

**CPL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**Independent Auditor's Report and Financial Statements**

**For the year ended 31 December 2022**

[Translation]

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of CPL Group Public Company Limited

### Opinion

I have audited the consolidated financial statements of CPL Group Public Company Limited and its subsidiaries ("the Group") and the separate financial statements of CPL Group Public Company Limited ("the Company"), which comprise the consolidated and separate statement of financial position as at 31 December 2022, and the consolidated and separate statement of comprehensive income, the consolidated and separate statement of changes in shareholders' equity and the consolidated and separate statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated financial position of the Group and separate financial position of the Company as at 31 December 2022, and its consolidated financial performance of the Group and its separate financial performance of the Company and its consolidated cash flows of the Group and its separate cash flows of the Company 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 Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company 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 judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

### Inventories

As mentioned in the note to the consolidated and separate financial statements No. 8, the Group shown the value of the inventories in the consolidated and separate statements of financial position as at 31 December 2022 at Baht 1,339.62 million. Most of the inventories are cow leather product groups, which fluctuate in prices. Therefore, there is a risk for the net realizable value of the inventories to be lower than cost. At the end of the accounting period, the Group measured the inventory value using the lower of cost or net realizable value by comparing the net realizable value with the cost of inventories. The information is then used in determining appropriate amount of allowance for devaluation of inventory which highly depends on the management's discretion in considering the said matter. Therefore, my audit is concentrated on value of the inventories as the key audit matter.

My audit procedures have included:

- Obtain an understanding of the internal control regarding the valuation of inventories.
- Obtain an understanding of the inventory's net realizable value determination process prepared by the management.
- Assess the appropriateness of the calculation method for the inventory's net realizable value at the end of the accounting period.
- Evaluate the reasonableness of the selling price after the end of the accounting period.
- Perform comparison analysis of the net realizable value and the cost of inventories.
- Consider the appropriateness of determining the allowance for devaluation of inventory at the end of the accounting period.
- Evaluate the adequacy of the Company's disclosures in the note to the financial statements in accordance with Thai Financial Reporting Standards.

## **Other Matters**

The Consolidated financial statement of CPL Group Public Company Limited and its subsidiaries and The Separate Financial Statements of CPL Group Public Company Limited for the year ended 31 December 2021, which are presented as comparative, was audited by another auditor in the same firm who expressed an unqualified opinion as report dated 23 February 2022.

## **Other Information**

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

My opinion on the consolidated and separate 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 consolidated and separate financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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

## **Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements**

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

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

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

## **Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and the Company'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 and the Company'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 consolidated and separate 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 consolidated and separate 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 information.

(Miss Waraporn Phanpakdeenupong)

Certified Public Accountant Registration No. 12261

CWWP Company Limited

Bangkok,

27 February 2023

## CPL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

Unit : Baht

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
Assets					
Current Assets					
Cash and Cash Equivalents	6	73,252,360.69	49,130,408.96	59,007,204.58	42,663,388.62
Trade and Other Current Receivables	7	241,969,396.72	257,049,076.07	241,953,197.15	257,049,076.07
Contract Assets		10,763,502.27	3,558,240.58	10,763,502.27	3,558,240.58
Inventories	8	1,339,616,595.60	1,320,119,457.33	1,339,616,595.60	1,320,119,457.33
Current Tax Assets		2,240,299.83	774,984.33	2,240,265.12	774,965.99
Derivatives Assets	20	957,402.01	-	957,402.01	-
Other Current Assets		1,137,720.03	183,739.84	1,137,720.03	183,739.84
Total Current Assets		1,669,937,277.15	1,630,815,907.11	1,655,675,886.76	1,624,348,868.43
Non-Current Assets					
Investments in Subsidiaries	9	-	-	64,999,550.00	26,499,925.00
Investments in Associates	10	43,075,966.90	20,233,720.23	-	233,720.23
Long-Term Loan to the Other Company	11	3,742,000.00	-	-	-
Long-Term Loans to Employees		183,291.00	242,181.00	183,291.00	242,181.00
Investment Property	12	124,988,568.42	124,988,568.42	124,988,568.42	124,988,568.42
Property, Plant and Equipment	13	527,160,183.52	524,547,553.23	527,160,183.52	524,547,553.23
Right-of-Use Assets	14.1	40,719,064.69	55,159,782.22	40,719,064.69	55,159,782.22
Intangible Assets		2,991,372.08	3,809,267.32	2,991,372.08	3,809,267.32
Deferred Tax Assets	15	63,349,212.71	70,494,563.13	63,349,212.71	70,494,563.13
Other Non-Current Assets		7,049,633.34	8,844,799.29	7,049,615.00	8,844,799.29
Total Non-Current Assets		813,259,292.66	808,320,434.84	831,440,857.42	814,820,359.84
Total Assets		2,483,196,569.81	2,439,136,341.95	2,487,116,744.18	2,439,169,228.27

Notes to the financial statements are an integral part of the financial statements.

## CPL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

Unit : Baht

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
<b>Liabilities and Shareholders' Equity</b>					
<b>Current Liabilities</b>					
Overdrafts and Short-Term Borrowings from					
Financial Institutions	17	982,832,069.66	873,113,481.10	982,832,069.66	873,113,481.10
Trade and Other Current Payables	18	348,177,594.53	327,984,780.92	348,155,694.53	327,973,645.92
Contract Liabilities		22,194,535.18	22,803,686.43	22,194,535.18	22,803,686.43
Current Portion of Long-Term Liabilities					
Long-Term Borrowings from Financial Institutions	19	40,351,000.00	62,485,000.00	40,351,000.00	62,485,000.00
Lease Liabilities	14.2	13,336,592.43	17,801,397.08	13,336,592.43	17,801,397.08
Derivatives Liabilities	20	-	10,741,203.72	-	10,741,203.72
<b>Total Current Liabilities</b>		<b>1,406,891,791.80</b>	<b>1,314,929,549.25</b>	<b>1,406,869,891.80</b>	<b>1,314,918,414.25</b>
<b>Non-Current Liabilities</b>					
Long-Term Borrowings from Financial Institutions	19	5,316,000.00	44,550,000.00	5,316,000.00	44,550,000.00
Lease Liabilities	14.2	19,764,941.84	23,951,020.52	19,764,941.84	23,951,020.52
Deferred Tax Liabilities	15	2,654,132.36	3,114,978.76	2,654,132.36	3,114,978.76
Non-Current Provisions for Employee Benefits	21	54,783,694.71	56,177,624.90	54,783,694.71	56,177,624.90
Other Non-Current Liabilities		284,650.00	314,650.00	284,650.00	314,650.00
<b>Total Non-Current Liabilities</b>		<b>82,803,418.91</b>	<b>128,108,274.18</b>	<b>82,803,418.91</b>	<b>128,108,274.18</b>
<b>Total Liabilities</b>		<b>1,489,695,210.71</b>	<b>1,443,037,823.43</b>	<b>1,489,673,310.71</b>	<b>1,443,026,688.43</b>

Notes to the financial statements are an integral part of the financial statements.



## CPL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

Unit : Baht

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
<b>Shareholders' Equity</b>					
Share Capital	22				
Authorized Share Capital					
439,844,340 Ordinary Shares, at Baht 1.00 per Share		439,844,340.00	439,844,340.00	439,844,340.00	439,844,340.00
Issued and Paid-Up Share Capital					
439,844,284 Ordinary Shares, at Baht 1.00 per Share		439,844,284.00	439,844,284.00	439,844,284.00	439,844,284.00
Share Premium on Ordinary Shares		574,095,791.76	574,095,791.76	574,095,791.76	574,095,791.76
Discount on Business Combination under Common Control		(242,518,625.38)	(242,518,625.38)	(242,518,625.38)	(242,518,625.38)
Retained Earnings					
Appropriated					
Legal Reserve		33,936,013.18	30,483,074.26	33,936,013.18	30,483,074.26
Unappropriated		188,233,915.14	194,284,013.48	192,175,989.51	194,328,034.80
Other Components of Shareholders' Equity		(90,019.60)	(90,019.60)	(90,019.60)	(90,019.60)
<b>Total Shareholders' Equity</b>		<b>993,501,359.10</b>	<b>996,098,518.52</b>	<b>997,443,433.47</b>	<b>996,142,539.84</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>2,483,196,569.81</b>	<b>2,439,136,341.95</b>	<b>2,487,116,744.18</b>	<b>2,439,169,228.27</b>

## CPL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

Unit : Baht

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
Revenue from Sales and Rendering of Services		2,375,513,105.30	1,877,650,252.65	2,375,513,105.30	1,877,650,252.65
Costs of Sales and Rendering of Services		(1,977,268,862.24)	(1,455,134,447.93)	(1,977,268,862.24)	(1,455,134,447.93)
<b>Gross Profit</b>		<b>398,244,243.06</b>	<b>422,515,804.72</b>	<b>398,244,243.06</b>	<b>422,515,804.72</b>
Other Income	26	28,122,228.10	16,999,591.67	28,102,558.05	16,997,757.99
Gain on Disposal of Investments in Associate	10	-	-	253,449.02	-
Loss on Exchange Rate		(10,748,969.07)	(37,496,490.92)	(10,748,969.07)	(37,496,490.92)
Distribution Costs		(188,616,579.81)	(153,170,190.18)	(188,616,579.81)	(153,170,190.18)
Administrative Expenses		(162,418,362.71)	(156,753,202.78)	(162,324,662.71)	(156,707,347.78)
<b>Profit from Operating Activities</b>		<b>64,582,559.57</b>	<b>92,095,512.51</b>	<b>64,910,038.54</b>	<b>92,139,533.83</b>
Finance Costs		(34,799,816.84)	(32,907,872.34)	(34,799,816.84)	(32,907,872.34)
Share of Loss of Investments in Associates	10	(3,657,753.33)	(166,269.77)	(87,179.25)	(166,269.77)
<b>Profit before Income Tax</b>		<b>26,124,989.40</b>	<b>59,021,370.40</b>	<b>30,023,042.45</b>	<b>59,065,391.72</b>
Tax (Expense) Revenue	29.1	(6,693,640.14)	10,037,407.98	(6,693,640.14)	10,037,407.98
<b>Profit for the Year</b>		<b>19,431,349.26</b>	<b>69,058,778.38</b>	<b>23,329,402.31</b>	<b>69,102,799.70</b>
<b>Other Comprehensive Incomen (Expense) for the Year</b>					
<b>Items that will not be reclassified subsequently to Profit or Loss</b>					
Gain (Loss) on Remeasurement of Defined Benefit Plans - Net of Tax	29.2	(36,544.48)	(7,199.71)	(36,544.48)	(7,199.71)
<b>Total Items that will not be reclassified subsequently to</b>					
<b>Profit or Loss - Net of Tax</b>		<b>(36,544.48)</b>	<b>(7,199.71)</b>	<b>(36,544.48)</b>	<b>(7,199.71)</b>
<b>Total Other Comprehensive Income (Expense) for the year - Net of Tax</b>		<b>(36,544.48)</b>	<b>(7,199.71)</b>	<b>(36,544.48)</b>	<b>(7,199.71)</b>
<b>Total Comprehensive Income (Expense) for the Year</b>		<b>19,394,804.78</b>	<b>69,051,578.67</b>	<b>23,292,857.83</b>	<b>69,095,599.99</b>
Basic Earnings per Share		0.04	0.16	0.05	0.16

## CPL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2022

Unit : Baht

	Notes	Consolidated Financial Statements						
		Issued and Paid  Share Capital	Share Premium  on Ordinary Shares	Discount on  Business Combination  under  the Common Control	Retained Earnings		Other Components of Shareholders' Equity	Total
					Appropriated  Legal Reserve	Unappropriated	Other Comprehensive Income (Expense)  Share of Other  Comprehensive  Income of Associates	Shareholders'  Equity
Balance as at 1 January 2021	439,844,284.00	574,095,791.76	(242,518,625.38)	29,539,593.15	134,956,681.60	(90,019.60)	935,827,705.53	
Changes in Shareholder's Equity								
Profit for the Year		-	-	-	-	69,058,778.38	-	69,058,778.38
Other Comprehensive Incomen (Expense) for the Year		-	-	-	-	(7,199.71)	-	(7,199.71)
Total Comprehensive Income (Expense) for the Year		-	-	-	-	69,051,578.67	-	69,051,578.67
Dividend	24	-	-	-	-	(8,780,765.68)	-	(8,780,765.68)
Transfer Retained Earnings Unappropriated to Appropriated Legal Reserve	24	-	-	-	943,481.11	(943,481.11)	-	-
Total Changes in Shareholder's Equity		-	-	-	943,481.11	59,327,331.88	-	60,270,812.99
Balance as at 31 December 2021		439,844,284.00	574,095,791.76	(242,518,625.38)	30,483,074.26	194,284,013.48	(90,019.60)	996,098,518.52
Changes in Shareholder's Equity								
Profit for the Year		-	-	-	-	19,431,349.26	-	19,431,349.26
Other Comprehensive Incomen (Expense) for the Year		-	-	-	-	(36,544.48)	-	(36,544.48)
Total Comprehensive Income (Expense) for the Year		-	-	-	-	19,394,804.78	-	19,394,804.78
Dividend	24	-	-	-	-	(21,991,964.20)	-	(21,991,964.20)
Transfer Retained Earnings Unappropriated to Appropriated Legal Reserve	24	-	-	-	3,452,938.92	(3,452,938.92)	-	-
Total Changes in Shareholder's Equity		-	-	-	3,452,938.92	(6,050,098.34)	-	(2,597,159.42)
Balance as at 31 December 2022		439,844,284.00	574,095,791.76	(242,518,625.38)	33,936,013.18	188,233,915.14	(90,019.60)	993,501,359.10

Notes to the financial statements are an integral part of the financial statements.

## CPL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2022

Unit : Baht

	Notes	Separate Financial Statements						
		Issued and Paid-Up  Share Capital	Share Premium  on Ordinary Shares	Discount on  Business Combination  under  the Common Control	Retained Earnings		Other Components of Shareholders' Equity	Total
					Appropriated  Legal Reserve	Unappropriated	Other Comprehensive Income (Expense)  Share of Other Comprehensive Income of Associates	Shareholders'  Equity
Balance as at 1 January 2021		439,844,284.00	574,095,791.76	(242,518,625.38)	29,539,593.15	134,956,681.60	(90,019.60)	935,827,705.53
Changes in Shareholder's Equity								
Profit for the Year		-	-	-	-	69,102,799.70	-	69,102,799.70
Other Comprehensive Incomen (Expense) for the Year		-	-	-	-	(7,199.71)	-	(7,199.71)
Total Comprehensive Income (Expense) for the Year		-	-	-	-	69,095,599.99	-	69,095,599.99
Dividend	24	-	-	-	-	(8,780,765.68)	-	(8,780,765.68)
Transfer Retained Earnings Unappropriated to Appropriated Legal Reserve	24	-	-	-	943,481.11	(943,481.11)	-	-
Total Changes in Shareholder's Equity		-	-	-	943,481.11	59,371,353.20	-	60,314,834.31
Balance as at 31 December 2021		439,844,284.00	574,095,791.76	(242,518,625.38)	30,483,074.26	194,328,034.80	(90,019.60)	996,142,539.84
Changes in Shareholder's Equity								
Profit for the Year		-	-	-	-	23,329,402.31	-	23,329,402.31
Other Comprehensive Incomen (Expense) for the Year		-	-	-	-	(36,544.48)	-	(36,544.48)
Total Comprehensive Income (Expense) for the Year		-	-	-	-	23,292,857.83	-	23,292,857.83
Dividend	24	-	-	-	-	(21,991,964.20)	-	(21,991,964.20)
Transfer Retained Earnings Unappropriated to Appropriated Legal Reserve	24	-	-	-	3,452,938.92	(3,452,938.92)	-	-
Total Changes in Shareholder's Equity		-	-	-	3,452,938.92	(2,152,045.29)	-	1,300,893.63
Balance as at 31 December 2022		439,844,284.00	574,095,791.76	(242,518,625.38)	33,936,013.18	192,175,989.51	(90,019.60)	997,443,433.47

Notes to the financial statements are an integral part of the financial statements.

## CPL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

Unit : Baht

	Consolidated		Separate	
	Financial Statements		Financial Statements	
Notes	31 December 2022	31 December 2021	31 December 2022	31 December 2021
<b>Cash Flows from Operating Activities</b>				
Profit for the Year	19,431,349.26	69,058,778.38	23,329,402.31	69,102,799.70
Adjustment to Reconcile Profit to be Net Cash Received (Paid)				
Adjusted Tax Expense (Revenue)	6,693,640.14	(10,037,407.98)	6,693,640.14	(10,037,407.98)
Depreciation	74,969,441.90	78,151,524.02	74,969,441.90	78,151,524.02
Amortization of Intangible Assets	1,277,895.24	1,519,216.22	1,277,895.24	1,519,216.22
Expected Credit Losses (Reversal)	(1,234,747.48)	8,569,115.45	(1,234,747.48)	8,569,115.45
Loss on Impairment of Non-Current Assets	-	3,437,171.44	-	3,437,171.44
Loss on Devaluation of Inventories (Reversal)	(15,855,504.81)	10,625,848.26	(15,855,504.81)	10,625,848.26
(Gain) Loss on Fair Value of Derivative Instrument	(11,698,605.73)	9,126,288.24	(11,698,605.73)	9,126,288.24
Gain on Disposal of Property, Plant and Equipment	(7,932,067.56)	(1,769,269.71)	(7,932,067.56)	(1,769,269.71)
Loss on Write-off of Property, Plant and Equipment	263,588.56	280,782.92	263,588.56	280,782.92
Loss on Write-off of Non-Operating Assets	-	4,711.06	-	4,711.06
Gain on Disposal of Investments in Associate	-	-	(253,449.02)	-
Gain on Changes in Lease Contracts	(25,484.91)	-	(25,484.91)	-
Share of Loss on Associates	3,657,753.33	166,269.77	87,179.25	166,269.77
Unrealized Loss on Exchange Rate	2,314,203.51	4,188,756.88	2,314,203.51	4,188,756.88
Employee Benefits	4,335,352.21	4,456,095.49	4,335,352.21	4,456,095.49
Interest Income	(99,220.36)	(108,738.38)	(79,550.31)	(106,904.70)
Interest Expense	32,929,233.95	32,907,872.34	32,929,233.95	32,907,872.34
Profit from Operating Activities before Change in				
Operating Assets and Liabilities	109,026,827.25	210,577,014.40	109,120,527.25	210,622,869.40
(Increase) Decrease in Operating Assets				
Trade and Other Current Receivables	13,843,221.02	(37,706,783.86)	13,866,026.40	(37,706,783.86)
Contract Assets	(7,205,261.69)	1,982,618.88	(7,205,261.69)	1,982,618.88
Inventories	(4,141,030.91)	(344,592,378.45)	(4,141,030.91)	(344,592,378.45)
Other Current Assets	(953,980.19)	(57,254.40)	(953,980.19)	(57,254.40)
Long-Term Loans to Employees	58,890.00	(94,710.58)	58,890.00	(94,710.58)
Other Non-Current Assets	244,335.18	374,782.52	244,335.18	374,782.52
Increase (Decrease) in Operating Liabilities				
Trade and Other Current Payables	20,230,388.72	98,796,397.93	20,219,623.72	98,785,262.93
Contract Liabilities	(609,151.25)	2,572,309.80	(609,151.25)	2,572,309.80
Non-Current Liabilities	(30,000.00)	93,150.00	(30,000.00)	93,150.00
Cash Flows from (Used in) Operations Activities	130,464,238.13	(68,054,853.76)	130,569,978.51	(68,020,133.76)
Cash Received from Interest Income	99,220.36	108,738.38	79,550.31	106,904.70
Cash Received from Tax Refund	648,803.25	-	648,803.25	-
Cash Paid for Income Tax	(2,240,299.83)	(774,984.33)	(2,240,265.12)	(774,965.99)
Cash Paid for Employee Benefits	(5,774,963.00)	(5,151,126.00)	(5,774,963.00)	(5,151,126.00)
<b>Net Cash Flows from (Used in) Operating Activities</b>	<b>123,196,998.91</b>	<b>(73,872,225.71)</b>	<b>123,283,103.95</b>	<b>(73,839,321.05)</b>

Notes to the financial statements are an integral part of the financial statements.

## CPL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

Unit : Baht

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
<b>Cash Flows from Investing Activities</b>					
Cash Paid for Investment in Subsidiaries		-	-	(38,499,625.00)	(26,499,925.00)
Cash Received from Disposal of Investments in Associate		-	-	399,990.00	-
Cash Paid for Investment in Associates		(26,500,000.00)	(20,399,990.00)	-	(399,990.00)
Cash Paid for Long-Term Loan to the Other Company		(3,742,000.00)	-	-	-
Cash Paid for Purchase of Property, Plant and Equipment		(46,334,205.17)	(11,989,615.14)	(46,340,810.98)	(11,989,615.14)
Cash Received from Disposal of Property, Plant and Equipment		9,184,079.57	1,836,697.37	9,184,079.57	1,836,697.37
Cash Paid for Purchase of Right-of-Use Assets		(5,714,815.89)	(1,976,566.00)	(5,714,815.89)	(1,976,566.00)
Cash Paid for Purchase of Intangible Assets		(405,000.00)	(1,362,700.00)	(405,000.00)	(1,362,700.00)
<b>Net Cash Flows from (Used in) Investing Activities</b>		<b>(73,511,941.49)</b>	<b>(33,892,173.77)</b>	<b>(81,376,182.30)</b>	<b>(40,392,098.77)</b>
<b>Cash Flows from Financing Activities</b>					
Increase (Decrease) in Overdrafts from Bank		(61,005,795.88)	18,718,408.37	(61,005,795.88)	18,718,408.37
Cash Received from Short-Term Borrowings from Financial Institutions		2,479,398,064.00	2,025,352,428.39	2,479,398,064.00	2,025,352,428.39
Cash Paid for Short-Term Borrowings from Financial Institutions		(2,308,617,031.87)	(1,836,520,952.13)	(2,308,617,031.87)	(1,836,520,952.13)
Cash Received from Short-Term Borrowings from Related Person		40,000,000.00	-	40,000,000.00	-
Cash Paid for Short-Term Borrowings from Related Person		(40,000,000.00)	-	(40,000,000.00)	-
Cash Paid for Long-Term Borrowings from Financial Institutions		(61,368,000.00)	(57,366,000.00)	(61,368,000.00)	(57,366,000.00)
Cash Paid for Lease Liabilities		(18,938,158.11)	(21,095,633.07)	(18,938,158.11)	(21,095,633.07)
Cash Paid for Interest Expense		(32,798,365.16)	(32,764,090.59)	(32,798,365.16)	(32,764,090.59)
Cash Paid for Dividends		(21,991,964.20)	(8,779,411.09)	(21,991,964.20)	(8,779,411.09)
<b>Net Cash Flows from (Used in) Financing Activities</b>		<b>(25,321,251.22)</b>	<b>87,544,749.88</b>	<b>(25,321,251.22)</b>	<b>87,544,749.88</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>					
<b>before Effect of Exchange Rate</b>		<b>24,363,806.20</b>	<b>(20,219,649.60)</b>	<b>16,585,670.43</b>	<b>(26,686,669.94)</b>
Effect of Exchange Rate on Cash and Cash Equivalents		(241,854.47)	(46,557.45)	(241,854.47)	(46,557.45)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>		<b>24,121,951.73</b>	<b>(20,266,207.05)</b>	<b>16,343,815.96</b>	<b>(26,733,227.39)</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>		<b>49,130,408.96</b>	<b>69,396,616.01</b>	<b>42,663,388.62</b>	<b>69,396,616.01</b>
<b>Cash and Cash Equivalents at the Ending of the Year</b>	6	<b>73,252,360.69</b>	<b>49,130,408.96</b>	<b>59,007,204.58</b>	<b>42,663,388.62</b>

Notes to the financial statements are an integral part of the financial statements.

**CPL GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 December 2022****1. General Information**

CPL Group Public Company Limited (“the Company”) is a juristic person incorporated in Thailand which was registered as a public company limited in accordance with Public Limited Companies Act. The address of the registered head office of the Company locates at 700 Moo 6 Sukhumvit Road, Bangpoo-Mai, Mueang Samutprakan, Samutprakan, Thailand.

The Company was listed on the Stock Exchange of Thailand on 19 December 1994.

The Company has operations and principal activities to engage in businesses of manufacturing and distribution of leather products, rendering of tanning service and manufacturing and distribution of personal protective equipment.

As at 31 December 2022 and 2021, the major shareholder of the Company is Wongcharoensin Group.

**2. Basis of Preparation of Financial Statements**

- 2.1 These financial statements have been prepared in accordance with Thai Financial Reporting Standards including related interpretations and guidelines promulgated by the Federation of Accounting Professions, applicable rules and regulations of the Securities and Exchange Commission and The Stock Exchange of Thailand.
- 2.2 The classification in the financial statements is in compliance with the Notification of the Department of Business Development regarding mandatory summary items in a financial statement.
- 2.3 In order to prepare the financial statements to comply with financial reporting standards, the Group’s management had to make some estimates and assumptions which may have an effect on the amount shown for revenues, expenses, assets and liabilities and also on the disclosures concerning assets and contingent liabilities, therefore the actual result may differ from the estimated amount.
- 2.4 The financial report in Thai language is the official statutory financial report of the Company. The financial report in English language has been translated from the financial report in Thai language.

### 3. Basis of Preparing the Consolidated Financial Statements

- 3.1 The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (hereafter referred as “the Group”). Subsidiaries are entities under the control of the Group. The financial statements of the subsidiaries are included in the consolidated financial statements of the Group from the date that obtains control to the date that the control had been ceased. As at 31 December 2022 and 2021, the Company has investment ratio in the direct and indirect subsidiaries which are summarized as follows:

Entities' Name	Investment and Voting Right Ratio		Country of Incorporation	Nature of Business
	As at	As at		
	31 December 2022	31 December 2021		
CPL Venture Plus CO., LTD.	99.9994	99.9994	Thailand	Investing in business or hold shares in other company

- 3.2 The Company calculates the investments in a subsidiary which the Company has shareholding since 99.00% as if shareholding at 100%.
- 3.3 The accounting period of the subsidiaries are ended on the same date as that of the CPL Group Public Company Limited.
- 3.4 In preparation of the consolidated financial statements, the Company has eliminated the amounts of assets, liabilities, and inter-transactions.
- 3.5 The accounting policy of the subsidiaries for the same transaction has used the same policy as the Company.

### 4. New Financial Reporting Standards

- 4.1 Financial Reporting Standards that became Effective in the Current Year

During the year, the Group has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2022. 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.



#### 4.2 Financial Reporting Standards that will become Effective for Fiscal Years Beginning on or After 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

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

### 5. Summary of Significant Accounting Policies

#### 5.1 Measurements Bases used in preparing the Financial Statements

Measurement bases used in preparing the financial statements are historical cost measurement basis and combination of variety measurement bases used. For items that use other measurement bases have been disclosed the measurement bases used in the particular accounting policies.

#### 5.2 Foreign Currency Transactions

Foreign currency transactions are initially recognized by translated into Thailand Baht using the spot exchange rate at the date of the transaction.

Foreign currency monetary items at the end of period are translated into Thailand Baht using the closing rate.

Exchange rate differences arising on the settlement of monetary items or on translating monetary items are recognized in profit or loss for the period which the transactions occur.

#### 5.3 Cash and Cash Equivalents

Cash and cash equivalents include financial institution deposits in type of current accounts, savings accounts, and not over than 3 months fixed accounts without guarantee obligation, excluding overdrafts which are presented as current liabilities.

## 5.4 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, rebates and other similar items. The cost of finished goods and work in progress comprises raw materials, direct labour costs, other direct costs and related production overheads based on normal operating capacity. It excludes borrowing costs.

Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for slow-moving, obsolete and defective inventories.

## 5.5 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 (if any). 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 Company’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 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.

### **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.

At initial recognition, the Group measures a financial asset and liabilities at its fair value plus or minus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset and liabilities. Transaction costs of financial assets carried at FVPL are expensed 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 neither transferred nor retained substantially all the risks and rewards of the asset but 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 the statement of profit or loss.

### **Impairment of Financial Assets**

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.

The Group evaluate future forecasts and consider expected credit losses related to loans to other businesses measured by amortization capital. The Group used the general approach to determine the allowance for credit losses.

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.

#### **5.6 Derivatives**

The Group uses derivative instruments which are foreign exchange contracts. To hedge the risk of exchange rate fluctuation.

The Group recognizes the initial value of derivatives at their fair value on the contract date. And later measured at fair value the subsequent changes in fair value are recognized in profit or loss. The Group presents derivatives as a financial asset when the fair value is greater than zero and presented as a financial liability when the fair value is less than zero.

The Group presents the derivatives with the remaining contract maturity of more than 12 months and not yet due within 12 months as other non-current assets, or other non-current liabilities and show other derivatives as current assets or current liabilities.

#### **5.7 Investments in Subsidiaries**

Investments in subsidiaries in the separate financial statements are stated by using the cost method deducted by accumulated impairment loss for investments (if any).

#### **5.8 Investments in Associates**

Investments in associates are stated by equity method which is initially recognized at cost and adjusted after the acquisition date by recognition of the Company's share of profit or loss or other comprehensive income of associates in these associates. Distribution or dividend received from associates will be reduced the carrying amount of those investments in associates.

When the Group's share of loss of a associate equals or exceeds the Group's interests in that associate (together with any long-term interests that, in substance, form part of the Group's net investment in that associate), the Group will discontinue recognizing the Group's share of loss in excess of the interests in that associate. After the Group's interests is reduced to zero,

the Group will recognize share of additional loss as liabilities only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the Group's associate subsequently reports profit, the Group's will resume recognizing the Group's share of profit only after the share of profit equals the share of loss not recognized.

#### 5.9 Investment Property

Investment property is land and land improvements which the Group has currently held without specific purpose of use in the future and/or to earn rental income or for asset appreciation, is stated at initial cost deducted by the accumulated depreciation and the accumulated impairment loss (if any).

#### 5.10 Property, Plant and Equipment

Property, plant and equipment are stated at initial cost deducted by the accumulated depreciation and the accumulated impairment loss (if any).

Depreciation is calculated on a straight-line method over the approximate useful lives as follows:

- Buildings and Building Improvements	5 – 20 years
- Machines and Equipment	5 – 20 years
- Tools	5 years
- Fixtures and Office Equipment	3 – 10 years
- Vehicles	5 years

There is no depreciation for land and land improvement and assets under construction.

Depreciation of assets arising in the period which it is used to produce other asset are capitalized as part of cost of that other asset which will cease the capitalization when that other asset is ready for intended use.

Replacement cost will be capitalized as a part of carrying amount of assets when it is probable that the Group will obtain the future economic benefits from that transaction and able to measure the cost of that transaction reliably.

Repair and maintenance are recognized as expenses in profit or loss for the period in which they are incurred.

The carrying amount of property, plant and equipment will be derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on derecognition of property, plant and equipment is the difference between the net disposal proceeds (if any) and the carrying amount of that asset and recognized in profit or loss when that asset is derecognized.

#### 5.11 Intangible Assets

Intangible assets which are separately acquired with definite useful lives are stated at initial cost deducted by the accumulated amortization and the accumulated impairment loss (if any).

Amortization is calculated on a straight-line method over the approximate useful life of 5 years.

#### 5.12 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 assesses the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercise by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

##### The Group as a lessee

The Group applies 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 the underlying assets and lease liabilities based on lease payments.

##### Right-of-use Assets

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

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

#### Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

#### Short-term Leases and Leases of low-value Assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

### 5.13 Impairment of Non – Financial Assets

The carrying amounts of assets are assessed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated of asset or its cash-generating unit to which the asset is included in the recognition of an impairment loss when the recoverable amount less than the carrying amount of the asset or its cash-generating unit.

Impairment loss is recognized as expense in profit or loss immediately.

#### Calculation of Recoverable Amount

- The recoverable amount is the higher of the asset's fair value less cost to sell asset or the cash-generating unit or its value in use.
- In assessing value in use of an asset by estimating the present value of expected future cash flows generated by the asset, discounted using a pre-tax discount rate which reflects current market assessments of the time value of money and the risks specific to the asset.
- The asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

#### Reversal of Impairment Loss

- The impairment loss of assets recognized in the prior period will be reversed if the estimation for indicated net realizable value changes since the last impairment loss was recognized just to be the carrying amount not exceed the carrying amount that would have been (net of depreciation or amortization), if no impairment loss had been recognized.
- Reversal of impairment loss will be recognized as revenue in profit or loss immediately.

#### 5.14 Employee Benefits

##### Short-Term Employee Benefits

Short-term employee benefits are recognized as expenses in profit or loss for the period in which they are incurred.

##### Post-Employment Benefits

- Defined Contribution Plans

The Group has obligations under the defined contribution plan for monthly contribution payable to the provident fund which the Group and employees have jointly established in accordance with the provident fund law that the employees are taken the significant actuarial risk and investment risk. The employees will obtain only the retirement benefits from the assets of the provident fund which are separate from the assets of the Group in accordance with the regulation of the fund.

Contributions for defined contribution plan are recognized as expenses in profit or loss for the period in which they are incurred.

- Defined Benefit Plans

The Group has made provision for post-employment benefits so as to pay as severance pay to employees under the labor laws applicable in Thailand by actuarial technique using the projected unit credit method and presents as non-current liabilities.

Service costs and interest costs on defined benefit liability are recognized as expenses in profit or loss in which they are incurred.

Gain or loss on remeasurement of defined benefit liability is recognized in other comprehensive income for the period which it occurs and shall not be reclassified to profit or loss in a subsequent period which is included immediately in retained earnings (deficits).



### 5.15 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, which 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. Reimbursement is recognized as a separate asset, when, and only when it is virtually certain that reimbursement will be received if the Group settles the obligation, but not exceed the amount of related provision.

### 5.16 Appropriation of Legal Reserve

Appropriation of legal reserve is in accordance with the public limited companies law, which will be appropriated when it is approved by the shareholders' meeting. This legal reserve shall not be distributed as dividend.

### 5.17 Revenue Recognition

#### Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when the Group satisfies a performance obligation by transferring a promised goods or service (i.e. an asset) to customer which an asset is transferred when the customer obtains control of that asset, and measured at the amount of the transaction price that is allocated to that performance obligation.

#### Contract Assets

A contract asset is the excess of cumulative revenue earned over the billings to date. Allowance for impairment loss is provided for the estimated losses that may be incurred in customer collection. Contract assets are transferred to receivables when the rights become unconditional (i.e. services are completed).

#### Contract liabilities

A contract liability is recognised when the billings to date exceed the cumulative revenue earned and the Group have an obligation to transfer services to a customer. Contract liabilities are recognised as revenue when the Group fulfils its performance obligations under the contracts.

#### - Revenue from Sales of Goods

The Group has charged the goods from customers for promised goods to customers which are typically performance obligations satisfied at a point in time.

The Group has the business practices to grant the price concessions or the right to return the products for reason of dissatisfaction with the product, thence the transaction price includes a variable consideration of refunds, credits or price concessions to customer which the Group has estimated the amount of variable consideration by using the most likely amount method to recognize the refund liabilities and the related right to recover returned products.

Revenue from sales of goods are recognized when the goods are transferred to customers.

- Revenue from Rendering of Services

The Group has charged the services from customers for promised services to customers which the Group has rights to consideration from customers in the amounts that corresponds directly with the value to the customers of the Group's performance completed to date which are typically performance obligations satisfied over time.

Revenue from rendering of services are recognized when the services are rendered to customers in the amounts to which the Group has rights to invoice.

- Rental Income

Rental income is recognized by a straight-line method over the lease term.

- Interest Income

Interest income is recognized on the effective interest rate.

- Dividend Income

Dividend income is recognized when the Group has the right to receive dividend.

#### 5.18 Incremental Costs of Obtaining Contracts with Customers

- Incremental costs of obtaining contracts with customers which the Group expects to recover those costs within the period of over 1 year, are recognized as assets and amortized as expenses on a straight-line basis throughout the period of contracts with customers.
- Incremental costs of obtaining contracts with customers which the Group expects to recover those costs within the period of 1 year or less, are recognized as expenses when incurred, as the practical expedient.

#### 5.19 Recognition of Expenses

- Expenses are recognized on accrual basis.

## 5.20 Income Tax

Income tax comprises current tax and deferred tax, is recognized in profit or loss except to the extent that it related to a business combinations, or items recognized in other comprehensive income or recognized directly in shareholders' equity which shall be also recognize in other comprehensive income or recognized directly in shareholders' equity.

### Current Tax

Current tax is recognized at the amount expected to be paid to or recovered from the taxation authorities which is calculated in respect of the taxable profits in accordance with the regulation in tax laws using the tax rates that have been enacted by the end of the reporting period.

### Deferred Tax

Deferred tax is recognized by the statement of financial position liability method, based 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.

Deferred tax assets will be recognized only if it is probable that future taxable profit will be available to utilize the tax benefits. The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting period to the extent that equals to the probable amount of sufficient future taxable profit which the tax benefits can be utilized.

## 5.21 Earnings (Loss) per Share

Basic earnings (loss) per share are calculated by dividing profit or loss for the year attributable to the shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

There is no calculation of diluted earnings (loss) per share because it has no dilutive potential ordinary shares.

## 5.22 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group applies a quoted market price in an active market to measure the 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 will measure fair value using valuation technique that are appropriate in the

circumstances and maximizes 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 categorized within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 inputs are quoted prices in active market for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs are other observable inputs either directly or indirectly, for the assets or liabilities other than quoted price included within Level 1 inputs.

Level 3 inputs are unobservable inputs for the assets or liabilities.

At the end of each reporting period, the Group will determine the necessary of any transfers 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.

### 5.23 Significant Accounting Judgments and Estimates

The preparation of financial statements to comply with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. The significant accounting judgments and estimates are as follows:

#### **Allowance for expected credit losses of trade receivables**

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

#### **Variable Consideration from Sales of Goods**

In the sale of goods, the Group has the business practices to grant the price concessions or the right to return the products for reason of dissatisfaction with the product which the complaint on quality will mostly occur within 3 months after the goods delivery.

The management of the Group has used the comparing the rate of returned goods and discount on sales for the last 3 months of each reporting period and the returned goods and discount after that reporting period and the rate of cost of returned goods as key assumptions in estimating the amount of variable consideration from sales of goods to include as transaction price in the recognition of revenue from sales of goods, refund liabilities and the related right to recover returned products.

#### **Net Realizable Value of Inventories**

In the sale of goods, the Group has the pricing in foreign currencies on the market price which is fluctuated by the economic circumstances and exchange rate at that time.

The management of the Group has used the selling price and cost directly relating to the sale of goods occurring after the ended of reporting period, the rate of distribution costs for the year and exchange rate at that transaction date as key assumptions in estimating the value of net realizable value of inventories.

#### **Depreciation of Plant and Equipment and Right-of-use Assets and Amortization of Intangible Assets**

In determining depreciation of plant and equipment and right-of-use assets and amortization of intangible assets the management of the Group is required to make estimates of the useful lives and residual values and to review estimate useful lives (if any) and residual values when there are any changes.

In addition, the management of the Group is required to review plant and equipment, right-of-use assets and intangible assets for impairment if any and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount.

#### **Leases**

##### **Determining the Lease Term with Extension and Termination Options**

In determining the lease term, the management of the Group is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

### Estimating the Incremental Borrowing Rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management of the Group is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

### **Impairment of Non – Financial Assets**

The management of the Group has to assess the impairment of assets at each period, and has to use judgment in the consideration of recoverable amount from expected future revenues and expenses related to that asset.

### **Post-Employment Benefits – Defined Benefit Plans**

In the determining of present value of defined benefit obligations, the Group has to set the actuarial assumptions which are the best estimate on salary increase rate, mortality rate, disability rate and employee turnover rate used in estimating the expected future cash flows and discount rate used in determining the present value of expected future cash flows.

The management of the Group has used the yield on the government bonds that have term to maturity similar to the weighted average duration of defined benefit obligations which reflects the present economic circumstances as discount rate and expected salary increase rate, employee turnover rate, disability rate and mortality rate in the long-run view to comply with the characteristic of the plan which has the long term as key assumptions in the determining of present value of defined benefit obligations.

### **Deferred Tax Assets**

In the recognition of deferred tax assets, the Group has considered the probable amount of sufficient future taxable profit that can utilize the tax benefits from deferred tax assets which will be reviewed at the end of each reporting period.

The management of the Group has used the financial performance projection as key assumption in the estimating of recognized deferred tax assets in the financial statements.

## 6. Cash and Cash Equivalents

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Cash	1,328,665.24	1,439,030.57	1,328,665.24	1,439,030.57
Deposits at Financial Institutions –				
Current Accounts	30,649,343.40	1,097,996.92	27,704,837.29	1,077,696.92
Deposits at Financial Institutions –				
Savings Accounts	41,274,352.05	46,593,381.47	29,973,702.05	40,146,661.13
Total	<u>73,252,360.69</u>	<u>49,130,408.96</u>	<u>59,007,204.58</u>	<u>42,663,388.62</u>

As at 31 December 2022 and 2021, the Group have financial institutions savings deposits with financial institutions with interest rates of 0.05% – 0.35% per annum and 0.05% – 0.50% per annum respectively.

## 7. Trade and Other Current Receivables

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Trade Receivables				
Trade Receivables – Domestic	110,345,927.18	135,672,899.01	110,345,927.18	135,672,899.01
Trade Receivables – Overseas	125,401,251.96	116,932,623.76	125,401,251.96	116,932,623.76
Notes Receivable	80,031.19	2,016,551.75	80,031.19	2,016,551.75
Total	<u>235,827,210.33</u>	<u>254,622,074.52</u>	<u>235,827,210.33</u>	<u>254,622,074.52</u>
<u>Less</u> Allowance for Expected Credit Losses	<u>(29,071,043.24)</u>	<u>(30,341,218.42)</u>	<u>(29,071,043.24)</u>	<u>(30,341,218.42)</u>
Net	<u>206,756,167.09</u>	<u>224,280,856.10</u>	<u>206,756,167.09</u>	<u>224,280,856.10</u>
Other Current Receivables	54,787,050.17	52,342,040.51	54,770,850.60	52,342,040.51
<u>Less</u> Allowance for Impairment Loss	<u>(19,573,820.54)</u>	<u>(19,573,820.54)</u>	<u>(19,573,820.54)</u>	<u>(19,573,820.54)</u>
Net	<u>35,213,229.63</u>	<u>32,768,219.97</u>	<u>35,197,030.06</u>	<u>32,768,219.97</u>
Total	<u>241,969,396.72</u>	<u>257,049,076.07</u>	<u>241,953,197.15</u>	<u>257,049,076.07</u>

As at 31 December 2022 and 2021, trade receivables are classified by aging as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Within Due	105,257,547.46	141,408,644.80	105,257,547.46	141,408,644.80
Overdue 1 – 30 days	46,879,189.26	62,313,386.84	46,879,189.26	62,313,386.84
Overdue 31 – 60 days	14,774,331.93	13,015,305.77	14,774,331.93	13,015,305.77
Overdue 61 – 90 days	10,428,715.40	2,185,480.30	10,428,715.40	2,185,480.30
Overdue 91 – 180 days	19,626,314.06	1,913,910.05	19,626,314.06	1,913,910.05
Overdue 181 – 365 days	12,380,269.45	10,235,400.25	12,380,269.45	10,235,400.25
Overdue more than 365 days	26,480,842.77	23,549,946.51	26,480,842.77	23,549,946.51
Total	235,827,210.33	254,622,074.52	235,827,210.33	254,622,074.52
<u>Less</u> Allowance for Expected Credit Losses	(29,071,043.24)	(30,341,218.42)	(29,071,043.24)	(30,341,218.42)
Net	206,756,167.09	224,280,856.10	206,756,167.09	224,280,856.10

As at 31 December 2022 and 2021, other Current receivables consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Prepaid Expenses	8,181,233.26	3,418,475.33	8,181,233.26	3,418,475.33
Prepayment for Goods	23,679,893.47	21,791,947.88	23,679,893.47	21,791,947.88
Revenue Department Receivable	11,807,638.92	9,600,667.43	11,807,638.92	9,600,667.43
Other Accrued Income	3,893,329.41	8,583,310.24	3,893,329.41	8,583,310.24
Advance Payment	4,012,724.86	2,621,632.88	4,012,724.86	2,621,632.88
Others	3,212,230.25	6,326,006.75	3,196,030.68	6,326,006.75
Total	54,787,050.17	52,342,040.51	54,770,850.60	52,342,040.51
<u>Less</u> Allowance for Impairment Loss	(19,573,820.54)	(19,573,820.54)	(19,573,820.54)	(19,573,820.54)
Net	35,213,229.63	32,768,219.97	35,197,030.06	32,768,219.97



For the year ended 31 December 2022 and 2021, allowance for expected credit losses and allowance for loss from impairment have the movement as follows:

	(Unit : Baht)	
	Consolidated / Separate Financial Statements	
	For the year ended 31 December 2022	For the year ended 31 December 2021
Beginning Balance	(49,915,038.96)	(41,345,923.51)
Addition	(3,587,215.56)	(8,569,115.45)
Reverse	4,857,390.74	-
Ending Balance	<u>(48,644,863.78)</u>	<u>(49,915,038.96)</u>

## 8. Inventories

Consist of:

	(Unit : Baht)	
	Consolidated / Separate Financial Statements	
	As at 31 December 2022	As at 31 December 2021
Finished Goods	467,690,233.00	497,456,436.01
Semi-Finished Goods – Cow Nappa	364,231,949.30	498,364,420.15
Semi-Finished Goods – Cow Split	20,107,390.33	10,830,763.01
Semi-Finished Goods – Personal Protective Equipment	35,159,509.60	16,380,946.06
Goods-in-Process	124,274,132.98	94,770,907.43
Raw Materials	155,544,585.51	99,655,668.74
Chemicals	51,186,871.69	58,242,163.36
Supplies	24,083,687.16	18,884,169.34
Goods-in-Transit	105,317,517.74	48,081,393.94
Right to Recover Returned Products	885,306.35	2,172,682.16
Total	<u>1,348,481,183.66</u>	<u>1,344,839,550.20</u>
<u>Less</u> Allowance for Devaluation of Inventories	<u>(8,864,588.06)</u>	<u>(24,720,092.87)</u>
Net	<u>1,339,616,595.60</u>	<u>1,320,119,457.33</u>

For the year ended 31 December 2022 and 2021, allowance for devaluation of inventories have the movement as follows:

	(Unit : Baht)	
	Consolidated / Separate Financial Statements	
	For the year ended 31 December 2022	For the year ended 31 December 2021
Beginning Balance	(24,720,092.87)	(14,094,244.61)
Addition	(31,836,291.15)	(44,289,917.58)
Reverse	47,691,795.96	33,664,069.32
Ending Balance	<u>(8,864,588.06)</u>	<u>(24,720,092.87)</u>

As in the consolidated and separate financial statement as at 31 December 2022 and 2021, the beneficiary from insurance for inventories in the insurance contract in amount of Baht 894.10 million equally for both years, are the collateral pledged as security against all liabilities with the financial institutions as in Note 16.

## 9. Investments in Subsidiaries

Consist of:

Entity's Name	Type of Business	Country of Incorporation	Paid-Up Capital	Investment and Voting Right Ratio %	(Unit : Baht)	
					Separate Financial Statements	
					Cost Method As at 31 December 2022	As at 31 December 2021
CPL Venture Plus Company Limited	Investing in business or hold shares in other company	Thailand	65,000,000.00 (2021 : 26,500,000.00)	100.00	64,999,550.00	26,499,925.00

In accordance with the minute of the board of directors' meeting no. 2/2021 of the Company which held on 11 May 2021 the board of directors has resolved to establish CPL Venture Plus Co., Ltd. to carry out the investments in new business of the Company with authorized share capital amount of Bath 10,000,000.00 and paid-up capital amount of Baht 2,500,000.00.

In accordance with the minute of the extraordinary shareholders' meeting no. 1/2021 of CPL Venture Plus Co., Ltd. which held on 23 August 2021 has resolved to increase the registered capital in the amount of Bath 40,000,000.00 from the original amount of Bath 10,000,000.00 to amount of Bath 50,000,000.00 and paid-up amount of Bath 26,500,000.00 by CPL Venture Plus Co., Ltd. has increased its capital and registered the capital increase with the Department of Business Development on 30 August 2021.

The Extraordinary Shareholders' Meeting No.1/2022 of CPL Venture Plus Company Limited (a subsidiary company) held on 24 June 2022, it resolved to called from shareholders of 499,997 shares, divided into 400,000 shares, with the par value of Baht 40.00 per share, and 99,997 shares, with the par value of Baht 75.00 per share, totaling Baht 23,499,775.00, which the Company has paid of such capital increase.

The Extraordinary Shareholders' Meeting No.2/2022 of CPL Venture Plus Company Limited (a subsidiary company) held on 11 November 2022 it resolved to increase the registered capital of Baht 30,000,000.00 from the original registered capital of Baht 50,000,000.00 to a new registered capital of Baht 80,000,000.00 by issuing 300,000 newly issued ordinary shares with a par value of Baht 100.00 per share. The Company has paid for such shares in the amount of Baht 50.00 per share, totaling Baht 14,999,850.00 in proportion to the Company's investment.

For the year ended 31 December 2022 and 2021, the Company has not dividends received from its subsidiaries.

## 10. Investments in Associates

### 10.1 Detail of associates

							(Unit : Baht)
Entity's Name	Type of Business	Country of Incorporation	Paid-Up Capital	Investment and Voting Right Ratio		Consolidated Financial Statements	
				As at 31 December 2022	As at 31 December 2021	Equity Method As at 31 December 2022	Equity Method As at 31 December 2021
			Baht	%	%		
Integrated Leather Network Company Limited	Distribution Center of Leather	Thailand	100,000,000.00	40.00	40.00	-	-
Itt 3 Rith Company Limited	Buy and Sale of fashion shoes	Thailand	1,000,000.00	40.00	40.00	129,955.92	233,720.23
Elephant Cann Company Limited	Researching plant Species used in the production of medicines	Thailand	45,000,000.00 (2021 : 25,000,000.00)	20.00	20.00	39,035,103.82	20,000,000.00
Now End of Waste Company Limited	Wholesale of Machinery and other equipment	Thailand	5,000,000.00 (2021 : 3,000,000.00)	50.00	-	3,910,907.16	-
Total						43,075,966.90	20,233,720.23

(Unit : Baht)							
Entity's Name	Type of Business	Country of Incorporation	Paid-Up Capital	Investment and Voting Right Ratio		Separate Financial Statements	
				As at 31 December 2022	As at 31 December 2021	Equity Method As at 31 December 2022	Equity Method As at 31 December 2021
Integrated Leather Network Company Limited	Distribution Center of Leather	Thailand	Baht 100,000,000.00	% 40.00	% 40.00	-	-
Itt 3 Rith Company Limited	Buy and Sale fashion shoes	Thailand	1,000,000.00	-	40.00	-	233,720.23
Total						-	233,720.23

For the year ended 31 December 2022 and 2021, investments in associates have the movement as follows:

	(Unit : Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended 31 December 2022	For the year ended 31 December 2021	For the year ended 31 December 2022	For the year ended 31 December 2021
Beginning Carrying Amount	20,233,720.23	99,997.50	233,720.23	99,997.50
Additions During the Year	26,500,000.00	299,992.50	-	299,992.50
Advance Payment for Share	-	20,000,000.00	-	-
Share of Profit (Loss) is Recognized in Profit or Loss for the Year	(3,657,753.33)	(166,269.77)	(87,179.25)	(166,269.77)
Disposals During the Year	-	-	(146,540.98)	-
Ending Carrying Amount	<u>43,075,966.90</u>	<u>20,233,720.23</u>	<u>-</u>	<u>233,720.23</u>

### Share of Comprehensive Income

For the year ended 31 December 2022 and 2021, share of profit (loss) of associates as follows:

	(Unit : Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended 31 December 2022	For the year ended 31 December 2021	For the year ended 31 December 2022	For the year ended 31 December 2021
Integrated Leather Network Company Limited	-	-	-	-
Itt 3 Rith Company Limited	(103,764.31)	(166,269.77)	(87,179.25)	(166,269.77)
Elephant Cann Company Limited	(964,896.18)	-	-	-
Now End of Waste Company Limited	(2,589,092.84)	-	-	-
Share of Profit (Loss) is Recognized in Profit or Loss for the Year	<u>(3,657,753.33)</u>	<u>(166,269.77)</u>	<u>(87,179.25)</u>	<u>(166,269.77)</u>

As at 31 December 2022 and 2021, the Company already recognised its share of loss on investment in Integrated Leather Network Company Limited at the full value of the investment.

For the year ended 31 December 2022 and 2021, have not dividends received from associates.

As at 31 December 2021, the Company does not recognised its share of investment loss in Elephant Cann Company Limited because the value is not significant.

## **Change in Associates**

### **Consolidated Financial Statements**

#### Now End of Waste Company Limited

In accordance with the resolution of the Board of Directors' Meeting No. 2/2022 of CPL Venture Plus Company Limited, (subsidiary), held on 2 February 2022, it resolved to approve the investment in Now End of Waste Company Limited at Baht 4,500,000.00. On 11 February 2022, the payment of Baht 4,500,000.00 for the shares of the said company has already been paid and the company has received the ownership of 50,000.00 ordinary shares, equivalent to 50.00% of the total shares of Now End of Waste Company Limited and on 15 February 2022, the associates increased its registered capital by 400,000.00 shares, at a par value of Bath 10.00 per share, and called for 50.00% of the shares, on 15 February 2022, the subsidiary has already paid for the capital increase shares in proportion to the investment in amount of Baht 1,000,000.00. And on 22 August 2022, the subsidiary has already paid for the capital shares in proportion to the investment in amount of Baht 1,000,000.00, total amount of Baht 6,500,000.00.

#### Elephant Cann Company Limited

In accordance with the resolutions of the Board of Directors' Meeting No. 3/2021 of CPL Venture Plus Company Limited (subsidiary) on 4 August 2021, the Company approved the investment in Elephant Cann Co., Ltd. in the amount of Baht 40,000,000.00, on 15 September 2021 partially paid for the shares in the amount of Baht 20,000,000.00. All shares were received. 90,000 shares or 20% of total shares.

In accordance with the Minutes Extraordinary General Meeting of Shareholders No. 1/2022 held on 25 July 2022 of Elephant Cann Company Limited, it resolved to approve the Called for the remaining shares of 20.00 million baht. The subsidiary had already paid for the said shares on 31 August 2022.

### **Separate Financial Statements**

#### Itt 3 Rith Company Limited

In accordance with the Minutes Board of Directors' Meeting No. 1/2022 held on 11 February 2022 of CPL Group Public Company Limited, it resolved to approve the disposal of ordinary shares of Itt 3 Rith Co., Ltd. (I3R), an associated company, at the ratio of 40.00% of the associates registered and paid-up share capital. On 10 March 2022, the Company entered into investment in I3R sales and purchase agreement with CPL Venture Plus Company Limited, a subsidiary, (the buyer) at the selling

price of Baht 399,990.00. On 7 March 2022, the Company has already received the payment for the shares and transferred the ownership for I3R ordinary shares to the subsidiary.

I3R information on investment disposal date is as follow:

	(Unit : Baht)
	Separate Financial Statements
Net Compensation from Disposal of Investment in Associate	399,990.00
Investment Value in the Associate by the Equity Method on Investment Disposal Date	(146,540.98)
Profit from Disposal of Investment in Associate	<u>253,449.02</u>

## 10.2 Summarized financial information of Associates

Summarized financial information of significant associate is as follows:

	Integrated Leather Network Company Limited		Itt 3 Rith Company Limited		Elephant Cann Company Limited		Now End of Waste Company Limited
	As at	As at	As at	As at	As at	As at	As at
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022
Current Assets	4,093,189.45	3,973,077.07	812,944.62	1,466,170.79	31,168,993.71	19,625,488.24	2,108,747.80
Non-Current Assets	1,057,468.47	1,421,011.08	-	-	34,689,364.02	200,000.00	16,144.65
Current Liabilities	(73,585,177.61)	(71,734,115.68)	(677,480.69)	(881,870.22)	(6,141,354.66)	(40,000.00)	(3,508,169.36)
Non-Current Liabilities	(5,000,000.00)	(5,000,000.00)	-	-	(24,540,217.94)	-	-
Net Assets	(73,434,519.69)	(71,340,027.53)	135,463.93	584,300.57	35,176,785.13	19,785,488.24	(1,383,276.91)
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the period	For the period
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	15 September 2021 to 31 December 2021	15 February 2022 to 31 December 2022
Revenue	25,031.95	2,217,412.77	2,130,401.02	1,248,007.37	19,655.98	60,938.08	1,200,264.65
Profit (Loss) for the Year	(2,094,492.16)	(7,950,873.33)	(448,836.64)	(402,138.43)	(4,608,703.11)	(215,777.79)	(5,178,185.67)
Other Comprehensive Income for the Year	-	-	-	-	-	-	-
Total Comprehensive Income for the Year	(2,094,492.16)	(7,950,873.33)	(448,836.64)	(402,138.43)	(4,608,703.11)	(215,777.79)	(5,178,185.67)
Dividend from Associates during the Year	-	-	-	-	-	-	-



The reconciliations of the above financial information with the carrying amount of investment in associates which is recognized in the consolidated the financial statements are as follows:

(Unit : Baht)							
	Integrated Leather Network Company Limited		Itt 3 Rith Company Limited		Elephant Cann Company Limited		Now End of Waste Company Limited
	As at	As at	As at	As at	As at	As at	As at
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022
Net Assets	(73,434,519.69)	(71,340,027.53)	135,463.93	584,300.57	35,176,785.13	19,785,488.24	(1,383,276.91)
Investment Ratio (%)	40.00	40.00	40.00	40.00	20.00	20.00	50.00
Investments value by Investment Ratio	(29,373,807.88)	(28,536,011.01)	54,185.58	233,720.23	7,035,357.03	3,957,097.65	(691,638.46)
Ending (Profit) Loss in Assets	-	-	75,770.34	-	-	-	-
Goodwill	-	-	-	-	31,999,746.79	15,999,746.79	4,602,545.62
Ending Unrecognized Share of Loss	29,373,807.88	28,536,011.01	-	-	-	43,155.56	-
Carrying Amount of Investments	-	-	129,955.92	233,720.23	39,035,103.82	20,000,000.00	3,910,907.16
	For the year ended		For the year ended		For the year ended		For the period
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	15 September 2021 to	For the period
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	15 February 2022 to 31 December 2022
Profit (Loss) for the Year	(2,094,492.16)	(7,950,873.33)	(448,836.64)	(402,138.43)	(4,608,703.11)	(215,777.79)	(5,178,185.67)
Profit (Loss) Unrecognized of the Previous Year	-	-	-	(13,536.00)	(215,777.79)	-	-
Total	(2,094,492.16)	(7,950,873.33)	(448,836.64)	(415,674.43)	(4,824,480.90)	(215,777.79)	(5,178,185.67)
Investment Ratio (%)	40.00	40.00	40.00	40.00	20.00	20.00	50.00
Investments value by Investment Ratio	(837,796.86)	(3,180,349.33)	(179,534.65)	(166,269.77)	(964,896.18)	(43,155.56)	(2,589,092.84)
Gain on assets recognized during the Year	-	-	75,770.34	-	-	-	-
Ending Unrecognized Share of Loss	837,796.86	3,180,349.33	-	-	-	43,155.56	-
Share of Loss of Associates	-	-	(103,764.31)	(166,269.77)	(964,896.18)	-	(2,589,092.84)

## 11. Long-Term Loan to the Other Company

As at 31 December 2022, according to the consolidated financial statements, long-term loan to the other company is loan in foreign exchange. The loan amount of EUR 100,000.00 has an interest rate of 10.00% per annum for the period from 15 December 2022 to 1 July 2024. The said loan can be converted into investment in startup business according to the conditions specified in the contract (Convertible Note Term Sheet).

## 12. Investment Property

Consist of:

	(Unit : Baht)	
	Land and Land Improvements	
	Consolidate / Separate Financial Statements	
	For the year ended	For the year ended
	31 December 2022	31 December 2021
<b>Beginning Balance</b>		
Cost	124,988,568.42	124,988,568.42
Carrying Amount	124,988,568.42	124,988,568.42
<b>Transactions During the Year</b>		
Beginning Balance	124,988,568.42	124,988,568.42
Purchase of Assets	-	-
Sale of Assets	-	-
Ending Balance	124,988,568.42	124,988,568.42
<b>Ending Balance</b>		
Cost	124,988,568.42	124,988,568.42
Carrying Amount	124,988,568.42	124,988,568.42

As in the consolidated and separate financial statement as at 31 December 2022 and 2021, investment property is land and land improvements which the Company has held while presently has not yet identified the purpose of future use, has the fair value in the amount of Baht 185.36 million equally for both years. The Group has measured the fair value from the appraisal results by the independence appraiser with the market approach and the cost approach as report dated 24 May 2021, which are Level 3 inputs.

### 13. Property, Plant and Equipment

Consist of:

	Consolidate / Separate Financial Statements								(Unit : Baht)
	Land and Land Improvements	Buildings and Buildings Improvements	Machines and Equipment	Tools	Fixtures and Office Equipment	Vehicles	Assets under Construction	Assets In Transit	Total
Beginning Balance as at 1 January 2022									
Cost	98,165,178.96	433,695,351.07	650,156,590.86	7,366,783.14	59,195,487.33	82,443,792.71	2,125,969.00	4,407,379.60	1,337,556,532.67
<u>Less</u> Accumulated Depreciation	-	(285,819,546.87)	(398,259,306.76)	(6,444,951.10)	(52,629,389.38)	(69,855,785.33)	-	-	(813,008,979.44)
Carrying Amount	98,165,178.96	147,875,804.20	251,897,284.10	921,832.04	6,566,097.95	12,588,007.38	2,125,969.00	4,407,379.60	524,547,553.23
Transactions during the year ended 31 December 2022									
Purchase of Assets	-	2,263,373.76	3,760,709.76	111,135.29	2,829,905.71	-	26,409,121.27	11,133,724.56	46,507,970.35
Transfer In (Transfer Out)	-	4,793,461.44	32,905,954.49	-	506,905.31	-	(5,674,647.63)	(4,528,962.78)	28,002,710.83
Disposal of Assets	(2,900,000.00)	-	(1,130,285.70)	-	(225,547.66)	(2,079,785.05)	-	-	(6,335,618.41)
Write-off of Assets	-	(433,461.97)	(4,120,227.46)	(32,878.13)	(1,064,417.03)	(25,680.00)	-	-	(5,676,664.59)
Depreciation recognized in Profit (Loss) for the year	-	(17,777,452.88)	(35,537,968.17)	(460,233.06)	(3,966,315.71)	(2,427,324.33)	-	-	(60,169,294.15)
Depreciation on (Transfer In) Transfer Out	-	-	(10,213,156.17)	-	-	-	-	-	(10,213,156.17)
Depreciation on Disposal	-	1,648,360.56	1,130,284.70	-	225,179.09	2,079,782.05	-	-	5,083,606.40
Depreciation on write-off	-	433,457.97	3,896,513.03	32,873.13	1,025,734.27	24,497.63	-	-	5,413,076.03
Ending Carrying Amount	95,265,178.96	138,803,543.08	242,589,108.58	572,729.27	5,897,541.93	10,159,497.68	22,860,442.64	11,012,141.38	527,160,183.52
Ending Balance as at 31 December 2022									
Cost	95,265,178.96	440,318,724.30	681,572,649.95	7,445,040.30	61,242,333.66	80,338,327.66	22,860,442.64	11,012,141.38	1,400,054,838.85
<u>Less</u> Accumulated Depreciation	-	(301,515,181.22)	(438,983,541.37)	(6,872,311.03)	(55,344,791.73)	(70,178,829.98)	-	-	(872,894,655.33)
Carrying Amount	95,265,178.96	138,803,543.08	242,589,108.58	572,729.27	5,897,541.93	10,159,497.68	22,860,442.64	11,012,141.38	527,160,183.52

As at 31 December 2022, the Group have assets which had fully of depreciation that is still in use have the gross carrying amount before less accumulated depreciation in the amount of Baht 583.73 million.

## Consolidate / Separate Financial Statements

									(Unit : Baht)
	Land and Land Improvements	Buildings and Buildings Improvements	Machines and Equipment	Tools	Fixtures and Office Equipment	Vehicles	Assets under Construction	Assets In Transit	Total
Beginning Balance as at 1 January 2021									
Cost	98,165,178.96	432,850,064.16	653,379,140.87	7,206,054.28	58,114,278.35	73,418,086.67	1,535,000.00	-	1,324,667,803.29
<u>Less</u> Accumulated Depreciation	-	(268,092,668.83)	(390,498,039.77)	(6,012,067.50)	(48,545,425.30)	(62,018,715.72)	-	-	(775,166,917.12)
Carrying Amount	98,165,178.96	164,757,395.33	262,881,101.10	1,193,986.78	9,568,853.05	11,399,370.95	1,535,000.00	-	549,500,886.17
Transactions during the year ended 31 December 2021									
Purchase of Assets	-	215,496.07	4,100,079.10	89,600.00	1,301,311.02	-	2,003,525.35	4,407,379.60	12,117,391.14
Transfer In (Transfer Out)	-	629,790.84	22,823,032.74	182,162.60	389,115.94	14,987,006.04	(1,412,556.35)	-	37,598,551.81
Disposal of Assets	-	-	(20,763,792.23)	-	(7,640.20)	(5,961,300.00)	-	-	(26,732,732.43)
Write-off of Assets	-	-	(9,381,869.62)	(111,033.74)	(601,577.78)	-	-	-	(10,094,481.14)
Depreciation recognized in Profit (Loss) for the year	-	(17,726,878.04)	(35,955,367.99)	(536,815.18)	(4,524,067.72)	(2,365,196.16)	-	-	(61,108,325.09)
Depreciation on (Transfer In) Transfer Out	-	-	(1,736,393.77)	(5,586.56)	(37,590.44)	(11,433,169.45)	-	-	(13,212,740.22)
Depreciation on Disposal	-	-	20,703,027.40	-	981.37	5,961,296.00	-	-	26,665,304.77
Depreciation on write-off	-	-	9,227,467.37	109,518.14	476,712.71	-	-	-	9,813,698.22
Ending Carrying Amount	98,165,178.96	147,875,804.20	251,897,284.10	921,832.04	6,566,097.95	12,588,007.38	2,125,969.00	4,407,379.60	524,547,553.23
Ending Balance as at 31 December 2021									
Cost	98,165,178.96	433,695,351.07	650,156,590.86	7,366,783.14	59,195,487.33	82,443,792.71	2,125,969.00	4,407,379.60	1,337,556,532.67
<u>Less</u> Accumulated Depreciation	-	(285,819,546.87)	(398,259,306.76)	(6,444,951.10)	(52,629,389.38)	(69,855,785.33)	-	-	(813,008,979.44)
Carrying Amount	98,165,178.96	147,875,804.20	251,897,284.10	921,832.04	6,566,097.95	12,588,007.38	2,125,969.00	4,407,379.60	524,547,553.23

As at 31 December 2021, the Group have assets which had fully of depreciation that is still in use have the gross carrying amount before less accumulated depreciation in the amount of Baht 563.80 million.

As in the consolidated and separate financial statement as at 31 December 2022 and 2021, a part of property, plant and equipment in the carrying amount of Baht 87.24 million and Baht 92.28 million respectively, together with the beneficiary from insurance in the insurance contract amount of Baht 724.70 million equally for both years, are the collateral pledged as security against all liabilities with the financial institutions as in Note 16.

## 14. Right-of-Use Assets and Lease Liabilities

### 14.1 Right-of-Use Assets

Consist of:

	Consolidate / Separate Financial Statements			(Unit : Baht)
	Buildings	Machines	Vehicle	Total
Beginning Balance as at 1 January 2022				
Cost	50,850,295.42	26,273,652.89	9,117,041.71	86,240,990.02
<u>Less</u> Accumulated Depreciation	(21,072,453.07)	(8,878,535.76)	(1,130,218.97)	(31,081,207.80)
Carrying Amount	29,777,842.35	17,395,117.13	7,986,822.74	55,159,782.22
Transactions during the Year ended 31 December 2022				
Increase	1,333,096.14	-	14,694,479.44	16,027,575.58
Transfer In (Transfer Out)	-	(26,273,652.89)	-	(26,273,652.89)
Depreciation on Transfer Out	-	9,897,165.74	-	9,897,165.74
Depreciation for the Year	(10,543,641.16)	(1,018,629.98)	(2,529,534.82)	(14,091,805.96)
Ending Carrying Amount	20,567,297.33	-	20,151,767.36	40,719,064.69
Ending Balance as at 31 December 2022				
Cost	52,183,391.56	-	23,811,521.15	75,994,912.71
<u>Less</u> Accumulated Depreciation	(31,616,094.23)	-	(3,659,753.79)	(35,275,848.02)
Carrying Amount	20,567,297.33	-	20,151,767.36	40,719,064.69

## Consolidate / Separate Financial Statements

(Unit : Baht)

	Buildings	Machines	Vehicle	Total
Beginning Balance as at 1 January 2021				
Cost	50,850,295.42	36,239,822.71	17,867,316.28	104,957,434.41
<u>Less</u> Accumulated Depreciation	(10,536,226.51)	(7,616,041.17)	(10,519,663.69)	(28,671,931.37)
Carrying Amount	40,314,068.91	28,623,781.54	7,347,652.59	76,285,503.04
Transactions during the Year ended 31 December 2021				
Increase	-	-	5,852,994.99	5,852,994.99
Transfer In (Transfer Out)	-	(9,966,169.82)	(14,603,269.56)	(24,569,439.38)
Depreciation on Transfer Out	-	1,337,006.04	11,412,154.36	12,749,160.40
Depreciation for the Year	(10,536,226.56)	(2,599,500.63)	(2,022,709.64)	(15,158,436.83)
Ending Carrying Amount	29,777,842.35	17,395,117.13	7,986,822.74	55,159,782.22
Ending Balance as at 31 December 2021				
Cost	50,850,295.42	26,273,652.89	9,117,041.71	86,240,990.02
<u>Less</u> Accumulated Depreciation	(21,072,453.07)	(8,878,535.76)	(1,130,218.97)	(31,081,207.80)
Carrying Amount	29,777,842.35	17,395,117.13	7,986,822.74	55,159,782.22

## 14.2 Lease Liabilities

Consist of:

(Unit : Baht)

## Consolidated / Separate Financial Statements

	As at 31 December 2022	As at 31 December 2021
Lease Liabilities	35,758,082.49	43,046,563.11
<u>Less</u> Deferred Interest	(2,656,548.22)	(1,294,145.51)
Total	33,101,534.27	41,752,417.60
<u>Less</u> Current Portion of Lease Liabilities	(13,336,592.43)	(17,801,397.08)
Net	19,764,941.84	23,951,020.52

## Minimum Amount Payable Under Long Term Lease as follows

(Unit : Baht)		
Consolidated / Separate Financial Statements		
	As at	As at
	31 December 2022	31 December 2021
Within 1 year	13,336,592.43	17,801,397.08
Later than 1 year but not later than 5 years	19,764,941.84	23,951,020.52
Total	33,101,534.27	41,752,417.60

## Expenses relating to leases that are recognized in the income statements

(Unit : Baht)		
Consolidated / Separate Financial Statements		
	For the year ended	For the year ended
	31 December 2022	31 December 2021
Depreciation expenses of right-of-use assets	14,091,805.96	15,158,436.83
Interest expenses on lease liabilities	1,436,111.41	2,114,123.74
Total	15,527,917.37	17,272,560.57

**15. Deferred Taxes**

Deferred taxes calculated at tax rate of 20%. The deferred taxation related to the temporary differences between the carrying amount and the tax bases of assets and liabilities of the Group are summarized below:

(Unit : Baht)				
Consolidated / Separate Financial Statements				
	As at	Recognized in	Recognized in	As at
	1 January 2022	Profit (Loss)	Other Comprehensive	31 December 2022
		for the Year	Income	
<b>Deferred Tax Assets</b>				
Allowance for Expected Credit Losses	9,983,007.79	(254,035.03)	-	9,728,972.76
Allowance for Devaluation of Inventories	4,944,018.57	(3,171,100.96)	-	1,772,917.61
Allowance for Impairment of				
Non-Current Assets	687,434.29	-	-	687,434.29

(Unit : Baht)

Consolidated / Separate Financial Statements				
	As at 1 January 2022	Recognized in Profit (Loss) for the Year	Recognized in Other Comprehensive Income	As at 31 December 2022
Sales with Right to Return				
Refund Liabilities	1,637,974.42	(1,071,027.39)	-	566,947.03
Right to Recover Returned Products	(434,536.43)	257,475.16	-	(177,061.27)
Derivatives Liabilities	2,148,240.74	(2,148,240.74)	-	-
Non-Current Provisions				
for Employee Benefits	11,235,524.98	(287,922.16)	9,136.12	10,956,738.94
Tax Losses	40,292,898.77	(479,635.42)	-	39,813,263.35
Total	<u>70,494,563.13</u>	<u>(7,154,486.54)</u>	<u>9,136.12</u>	<u>63,349,212.71</u>
<b>Deferred Tax Liabilities</b>				
Derivatives Assets	-	(191,480.40)	-	(191,480.40)
Right-of-Use Assets	(3,114,978.76)	652,326.80	-	(2,462,651.96)
Total	<u>(3,114,978.76)</u>	<u>460,846.40</u>	<u>-</u>	<u>(2,654,132.36)</u>

(Unit : Baht)

Consolidated / Separate Financial Statements				
	As at 1 January 2021	Recognized in Profit (Loss) for the period	Recognized in Other Comprehensive Income	As at 31 December 2021
<b>Deferred Tax Assets</b>				
Allowance for Expected Credit Losses	8,269,184.70	1,713,823.09	-	9,983,007.79
Allowance for Devaluation of Inventories	2,818,848.92	2,125,169.65	-	4,944,018.57
Allowance for Devaluation of				
Non-Current Assets	-	687,434.29	-	687,434.29
Sales with Right to Return				
Refund Liabilities	2,081,184.16	(443,209.74)	-	1,637,974.42
Right to Recover Returned Products	(2,655,143.30)	2,220,606.87	-	(434,536.43)
Derivatives Liabilities	322,983.10	1,825,257.64	-	2,148,240.74



(Unit : Baht)

	Consolidated / Separate Financial Statements			
	As at 1 January 2021	Recognized in Profit (Loss) for the period	Recognized in Other Comprehensive Income	As at 31 December 2021
Non-Current Provisions				
for Employee Benefits	11,372,731.15	(139,006.10)	1,799.93	11,235,524.98
Tax Losses	38,162,934.03	2,129,964.74	-	40,292,898.77
Total	<u>60,372,722.76</u>	<u>10,120,040.44</u>	<u>1,799.93</u>	<u>70,494,563.13</u>
<b>Deferred Tax Liabilities</b>				
Right-of-Use Assets	(3,032,346.30)	(82,632.46)	-	(3,114,978.76)
Total	<u>(3,032,346.30)</u>	<u>(82,632.46)</u>	<u>-</u>	<u>(3,114,978.76)</u>

## 16. Credits and Guarantees

As at 31 December 2022 and 2021, the Group and the Company has obtained the credit facilities from several financial institutions in form of overdrafts, promissory notes, letters of credit, trust receipts, letters of guarantee and currency forward contracts totaling in the amount of Baht 2,647.00 million and of Baht 2,692.00 million respectively, letters of credit in the amount of USD 3.00 million and corporate credit card in the amount of amount of Baht 5.10 million equally for both years. Such credit facilities are secured by the collateral as the transferring of beneficiary from insurance for inventories of the Company as in Note 8, property, plant and equipment of the Company together with the transferring of beneficiary from insurance as in Note 13 and the guarantee of the directors of the Company.

## 17. Overdrafts and Short-Term Borrowings from Financial Institutions

Consist of:

	(Unit : Baht)	
	Consolidated / Separate Financial Statements	
	As at	As at
	31 December 2022	31 December 2021
Overdrafts	9,212,918.84	70,218,714.72
Promissory Notes	260,000,000.00	235,000,000.00
Trust Receipts	713,619,150.82	567,894,766.38
Total	<u>982,832,069.66</u>	<u>873,113,481.10</u>

As in the consolidated and separate financial statements as at 31 December 2022 and 2021, the whole amount of overdrafts is bank overdrafts, the interest rate of 6.34% per annum and 5.820 – 7.025% per annum respectively.

As in the consolidated and separate financial statements as at 31 December 2022 and 2021, the whole amount of promissory notes is promissory notes for 3 – 6 months and 2 – 6 months respectively, the interest rate of 3.10 – 4.45% per annum and 2.90 – 4.40% per annum respectively.

As in the consolidated and separate financial statements as at 31 December 2022 and 2021, the whole amount of trust receipts is trust receipts for ordering the overseas goods, the interest rate of 2.81 – 3.87% per annum and of 1.22 – 4.25% per annum respectively. Under the terms of trust receipt contracts, the Group and the Company has received the ordered goods by using the credit of the financial institutions, thence the Group and the Company constitutes obligation to the financial institutions for such goods both that kept or disposed.

As in the consolidated and separate financial statements as at 31 December 2022 and 2021, overdrafts and short-term borrowings from financial institutions are secured by the collateral as in Note 16.

## 18. Trade and Other Current Payables

Consist of:

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Trade Payables				
Trade Payables – Domestic	223,095,082.83	187,386,058.09	223,095,082.83	187,386,058.09
Trade Payables – Overseas	34,813,068.92	42,618,418.66	34,813,068.92	42,618,418.66
Total	257,908,151.75	230,004,476.75	257,908,151.75	230,004,476.75
Other Current Payables	90,269,442.78	97,980,304.17	90,247,542.78	97,969,169.17
Total	348,177,594.53	327,984,780.92	348,155,694.53	327,973,645.92

As at 31 December 2022 and 2021, other Current payables consist of:

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Refund Liabilities	2,834,735.14	8,189,872.12	2,834,735.14	8,189,872.12
Accrued Expenses	52,044,054.62	49,416,796.39	52,022,604.62	49,416,796.39
Asset Payables	346,443.72	150,014.00	346,443.72	150,014.00
Accrued Interest Expenses	887,057.17	756,188.38	887,057.17	756,188.38
Dividend Payables	922,989.70	1,015,405.24	922,989.70	1,015,405.24
Accrued Special Severance Pay for Retirement	3,494,000.00	3,494,000.00	3,494,000.00	3,494,000.00
Marginal Deposit Under the Tanning Contract	17,366,750.00	16,796,450.00	17,366,750.00	16,796,450.00
Others	12,373,412.43	18,161,578.04	12,372,962.43	18,150,443.04
Total	90,269,442.78	97,980,304.17	90,247,542.78	97,969,169.17

## 19. Long-Term Borrowings from Financial Institutions

Consist of:

		(Unit : Baht)	
		Consolidated / Separate Financial Statements	
		As at	As at
		31 December 2022	31 December 2021
Current			
Not later than 1 year		40,351,000.00	62,485,000.00
Total Current		40,351,000.00	62,485,000.00
Non-Current			
Later than 1 year but not later than 5 years		5,316,000.00	44,550,000.00
Total Non-Current		5,316,000.00	44,550,000.00
Total		45,667,000.00	107,035,000.00

As at 31 December 2022 and 2021, long-term borrowings have terms and conditions as follows:

(Unit : Baht)					
Consolidated / Separate Financial Statements					
No.	Total Limit		Outstanding Balance		Terms and Conditions
	As at	As at	As at	As at	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	
1	40,000,000.00	40,000,000.00	6,650,000.00	14,654,000.00	The principal and interest shall be paid monthly with the principal repayment in amount of Baht 667,000.00 per month for a period of 5 years, the interest rate of MLR-1.00% per annum.
2	27,000,000.00	27,000,000.00	4,950,000.00	10,350,000.00	The principal and interest shall be paid monthly with the principal repayment in amount of Baht 450,000.00 per month for a period of 5 years, the interest rate of MLR-2.15% per annum.
3	40,000,000.00	40,000,000.00	13,987,000.00	21,991,000.00	The principal and interest shall be paid monthly with the principal repayment in amount of Baht 667,000.00 per month for a period of 5 years, the interest rate of MLR-2.15% per annum.

(Unit : Baht)

Consolidated / Separate Financial Statements					
No.	Total Limit		Outstanding Balance		Terms and Conditions
	As at	As at	As at	As at	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	
4	100,000,000.00	100,000,000.00	20,080,000.00	60,040,000.00	The principal and interest shall be paid monthly with the principal repayment in amount of Baht 3,330,000.00 per month for a period of 2.5 years, the interest rate of MLR-1.75% per annum.
Total	<u>207,000,000.00</u>	<u>207,000,000.00</u>	<u>45,667,000.00</u>	<u>107,035,000.00</u>	

As in the consolidated and separate financial statements as at 31 December 2022 and 2021, long-term borrowings have the significant terms and conditions that the Company has to comply the ongoing financial covenants as follows:

- Debt service coverage ratio in the rate as at the year ended of financial statement is not lower than 1.25 times.
- Interest-bearing debt to equity in the rate not exceeding 1.50 times.
- Debt to equity ratio in the rate not exceeding 2.00 times.

As at 31 December 2022 and 2021, long-term borrowings are secured by the collateral as in Note 16.

## 20. Derivatives Liabilities

As at 31 December 2022 and 2021, Derivatives Assets and liabilities arise from foreign currency forward contract with several commercial bank as follows:

(Unit : Baht)		
Consolidated / Separate Financial Statements		
	As at	As at
	31 December 2022	31 December 2021
<b>Derivatives Assets</b>		
Foreign currency forward contracts	957,402.01	-
Total	<u>957,402.01</u>	<u>-</u>
<b>Derivatives Liabilities</b>		
Foreign currency forward contracts	-	10,741,203.72
Total	<u>-</u>	<u>10,741,203.72</u>

The fair value of financial instruments that are not traded in an active market (Over the counter) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on the Company specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

## 21. Non-Current Provisions for Employee Benefits

Consist of:

	(Unit : Baht)	
	Consolidated / Separate Financial Statements	
	As at 31 December 2022	As at 31 December 2021
Post-Employment Benefits		
Defined Benefit Plans	54,783,694.71	56,177,624.90
Total	<u>54,783,694.71</u>	<u>56,177,624.90</u>

### 21.1 Characteristic of Defined Benefit Plan

As at 31 December 2022 and 2021, the Group has operated the post-employment benefit plan which is unfunded defined benefit plan according to final salary that the Group has to pay as severance pay to employees on retirement in accordance with the labor law of Thailand. Therefore, the Company consequently has to take the actuarial risk to pay the agreed benefits to employees.

## 21.2 Amounts in the Financial Statements related to Post-Employment Benefit Plans

For the year ended 31 December 2022 and 2021, amounts in the financial statements related to post-employment benefit plan have the movement as follows:

(Unit : Baht)		
	Consolidated / Separate Financial Statements	
	For the year ended	For the year ended
	31 December 2022	31 December 2021
Beginning Balance	56,177,624.90	56,863,655.77
Recognized in Profit (Loss) for the Year		
Current Service Costs	3,834,138.42	3,728,088.14
Interest Costs	501,213.79	728,007.35
Total Recognized in Profit (Loss) for the Year	4,335,352.21	4,456,095.49
Recognized in Other Comprehensive Income		
(Gain) Loss on Remeasurement of Defined Benefit Plans		
Experience Adjustment	45,680.60	8,999.64
Total Recognized in Other Comprehensive Income (Expense)	45,680.60	8,999.64
Benefits Paid	(5,774,963.00)	(5,151,126.00)
Ending Balance	54,783,694.71	56,177,624.90

Expenses recognized in profit or loss above are included in the follows.

(Unit : Baht)		
	Consolidated / Separate Financial Statements	
	For the year ended	For the year ended
	31 December 2022	31 December 2021
Costs of Sales and Rendering of Services	1,950,305.54	1,942,926.84
Distribution Costs and Administrative Expenses	2,385,046.67	2,513,168.65
Total	4,335,352.21	4,456,095.49

As at 31 December 2022 and 2021, the key assumptions used in the actuarial valuation for post-employment benefit plans are summarized as follows:

	Consolidated / Separate Financial Statements	
	As at	As at
	31 December 2022	31 December 2021
Discount Rate	1.59% per annum	1.59% per annum
Salary Increase Rate	3.00% per annum	3.00% per annum
Employee Turnover Rate	3.82 – 45.84% per annum	3.82 – 45.84% per annum
Mortality Rate	100.00%	100.00%
	of Thai Mortality	of Thai Mortality
	Ordinary Table 2017	Ordinary Table 2017
Disability Rate	5.00%	5.00%
	of Mortality Rate	of Mortality Rate
Retirement Age	60 years	60 years

### 21.3 Sensitivity Analysis of Key Assumptions Used in Actuarial Valuation for Post-Employment Benefit Plans

As at 31 December 2022 and 2021, sensitivity analysis of each key assumption while holding all other assumptions constant which have been affected by changes in the relevant actuarial assumption that were reasonably possible on defined benefit obligations as at the end of the reporting period is summarized as follows:

	(Unit : Baht)	
	Consolidated / Separate Financial Statements	
	As at	As at
	31 December 2022	31 December 2021
Discount Rate		
Increased by 1.00%	(2,177,293.53)	(2,201,170.30)
Decreased by 1.00%	2,039,738.71	2,057,303.83
Salary Increase Rate		
Increased by 1.00%	4,199,572.41	3,825,555.91
Decreased by 1.00%	(4,751,563.37)	(4,318,243.07)



(Unit : Baht)

## Consolidated / Separate Financial Statements

	As at 31 December 2022	As at 31 December 2021
Employee Turnover Rate		
Increased by 20.00%	(5,267,991.18)	(4,773,321.17)
Decreased by 20.00%	6,411,276.11	5,776,662.59
Mortality Rate		
Increased by 20.00%	(559,426.90)	(514,159.89)
Decreased by 20.00%	566,899.87	520,916.70

## 21.4 Maturity of Defined Benefit Obligations

As at 31 December 2022 and 2021, weighted average duration of defined benefit obligations is 10 years annum equally for both years.

The Group has not presented the expected maturity analysis of undiscounted cash flows for benefit payment, but provided the sensitivity of several key assumptions.

## 22. Share Capital

For the year ended 31 December 2022 and 2021, share capital has the movements as follows:

	Consolidated / Separate Financial Statements					
	For the year ended 31 December 2022			For the year ended 31 December 2021		
	Par Value	Number of	Amount	Par Value	Number of	Amount
		Share			Share	
	Baht per Share	Shares	Baht	Baht per Share	Shares	Baht
<b>Authorized Share Capital</b>						
Beginning Ordinary Shares	1.00	439,844,340	439,844,340.00	1.00	439,844,340	439,844,340.00
Ending Ordinary Shares	1.00	439,844,340	439,844,340.00	1.00	439,844,340	439,844,340.00
<b>Issued and Paid-Up</b>						
<b>Share Capital</b>						
Beginning Ordinary Shares	1.00	439,844,284	439,844,284.00	1.00	439,844,284	439,844,284.00
Ending Ordinary Shares	1.00	439,844,284	439,844,284.00	1.00	439,844,284	439,844,284.00

### **23. Legal Reserve**

In accordance with the Public Limited Companies Act B.E. 2535, the Company has to appropriate not less than 5% of its annual net profit less any accumulated losses brought forward (if any) to a reserve account, until this account reaches an amount not less than 10% of the authorized share capital. This legal reserve shall not be distributed as dividend.

### **24. Appropriation of Legal Reserve and Dividends**

On 28 April 2022, the Annual General Meeting of the Shareholders of the Company for 2022 has passed the resolution to approve the appropriation of profit for 2021 as legal reserve in amount of Baht 3,452,938.92 and the dividend payment to the ordinary shareholders of the Company at the rate of Baht 0.05 per share, totaling in amount of Baht 21,992,217.00 (actual payment in amount of Baht 21,991,964.20), which the dividend shall be paid on 20 May 2022.

On 28 April 2021, the Annual General Meeting of the Shareholders of the Company for 2021 has passed the resolution to approve the appropriation of profit for 2020 as legal reserve in amount of Baht 943,481.11 and the dividend payment to the ordinary shareholders of the Company at the rate of Baht 0.02 per share, totaling in amount of Baht 8,796,885.68 (actual payment in amount of Baht 8,780,765.68), which the dividend shall be paid on 10 May 2021.

### **25. Capital Management**

The primary objectives of the Group's capital management are to maintain the abilities to continue as a going concern and the optimal capital structure.

The Group monitors capital using debt to equity ratio which is calculated by dividing the liabilities as in the statement of financial position with the shareholders' equity as in the statement of financial position.

As at 31 December 2022 and 2021, The consolidated financial statements present the debt to equity ratio in 1.50:1 and 1.45:1 respectively and the separate financial statements present the debt to equity ratio in 1.49:1 and 1.45:1 respectively.

## 26. Other Income

Consist of:

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended 31 December 2022	For the year ended 31 December 2021	For the year ended 31 December 2022	For the year ended 31 December 2021
Interest Income	99,220.36	108,738.38	79,550.31	106,904.70
Rental and Service Income	15,101,941.74	13,219,248.48	15,101,941.74	13,219,248.48
Gain on Sale of Property, Plant and Equipment	7,673,354.23	1,483,334.73	7,673,354.23	1,483,334.73
Others	5,247,711.77	2,188,270.08	5,247,711.77	2,188,270.08
Total	<u>28,122,228.10</u>	<u>16,999,591.67</u>	<u>28,102,558.05</u>	<u>16,997,757.99</u>

## 27. Provident Fund

The Group and its employees has jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530, which is contributed by the employees and the Company, and will be paid to the employees upon retirement in accordance with the regulation of the fund.

For the year ended 31 December 2022 and 2021, as in the consolidated and separate financial statements, the Group has recognized the contribution as expenses in the amount of Baht 4.03 million and of Baht 3.79 million respectively.

**28. Expenses by Nature**

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended	For the year ended	For the year ended	For the year ended
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Changes in Finished Goods and				
Work-in-Process	106,340,257.45	(268,731,097.04)	106,340,257.45	(268,731,097.04)
Raw Material and Chemical Used	1,330,091,303.32	1,072,861,440.29	1,330,091,303.32	1,072,861,440.29
Employee Benefit Expenses	391,071,998.99	319,305,993.12	391,071,998.99	319,305,993.12
Managements' Remuneration	33,094,152.89	28,077,702.06	33,094,152.89	28,077,702.06
Depreciation	74,969,441.90	78,151,524.02	74,969,441.90	78,151,524.02
Amortization of Other Intangible Assets	1,277,895.24	1,519,216.22	1,277,895.24	1,519,216.22
Transportation Expenses	25,536,229.12	15,689,235.34	25,536,229.12	15,689,235.34
Sale Promotion Expenses	33,381,637.83	25,613,251.59	33,381,637.83	25,613,251.59
Rental and Utility Expenses	88,036,319.52	72,915,749.57	88,036,319.52	72,915,749.57

**29. Tax (Expense) Income**

## 29.1 Tax (Expense) Revenue which is recognized in Profit (Loss) for the Year

(Unit : Baht)

	Consolidated / Separate Financial Statements	
	For the year ended	For the year ended
	31 December 2022	31 December 2021
Current Tax		
Tax (Expense) Revenue for Current Year	-	-
Deferred Tax		
Deferred Tax (Expense) Revenue	(6,693,640.14)	10,037,407.98
Tax (Expense) Revenue recognized in Profit (Loss) for the Year	<u>(6,693,640.14)</u>	<u>10,037,407.98</u>

For the year ended 31 December 2022 and 2021, the relationship between tax (expense) revenue and accounting profit (loss) in the form of reconciliation between tax (expense) revenue and the product of taxable profit by the applicable tax rate at 20% is as follows:

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended 31 December 2022	For the year ended 31 December 2021	For the year ended 31 December 2022	For the year ended 31 December 2021
Profit (Loss) before income tax	26,124,989.40	59,021,370.40	30,023,042.45	59,065,391.72
Tax (Expense) Revenue by the				
Tax Rate at 20%	(5,224,997.88)	(11,804,274.08)	(6,004,608.49)	(11,813,078.34)
Non-Deductible (Revenue) Expense	(872,421.65)	21,213,251.96	(872,421.65)	21,213,251.96
Additional Expenses for Tax Purpose	183,390.00	637,234.36	183,390.00	637,234.36
Tax Losses for the Current Year which no Deferred Tax Asset was Recognised	(779,610.61)	(8,804.26)	-	-
Tax (Expense) Revenue	(6,693,640.14)	10,037,407.98	(6,693,640.14)	10,037,407.98

## 29.2 Tax (Expense) Revenue which is recognized in Other Comprehensive Income

(Unit : Baht)

	Consolidated / Separate Financial Statements					
	For the year ended 31 December 2022			For the year ended 31 December 2021		
	Amount	Tax	Amount	Amount	Tax	Amount
	Before Tax	(Expense)	Net of Tax	Before Tax	(Expense) Income	Net of Tax
			Income			
Gain (Loss) on Remeasurement of Defined Benefit Plans	(45,680.60)	(9,136.12)	(36,544.48)	(8,999.64)	1,799.93	(7,199.71)
Total	(45,680.60)	(9,136.12)	(36,544.48)	(8,999.64)	1,799.93	(7,199.71)

## 29.3 Deductible Temporary Differences for which no Deferred Tax Asset is recognized

(Unit : Baht)

	Consolidated / Separate Financial Statements	
	As at 31 December 2022	As at 31 December 2021
Investments in Associates	40,000,000.00	40,000,000.00
Total	40,000,000.00	40,000,000.00

Deductible temporary differences for which no deferred tax asset is recognized, have no expiry date under the current tax legislation.

The Group has not recognized deferred tax asset for the above deductible temporary differences associated with investments in associates, because the Company has not yet intended to dispose these investments.

The Group has not recognized deferred tax asset for the above unused tax losses, because the Company is not probable that the future taxable profit will be available that the tax benefits can be utilized.

### **30. Segment Information and Disaggregation of Revenue from Contracts**

#### **30.1 General Information about Segment**

The Group has identified the reportable segments from the structure of internal managerial and financial information system of the Company according to the types of goods and services which are the operating segments that the management of the Group has use the segment profit (loss) before income tax in the financial performance review regularly as follows:

- Tannery industry segment which has revenue from sales of finished leather products and rendering service of tanning.
- Personal protective equipment segment which has revenue from sales of personal protective equipment products.

#### **30.2 Information about Segment Profit or Loss**

Inter-reportable segment transactions are carried out at arm's length and are eliminated from the financial report of the Group.

Segment revenue and profit or loss include items directly attribute to a segment as well as these that can be allocated on a reasonable basis with revenue and profit or loss in the financial report of the Group.

For the year ended 31 December 2022 and 2021, the segment information is presented as follows:

(Unit : Thousand Baht)

Consolidated Financial Statements						
For the year ended 31 December 2022						
	Reportable Segment			Eliminated Transaction	Total	
	Tannery Industry		Personal Protective			
	Finished Leather	Tanning	Total	Equipment		
Revenue from Sales and Rendering of Services						
External Customers	1,662,736	87,596	1,750,332	625,181	-	2,375,513
Inter-Segment	40,186	190,605	230,791	821	(231,612)	-
Total	1,702,922	278,201	1,981,123	626,002	(231,612)	2,375,513
Disaggregation of Sales and Rendering of Services						
Geographical Region						
Domestic	275,472	78,135	353,607	612,332	(231,612)	734,327
Overseas	1,427,450	200,066	1,627,516	13,670	-	1,641,186
Total	1,702,922	278,201	1,981,123	626,002	(231,612)	2,375,513
Gross Profit			156,655	241,589	-	398,244
Other Income			5,252	22,870	-	28,122
Distribution Costs			(56,909)	(131,707)	-	(188,616)
Administrative Expenses			(88,884)	(73,534)	-	(162,418)
Gain (Loss) on Exchange Rate			(10,318)	(431)	-	(10,749)
Finance Costs			(21,683)	(13,117)	-	(34,800)
Share of Profit (Loss) of Investment in Associates			(3,571)	(87)	-	(3,658)
Profit (Loss) before Income Tax			(19,458)	45,583	-	26,125
Tax (Expense) Income						(6,694)
Profit for the Year						19,431
Depreciation and Amortization						76,247

(Unit : Thousand Baht)

Consolidated Financial Statements						
For the year ended 31 December 2021						
	Reportable Segment				Eliminated	Total
	Tannery Industry			Personal Protective	Transactions	
	Finished Leather	Tanning	Total	Equipment		
Revenue from Contracts with Customers						
External Customers	1,187,679	47,203	1,234,882	642,768	-	1,877,650
Inter-Segment	16,347	173,428	189,775	-	(189,775)	-
Total	1,204,026	220,631	1,424,657	642,768	(189,775)	1,877,650
Disaggregation of Revenue from Contracts						
with Customers						
Geographical Region						
Domestic	211,682	30,491	242,173	632,084	(46,838)	827,419
Overseas	992,344	190,140	1,182,484	10,684	(142,937)	1,050,231
Total	1,204,026	220,631	1,424,657	642,768	(189,775)	1,877,650
Gross Profit			146,777	275,738	-	422,515
Other Income			3,165	13,834	-	16,999
Distribution Costs			(33,081)	(120,089)	-	(153,170)
Administrative Expenses			(89,292)	(67,461)	-	(156,753)
(Gain) Loss on Exchange Rate			(38,337)	841	-	(37,496)
Finance Costs			(20,795)	(12,113)	-	(32,908)
Share of Profit (Loss) of Associates			-	(166)	-	(166)
Profit (Loss) before Income Tax			(31,563)	90,584	-	59,021
Tax (Expense) Income						10,038
Profit for the Year						69,059
Depreciation and Amortization						
						79,671

### 30.3 Information about Major Customers

As in the consolidated and separate financial statements for the year ended 31 December 2022 and 2021, the Group has no major customer with revenue of 10% or more of the Group revenue.



### 31. Financial Instruments

#### 31.1 Financial Risk Management Policy

The Group has exposure to interest rate risk, exchange rate risk and credit risk which the Company will consider to use the appropriate financial instruments to manage those risks. However, the Group does not have policy to hold or issue any derivative financial instruments for speculation or trading.

#### 31.2 Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. Currency risk of the Company is mainly associated with purchase of raw materials and machinery and sale of goods in foreign currencies.

As at 31 December 2022 and 2021, the Group has financial assets and financial liabilities which expose to the currency risk as follows:

Currencies	Consolidated / Separate Financial Statements			
	Financial Assets		Financial Liabilities	
	As at	As at	As at	As at
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
United States Dollar	3,778,406.35	3,705,158.66	1,596,352.29	15,650,569.65
Singapore Dollar	1,058.00	-	-	-
Euro Zone	83,150.00	18,339.00	251,208.36	1,549,592.50
China Yuan	37,340.00	37,340.00	-	-
Hong Kong Dollar	101.00	101.00	-	-
Great Britain Pound	1,060.00	-	-	228.93
Dong Viet Nam	346,000.00	100,000.00	-	-

#### 31.3 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

As at 31 December 2022 and 2021, the Group has financial assets and financial liabilities which expose to the interest rate the risk as follows:

(Unit : Baht)

Consolidated Financial Statements					
As at 31 December 2022					
	Interest Bearing		Non-Interest	Total	Interest Rate
	Floating Rate	Fixed Rate	Bearing		% per annum
<u>Financial Assets</u>					
Cash and Cash Equivalents	33,007,497.19	-	40,244,863.50	73,252,360.69	0.05 - 0.35
Trade and Other Current Receivables	-	-	241,969,396.72	241,969,396.72	-
Derivatives Assets	-	-	957,402.01	957,402.01	-
Long-Term Loan to the Other Company	-	3,742,000.00	-	3,742,000.00	10.00
Long-Term Loans to Employees	-	183,291.00	-	183,291.00	6.00
<u>Financial Liabilities</u>					
Overdrafts from Bank	9,212,918.84	-	-	9,212,918.84	6.34
Short-Term Borrowings from					
Financial Institutions					
Thailand Baht	704,428,931.64	260,000,000.00	-	964,428,931.64	2.92 - 4.45
Foreign Currencies	9,190,219.18	-	-	9,190,219.18	2.31 - 3.87
Trade and Other Current Payables	-	-	348,177,594.53	348,177,594.53	-
Long-Term Borrowings from					
Financial Institutions					
	45,667,000.00	-	-	45,667,000.00	4.85 - 5.50
Finance Lease Liabilities	-	33,101,534.27	-	33,101,534.27	1.69 - 4.40

(Unit : Baht)

Consolidated Financial Statements					
As at 31 December 2021					
	Interest Bearing		Non-Interest	Total	Interest Rate
	Floating Rate	Fixed Rate	Bearing		% per annum
<u>Financial Assets</u>					
Cash and Cash Equivalents	46,593,381.47	-	2,537,027.49	49,130,408.96	0.05 - 0.50
Trade and Other Current Receivables	-	-	257,049,076.07	257,049,076.07	-
Long-Term Loans to Employees	-	242,181.00	-	242,181.00	6.00

(Unit : Baht)

## Consolidated Financial Statements

	As at 31 December 2021				
	Interest Bearing		Non-Interest	Total	Interest Rate
	Floating Rate	Fixed Rate	Bearing		% per annum
<u>Financial Liabilities</u>					
Overdrafts from Bank	70,218,714.72	-	-	70,218,714.72	5.82 - 7.025
Short-Term Borrowings from					
Financial Institutions					
Thailand Baht	62,818,552.85	235,000,000.00	-	297,818,552.85	2.90 - 4.40
Foreign Currencies	505,076,213.53	-	-	505,076,213.53	1.22 - 2.39
Trade and Other Current Payables	-	-	327,984,780.92	327,984,780.92	-
Derivatives Liabilities	-	-	10,741,203.72	10,741,203.72	-
Long-Term Borrowings from					
Financial Institutions	107,035,000.00	-	-	107,035,000.00	4.25 - 4.85
Finance Lease Liabilities	-	41,752,417.60	-	41,752,417.60	0.35 - 4.18

(Unit : Baht)

## Separate Financial Statements

	As at 31 December 2022				
	Interest Bearing		Non-Interest	Total	Interest Rate
	Floating Rate	Fixed Rate	Bearing		% per annum
<u>Financial Assets</u>					
Cash and Cash Equivalents	30,062,991.08	-	28,944,213.50	59,007,204.58	0.05 - 0.35
Trade and Other Current Receivables	-	-	241,953,197.15	241,953,197.15	-
Derivatives Assets	-	-	957,402.01	957,402.01	-
Long-Term Loans to Employees	-	183,291.00	-	183,291.00	0.60
<u>Financial Liabilities</u>					
Overdrafts from Bank	9,212,918.84	-	-	9,212,918.84	6.34
Short-Term Borrowings from					
Financial Institutions					
Thailand Baht	704,428,931.64	260,000,000.00	-	964,428,931.64	2.92 - 4.45
Foreign Currencies	9,190,219.18	-	-	9,190,219.18	2.31 - 3.87
Trade and Other Current Payables	-	-	348,155,694.53	348,155,694.53	-
Long-Term Borrowings from					
Financial Institutions	45,667,000.00	-	-	45,667,000.00	4.85 - 5.50
Finance Lease Liabilities	-	33,101,534.27	-	33,101,534.27	1.69 - 4.40

(Unit : Baht)

Separate Financial Statements					
As at 31 December 2021					
	Interest Bearing		Non-Interest	Total	Interest Rate
	Floating Rate	Fixed Rate	Bearing		% per annum
<u>Financial Assets</u>					
Cash and Cash Equivalents	40,146,661.13	-	2,516,727.49	42,663,388.62	0.05 - 0.50
Trade and Other Current Receivables	-	-	257,049,076.07	257,049,076.07	-
Long-Term Loans to Employees	-	242,181.00	-	242,181.00	6.00
<u>Financial Liabilities</u>					
Overdrafts	70,218,714.72	-	-	70,218,714.72	5.82 - 7.025
Short-Term Borrowings from					
Financial Institutions					
Thailand Baht	62,818,552.85	235,000,000.00	-	297,818,552.87	2.90 - 4.40
Foreign Currencies	505,076,213.51	-	-	505,076,213.51	1.22 - 2.39
Trade and Other Current Payables	-	-	327,973,645.92	327,973,645.92	-
Derivatives Liabilities	-	-	10,741,203.72	10,741,203.72	-
Long-Term Borrowings from	107,035,000.00	-	-	107,035,000.00	4.25 - 4.85
Financial Institutions					
Finance Lease Liabilities	-	41,752,417.60	-	41,752,417.60	0.35 - 4.18

As at 31 December 2022 and 2021, the Group does not use any financial instrument to manage the interest rate risk.

#### 31.4 Credit Risk

Credit risk is the risk that one party to the financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk of the Company is associated with concentrations of credit and default on collection from financial institution deposits and receivables.

As at 31 December 2022 and 2021, the Group has the maximum potential credit loss equals to the carrying amount of financial institution deposits and receivables presented in the statement of financial position.

As at 31 December 2022 and 2021, the Group has managed the credit risk as follows:

Group of Financial Assets	Credit Risk Management
Financial Institution Deposits	Consideration of the credit rating of financial institutions and credit facilities granted with the Company.
Receivables	Consideration of the credit quality of the receivable from financial position and past experience of collection and required some customers have to open letter of credit or make the advance payment for goods.

### 31.5 Classification and Measurement of Financial Assets and Liabilities

(Unit : Baht)

Consolidated Financial Statements				
As at 31 December 2022				
	Carrying value		Fair Value	
	Fair value through profit or loss	Amortised cost	Total	
<b>Financial Assets</b>				
Cash and Cash Equivalents	-	73,252,360.69	73,252,360.69	73,252,360.69
Trade and Other Current Receivables	-	241,969,396.72	241,969,396.72	241,969,396.72
Derivatives Assets	957,402.01	-	957,402.01	957,402.01
Long-Term Loan to the Other Company	-	3,742,000.00	3,742,000.00	3,742,000.00
Long-Term Loans to Employees	-	183,291.00	183,291.00	183,291.00
Total	957,402.01	319,147,048.41	320,104,450.42	320,104,450.42
<b>Financial Liabilities</b>				
Overdrafts and Short-Term Borrowings				
from Financial Institutions	-	982,832,069.66	982,832,069.66	982,832,069.66
Trade and Other Current Payables	-	348,177,594.53	348,177,594.53	348,177,594.53
Long-Term Borrowings from				
Financial Institutions	-	45,667,000.00	45,667,000.00	45,667,000.00
Lease Liabilities	-	33,101,534.27	33,101,534.27	33,101,534.27
Total	-	1,409,778,198.46	1,409,778,198.46	1,409,778,198.46

(Unit : Baht)

## Consolidated Financial Statements

As at 31 December 2021

		Carrying value		Fair Value
	Fair value through profit or loss	Amortised cost	Total	
<u>Financial Assets</u>				
Cash and Cash Equivalents	-	49,130,408.96	49,130,408.96	49,130,408.96
Trade and Other Current Receivables	-	257,049,076.07	257,049,076.07	257,049,076.07
Long-Term Loans to Employees	-	242,181.00	242,181.00	242,181.00
Total	-	306,421,666.03	306,421,666.03	306,421,666.03
<u>Financial Liabilities</u>				
Overdrafts and Short-Term Borrowings				
from Financial Institutions	-	873,113,481.10	873,113,481.10	873,113,481.10
Trade and Other Current Payables	-	327,984,780.92	327,984,780.92	327,984,780.92
Derivatives Liabilities	10,741,203.72	-	10,741,203.72	10,741,203.72
Long-Term Borrowings from				
Financial Institutions	-	107,035,000.00	107,035,000.00	107,035,000.00
Lease Liabilities	-	41,752,417.60	41,752,417.60	41,752,417.60
Total	10,741,203.72	1,349,885,679.62	1,360,626,883.34	1,360,626,883.34

(Unit : Baht)

## Separate Financial Statements

As at 31 December 2022

		Carrying value		Fair Value
		Fair value through profit or loss	Amortised cost	Total
<u>Financial Assets</u>				
Cash and Cash Equivalents	-	59,007,204.58	59,007,204.58	59,007,204.58
Trade and Other Current Receivables	-	241,953,197.15	241,953,197.15	241,953,197.15
Derivatives Assets	957,402.01	-	957,402.01	957,402.01
Long-Term Loans to Employees	-	183,291.00	183,291.00	183,291.00
Total	957,402.01	301,143,692.73	302,101,094.74	302,101,094.74

(Unit : Baht)

## Separate Financial Statements

As at 31 December 2022

		Carrying value		Fair Value
	Fair value through profit or loss	Amortised cost	Total	
<u>Financial Liabilities</u>				
Overdrafts and Short-Term Borrowings				
from Financial Institutions	-	982,832,069.66	982,832,069.66	982,832,069.66
Trade and Other Current Payables	-	348,155,694.53	348,155,694.53	348,155,694.53
Long-Term Borrowings from Financial Institutions	-	45,667,000.00	45,667,000.00	45,667,000.00
Lease Liabilities	-	33,101,534.27	33,101,534.27	33,101,534.27
Total	-	1,409,756,298.46	1,409,756,298.46	1,409,756,298.46

(Unit : Baht)

## Separate Financial Statements

As at 31 December 2021

		Carrying value		Fair Value
	Fair value through profit or loss	Amortised cost	Total	
<u>Financial Assets</u>				
Cash and Cash Equivalents	-	42,663,388.62	42,663,388.62	42,663,388.62
Trade and Other Current Receivables	-	257,049,076.07	257,049,076.07	257,049,076.07
Long-Term Loans to Employees	-	242,181.00	242,181.00	242,181.00
Total	-	299,954,645.69	299,954,645.69	299,954,645.69

Financial Liabilities

## Overdrafts and Short-Term Borrowings

from Financial Institutions	-	873,113,481.10	873,113,481.10	873,113,481.10
Trade and Other Current Payables	-	327,973,645.92	327,973,645.92	327,973,645.92
Derivatives Liabilities	10,741,203.72	-	10,741,203.72	10,741,203.72
Long-Term Borrowings from Financial Institutions	-	107,035,000.00	107,035,000.00	107,035,000.00
Lease Liabilities	-	41,752,417.60	41,752,417.60	41,752,417.60
Total	10,741,203.72	1,349,874,544.62	1,360,615,748.34	1,360,615,748.34

During the current year, there are no changes in valuation techniques and there are no transfers between fair value hierarchy for financial assets and financial liabilities measured at fair value in the statement of financial position on a recurring basis held at the end of the reporting period.

### 31.6 Fair Value of Financial Instruments

Due to financial assets and financial liabilities which have a short maturity period and short-term and loans and borrowings are bearing interest rate closely to market rate, the Group's management believes that the fair value of those financial assets and financial liabilities do not materially differ from their carrying amount as shown in statement of financial position.

### 31.7 Fair Value Hierarchy

As at 31 December 2022 and 2021, the Group has financial assets and liabilities that are recognized at fair value or disclosed fair value, classified according to the hierarchy of fair value as follows:

(Unit : Baht)

Consolidate/Separate Financial Statements					
As at 31 December 2022					
	Carrying Amount	Fair Value			
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
<b>Assets for which fair value are disclosed</b>					
Investment Property	124,988,568.42	-	-	185,360,000.00	185,360,000.00
<b>Assets measured at fair value</b>					
Derivatives	957,402.01	-	957,402.01	-	957,402.01

(Unit : Baht)

Consolidate/Separate Financial Statements					
As at 31 December 2021					
	Carrying Amount	Fair Value			
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
<b>Assets for which fair value are disclosed</b>					
Investment Property	124,988,568.42	-	-	185,360,000.00	185,360,000.00
<b>Liabilities measured at fair value</b>					
Derivatives	10,741,203.72	-	10,741,203.72	-	10,741,203.72



### 32. Related Party Transactions

The Company has significant business transactions with the related parties. Such transactions are concluded on commercial terms and bases agreed upon between the Company and those related parties which are in ordinary course of business, are summarized as follows:

#### 32.1 Nature of Relationship of the Company

Names of Related Parties	Nature of Relationship
CPL Venture Plus Company Limited	Subsidiary by Direct Shareholding
Integrated Leather Network Company Limited	Associate by Direct Shareholding
Itt 3 Rith Company Limited	Associate by Indirectly Shareholding via Subsidiary
Elephant Cann Company Limited	Associate by Indirectly Shareholding via Subsidiary
Now End of Waste Company Limited	Associate by Indirectly Shareholding via Subsidiary
Eagle Chemical Industry Company Limited	Related Entity by Common Group of Shareholders and Executives
Applied DB Public Company Limited	Related Entity by Common Group of Shareholders and Executives
Mimi Industrial Company Limited	Related Entity by Common Group of Shareholders and Executives
Manwood Intertrade Company Limited	Related Entity by Common Group of Shareholders and Executives
Thai Wiring System Company Limited	Related Entity by Common Group of Shareholders and Executives
TTN Nonwoven Solution Company Limited	Related Entity by Common Group of Shareholders and Executives
CS Rubber Industry Company Limited	Related Entity by Common Group of Shareholders and Executives
Charoensin Asset Company Limited	Related Entity by Common Group of Shareholders and Executives
Charoensin Holding Company Limited	Related Entity by Common Group of Shareholders and Executives
Charoensin Thanee Company Limited	Related Entity by Common Group of Shareholders and Executives
Charoensin Condotown Company Limited	Related Entity by Common Group of Shareholders and Executives
Charoensin Tanning Industry Company Limited	Related Entity by Common Group of Shareholders and Executives
Charoensin Resident Company Limited	Related Entity by Common Group of Shareholders and Executives
Smart Sense Industrial Design Company Limited	Related Entity by Common Group of Shareholders and Executives
Tanning Industrial Zone K.M. 34 Company Limited	Related Entity by Common Group of Shareholders and Executives
CSJ Rubber Sheet Company Limited	Related Entity by Common Group of Shareholders and Executives
CS Metal Parts Company Limited	Related Entity by Common Group of Shareholders and Executives
CS Mitsufuku Elastomers Company Limited	Related Entity by Common Group of Shareholders and Executives
Sahakol Equipment Public Company Limited	Related Entity by Common Group of Shareholders and Executives
UR Family Company Limited	Related Entity by Common Group of Shareholders and Executives
Khun Puvasith Wongcharoensin	Related Person by being the Director and Shareholder of the Company

Names of Related Parties	Nature of Relationship
Khun Natthajak Wongcharoensin	Related Person by being the Shareholder of the Company and Director and Shareholder of the Related Entity
Khun Thavatchai Wongcharoensin	Related Person by being the Shareholder and Ex-Director of the Company
Khun Lai Chi-Hsiang	Related Person by being the Shareholder and Ex-Director of the Company
Khun Artid Chenpreecha	Related Person by being the Shareholder and Ex-Director of the Company

### 32.2 Inter-Transactions

		(Unit : Baht)	
		Consolidated / Separate Financial Statements	
Pricing Policies		For the year ended 31 December 2022	For the year ended 31 December 2021
<b>Associates</b>			
Revenue from Sales	Comparable prices with other entities	2,566,709.63	1,276,150.00
Consultancy Income	Mutual agreed prices	1,050,000.00	-
Consultancy Expense	Mutual agreed prices	-	1,166,431.44
Service Fee	Mutual agreed prices	-	3,585.04
<b>Related Entities</b>			
Revenue from Sales	Comparable prices with other entities	1,419,419.93	1,631,948.45
Other Income	Mutual agreed prices	406,666.32	610,534.32
Sales of Assets	Mutual agreed prices	8,848,598.13	6,741.00
Purchase of Finished Goods	Mutual agreed prices	762,200.00	335,900.00
Purchase of Raw Materials	Mutual agreed prices	343,487,284.50	274,508,003.00
Purchase of Supplies	Mutual agreed prices	2,188,510.00	1,740,490.00
Other Cost	Mutual agreed prices	26,460,182.73	22,431,932.69
Purchase of Assets	Mutual agreed prices	46,010.00	4,000.00
Rental Expense	Mutual agreed prices	1,342,030.17	1,157,865.96
Consultancy Expense	Mutual agreed prices	3,000,000.00	1,250,000.00
<b>Related Persons</b>			
Consultancy Expense	Mutual agreed prices	3,600,000.00	3,600,000.00
Other Expenses	Mutual agreed prices	-	259,927.24
Interest Express	2.50% per year	240,410.96	-

## 32.3 Inter-Outstanding Balances

		(Unit : Baht)	
		Consolidated / Separate Financial Statements	
		As at	As at
		31 December 2022	31 December 2021
<b>Trade Receivables</b>			
Associates		1,918,542.10	734,464.01
Related Entities		996,265.77	298,454.78
Total		2,914,807.87	1,032,918.79
<b>Prepayment for Goods</b>			
Associates		6,525,424.57	6,525,424.57
Related Entities		32,954.79	338,015.15
Total		6,558,379.36	6,863,439.72
<u>Less</u> Allowance for Impairment Loss		(6,525,424.57)	(6,525,424.57)
Net		32,954.79	338,015.15
<b>Other Receivables</b>			
Associates		749,000.00	-
Related Entities		18,418.95	24,455.89
Total		767,418.95	24,455.89
<b>Trade Payables</b>			
Related Entities		145,157,794.30	126,921,929.29
Total		145,157,794.30	126,921,929.29
<b>Accrued Expenses</b>			
Related Entities		5,346.45	123,670.52
Related Persons		3,693,300.53	3,753,867.65
Total		3,698,646.98	3,877,538.17
<b>Other Payables</b>			
Related Entities		44,149.12	28,606.13
Related Persons		15,400.00	800.00
Total		59,549.12	29,406.13

(Unit : Baht)		
	Consolidated / Separate Financial Statements	
	As at	As at
	31 December 2022	31 December 2021
<b>Short-Term Borrowings</b>		
Related Person		
Beginning Balance	-	-
Additional Borrowings	40,000,000.00	-
Repayment	(40,000,000.00)	-
Ending Balance	-	-
<b>Lease Liabilities</b>		
Related Entities	18,027,016.00	27,099,016.00
Related Persons	360,000.00	540,000.00
Total	18,387,016.00	27,639,016.00

#### 32.4 Inter-Obligations

As at 31 December 2022 and 2021, the Company has obligations in accordance with the professional or consultant hire contracts with related persons as in Note 34.2.

As at 31 December 2022 and 2021, the Company has obligations in accordance with the service contracts with related entities as in Note 34.3.

#### 32.5 Key Management Personnel Compensation

(Unit : Baht)		
	Consolidated / Separate Financial Statements	
	For the year ended	For the year ended
	31 December 2022	31 December 2021
Short-Term Employee Benefits	32,194,450.00	27,261,900.00
Post-Employment Benefits		
Defined Contribution Plans	572,740.00	485,984.00
Defined Benefit Plans	326,962.89	329,818.06
Total	33,094,152.89	28,077,702.06

### 33. Cash Flows Information

#### 33.1 Non-Cash Transactions

Consist of:

(Unit : Baht)

	Consolidated / Separate Financial Statements	
	For the year ended	For the year ended
	31 December 2022	31 December 2021
Acquisition of Property, Plant and Equipment		
By assuming Assets Payable		
Value of Assets in Property, Plant and Equipment	323,779.18	140,200.00
Value Added Tax in Other Current Receivables	22,664.54	9,814.00
Transfer Inventories to Property, Plant and Equipment	499,397.45	-
Transfer Other Current Receivables to Property, Plant and Equipment	-	1,818.86
Transfer Right-of-Use Assets to Property, Plant and Equipment	16,376,487.15	11,820,278.98
Transfer Other Non-Current Assets to Property, Plant and Equipment	968,670.06	12,959,244.42
Rights-of-Use Assets increased from the Lease Agreement	16,002,090.67	5,852,994.99
Transfer Property, Plant and Equipment to Intangible Assets	55,000.00	395,530.67
Gain (Loss) on Remeasurement of Defined Benefit Plans		
which is recognized in Other Comprehensive Income (Expense)	45,680.60	8,999.64
Accrued Dividend	-	1,354.59

### 33.2 Changes in Liabilities arising from Financing Activities

For the year ended 31 December 2022 and 2021, changes in liabilities arising from financing activities have the movement as follows:

(Unit : Baht)

Consolidated / Separate Financial Statements					
For the year ended 31 December 2022					
	Beginning Balance	Changes from	Effect of	Other Changes	Ending Balance
	As at	Financing	Changes in		As at
	1 January 2022	Cash Flows	Foreign		31 December 2022
			Exchange Rates		
Overdrafts and Short-Term Borrowings					
from Financial Institutions	873,113,481.10	109,775,236.25	(56,647.69)	-	982,832,069.66
Long-Term Borrowings					
from Financial Institutions					
Current	62,485,000.00	(61,368,000.00)	-	39,234,000.00	40,351,000.00
Non-Current	44,550,000.00	-	-	(39,234,000.00)	5,316,000.00
Finance Lease Liabilities					
Current	17,801,397.08	(18,938,158.11)	-	14,473,353.46	13,336,592.43
Non-Current	23,951,020.52	-	-	(4,186,078.68)	19,764,941.84
Accrued Interest Expenses	756,188.38	(32,798,365.16)	-	32,929,233.95	887,057.17
Total	1,022,657,087.08	(3,329,287.02)	(56,647.69)	43,216,508.73	1,062,487,661.10

(Unit : Baht)

Consolidated / Separate Financial Statements					
For the year ended 31 December 2021					
	Beginning Balance	Changes from	Effect of	Other Changes	Ending Balance
	As at	Financing	Changes in		As at
	1 January 2021	Cash Flows	Foreign		31 December 2021
			Exchange Rates		
Overdrafts and Short-Term Borrowings					
from Financial Institutions	662,487,909.76	207,549,884.63	3,075,686.71	-	873,113,481.10
Long-Term Borrowings					
from Financial Institutions					
Current	58,483,000.00	(57,366,000.00)	-	61,368,000.00	62,485,000.00
Non-Current	105,918,000.00	-	-	(61,368,000.00)	44,550,000.00
Finance Lease Liabilities					
Current	19,414,295.16	(21,095,633.07)	-	19,482,734.99	17,801,397.08
Non-Current	39,557,326.52	-	-	(15,606,306.00)	23,951,020.52
Accrued Interest Expenses	612,406.63	(32,764,090.59)	-	32,907,872.34	756,188.38
Total	886,472,938.07	96,324,160.97	3,075,686.71	36,784,301.33	1,022,657,087.08

### 34. Obligations and Contingent Liabilities

In addition to liabilities in the statement of financial position as at 31 December 2022 and 2021, the Group has obligations and contingent liabilities as follows:

34.1 As at 31 December 2022 and 2021, the Group has obligations and contingent liabilities with financial institutions as follows:

	Consolidated / Separate Financial Statements					
	As at 31 December 2022			As at 31 December 2021		
	Total Limit	Utilized Limit	Remaining Limit	Total Limit	Utilized Limit	Remaining Limit
Overdrafts						
Million Baht	100.00	(9.21)	90.79	100.00	(70.22)	29.78
Promissory Notes, Letters of Credit and Trust Receipts						
Million Baht	1,412.00	(1,013.30)	398.70	1,527.00	(770.07)	756.93
Million USD	3.00	-	3.00	3.00	-	3.00
Letters of Guarantee						
Million Baht	15.00	(6.42)	8.58	15.00	(7.09)	7.91
Currency Forward Contracts						
Million Baht	1,120.00	(426.44)	693.56	1,050.00	(270.84)	779.16
Corporate Credit Card						
Million Baht	5.10	(0.62)	4.48	5.10	(0.55)	4.55

34.2 As at 31 December 2022 and 2021, the Company has obligations in accordance with the professional or consultant hire contracts with related persons. The contractual term is 12 months, the consultancy rate is in amount of Baht 0.10 million per month equally for both years.

34.3 As at 31 December 2021, the Company has obligations in accordance with the service contracts with related entities. The contractual term is 12 months period ended 31 December 2022 amount of Baht 720,000 respectively.

34.4 As at 31 December 2022 and 2021, the Company has obligations in accordance with the service contracts with other entities as follows:

(Unit : Million Baht)		
Consolidated / Separate Financial Statements		
	As at	As at
	31 December 2022	31 December 2021
Not later than 1 year	16.01	17.36
Later than 1 year but not later than 5 years	7.87	10.05
Total	<u>23.88</u>	<u>27.41</u>

34.5 As at 31 December 2022 and 2021, the Company has obligations to future lease payments in accordance with the office equipment lease contracts with other entities as follows:

(Unit : Million Baht)		
Consolidated / Separate Financial Statements		
	As at	As at
	31 December 2022	31 December 2021
Not later than 1 year	0.11	0.20
Later than 1 year but not later than 5 years	-	0.01
Total	<u>0.11</u>	<u>0.21</u>

34.6 As at 31 December 2022 and 2021, the Company has obligations to future payments for capital expenditure with other entities to acquire significant property, plant and equipment which are not yet recognized is in amount of Baht 4.92 million and amount of Baht 1.36 million respectively.

34.7 As at 31 December 2021, the subsidiary has an obligation in accordance with the joint venture agreement between the subsidiary and other person in amount of Baht 20.00 million.



### 35. Reclassifications

The financial information for the prior year which is presented as comparative information has been reclassified for comparability with the classification in the financial statements for the current year, which does not have any effect on profit (loss) for the year or the shareholders' equity already reported, are summarized as follows:

(Unit : Baht)

	Consolidated / Separate Financial Statements		
	As Previously Reported	Reclassification	As Currently Reported
<b>Statement of Financial Position</b>			
<b>As at 31 December 2021</b>			
Trade and Other Current Receivables	260,607,316.65	(3,558,240.58)	257,049,076.07
Contract Assets	-	3,558,240.58	3,558,240.58

### 36. Approval of the Financial Statements

These financial statements have been approved for issue by the Board of Directors of CPL Group Public Company Limited on 27 February 2023.

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