

Rockworth Public Company Limited and its subsidiaries
Report and financial statements
31 December 2023

Independent Auditor's Report

To the Shareholders of Rockworth Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Rockworth Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Rockworth 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 Rockworth Public Company Limited and its subsidiary and of Rockworth Public Company Limited as at 31 December 2023, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

Key audit matter and how audit procedures respond is described below.

Revenue recognition

Sales are significant to the financial statements and direct impacts to the operating results of the Company. I have therefore focused on revenue recognition from sales of the Company and in particular on the timing of revenue recognition.

I assessed and tested the internal controls of the Company with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed key controls. In addition, on a sampling basis, I examined supporting documents for sales transactions occurring during the year and near the end of the accounting period. I also reviewed credit notes issued by the Company to customers after the end of the reporting period and performed analytical review on the sales accounts.

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.



Chonlaros Suntiasvaraporn
Certified Public Accountant (Thailand) No. 4523

EY Office Limited
Bangkok: 27 February 2024

Rockworth Public Company Limited and its subsidiary

Statements of financial position

As at 31 December 2023

(Unit: Baht)

	Note	Financial statements			
		Consolidated	in which the		Separate financial statements
		financial statements	equity method is applied		
		2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	7	113,842,086	54,960,133	108,853,821	54,960,133
Trade and other receivables	8	133,739,657	134,668,616	133,755,707	134,668,616
Inventories	9	121,684,900	124,490,731	121,684,900	124,490,731
Other current financial assets	10	25,101,523	29,729,658	25,101,523	29,729,658
Other current assets		11,103,006	12,300,340	11,103,006	12,300,340
Total current assets		405,471,172	356,149,478	400,498,957	356,149,478
Non-current assets					
Restricted bank deposits	11	73,513,299	68,664,100	73,513,299	68,664,100
Other non-current financial assets		50,000	78,800	50,000	78,800
Investment in subsidiary	12	-	-	4,999,850	-
Investment in associate	13	-	-	-	-
Investment properties	14	70,331,000	69,600,000	70,331,000	69,600,000
Property, plant and equipment	15	292,193,224	287,018,937	292,193,224	287,018,937
Right-of-use assets	19	48,692,919	50,467,866	48,692,919	50,467,866
Intangible assets		3,370,484	3,507,901	3,370,484	3,507,901
Other non-current assets		4,920,625	4,505,005	4,920,625	4,505,005
Total non-current assets		493,071,551	483,842,609	498,071,401	483,842,609
Total assets		898,542,723	839,992,087	898,570,358	839,992,087

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

ROCKWORTH
 บริษัท ไรทวอร์ช จำกัด (มหาชน)
 Rockworth Public Company Limited.




Rockworth Public Company Limited and its subsidiary

Statements of financial position (continued)

As at 31 December 2023

(Unit: Baht)

	Note	Financial statements			
		Consolidated	in which the	Separate financial statements	
		financial statements	equity method is applied	2023	2022
		2023	2022	2023	2022
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	16	179,188,712	186,188,712	179,188,712	186,188,712
Trust receipts	16	12,531,592	13,153,911	12,531,592	13,153,911
Trade and other payables	17	103,222,233	88,655,073	103,212,233	88,655,073
Current portion of long-term loans	18	4,848,000	1,536,000	4,848,000	1,536,000
Current portion of lease liabilities	19	3,409,362	11,789,944	3,409,362	11,789,944
Advances received from customers		42,648,126	16,968,394	42,648,126	16,968,394
Other current financial liabilities	19	5,446,202	5,458,643	5,446,202	5,458,643
Other current liabilities		10,293,304	6,341,926	10,293,034	6,341,926
Total current liabilities		361,587,531	330,092,603	361,577,261	330,092,603
Non-current liabilities					
Long-term loans, net of current portion	18	4,405,387	5,154,000	4,405,387	5,154,000
Lease liabilities, net of current portion	19	44,202,628	43,882,793	44,202,628	43,882,793
Provision for long-term employee benefits	20	78,792,715	74,102,600	78,792,715	74,102,600
Other non-current financial liabilities	19	5,890,738	11,336,941	5,890,738	11,336,941
Deferred tax liabilities	25	16,011,297	8,350,398	16,011,297	8,350,398
Total non-current liabilities		149,302,765	142,826,732	149,302,765	142,826,732
Total liabilities		510,890,296	472,919,335	510,880,026	472,919,335
Shareholders' equity					
Share capital					
Registered					
20,000,000 ordinary shares of Baht 10 each		200,000,000	200,000,000	200,000,000	200,000,000
Issued and fully paid					
20,000,000 ordinary shares of Baht 10 each		200,000,000	200,000,000	200,000,000	200,000,000
Retained earnings					
Appropriated - statutory reserve	21	14,700,000	13,650,000	14,700,000	13,650,000
Unappropriated		79,550,477	59,997,762	63,615,493	44,024,873
Other components of shareholders' equity		93,401,950	93,424,990	109,374,839	109,397,879
Total shareholders' equity		387,652,427	367,072,752	387,690,332	367,072,752
Total liabilities and shareholders' equity		898,542,723	839,992,087	898,570,358	839,992,087

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

Directors

ROCKWORTH
บริษัท ไรทวิธ จำกัด (มหาชน)
Rockworth Public Company Limited.

Rockworth Public Company Limited and its subsidiary
Statement of comprehensive income
For the year ended 31 December 2023

(Unit: Baht)

	Financial statements			
	Consolidated	in which the		Separate financial statements
	financial statements	equity method is applied		
Note	2023	2022	2023	2022
Profit or loss:				
Revenues				
Sales and service income	636,428,579	609,302,222	636,428,579	609,302,222
Other income	14,509,423	9,201,950	14,524,423	9,201,950
Total revenues	650,938,002	618,504,172	650,953,002	618,504,172
Expenses				
Cost of sales and services	407,016,494	432,626,960	407,016,494	432,626,960
Selling and distribution expenses	104,875,153	93,356,511	104,875,153	93,356,511
Administrative expenses	98,970,590	91,703,124	98,947,685	91,703,124
Impairment loss on financial assets (reversal)	(1,962,857)	103,479	(1,962,857)	103,479
Total expenses	608,899,380	617,790,074	608,876,475	617,790,074
Operating profit	42,038,622	714,098	42,076,527	714,098
Finance income	578,865	166,541	578,865	166,541
Finance cost	23 (14,348,113)	(12,730,228)	(14,348,113)	(12,730,228)
Profit (loss) before income tax expenses	28,269,374	(11,849,589)	28,307,279	(11,849,589)
Income tax expenses	25 (7,666,659)	(184,977)	(7,666,659)	(184,977)
Profit (loss) for the year	20,602,715	(12,034,566)	20,640,620	(12,034,566)
Other comprehensive incomes:				
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Loss on changes in value of equity investments designated at fair value through other comprehensive income	(28,800)	(10,300)	(28,800)	(10,300)
Less: Income tax effect	25 5,760	2,060	5,760	2,060
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	(23,040)	(8,240)	(23,040)	(8,240)
Other comprehensive income for the year	(23,040)	(8,240)	(23,040)	(8,240)
Total comprehensive income for the year	20,579,675	(12,042,806)	20,617,580	(12,042,806)
Basic earnings (loss) per share				
Profit (loss) for the year	26 1.03	(0.60)	1.03	(0.60)

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

ROCKWORTH
Uໂຊ໌ ສອນໂສ ທີ່ຣີ໌ (ລັມໂມ)
Rockworth Public Company Limited.

Rockworth Public Company Limited and its subsidiary
Statement of changes in shareholders' equity

For the year ended 31 December 2023

(Unit: Baht)

Financial statements in which the equity method is applied

	Other components of shareholders' equity						Total shareholders' equity	
	Issued and paid-up share capital	Retained earnings		Unappropriated in foreign currency	Fair value reserve	Surplus on revaluation of assets		Total other components of shareholders' equity
		Appropriated - statutory - reserve	Unappropriated					
Balance as at 1 January 2022	200,000,000	13,650,000	72,032,328	(15,972,889)	(82,320)	109,488,439	379,115,558	
Loss for the year	-	-	(12,034,566)	-	-	-	(12,034,566)	
Other comprehensive income for the year	-	-	-	-	(8,240)	-	(8,240)	
Total comprehensive income for the year	-	-	(12,034,566)	-	(8,240)	-	(12,042,806)	
Balance as at 31 December 2022	200,000,000	13,650,000	59,997,762	(15,972,889)	(90,560)	109,488,439	367,072,752	

Consolidated financial statements

	Other components of shareholders' equity						Total shareholders' equity	
	Issued and paid-up share capital	Retained earnings		Unappropriated in foreign currency	Fair value reserve	Surplus on revaluation of assets		Total other components of shareholders' equity
		Appropriated - statutory - reserve	Unappropriated					
Balance as at 1 January 2023	200,000,000	13,650,000	59,997,762	(15,972,889)	(90,560)	109,488,439	367,072,752	
Profit for the year	-	-	20,602,715	-	-	-	20,602,715	
Other comprehensive income for the year	-	-	-	-	(23,040)	-	(23,040)	
Total comprehensive income for the year	-	-	20,602,715	-	(23,040)	-	20,579,675	
Unappropriated retained earnings transferred to statutory reserve (Note 21)	-	1,050,000	(1,050,000)	-	-	-	-	
Balance as at 31 December 2023	200,000,000	14,700,000	79,550,477	(15,972,889)	(113,600)	109,488,439	387,652,427	

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

ROCKWORTH
บริษัท ร็อคเวิร์ท จำกัด (มหาชน)
Rockworth Public Company Limited.

Rockworth Public Company Limited and its subsidiary
Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2023

(Unit: Baht)

	Separate financial statements									
	Other components of shareholders' equity					Total other components of shareholders' equity				
	Issued and paid-up share capital	Retained earnings		Fair value reserve	Surplus on revaluation of assets	Total other components of shareholders' equity	Total	Other comprehensive income		
Appropriated - statutory - reserve		Unappropriated	shareholders' equity					shareholders' equity	shareholders' equity	shareholders' equity
Balance as at 1 January 2022	200,000,000	13,650,000	56,059,439	(82,320)	109,488,439	109,406,119	379,115,558			
Loss for the year	-	-	(12,034,566)	-	-	-	(12,034,566)			
Other comprehensive income for the year	-	-	-	(8,240)	-	(8,240)	(8,240)			
Total comprehensive income for the year	-	-	(12,034,566)	(8,240)	-	(8,240)	(12,042,806)			
Balance as at 31 December 2022	200,000,000	13,650,000	44,024,873	(90,560)	109,488,439	109,397,879	367,072,752			
Balance as at 1 January 2023	200,000,000	13,650,000	44,024,873	(90,560)	109,488,439	109,397,879	367,072,752			
Profit for the year	-	-	20,640,620	-	-	-	20,640,620			
Other comprehensive income for the year	-	-	-	(23,040)	-	(23,040)	(23,040)			
Total comprehensive income for the year	-	-	20,640,620	(23,040)	-	(23,040)	20,617,580			
Unappropriated retained earnings transferred to statutory reserve (Note 21)	-	1,050,000	(1,050,000)	-	-	-	-			
Balance as at 31 December 2023	200,000,000	14,700,000	63,615,493	(113,600)	109,488,439	109,374,839	387,690,332			

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

Rockworth Public Company Limited and its subsidiary

Cash flow statement

For the year ended 31 December 2023

(Unit: Baht)

	Financial statements			
	Consolidated	in which the		Separate financial statements
	financial statements	equity method is applied		
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash flows from operating activities				
Profit (loss) before tax	28,269,374	(11,849,589)	28,307,279	(11,849,589)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities				
Impairment loss on financial assets (reversal)	(1,962,857)	103,479	(1,962,857)	103,479
Written-off bad debt	1,584,489	-	1,584,489	-
Reversal of reduction of inventory cost to net realisable value	(8,129,500)	(1,378,500)	(8,129,500)	(1,378,500)
Depreciation and amortisation	30,956,509	29,649,027	30,956,509	29,649,027
Gain from disposal of equipment	(1,639,675)	(544,734)	(1,639,675)	(544,734)
Written-off withholding tax	2,239,216	-	2,239,216	-
Provision for long-term employee benefits	6,822,995	6,809,976	6,822,995	6,809,976
Gain on fair value adjustments of financial assets	(371,865)	(103,111)	(371,865)	(103,111)
Increase in fair value of investment properties	(731,000)	-	(731,000)	-
Unrealised loss (gain) on exchange	555,116	(251,413)	555,116	(251,413)
Finance cost	12,328,124	11,263,878	12,328,124	11,263,878
Profit from operating activities before changes in operating assets and liabilities	69,920,926	33,699,013	69,958,831	33,699,013
Operating assets (increase) decrease				
Trade and other receivables	668,989	(51,590,630)	652,939	(51,590,630)
Inventories	10,935,331	4,246,611	10,935,331	4,246,611
Other current assets	1,197,334	3,029,598	1,197,334	3,029,598
Other non-current assets	(1,295,741)	3,432,514	(1,295,741)	3,432,514
Operating liabilities increase (decrease)				
Trade and other payables	5,575,839	23,002,389	5,565,839	23,002,389
Other current liabilities	29,631,110	(14,098,137)	29,630,840	(14,098,137)
Cash flows from operating activities	116,633,788	1,721,358	116,645,373	1,721,358
Cash paid for long-term employee benefits	(2,132,880)	(4,501,942)	(2,132,880)	(4,501,942)
Interest paid	(12,414,864)	(11,272,783)	(12,414,864)	(11,272,783)
Income tax paid	(1,359,095)	(567,580)	(1,359,095)	(567,580)
Net cash flows from (used in) operating activities	100,726,949	(14,620,947)	100,738,534	(14,620,947)

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

ROCKWORTH
บริษัท ไรทวอร์ช จำกัด (มหาชน)
Rockworth Public Company Limited.

Rockworth Public Company Limited and its subsidiary

Cash flow statement (continued)

For the year ended 31 December 2023

(Unit: Baht)

	Financial statements			
	Consolidated	in which the		Separate financial statements
	financial statements	equity method is applied		
	2023	2022	2023	2022
Cash flows from investing activities				
Proceeds from sales of other current financial assets	5,000,000	-	5,000,000	-
Cash paid for investing in a subsidiary	-	-	(4,999,850)	-
Decrease (increase) in restricted bank deposits	(4,849,199)	12,101,166	(4,849,199)	12,101,166
Proceeds from disposal of equipment	1,679,746	616,372	1,679,746	616,372
Acquisition of building improvement, equipment and intangible assets	(19,225,359)	(18,912,245)	(19,225,359)	(18,912,245)
Net cash flows used in investing activities	(17,394,812)	(6,194,707)	(22,394,662)	(6,194,707)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(7,000,000)	16,188,712	(7,000,000)	16,188,712
Increase (decrease) in trust receipts	(622,319)	12,670,218	(622,319)	12,670,218
Payment of principle portion of lease liabilities	(13,932,608)	(2,001,926)	(13,932,608)	(2,001,926)
Cash receipt from long-term loans from financial institution	4,550,175	6,690,000	4,550,175	6,690,000
Repayment of long-term loans	(1,986,788)	-	(1,986,788)	-
Cash receipt from sales and lease back transactions	-	12,029,777	-	12,029,777
Repayment of liabilities from sales and lease back transactions	(5,458,644)	(7,953,746)	(5,458,644)	(7,953,746)
Net cash flows from (used in) financing activities	(24,450,184)	37,623,035	(24,450,184)	37,623,035
Net increase in cash and cash equivalents	58,881,953	16,807,381	53,893,688	16,807,381
Cash and cash equivalents at beginning of year	54,960,133	38,152,752	54,960,133	38,152,752
Cash and cash equivalents at end of year	113,842,086	54,960,133	108,853,821	54,960,133

Supplemental cash flows information

Non-cash items consist of:

Acquisition of building improvement, equipment and intangible assets which cash has not been paid	9,161,283	3,790,000	9,161,283	3,790,000
Assets acquired under lease agreement	5,871,861	-	5,871,861	-

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

ROCKWORTH
 บริษัท ไรทวิธ จำกัด (มหาชน)
 Rockworth Public Company Limited.




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

1. General information

Rockworth 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 furniture. The registered office of the Company is at 294 - 300 Asoke - Dindaeng Road, Huaykwang, Bangkok.

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 Rockworth Public Company Limited (“the Company”) and the following subsidiary company (“the subsidiary”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2023 Percent	2022 Percent
Alphaworth Company Limited	Joint investments in other company	Thai	100	-

b) The Company is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.




- d) The financial statements of the subsidiary is 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 have 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.

2.3 In 2023, the Company prepared the consolidated financial statements because it has a new subsidiary. In 2022, the Company prepared the financial statements in which the equity method is applied since the Company has only an associate.

2.4 The separate financial statements present investments in subsidiary and associate under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements.

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3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rendering of services

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

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 performs under the contract.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

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



4.2 Cash and cash equivalents

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

4.3 Inventories

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

Raw materials, spare parts and factory supplies are valued at the lower of cost under the average method and net realisable value and are charged to production costs whenever consumed.

4.4 Investments in subsidiary and associate

Investment in associate is accounted for in the consolidated financial statements using the equity method.

Investment in subsidiary and associate are accounted for in the separate financial statements using the cost method.

4.5 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in profit or loss when incurred.

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 period when the asset is derecognised.

4.6 Property, plant and equipment/Depreciation

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

Land is 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 shareholders' equity under the heading of "Revaluation surplus". 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 "Revaluation surplus" in respect of the same asset.

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

Buildings	-	20 years
Building improvements	-	5 years and 10 years
Machinery and equipment	-	5 years and 10 years
Office furniture and fixtures	-	5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.



4.7 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	5 - 10 years



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4.8 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land	12 years
Motor vehicles	4, 5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.



The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

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.

4.9 Related party transactions

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

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

4.10 Foreign currencies

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

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.



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4.11 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss. However in cases where land 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 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 only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.



The obligation under the defined benefit plan and other long-term employee benefit plans are 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.

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

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 Group recognises restructuring-related costs.

4.13 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.14 Income tax

Income tax 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.



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At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.15 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

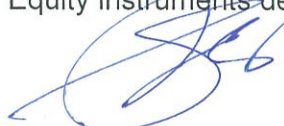
Financial assets designated at FVOCI (equity instruments)

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.

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 derivatives, security investments held for trading, equity investments which the Company has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.



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For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 330 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.



All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an 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:

Reduction of inventory cost to net realisable value

In determining a reduction of inventory cost to net realisable value, the management makes judgement and estimates net realisable value of inventory based on the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price directly relating to events occurring after the end of the reporting period. Also, the management makes judgement and estimates expected loss from stock obsolescence based upon inventories condition and the prevailing economic condition.

Investment property

The Group presents investment property at the fair value estimated by an independent appraiser, and recognises changes in the fair value in profit or loss. The independent appraiser valued the investment property using the income approach, because there is no market price that could be used to apply a comparative approach. The key assumptions used in estimating the fair value are described in Note 14.


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Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Group measures land at revalued amounts. Such amounts are determined by the independent valuer using the market comparison approach. The valuation involves certain assumptions and estimates as described in Note 15.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and 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.

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.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plan are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.



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6. Related party transactions

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

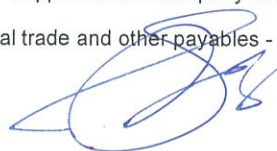
(Unit: Million Baht)

	Consolidated/Separate		Transfer Pricing Policy
	financial statements		
	<u>2023</u>	<u>2022</u>	
<u>Transactions with associated company</u>			
Sales of goods	6	9	Market price
Royalty fee	5	2	Contract price
Purchases of goods	-	1	Market price
<u>Transactions with related companies</u>			
Rental income	2	2	Contract price

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Trade and other receivables - related parties (Note 8)</u>				
Subsidiary company				
Alphaworth Company Limited	-	-	16	-
Associated company				
Rockworth Systems Furniture (India) Private Limited	5,851	13,455	5,851	13,455
Related companies				
Coffee Properties Plus Company Limited	-	31	-	31
Crown Innovation Company Limited	-	21	-	21
Total	5,851	13,507	5,867	13,507
Less: Allowance for expected credit losses	(3,230)	(8,386)	(3,230)	(8,386)
Total trade and other receivables - related parties, net	2,621	5,121	2,637	5,121
<u>Trade and other payables - related party (Note 17)</u>				
Associated company				
Rockworth Systems Furniture (India) Private Limited	399	403	399	403
Related company				
Copper Crown Company Limited	-	37	-	37
Total trade and other payables - related party	399	440	399	440



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Directors and management's benefits

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

(Unit: Million Baht)

	Consolidated/Separate financial statements	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	39	36
Post-employment benefits	4	4
Total	<u>40</u>	<u>40</u>

Guarantee obligations with related party


The Company has outstanding guarantee obligations with its associated company, as described in Note 29.3.2 to the financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash	190	190	190	190
Bank deposits	113,652	54,770	108,664	54,770
Total	<u>113,842</u>	<u>54,960</u>	<u>108,854</u>	<u>54,960</u>

As at 31 December 2023, bank deposits in saving accounts carried interests between 0.2 and 0.6 percent per annum (2022: between 0.1 and 0.4 percent per annum).


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8. Trade and other receivables

(Unit: Thousand Baht)

	Financial statements in		Separate	
	Consolidated	which the equity	financial statements	
	financial	method is	2023	2022
	statements	applied	2023	2022
	2023	2022	2023	2022
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	974	2,671	974	2,671
Past due				
Up to 3 months	4	1,603	4	1,603
Over 12 months	3,230	3,262	3,230	3,262
Total	4,208	7,536	4,208	7,536
Less: Allowance for expected credit losses	(3,230)	(3,262)	(3,230)	(3,262)
Total trade receivables - related parties, net	978	4,274	978	4,274
<u>Other receivables - related parties</u>				
Other receivables - related parties	1,643	5,971	1,659	5,971
Less: Allowance for expected credit losses	-	(5,124)	-	(5,124)
Total other receivables - related parties, net	1,643	847	1,659	847
Total trade and other receivables - related parties, net (Note 6)	2,621	5,121	2,637	5,121
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	88,934	64,879	88,934	64,879
Past due				
Up to 3 months	34,674	34,056	34,674	34,056
3 - 6 months	347	18,850	347	18,850
6 - 12 months	7,425	11,622	7,425	11,622
Over 12 months	4,108	1,729	4,108	1,729
Total	135,488	131,136	135,488	131,136
Less: Allowance for expected credit losses	(5,298)	(2,432)	(5,298)	(2,432)
Total trade receivables - unrelated parties, net	130,190	128,704	130,190	128,704
<u>Other receivables - unrelated parties</u>				
Other receivables	1,514	1,102	1,514	1,102
Less: Allowance for expected credit losses	(585)	(258)	(585)	(258)
Total other receivables - unrelated parties, net	929	844	929	844
Total trade and other receivables - net	133,740	134,669	133,756	134,669

The normal credit term is 30 to 45 days.

Set out below is the movement in the allowance for expected credit losses of trade and other receivables.

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2023</u>	<u>2022</u>
Beginning balance	11,076	10,973
Allowance for expected credit losses (reversal)	(1,963)	103
Ending balance	<u>9,113</u>	<u>11,076</u>

9. Inventories

	(Unit: Thousand Baht)					
	Consolidated/Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Finished goods	61,511	61,972	(12,017)	(12,524)	49,494	49,448
Work in process	7,470	4,564	-	-	7,470	4,564
Raw materials	67,269	79,631	(8,838)	(16,282)	58,431	63,349
Spare parts and factory supplies	1,968	2,400	(156)	(335)	1,812	2,065
Goods in transit	4,478	5,065	-	-	4,478	5,065
Total	<u>142,696</u>	<u>153,632</u>	<u>(21,011)</u>	<u>(29,141)</u>	<u>121,685</u>	<u>124,491</u>

During the current year, the Group reduced cost of inventories by Baht 1 million (2022: Baht 5 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 9 million (2022: Baht 6 million), and reduced the amount of inventories recognised as expenses during the year.

10. Other current financial assets

As at 31 December 2023, the Group had investment in units of fixed income open-end funds which are financial assets at fair value through profit or loss amounting to Baht 25 million (2022: Baht 30 million).

Investments in units of fixed income open-ended fund are stated at fair value using inputs of Level 2 which is use of other observable inputs for such assets or liabilities, whether directly or indirectly. Such fair value of investments in unit trust has been determined by using the net asset value as published by the Asset Management.

11. Restricted bank deposits

These represent fixed deposits pledged with the banks to secure its credit facilities.

12. Investment in subsidiary

12.1 Details of investment in subsidiary as presented in separate financial statements

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2023	2022	2023	2022	2023	2022
			(%)	(%)		
Alphaworth Company Limited	5,000	-	100	-	5,000	-
Total					5,000	-

13. Investment in associate

13.1 Details of associate:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements/ Financial statements in which the equity method is applied						
			Shareholding percentage		Cost		Carrying amounts based on equity method		
			2023	2022	2023	2022	2023	2022	
			(%)	(%)					
Rockworth Systems Furniture (India) Private Limited	Manufacture and distribution of furniture	India	36	40	123,928	123,928	-	-	-
Total					123,928	123,928	-	-	-

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements							
			Shareholding percentage		Cost		Allowance for impairment of investment		Carrying amounts based on cost method - net	
			2023	2022	2023	2022	2023	2022	2023	2022
			(%)	(%)						
Rockworth Systems Furniture (India) Private Limited	Manufacture and distribution of furniture	India	36	40	123,928	123,928	(123,928)	(123,928)	-	-
Total					123,928	123,928	(123,928)	(123,928)	-	-

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During the year 2023, the associate increased its capital by issuing 0.7 million new shares, amounting to INR 36.3 million, to new shareholders. As a result of this additional investment, the Company's shareholding decreased from 40% to 36%.

As at 31 December 2023 and 2022, the Company has fully set up a provision for impairment of investment in associate.

13.2 Summarised financial information of associate

Summarised information about financial position

	(Unit: Million Baht)	
	Rockworth Systems Furniture (India) Private Limited	
	<u>2023</u>	<u>2022</u>
Current assets	115	136
Non-current assets	94	93
Current liabilities	109	162
Non-current liabilities	4	8
Shareholders' equity	96	59

Summarised information about comprehensive income

	(Unit: Million Baht)	
	Rockworth Systems Furniture (India) Private Limited	
	For the years ended 31 December	
	<u>2023</u>	<u>2022</u>
Revenues	331	307
Profit (loss)	22	(14)
Other comprehensive income	1	-
Total comprehensive income	23	(14)



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14. Investment properties

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

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	<u>2023</u>	<u>2022</u>
Net book value at beginning of year	69,600	69,600
Gain from a fair value adjustment	731	-
Net book value at end of year	<u>70,331</u>	<u>69,600</u>

The investment properties are land and building for rent. Its fair value has been determined based on the valuation performed by an accredited independent valuer, using the income approach.

Key assumptions used in the valuation are summarised below:

		Result to fair value where as an increase in assumption value
Vacancy rate (%)	33 - 75	Increase in fair value
Capitalisation rate (%)	9	Decrease in fair value
Discount rate (% per annum)	13	Decrease in fair value
Rental rate (Baht/square metre/month)	110 - 121	Increase in fair value

The Group has mortgaged such investment properties as collateral against credit facilities received from financial institutions.

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15. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated/Separate financial statements							
	Cost basis							
Revaluation basis	Land	Buildings	Building improvements	Machinery and equipment	Office furniture and fixtures	Motor vehicles	Construction in progress	Total
Cost / Revalued amount:								
1 January 2022	207,530	145,998	61,722	272,370	69,174	28,765	28	785,587
Additions	-	-	1,578	19,642	1,453	-	30	22,703
Disposals/written-off	-	-	-	(12,909)	(8,383)	-	-	(21,292)
31 December 2022	207,530	145,998	63,300	279,103	62,244	28,765	58	786,998
Additions	-	-	19,520	5,683	2,144	-	-	27,347
Transfers	-	-	-	-	58	-	(58)	-
Disposals/written-off	-	-	-	(3,712)	(1,002)	(4,319)	-	(9,033)
31 December 2023	207,530	145,998	82,820	281,074	63,444	24,446	-	805,312
Accumulated depreciation:								
1 January 2022	-	128,991	45,843	238,968	56,286	28,709	-	498,797
Depreciation for the year	-	3,291	5,384	8,274	5,397	56	-	22,402
Depreciation on disposals/written-off	-	-	-	(12,909)	(8,311)	-	-	(21,220)
31 December 2022	-	132,282	51,227	234,333	53,372	28,765	-	499,979
Depreciation for the year	-	3,291	5,925	7,413	5,504	-	-	22,133
Depreciation on disposals/written-off	-	-	-	(3,712)	(962)	(4,319)	-	(8,993)
31 December 2023	-	135,573	57,152	238,034	57,914	24,446	-	513,119
Net book value:								
31 December 2022	207,530	13,716	12,073	44,770	8,872	-	58	287,019
31 December 2023	207,530	10,425	25,668	43,040	5,530	-	-	292,193
Depreciation charge:								
2022 (Baht 10 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)								22,402
2023 (Baht 10 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)								22,133



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The Group arranged for an independent professional valuer to appraise the value of land in 2021. The basis of the revaluation was market comparison approach.

Key assumptions used in the valuation are summarised below:

		Result to fair value where as an increase in assumption value
Price per square wah (Thousand Baht)	12 - 410	Increase in fair value

Details of land carried at its revalued amount is as follows:

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2023</u>	<u>2022</u>
Original cost	70,669	70,669
Surplus from revaluation	136,861	136,861
Revalued amount	<u>207,530</u>	<u>207,530</u>

As at 31 December 2023, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 375 million (2022: Baht 367 million).

The Group has mortgaged land with construction thereon and most of its machinery and equipment as collateral against credit facilities received from financial institutions.

16. Short-term loans from financial institutions / Trust receipts

		(Unit: Thousand Baht)	
		Consolidated/Separate financial statements	
	Interest rate (percent per annum)	<u>2023</u>	<u>2022</u>
Short-term loans from financial institutions - promissory notes	Fix + 2, MOR - 0.85, MMR - 0.1, MLR - 0.5, MLR - 2, MLR + 1	<u>179,189</u>	<u>186,189</u>
Trust receipts	Fixed rate between 3.83 to 6.06	<u>12,532</u>	<u>13,154</u>

The above credit facilities are secured by mortgage of the investment properties, land with construction thereon, machinery and equipment, pledge of bank deposits of the Group and are guaranteed by the Company's directors.

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At present, there are credit facilities of the Group that has yet to be drawn down of Baht 50 million (31 December 2022: Baht 113 million).

17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Financial statements in which the equity method is applied		Separate financial statements	
	2023	2022	2023	2022	2023	2022
Trade payables - related party (Note 6)	399	440	399	440	399	440
Trade payables - unrelated parties	75,249	68,552	75,249	68,552	75,249	68,552
Other payables - unrelated parties	16,020	11,614	16,020	11,614	16,020	11,614
Accrued expenses	11,554	8,049	11,544	8,049	11,544	8,049
Total trade and other payables	103,222	88,655	103,212	88,655	103,212	88,655

18. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate (percent per annum)	Repayment schedule	Consolidated/Separate financial statements	
			2023	2022
1	MLR - 1.89	Monthly installments as from January 2023	5,465	6,690
2	MLR - 0.93	Monthly installments as from October 2023	3,788	-
Total			9,253	6,690
Less: Current portion			(4,848)	(1,536)
Long-term loans, net of current portion			4,405	5,154

Movement of the long-term loan account during the year ended 31 December 2023 and 2022 are summarised below:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2023	2022
Beginning balance	6,690	-
Additional borrowings	4,550	6,690
Repayments	(1,987)	-
Ending balance	9,253	6,690


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The above loans are secured by the mortgage of machinery and equipment of the Group.

As at 31 December 2023, the long-term credit facilities of the Group which have not yet been drawn down amounted to Baht 25 million (2022: 13 million).

19. Leases

19.1 The Company as a lessee

The Company has lease contracts for various items of property and equipment used in its operations. Leases generally have lease terms between 4 - 12 years.

a) Right-of-use assets

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

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		
	Land	Motor vehicles	Total
1 January 2022	51,185	6,112	57,297
Depreciation for the year	(5,118)	(1,711)	(6,829)
31 December 2022	46,067	4,401	50,468
Additions	-	5,872	5,872
Depreciation for the year	(5,119)	(2,528)	(7,647)
31 December 2023	40,948	7,745	48,693

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	<u>2023</u>	<u>2022</u>
Lease payments	55,790	65,389
Less: Deferred interest expenses	(8,178)	(9,716)
Total	47,612	55,673
Less: Portion due within one year	(3,409)	(11,790)
Lease liabilities - net of current portion	44,203	43,883



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

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	<u>2023</u>	<u>2022</u>
Balance at beginning of year	55,673	57,674
Additions	5,872	-
Accretion of interest	2,136	2,460
Repayments	(16,069)	(4,461)
Balance at end of year	<u>47,612</u>	<u>55,673</u>

A maturity analysis of lease payments is disclosed in Note 31.1 under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	<u>2023</u>	<u>2022</u>
Depreciation expense of right-of-use assets	7,647	6,829
Interest expense on lease liabilities	2,136	2,460

d) Others

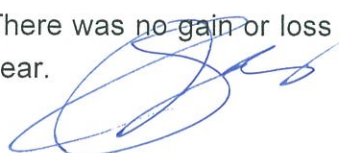
The Company had total cash outflows for leases for the year ended 31 December 2023 of Baht 16 million (2022: Baht 4 million).

In addition, the Group had sales and lease back transactions of machinery and equipment for financing purposes. Payments of such transactions were not included in the measurement of lease liabilities. The cash flow effects of sales and lease back transactions for the years ended 31 December 2023 and 2022 are summarised below:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	<u>2023</u>	<u>2022</u>
Beginning balance	16,796	12,720
Cash receipt during the year	-	12,030
Repayment during the year	(5,459)	(7,954)
Ending balance	<u>11,337</u>	<u>16,796</u>
Comprise of:		
Other current financial liabilities	5,446	5,459
Other non-current financial liabilities	5,891	11,337
	<u>11,337</u>	<u>16,796</u>

There was no gain or loss arising from sales and leaseback transaction during the year.




19.2 Company as a lessor

The Group has entered into operating leases for rent its investment property portfolio consisting of land and buildings (see Note 14). The lease terms are between 1 and 3 years.

The Group has future minimum rentals receivable under non-cancellable operating leases as at 31 December 2023 and 2022 as follows:

(Unit: Thousand Baht)

Consolidated/Separate financial statements

	<u>2023</u>	<u>2022</u>
Within 1 year	1,017	2,351

20. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Group and other long-term employee benefits, namely long service awards, were as follows:

(Unit: Thousand Baht)

Consolidated/Separate financial statements

	Legal severance payment plan		Long service awards		Total	
	2023	2022	2023	2022	2022	2021
	Provision for long-term employee benefits at beginning of year	73,817	71,492	286	303	74,103
Included in profit or loss:						
Current service cost	5,862	5,921	68	64	5,930	5,985
Interest cost	888	820	5	5	893	825
Benefits paid during the year	<u>(2,061)</u>	<u>(4,416)</u>	<u>(72)</u>	<u>(86)</u>	<u>(2,133)</u>	<u>(4,502)</u>
Provision for long-term employee benefits at end of year	<u>78,506</u>	<u>73,817</u>	<u>287</u>	<u>286</u>	<u>78,793</u>	<u>74,103</u>

The Company expect to pay Baht 6 million of long-term employee benefits during the next year (2022: Baht 2 million).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 8 years (2022: 8 years).


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Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated/Separate financial statements	
	2023	2022
Discount rate	1.6	1.6
Salary increase rate	4.0	4.0
Staff turnover rate	0.0 - 56.0	0.0 - 56.0

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

(Unit: percent per annum)

	Consolidated/Separate financial statements			
	2023		2022	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(5,037)	5,715	(4,873)	5,541
Salary increase rate	7,420	(6,267)	6,358	(5,505)
Staff turnover rate	(5,227)	1,277	(5,060)	1,248

21. 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.

22. Revaluation surplus on assets

This represents surplus arising from revaluation of land. The revaluation surplus can neither be offset against deficit nor used for dividend payment.

23. Finance cost

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2023	2022
Interest expenses on borrowings	9,344	8,109
Interest expenses on lease liabilities	2,136	2,460
Interest expenses on other financial liabilities	848	695
Others	2,020	1,466
Total	14,348	12,730




24. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2023</u>	<u>2022</u>
Salaries and wages and other employee benefits	220,553	198,605
Depreciation	29,780	29,231
Amortisation expenses	1,177	418
Transportation expenses	4,864	5,713
Marketing expenses	10,450	8,319
Raw materials and consumables used	287,120	306,094
Changes in inventories of finished goods and work in process	(2,446)	10,485

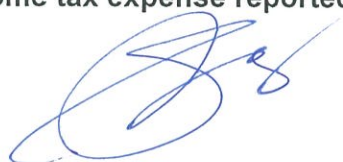
25. Income tax

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

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2023</u>	<u>2022</u>
Current income tax:		
Current income tax charge	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	7,667	185
Income tax expense reported in profit or loss	<u>7,667</u>	<u>185</u>

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

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2023</u>	<u>2022</u>
Deferred tax on loss from the change in value of financial assets measured at FVOCI	(6)	(2)
Income tax expense reported in profit or loss	<u>(6)</u>	<u>(2)</u>



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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	Consolidated financial statements	2022	2023	2022
Accounting profit (loss) before tax	28,269	(11,850)	28,307	(11,850)
Applicable tax rate	20%	20%	20%	20%
Accounting loss before tax multiplied by income tax rate	5,654	(2,370)	5,661	(2,370)
Unrecognised deferred tax assets on tax losses	-	1,590	-	1,590
Effects of:				
Exemption of income	-	(1)	-	(1)
Non-deductible expenses	2,155	1,157	2,155	1,157
Additional expense deductions allowed	(149)	(191)	(149)	(191)
Total	2,006	965	2,006	965
Income tax expense reported in profit or loss	7,667	185	7,667	185

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

(Unit: Thousand Baht)

	Statements of financial position	
	Consolidated/Separate financial statements	
	2023	2022
Deferred tax assets		
Allowance for diminution in value of inventories	4,202	5,828
Provision for long-term employee benefits	15,759	14,821
Unused tax loss	619	5,743
Other	20	41
Total	20,600	26,433
Deferred tax liabilities		
Gain on valuation of investment properties	6,385	6,104
Gain on revaluation of land	27,372	27,372
Unrealised fair value gain on investments	60	4
Leases	2,794	1,303
Total	36,611	34,783
Deferred tax liabilities - net	16,011	8,350

Deferred tax liabilities - net

As at 31 December 2023, the Group has deductible temporary differences and unused tax losses totaling Baht 203 million (2022: Baht 204 million), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses amounting to Baht 73 million will expire by 2025 - 2027.

26. Earnings per share

Basic earnings (loss) per share is calculated by dividing profit (loss) for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

27. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Chief Executive Officer.

The one main reportable operating segment of the Group is the manufacturing and distribution of furniture. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits or losses and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment.

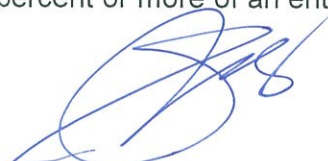
Geographic information

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

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2023</u>	<u>2022</u>
Revenues from external customers		
Thailand	621,032	587,796
Asia (excluded of Thailand)	15,397	21,506
Total	<u>636,429</u>	<u>609,302</u>

Major customers

For the years 2023 and 2022, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.




28. Provident fund

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

29. Commitments and contingent liabilities

29.1 Purchase of raw material and finished goods commitments

As at 31 December 2023, the Group had commitments approximately USD 0.02 million, Chinese Yuan 2.9 million and Baht 0.9 million (2022: USD 0.2 million, Chinese Yuan 3.0 million and Baht 2.7 million) relating to purchasing of raw materials and finished goods.

29.2 Service commitments

As at 31 December 2023, the non-cancellable service contract stipulated that the Group is required to pay the minimum amount in the future as follows:

	(Unit: Million Baht)	
	Consolidated/Separate financial statements	
	<u>2023</u>	<u>2022</u>
Payable:		
In up to 1 year	3	1

29.3 Guarantees

29.3.1 As at 31 December 2023, there were outstanding bank guarantees of approximately Baht 72 million (2022: Baht 22 million) issued by banks on behalf of the Company in respect of guarantee of electricity use and certain contractual performance as required in the normal course of business.

29.3.2 As at 31 December 2023 and 2022, the Company has guaranteed bank credit facilities of its associate amounting to INR 228 million.

On 29 January 2024, the Company's Board of Directors' Meeting passed a resolution approving a reduction in the loan guarantee limit for its associate from the original limit of INR 228 million to INR 24.3 million, or approximately Baht 10.4 million.

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30. Fair value hierarchy

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

(Unit: Thousand Baht)

	Consolidated/Separate financial statements			
	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Debt investments - Investment unit in open-end funds				
	-	25,102	-	25,102
Financial assets measured at FVOCI				
Equity investment				
	50	-	-	50
Investment properties				
	-	-	70,331	70,331
Land				
	-	-	207,530	207,530

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/Separate financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Debt investments - Investment unit in open-end funds				
	-	29,730	-	29,730
Financial assets measured at FVOCI				
Equity investment				
	79	-	-	79
Investment properties				
	-	-	69,600	69,600
Land				
	-	-	207,530	207,530

During the current year, the Group has not changed the methods and assumptions used in estimating the fair value of financial instruments, and there were no transfers within the fair value hierarchy.

31. Financial instruments

31.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, investments, trade accounts payable, trust receipts and loans from financial institutions. 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 accounts receivable, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts 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 and any shipments to major customers are generally covered by agreements and/or letters of credit obtained from reliable banks and other financial institutions. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, the Group sets up full provision for trade receivables that are past due for more than one year and subjected to law enforcement, and the Group writes off trade receivables when it has made best effort to collect debts but there is obvious indication that debts are uncollectible.

Financial instruments and bank deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Executive Committee on an annual basis, and may be updated throughout the year subject to approval of the Company's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

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

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its trust receipts, short-term and long-term loans from financial institutions. 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 acquiring loans with appropriate interest rate including considering the credit support policy from financial institutions.

As at 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements					
2023					
	Fixed interest rates			Total	Effective interest rate (% per annum)
	Within 1 year	Floating interest rate	Non- interest bearing		
Financial assets					
Cash and cash equivalent	-	98	16	114	0.2 - 0.6
Trade and other receivables	-	-	134	134	-
Restricted bank deposits	74	-	-	74	0.9 - 1.2
Other current financial assets	-	-	25	25	-
	<u>74</u>	<u>98</u>	<u>175</u>	<u>347</u>	
Financial liabilities					
Short-term loans from financial institutions	-	179	-	179	MOR - 0.85, MMR - 0.1, MLR - 0.5, MLR - 2
Trust receipts	13	-	-	13	5.05 - 6.06
Trade and other payables	-	-	103	103	-
Long-term loans from financial institutions	-	9	-	9	MLR - 1.89, MLR - 0.93
	<u>13</u>	<u>188</u>	<u>103</u>	<u>304</u>	




(Unit: Million Baht)

Separate financial statements

	2023				
	Fixed interest rates				Effective interest rate (% per annum)
	Within 1 year	Floating interest rate	Non- interest bearing	Total	
<u>Financial assets</u>					
Cash and cash equivalent	-	93	16	109	0.2 - 0.6
Trade and other receivables	-	-	134	134	-
Restricted bank deposits	74	-	-	74	0.9 - 1.2
Other current financial assets	-	-	25	25	-
	<u>74</u>	<u>93</u>	<u>175</u>	<u>342</u>	
<u>Financial liabilities</u>					
Short-term loans from financial institutions	-	179	-	179	MOR - 0.85, MMR - 0.1, MLR - 0.5, MLR - 2
Trust receipts	13	-	-	13	5.05 - 6.06
Trade and other payables	-	-	103	103	-
Long-term loans from financial institutions	-	9	-	9	MLR - 1.89, MLR - 0.93
	<u>13</u>	<u>188</u>	<u>103</u>	<u>304</u>	

(Unit: Million Baht)

Financial statements in which the equity method is applied/

Separate financial statements

	2022				
	Fixed interest rates				Effective interest rate (% per annum)
	Within 1 year	Floating interest rate	Non- interest bearing	Total	
<u>Financial assets</u>					
Cash and cash equivalent	-	51	4	55	0.1 - 0.4
Trade and other receivables	-	-	135	135	-
Restricted bank deposits	69	-	-	69	0.15 - 0.5
Other current financial assets	-	-	30	30	-
	<u>69</u>	<u>51</u>	<u>169</u>	<u>289</u>	
<u>Financial liabilities</u>					
Short-term loans from financial institutions	-	186	-	186	Fix + 2, MOR - 0.85, MLR - 2, MLR + 1
Trust receipts	13	-	-	13	3.83 - 4.78
Trade and other payables	-	-	89	89	-
Long-term loans from financial institutions	-	7	-	7	MLR - 1.89
	<u>13</u>	<u>193</u>	<u>89</u>	<u>295</u>	

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit (loss) before tax to a reasonably possible change in interest rates on that portion of floating rate of short-term loans from financial institutions affected as at 31 December 2023 and 2022.

Currency	2023		2022	
	Increase/ decrease	Effect on profit before tax increase/(decrease)	Increase/ decrease	Effect on loss before tax increase/(decrease)
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Baht	+ 1	(1,754)	+ 1	1,867
	- 1	1,618	- 1	(1,905)

The above analysis has been prepared assuming that the amounts of the floating rate loans from financial institutions and all other variables remain constant over one year. Moreover, the floating legs of these loans from financial institutions are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest payable for the full 12-month period of the sensitivity calculation. This information is not a forecast or prediction of future market conditions and should be used with care.

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

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

Foreign currency	Consolidated/Separate financial statements				Average exchange rate	
	Financial assets		Financial liabilities			
	2023	2022	2023	2022	2023	2022
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.1	0.3	0.1	0.1	34.2233	34.5624
Chinese Yuan	-	-	3.7	4.1	4.8071	4.9664

The Group had no outstanding of forward exchange contract as at 31 December 2023 and 2022.

In addition, the Group is exposed to foreign exchange risk on its investment in overseas associate against which the Group has no hedge.

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Liquidity risk

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

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2023			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Short-term loans from financial institutions and trust receipts	193,481	-	-	193,481
Trade and other payables	103,222	-	-	103,222
Long-term loans	4,848	4,405	-	9,253
Lease liabilities	5,411	26,774	23,605	55,790
Other financial liabilities	6,019	6,425	-	12,444
Total non-derivatives	312,981	37,604	23,605	374,190

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2023			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Short-term loans from financial institutions and trust receipts	193,481	-	-	193,481
Trade and other payables	103,212	-	-	103,212
Long-term loans	4,848	4,405	-	9,253
Lease liabilities	5,411	26,774	23,605	55,790
Other financial liabilities	6,019	6,425	-	12,444
Total non-derivatives	312,971	37,604	23,605	374,180

(Unit: Thousand Baht)

Financial statements in which the equity method is applied/Separate financial statements

	As at 31 December 2022			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Short-term loans from financial institutions and trust receipts	200,841	-	-	200,841
Trade and other payables	88,655	-	-	88,655
Long-term loans	1,536	5,154	-	6,690
Lease liabilities	13,781	28,003	23,605	65,389
Other financial liabilities	6,037	12,444	-	18,481
Total non-derivatives	310,850	45,601	23,605	380,056

31.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature and the loans bear interest rates that approximate the current market rate, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

32. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2023, the debt-to-equity ratio in the consolidated financial statements and the separate financial statements were 1.32:1 (2022: 1.29:1).

33. Events after the reporting period

33.1 On 25 December 2023, the Board of Directors' Meeting of the subsidiary passed a resolution approving the incorporation of Nexastone Company Limited, in which the subsidiary holds 51 percent of shareholding. That company was incorporated on 9 January 2024, with a registered and paid-up share capital of Baht 5 million.

33.2 In February 2024, the Company restructured its major shareholder structure, aligning with tender offer criteria. On 27 February 2024, the Company appointed an Independent Financial Advisor. The change in the shareholder structure had no effect on the management structure or the operational policies of the Company.

34. Approval of financial statements

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

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