures (Sell) | 1,612,914 | - | - | - | 1,612,914 |
| - Forward foreign exchange contracts (Sell) | 10,222,700 | - | - | - | 10,222,700 |
| - Rubber price swaps (Buy) | (26,070) | - | - | - | (26,070) |
| - Rubber price swaps (Sell) | 155,523 | - | - | - | 155,523 |
| - Rubber options (Sell) | 131,830 | - | - | - | 131,830 |

(Unit: Thousand Baht)

Separate financial statements as at 31 December 2021

| | Less than 1 year | Between 1 to 2 years | Between 2 to 5 years | Over 5 years | Total |
|--|---------------------|-------------------------|-------------------------|-----------------|--------------|
| Short-term borrowings | | | | | |
| from financial institutions | (11,834,102) | - | - | - | (11,834,102) |
| Trade accounts payable | (492,784) | - | - | - | (492,784) |
| Accrued expenses | (397,033) | - | - | - | (397,033) |
| Long-term borrowings | | | | | |
| from financial institutions | (813,332) | - | - | - | (813,332) |
| Debentures | (286,700) | (1,270,560) | (6,393,769) | (3,625,600) | (11,576,629) |
| Finance lease liabilities | (45,795) | (37,766) | (32,357) | - | (115,918) |
| Derivative financial instruments | | | | | |
| - Rubber futures (Buy) | (565,958) | - | - | - | (565,958) |
| - Rubber futures (Sell) | 2,114,126 | - | - | - | 2,114,126 |
| - Forward foreign exchange contracts (Sell) | 10,744,040 | - | - | - | 10,744,040 |
| - Rubber price swaps (Buy) | (160,520) | - | - | - | (160,520) |
| - Rubber price swaps (Sell) | 113,385 | - | - | - | 113,385 |
| - Rubber options (Sell) | 113,385 | - | - | - | 113,385 |

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:

- a) 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.
- b) 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.
- c) 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.

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

37. Financial instruments by category

(Unit: Thousand Baht)

| | Consolidated financial statements | | | |
|--|-----------------------------------|------------------|-------------------|-------------------|
| | As at 31 December 2022 | | | |
| | Financial assets at fair value | | | |
| | through | through other | | |
| | profit or loss | comprehensive | amortised cost | Total |
| | | income | | |
| Assets as per statement of financial position | | | | |
| Cash and cash equivalents | - | - | 22,500,428 | 22,500,428 |
| Derivatives not designated as hedging instruments | 55,932 | - | - | 55,932 |
| Trade accounts receivable, net | - | - | 7,129,784 | 7,129,784 |
| Amounts due from future brokers | - | - | 660,608 | 660,608 |
| Other financial assets | - | 1,062,492 | - | 1,062,492 |
| Total | 55,932 | 1,062,492 | 30,290,820 | 31,409,244 |

| | Financial liabilities at fair value | | | Total |
|---|-------------------------------------|---------------|-------------------|-------------------|
| | through profit or loss | through other | amortised cost | |
| | | comprehensive | | |
| | | income | | |
| Liabilities as per statement of financial position | | | | |
| Trade accounts payable | - | - | 2,763,138 | 2,763,138 |
| Short-term borrowings from financial institutions | - | - | 5,889,872 | 5,889,872 |
| Derivatives not designated as hedging instruments | 83,718 | - | - | 83,718 |
| Long-term borrowings from financial institutions | - | - | 7,127,697 | 7,127,697 |
| Debentures | - | - | 27,051,980 | 27,051,980 |
| Total | 83,718 | - | 42,832,687 | 42,916,405 |

(Unit: Thousand Baht)

| | Consolidated financial statements | | | Total |
|--|-----------------------------------|--|-------------------|-------------------|
| | As at 31 December 2021 | | | |
| | Financial assets at fair value | | | |
| | through profit or loss | through other comprehensive income | amortised cost | |
| Assets as per statement of financial position | | | | |
| Cash and cash equivalents | - | - | 22,809,650 | 22,809,650 |
| Derivatives not designated as hedging instruments | 145,261 | - | - | 145,261 |
| Trade accounts receivable, net | - | - | 8,449,814 | 8,449,814 |
| Amounts due from future brokers | - | - | 1,307,491 | 1,307,491 |
| Other financial assets | 264,105 | 475,141 | 701 | 739,947 |
| Total | 409,366 | 475,141 | 32,567,656 | 33,452,163 |

| | Financial liabilities at fair value | | | |
|---|-------------------------------------|-------------------------|-------------------|-------------------|
| | through profit or loss | through other | amortised cost | Total |
| | | comprehensive income | | |
| | | | | |
| Liabilities as per statement of financial position | | | | |
| Trade accounts payable | - | - | 3,659,879 | 3,659,879 |
| Short-term borrowings from financial institutions | - | - | 21,639,969 | 21,639,969 |
| Derivatives not designated as hedging instruments | 108,008 | - | - | 108,008 |
| Long-term borrowings from financial institutions | - | - | 9,269,279 | 9,269,279 |
| Debentures | - | - | 10,058,207 | 10,058,207 |
| Total | 108,008 | - | 44,627,334 | 44,735,342 |

(Unit: Thousand Baht)

| | Separate financial statements | | | |
|--|--------------------------------|--|------------------|------------------|
| | As at 31 December 2022 | | | |
| | Financial assets at fair value | | | |
| | through profit or loss | through other comprehensive income | amortised cost | Total |
| Assets as per statement of financial position | | | | |
| Cash and cash equivalents | - | - | 5,373,979 | 5,373,979 |
| Derivatives not designated as hedging instruments | 32,903 | - | - | 32,903 |
| Trade accounts receivable, net | - | - | 3,929,070 | 3,929,070 |
| Amounts due from future brokers | - | - | - | - |
| Long-term borrowings to subsidiary | - | - | 343,913 | 343,913 |
| Other financial assets | - | 38,280 | - | 38,280 |
| Total | 32,903 | 38,280 | 9,646,962 | 9,718,145 |

| | Financial liabilities at fair value | | |
|---|-------------------------------------|-------------------|-------------------|
| | through profit or loss | amortised cost | Total |
| Liabilities as per statement of financial position | | | |
| Trade accounts payable | - | 1,088,541 | 1,088,541 |
| Short-term borrowings from financial institutions | - | 347,335 | 347,335 |
| Short-term borrowings from subsidiary | - | 145,000 | 145,000 |
| Derivatives not designated as hedging instruments | 9,890 | - | 9,890 |
| Long-term borrowings from financial institutions | - | - | - |
| Debentures | - | 25,539,762 | 25,539,762 |
| Total | 9,890 | 27,120,638 | 27,130,528 |

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2021

| | Financial assets at fair value | | | Total |
|--|--------------------------------|------------------------------------|------------------|------------------|
| | through profit or loss | through other comprehensive income | amortised cost | |
| Assets as per statement of financial position | | | | |
| Cash and cash equivalents | - | - | 272,036 | 272,036 |
| Derivatives not designated as hedging instruments | 53,785 | - | - | 53,785 |
| Trade accounts receivable, net | - | - | 3,935,309 | 3,935,309 |
| Amounts due from future brokers | - | - | 105,738 | 105,738 |
| Long-term borrowings to subsidiary | - | - | 332,469 | 332,469 |
| Other financial assets | - | 103,991 | - | 103,991 |
| Total | 53,785 | 103,991 | 4,645,552 | 4,803,328 |

| | Financial liabilities at fair value | | Total |
|---|-------------------------------------|-------------------|-------------------|
| | through profit or loss | amortised cost | |
| Liabilities as per statement of financial position | | | |
| Trade accounts payable | - | 948,024 | 948,024 |
| Short-term borrowings from financial institutions | - | 11,817,781 | 11,817,781 |
| Short-term borrowings from subsidiary | - | 145,000 | 145,000 |
| Derivatives not designated as hedging instruments | 18,657 | - | 18,657 |
| Long-term borrowings from financial institutions | - | 807,279 | 807,279 |
| Debentures | - | 10,058,207 | 10,058,207 |
| Total | 18,657 | 23,776,291 | 23,794,948 |

38. Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if any) or to historical information about counterparty default rates:

Group 1: New other customers/related parties (less than 6 months)

Group 2: Existing customers/related parties (more than 6 months) with no defaults in the past

Group 3: Existing customers/related parties (more than 6 months) with some defaults in the past that were fully recovered

Maintenance margins are held with high quality counterparties with no history of default. None of the financial assets that are fully performing had been renegotiated during the financial year.

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|-------------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Deposits held at call with banks | | | | |
| Aa1 | 5,498,027 | 1,988,063 | - | - |
| Aa3 | 1,169,355 | 320,034 | - | - |
| A1 | 870,727 | 1,162,471 | 2,132 | 314 |
| A2 | - | 4 | - | - |
| A3 | 14,977 | 6,109 | - | - |
| Baa1 | 14,737,847 | 11,370,129 | 5,365,380 | 261,739 |
| Baa2 | 74,601 | 275,750 | 1 | 11 |
| No rating | 64,281 | 7,609,529 | 1 | 1 |
| Total deposits held at call with banks | <u>22,429,815</u> | <u>22,732,089</u> | <u>5,367,514</u> | <u>262,065</u> |

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|------------------|----------------------|------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Trade accounts receivable | | | | |
| Counterparties without external credit rating | | | | |
| Group 1 | 609,058 | 429,899 | 291,106 | 186,639 |
| Group 2 | 6,364,376 | 7,856,911 | 2,277,667 | 2,248,844 |
| Group 3 | 16 | 16 | - | - |
| Total unimpaired trade accounts receivable | <u>6,973,450</u> | <u>8,286,826</u> | <u>2,568,773</u> | <u>2,435,483</u> |

| | (Unit: Thousand Baht) | | | |
|---|------------------------|----------------|--------------------|----------------|
| | Consolidated financial | | Separate financial | |
| | statements | | statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Derivative financial instruments | | | | |
| Counterparties with external credit rating | | | | |
| A1 | 18,284 | - | - | - |
| Aa1 | 29,197 | 84,158 | 27,222 | 49,649 |
| Aa2 | - | 11,407 | - | - |
| Aa3 | 2,769 | - | - | - |
| Baa1 | 715,246 | 115,230 | 355,550 | 57,841 |
| Counterparties without external credit rating | | | | |
| Group 2 | 240,376 | 4,500 | 258,874 | 4,136 |
| Total derivative financial instruments | <u>1,005,872</u> | <u>215,295</u> | <u>641,646</u> | <u>111,626</u> |

| | (Unit: Thousand Baht) | | | |
|---|------------------------|-------------|--------------------|-------------|
| | Consolidated financial | | Separate financial | |
| | statements | | statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Fixed deposits pledged as collateral | | | | |
| Baa1 | - | 701 | - | - |
| Total fixed deposits pledged as collateral | <u>-</u> | <u>701</u> | <u>-</u> | <u>-</u> |

39. 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.

40. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 17 February 2023.