

**Somboon Advance Technology Public Company
Limited and its Subsidiaries**

Financial statements for the year ended
31 December 2023
and
Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Somboon Advance Technology Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Somboon Advance Technology Public Company Limited and its subsidiaries (the "Group") and of Somboon Advance Technology Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2023, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2023 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). 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 is relevant to my audit of the consolidated and separate 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.

Valuation of inventories	
Refer to Note 3(g) and 7 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>Financial performance of the Group is mainly dependent upon the automotive market and car manufacturers. Sales volume of each product of the Group depends on demand of each car model which can vary. Fluctuations on sale of car manufacturers and changing in the technology for car manufacturing of each model may result in slow-moving inventories especially supplies and spare parts for machinery. The management has to use judgment in order to set up policy for allowance for decline in value for each aging of inventories.</p> <p>I focused on valuation of inventories because this account is significant. Also, the allowance for decline in value of inventories subject to significant estimation and judgment of the management. Therefore, I considered this matter as key audit matter.</p>	<p>Our audit procedures performed included:</p> <ul style="list-style-type: none"> - inquiring of the management in order to understand the Group's policy relating to estimation of allowance for decline in value of inventories; - assessing the reasonableness of management's assumptions use for the above estimation by considering the historical data and inventory turnover analysis; - testing the inventory aging report by, on a sampling basis, inspecting supporting documents to assess an appropriateness of aging classification as well as testing the calculation of allowance for decline in value whether it is in accordance with the Group's policy; - assessing adequacy of disclosures in the financial statements according to TFRSs.

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. The annual report 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 will 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 identified above when it becomes available 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 and request that the correction be made.

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 TFRSs, and for such internal control as management determines is necessary to enable the preparation of 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 related 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's 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 TSAs 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 TSAs, 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's 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's 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, actions taken to eliminate threats or safeguards applied.

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 communication.

(Songchai Wongpiriyaporn)
Certified Public Accountant
Registration No. 10996

KPMG Phoomchai Audit Ltd.
Bangkok
21 February 2024

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2023	2022	2023	2022
		(in Baht)			
<i>Current assets</i>					
Cash and cash equivalents	5	2,073,183,376	1,998,048,701	385,186,086	584,954,217
Other current financial assets	20	1,240,594,295	1,137,896,671	454,806,142	210,166,792
Trade accounts receivable	4, 6	1,377,931,392	1,645,389,591	-	-
Other receivables	4	184,344,478	223,510,364	110,255,227	96,319,794
Short-term loans to related parties	4, 20	-	50,000,000	90,000,000	110,000,000
Inventories	7	821,870,005	775,557,655	-	-
Total current assets		5,697,923,546	5,830,402,982	1,040,247,455	1,001,440,803
<i>Non-current assets</i>					
Investments in associates	8	557,040,335	544,524,945	-	-
Investments in subsidiaries	9	-	-	3,842,011,723	3,822,011,902
Investments in joint ventures	8	365,973,368	412,313,763	295,399,900	365,499,900
Other non-current financial assets	20	247,339,994	98,523,850	144,606,391	45,107,524
Investment properties	10	58,561,500	58,561,500	-	-
Property, plant and equipment	11	3,256,032,200	3,213,119,825	69,020,137	57,366,753
Goodwill		17,934,556	17,934,556	-	-
Intangible assets		33,574,923	25,952,718	15,454,519	13,938,499
Deferred tax assets	17	60,158,784	53,275,511	14,533,860	16,575,289
Other non-current assets		106,939,883	96,193,182	2,808,019	3,202,821
Total non-current assets		4,703,555,543	4,520,399,850	4,383,834,549	4,323,702,688
Total assets		10,401,479,089	10,350,802,832	5,424,082,004	5,325,143,491

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

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2023	2022	2023	2022
(in Baht)					
Current liabilities					
Trade accounts payable	4, 20	1,084,781,668	1,335,355,318	-	-
Other payables	4, 12, 20	521,877,306	491,644,214	48,429,132	51,616,458
Accounts payable - purchase of assets		73,037,928	133,859,824	578,271	4,887,329
Current portion of lease liabilities		14,395,523	13,338,321	11,992,984	1,583,333
Corporate income tax payable		75,029,045	80,033,974	-	-
Total current liabilities		1,769,121,470	2,054,231,651	61,000,387	58,087,120
Non-current liabilities					
Lease liabilities		19,322,193	23,393,544	12,205,022	2,687,913
Non-current provisions for employee benefits	13	318,829,475	305,814,494	76,561,240	82,915,990
Other non-current liabilities		1,131,909	1,068,450	1,148,701	1,085,222
Total non-current liabilities		339,283,577	330,276,488	89,914,963	86,689,125
Total liabilities		2,108,405,047	2,384,508,139	150,915,350	144,776,245
Equity					
Share capital					
Authorised share capital					
(425,193,894 ordinary shares, par value at Baht 1 per share)		425,193,894	425,193,894	425,193,894	425,193,894
Issued and paid-up share capital					
(425,193,894 ordinary shares, par value at Baht 1 per share)		425,193,894	425,193,894	425,193,894	425,193,894
Premium on ordinary shares		716,443,452	716,443,452	716,443,452	716,443,452
Retained earnings					
Appropriated					
Legal reserve	14	55,671,181	55,671,181	42,671,181	42,671,181
Unappropriated		7,070,675,543	6,731,784,788	4,088,178,305	3,996,058,719
Other components of equity		21,916,864	21,413,353	679,822	-
Equity attributable to owners of the parent		8,289,900,934	7,950,506,668	5,273,166,654	5,180,367,246
Non-controlling interests		3,173,108	15,788,025	-	-
Total equity		8,293,074,042	7,966,294,693	5,273,166,654	5,180,367,246
Total liabilities and equity		10,401,479,089	10,350,802,832	5,424,082,004	5,325,143,491

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

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of income

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2023	2022	2023	2022
<i>(in Baht)</i>					
<i>Income</i>					
Revenue from sale of goods	4, 15	9,089,397,822	8,931,372,337	-	-
Management fee income	4, 15	1,680,000	2,996,910	255,380,000	252,296,910
Net foreign exchange gain		5,634,493	-	103,878	341,937
Dividend income	4, 8, 9	11,045,250	9,051,958	797,497,783	689,545,209
Other income	4	93,550,876	149,966,577	49,998,498	73,576,604
Total income		9,201,308,441	9,093,387,782	1,102,980,159	1,015,760,660
<i>Expenses</i>	16				
Cost of sale of goods	4	7,436,352,384	7,315,802,385	-	-
Distribution costs	4	114,493,026	200,600,587	-	-
Administrative expenses	4	571,398,780	530,187,469	370,633,677	363,822,185
Net foreign exchange loss		-	7,670,880	-	-
Total expenses		8,122,244,190	8,054,261,321	370,633,677	363,822,185
Profit from operating activities		1,079,064,251	1,039,126,461	732,346,482	651,938,475
Finance costs		(1,609,405)	(1,978,478)	(1,498,070)	(312,603)
Share of profit of joint ventures and associates accounted for using equity method		55,978,795	38,266,220	-	-
Profit before income tax expense		1,133,433,641	1,075,414,203	730,848,412	651,625,872
Tax (expense) income	17	(167,167,125)	(139,659,031)	(1,833,345)	1,524,991
Profit for the year		966,266,516	935,755,172	729,015,067	653,150,863
Basic earnings per share	18	2.30	2.21	1.71	1.54
Profit attributable to:					
Owners of the parent		978,575,682	939,967,447	729,015,067	653,150,863
Non-controlling interests		(12,309,166)	(4,212,275)	-	-
Profit for the year		966,266,516	935,755,172	729,015,067	653,150,863

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

Somboon Advance Technology Public Company Limited and its Subsidiaries
Statement of comprehensive income

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
<i>Note</i>	2023	2022	2023	2022
	<i>(in Baht)</i>			
Profit for the year	966,266,516	935,755,172	729,015,067	653,150,863
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Gain on measurement of financial assets	1,144,330	-	849,777	-
Income tax relating to items that will be reclassified subsequently to profit or loss	(213,031)	-	(169,955)	-
Total items that will be reclassified subsequently to profit or loss	931,299	-	679,822	-
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Gain (loss) on investments in equity instruments designated at FVOCI	(534,735)	6,040,617	-	-
Gain (loss) on remeasurements of defined benefit plans	13 (2,982,192)	(9,783,344)	190,640	(15,363,349)
Income tax relating to items that will not be reclassified subsequently to profit or loss	148,472	1,160,509	(38,128)	3,072,670
Total items that will not be reclassified subsequently to profit or loss	(3,368,455)	(2,582,218)	152,512	(12,290,679)
Other comprehensive income (expense) for the year, net of tax	(2,437,156)	(2,582,218)	832,334	(12,290,679)
Total comprehensive income for the year	963,829,360	933,172,954	729,847,401	640,860,184
Total comprehensive income attributable to:				
Owners of the parent	976,444,477	937,385,229	729,847,401	640,860,184
Non-controlling interests	(12,615,117)	(4,212,275)	-	-
Total comprehensive income for the year	963,829,360	933,172,954	729,847,401	640,860,184

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

Somboon Advance Technology Public Company Limited and its Subsidiaries
Statement of changes in equity

Consolidated financial statements								
			Retained earnings		Other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Note	Issued and paid-up share capital	Shares premium	Legal reserve	Unappropriated	Fair value reserve			

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

Somboon Advance Technology Public Company Limited and its Subsidiaries
Statement of changes in equity

Consolidated financial statements								
Note	Issued and paid-up share capital	Shares premium	Retained earnings		Other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
			Legal reserve	Unappropriated	Fair value reserve			
			(in Baht)					
Year ended 31 December 2023								
Balance at 1 January 2023	425,193,894	716,443,452	55,671,181	6,731,784,788	21,413,353	7,950,506,668	15,788,025	7,966,294,693
Transactions with owners, recorded directly in equity								
Distributions to owners of the Company								
Dividends to owners of the Company	19	-	-	(637,050,211)	-	(637,050,211)	-	(637,050,211)
Total distributions to owners of the parent		-	-	(637,050,211)	-	(637,050,211)	-	(637,050,211)
Changes in ownership interests in subsidiary								
Acquisition of non-controlling interests from acquisition of subsidiary	9	-	-	-	-	-	200	200
Total changes in ownership interests in subsidiary		-	-	-	-	-	200	200
Total transactions with owners, recorded directly in equity		-	-	(637,050,211)	-	(637,050,211)	200	(637,050,011)
Comprehensive income for the year								
Profit		-	-	978,575,682	-	978,575,682	(12,309,166)	966,266,516
Other comprehensive income		-	-	(2,634,716)	503,511	(2,131,205)	(305,951)	(2,437,156)
Total comprehensive income for the year		-	-	975,940,966	503,511	976,444,477	(12,615,117)	963,829,360
Balance at 31 December 2023		425,193,894	716,443,452	55,671,181	7,070,675,543	8,289,900,934	3,173,108	8,293,074,042

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

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of changes in equity

		Separate financial statements				
				Retained earnings		
	Note	Issued and paid-up share capital	Share premium	Legal reserve <i>(in Baht)</i>	Unappropriated	Total equity
Year ended 31 December 2022						
Balance at 1 January 2022		425,193,894	716,443,452	42,671,181	3,984,480,979	5,168,789,506
Transaction with owners, recorded directly in equity						
<i>Distributions to owners of the Company</i>						
Dividends to owners of the Company	19	-	-	-	(629,282,444)	(629,282,444)
<i>Total distributions to owners of the parent</i>		-	-	-	(629,282,444)	(629,282,444)
Total transaction with owners, recorded directly in equity		-	-	-	(629,282,444)	(629,282,444)
Comprehensive income for the year						
Profit		-	-	-	653,150,863	653,150,863
Other comprehensive income		-	-	-	(12,290,679)	(12,290,679)
Total comprehensive income for the year		-	-	-	640,860,184	640,860,184
Balance at 31 December 2022		425,193,894	716,443,452	42,671,181	3,996,058,719	5,180,367,246

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

Somboon Advance Technology Public Company Limited and its Subsidiaries
Statement of changes in equity

	Note	Separate financial statements				Other components	Total equity
		Issued and paid-up share capital	Share premium	Retained earnings		of equity	
				Legal reserve	Unappropriated	Fair value reserve	
				(in Baht)			
Year ended 31 December 2023							
Balance at 1 January 2023		425,193,894	716,443,452	42,671,181	3,996,058,719	-	5,180,367,246
Transaction with owners, recorded directly in equity							
<i>Distributions to owners of the Company</i>							
Dividends to owners of the Company	19	-	-	-	(637,047,993)	-	(637,047,993)
<i>Total distributions to owners of the parent</i>		-	-	-	(637,047,993)	-	(637,047,993)
Total transaction with owners, recorded directly in equity		-	-	-	(637,047,993)	-	(637,047,993)
Comprehensive income for the year							
Profit		-	-	-	729,015,067	-	729,015,067
Other comprehensive income		-	-	-	152,512	679,822	832,334
Total comprehensive income for the year		-	-	-	729,167,579	679,822	729,847,401
Balance at 31 December 2023		425,193,894	716,443,452	42,671,181	4,088,178,305	679,822	5,273,166,654

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

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
	(in Baht)			
Cash flows from operating activities				
Profit for the year	966,266,516	935,755,172	729,015,067	653,150,863
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense (income)	167,167,125	139,659,031	1,833,345	(1,524,991)
Finance costs	1,609,405	1,978,478	1,498,070	312,603
Depreciation and amortisation	503,568,426	514,668,448	26,676,934	20,182,661
Impairment loss of plant and equipment	3,085,797	3,909,919	-	-
Written-off property, plant and equipment	4,475,689	23,086,434	1	-
Interest income	(29,129,179)	(13,010,840)	(10,360,432)	(9,093,512)
(Reversal of) losses on inventories devaluation	1,948,244	(4,978,371)	-	-
Unrealised (gain) loss on exchange	(9,778,078)	10,204,087	8,929	(7,262)
(Gain) loss on disposal of property, plant and equipment	511,564	4,553,930	(456,943)	141,259
(Gain) loss on sale of investment in joint venture	4,593,752	-	(13,216,877)	-
Gain on sale of other non-current financial assets	(7,911,734)	(2,568,949)	(3,665,140)	(563,842)
Share of profit of joint ventures and associates accounted for using equity method	(55,978,795)	(38,266,220)	-	-
Dividends income	(11,045,250)	(9,051,958)	(797,497,783)	(689,545,209)
Provisions for employee benefits	36,325,153	31,386,386	8,477,203	8,481,024
	1,575,708,635	1,597,325,547	(57,687,626)	(18,466,406)
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	275,337,605	(124,474,296)	-	544,319,345
Other receivables	46,010,050	5,734,562	(8,873,632)	8,742,094
Inventories	(48,260,593)	(176,927,359)	-	-
Other non-current assets	(10,746,701)	(38,005,144)	394,802	(1,209,417)
Trade accounts payable	(247,654,470)	107,585,032	-	(402,627,415)
Other payables	30,186,785	25,914,153	(3,196,255)	(139,051,427)
Other non-current liabilities	63,458	83,053	63,479	83,054
Net cash generated from (used in) operations	1,620,644,769	1,397,235,548	(69,299,232)	(8,210,172)
Employee benefit paid	(26,292,363)	(11,550,235)	(14,641,313)	(870,920)
Taxes paid	(184,993,406)	(169,860,119)	(3,861,959)	(42,979,264)
Net cash from (used in) operating activities	1,409,359,000	1,215,825,194	(87,802,504)	(52,060,356)

The accompanying notes are an integral part these financial statements.

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of cash flows

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2023	2022	2023	2022
		(in Baht)			
Cash flows from investing activities					
Acquisition in share capital of subsidiary	9	-	-	(19,999,821)	(29,999,700)
Acquisition in share capital of associate		(11,830)	-	-	-
Proceeds from call-up of share capital of subsidiary - non-controlling interests	9	200	20,000,300	-	-
Proceeds from sale of investment in joint venture	7	83,316,877	-	83,316,877	-
Interest received		28,106,327	10,895,851	9,132,711	9,159,157
Acquisition of other current financial assets		(1,177,779,275)	(1,792,059,366)	(310,974,210)	(285,000,000)
Proceeds from sale of other current financial assets		1,082,993,385	2,053,609,210	70,000,000	205,651,703
Dividends received		12,950,250	29,469,958	797,497,783	689,545,209
Short-term loans to related parties		-	(50,000,000)	(140,000,000)	(710,000,000)
Proceeds from repayment of short-term loans to related parties		50,000,000	200,000,000	160,000,000	1,000,000,000
Acquisition of property, plant and equipment		(601,061,352)	(635,751,509)	(10,223,051)	(52,589,753)
Proceeds from sale of property, plant and equipment		3,829,567	1,453,403	1,647,987	25,883
Acquisition of intangible assets		(13,770,476)	(9,360,400)	(4,118,500)	(7,247,700)
Acquisition of other non-current financial assets		(148,154,339)	-	(98,621,210)	-
Net cash from (used in) investing activities		(679,580,666)	(171,742,553)	537,658,566	819,544,799
Cash flows from financing activities					
Interest paid		(1,609,405)	(1,978,478)	(1,498,070)	(312,603)
Payment of lease liabilities		(15,864,313)	(16,421,641)	(11,078,130)	(3,314,397)
Dividends paid to owners of the Company		(637,050,211)	(629,287,235)	(637,047,993)	(629,282,444)
Net cash used in financing activities		(654,523,929)	(647,687,354)	(649,624,193)	(632,909,444)
Net increase (decrease) in cash and cash equivalents,					
before effect of exchange rate changes		75,254,405	396,395,287	(199,768,131)	134,574,999
Effect of exchange rate changes on cash and cash equivalents		(119,730)	-	-	-
Net increase (decrease) in cash and cash equivalents		75,134,675	396,395,287	(199,768,131)	134,574,999
Cash and cash equivalents at 1 January		1,998,048,701	1,601,653,414	584,954,217	450,379,218
Cash and cash equivalents at 31 December		2,073,183,376	1,998,048,701	385,186,086	584,954,217
Non-cash transactions					
Increase (decrease) in right-of-use assets		12,850,163	22,198,840	31,004,890	(831,390)

The accompanying notes are an integral part these financial statements.

Somboon Advance Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 21 February 2024.

1 General information

Somboon Advance Technology Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in January 2005. The Company’s registered office at

Head Office : 215 Moo 2, Debaratna Road, Tambon Bangchalong, Amphur Bangplee, Samutprakarn 10540.

Branch : 7/389 Moo 6, Tambon Mapyangporn, Amphur Pluak Daeng, Rayong 21140.

The Company’s major shareholders during the financial year were Somboon Holding Company Limited (29.92% shareholding) which was incorporated in Thailand and Kitaphanich family (13.37% shareholding).

The principal activities of the Group are the manufacture of axles and trunnion shafts. Details of the Company’s subsidiaries as at 31 December 2023 and 2022 are given in note 9.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Group’s functional currency. The accounting policies, described in the note 3, have been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that are described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Significant accounting policies

The accounting policies, described belows, have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and joint ventures.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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When the Group loses control over a subsidiary, it derecognises the assets and liabilities, any related non-controlling interests and other components of equity of the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group recognised investments in associates and joint ventures using the equity method in the consolidated financial statements. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) *Investments in subsidiaries, associates and joint ventures*

Investments in subsidiaries, associates and joint ventures in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

(c) *Foreign currencies*

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date.

Foreign currency differences are generally recognised in profit or loss.

(d) *Financial instruments*

(d.1) *Classification and measurement*

Other financial assets and financial liabilities (except trade accounts receivable (see note 3(f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

Somboon Advance Technology Public Company Limited and its Subsidiaries
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For the year ended 31 December 2023

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss on the date on which the Group's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(d.2) Derecognition and offset

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Impairment of financial assets other than trade accounts receivable

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group recognises ECLs for low credit risk financial asset as 12-month ECLs.

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The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group takes action such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

(d.4) Write offs

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(d.5) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which have maturities of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) Trade accounts receivable

A trade receivable is recognised when the Group has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find the ECLs rates. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of finished goods and works in process are calculated using the average cost principle. Raw materials, factory supplies and spare parts for machinery are calculated using the first in first out principle. Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

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(h) Investment properties

Investment properties are measured at cost less impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed assets includes capitalised borrowing costs.

No depreciation is charged on freehold land.

Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

(i) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land, assets under construction and spare parts for machinery.

The estimated useful lives are as follows:

Buildings and other constructions	5 - 40 years
Machinery and factory equipment	2 - 30 years
Office furniture, fixtures and equipment	2 - 5 years
Vehicles	5 years
Right-of-use assets	2 - 4 years

(j) Goodwill

Goodwill is measured at cost less accumulated impairment losses.

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(k) Other intangible assets

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Software licences	3 - 10 years
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(l) Leases

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

As a lessee

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which are recognised as expenses on a straight-line basis over the respective lease terms.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

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For the year ended 31 December 2023

At lease inception, the Group considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

The Group recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

(m) *Impairment of non-financial assets*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised in profit or loss if the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss of asset recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(n) *Employee benefits*

Defined contribution plans

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(p) 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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received.

(q) Revenue

Revenue from contracts with customers

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

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Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognise revenue and cost of sales for the estimated products to be returned.

Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

Dividend income

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(r) *Income tax*

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) *Earnings per share*

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

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4 Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that is under common control or under the same significant influence as the Group; or a person or entity over which the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making.

Relationships with subsidiaries, associates and joint ventures are described in notes 8 and 9. Other related parties which the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation/ nationality		Nature of relationships	
Somboon Holding Company Limited	Thailand		A 29.92% shareholding in the Company	
Yongkee Co., Ltd.	Thailand		A common shareholder of the Company	

Significant transactions with related parties Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in million Baht)</i>			
Subsidiaries				
Dividend income	-	-	797	690
Interest income	-	-	2	4
Management fee income	-	-	253	249
Rental income	-	-	2	2
Other income	-	-	8	8
Rental expense	-	-	13	3
Facilities expense	-	-	3	1
Other expenses	-	-	1	-
Joint ventures				
Sales of goods	-	14	-	-
Rental income	6	3	1	1
Interest income	1	3	1	3
Management fee income	2	3	2	3
Other income	11	11	9	9
Purchase of goods	4	-	-	-
Purchase of assets	20	-	-	-
Rental expense	4	1	-	-
Facilities expense	3	-	-	-
Other expenses	3	-	-	-
Associates				
Purchases of goods	33	41	-	-
Key management personnel				
Key management personnel compensation				
Short-term benefits	66	66	63	65
Long-term benefits	2	3	2	3
Total key management personnel compensation	68	69	65	68

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<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in million Baht)</i>			

Other related parties

Sales of goods	5	3	-	-
Rental income	5	4	-	-
Management fee	15	15	15	15

<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			

Trade accounts receivable

Other related parties	537	500	-	-
Total	537	500	-	-

Other receivables

Subsidiaries	-	-	50,112	49,980
Joint ventures	7,615	3,072	4,089	2,326
Other related parties	1,004	859	-	6
Total	8,619	3,931	54,201	52,312

Loans to

Subsidiaries	-	-	90,000	60,000
Joint ventures	-	50,000	-	50,000
Total	-	50,000	90,000	110,000

Short-term loans to related parties carry interest at MMR (Money Market Rate) per annum and maturity date within 6 - 12 months.

<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			

Trade accounts payable

Associates	8,300	8,612	-	-
Total	8,300	8,612	-	-

Other payables

Subsidiaries	-	-	2,792	835
Joint ventures	2,346	1,216	-	1,171
Associates	81	184	-	-
Other related parties	1,337	1,338	1,337	1,338
Total	3,764	2,738	4,129	3,344

Somboon Advance Technology Public Company Limited and its Subsidiaries
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(1) Land and building lease agreements

A subsidiary has land and building lease agreements with a joint venture for the period of 1 year. The agreement is effective from 1 January 2023 to 31 December 2023. The subsidiary will receive land and building rental fees as stipulated in the agreement. However, the new agreement is currently in process of consideration of conditions and preparation by both parties.

(2) Management service agreements with subsidiaries and joint venture

The Company had a management service agreements with subsidiaries and joint venture for the period of 3 years. The agreement is effective from 1 January 2022 to 31 December 2024. Under the terms of the agreement, the Company will provide management services and will receive service fee as stipulated in the agreement.

(3) Management service agreement with related party

The Company entered into a management service agreement with a related company whereby the latter will provide consulting services as stipulated in the agreement. The Company is committed to pay annual fees amounting to Baht 15 million, those agreement had expired on 31 December 2023. The Company entered into a renewal agreement and committed to pay annual fees amounting to Baht 15 million. The agreement is effective from 1 January 2024 to 31 December 2026.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Cash on hand and cash at banks	1,638,527	1,607,513	355,186	434,873
Highly liquid short-term investments	434,656	390,536	30,000	150,081
Total	<u>2,073,183</u>	<u>1,998,049</u>	<u>385,186</u>	<u>584,954</u>

6 Trade accounts receivable

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		<i>(in thousand Baht)</i>			
Related parties	4				
Within credit terms		573	500	-	-
		573	500	-	-
Other parties					
Within credit terms		1,335,019	1,644,888	-	-
Overdue:					
Less than 3 months		42,375	2	-	-
		1,377,394	1,644,890	-	-
<i>Less allowance for expected credit loss</i>		-	-	-	-
		1,377,394	1,644,890	-	-
Net		<u>1,377,931</u>	<u>1,645,390</u>	<u>-</u>	<u>-</u>

Information of credit risk is disclosed in note 20 (b.1).

Somboon Advance Technology Public Company Limited and its Subsidiaries
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7 Inventories

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Finished goods	472,142	455,813	-	-
Work in process	55,353	50,204	-	-
Raw materials	21,617	24,140	-	-
Factory supplies	108,678	111,960	-	-
Spare parts for machinery	218,653	185,288	-	-
Goods in transit	634	1,411	-	-
Total	877,077	828,816	-	-
<i>Less allowance for decline in value</i>	<i>(55,207)</i>	<i>(53,258)</i>	<i>-</i>	<i>-</i>
Net	821,870	775,558	-	-

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8 Investments in associates and joint ventures

Consolidated financial statements											
	Type of business	Ownership Interest		Paid-up capital		Cost		At equity method		Dividend income for the years	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
		(%)		(in thousand Baht)							
<i>Associates</i>											
Tsuchiyoshi Somboon Coated Sand Co., Ltd.	Manufacture and sale of plastic-coated sand and dry sand	21.25	21.25	72,000	72,000	15,300	15,300	48,783	47,649	1,530	6,885
Yamada Somboon Company Limited	Manufacture and sale of auto parts	20.00	20.00	150,000	150,000	30,818	30,807	<u>508,257</u>	<u>496,876</u>	<u>375</u>	<u>13,533</u>
								<u>557,040</u>	<u>544,525</u>	<u>1,905</u>	<u>20,418</u>
<i>Joint ventures</i>											
Mubea Somboon Automotive Co., Ltd.	Manufacture and sale of auto parts	40.00	50.00	701,000	701,000	280,400	350,500	361,866	404,731	-	-
Somboon Siasun Tech Co., Ltd.	Providing service and consultation in system design including engineering system and automation system integration development	50.00	50.00	30,000	30,000	15,000	15,000	<u>4,107</u>	<u>7,583</u>	<u>-</u>	<u>-</u>
								<u>365,973</u>	<u>412,314</u>	<u>-</u>	<u>-</u>
Total								<u>923,013</u>	<u>956,839</u>	<u>1,905</u>	<u>20,418</u>

Somboon Advance Technology Public Company Limited and its Subsidiaries
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	Separate financial statements					
	Ownership Interest		Paid-up capital		Cost	
	2023	2022	2023	2022	2023	2022
	(%)		(in thousand Baht)			
Joint ventures						
Mubea Somboon Automotive Co., Ltd.	40.00	50.00	701,000	701,000	280,400	350,500
Somboon Siasun Tech Co., Ltd.	50.00	50.00	30,000	30,000	15,000	15,000
Total					295,400	365,500

All associates and joint ventures were incorporated and operate in Thailand.

None of the Group's associates and joint ventures are publicly listed and consequently do not have published price quotations.

Material movement Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(in million Baht)			

Joint ventures

Sale investment in Mubea Somboon Automotive Co., Ltd. - At cost	88	-	70	-
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Sale of investment in joint venture

In August 2023, the Company entered into a share purchase agreement with Mubea Engineering AG for selling ordinary shares of Mubea Somboon Automotive Co., Ltd., a joint venture of the Company, in the amount of 701,000 shares (representing 10%) in the total sell amount of Baht 83.32 million. The Company recognised loss on sale of investment in consolidated financial statements amounting to Baht 4.6 million and recognised gain on sale of investment in separate financial statements amounting to Baht 13.2 million. Sale of shares was duly completed on 31 August 2023; as a result, the Company has a shareholding of 40% in Mubea Somboon Automotive Co., Ltd.

Somboon Advance Technology Public Company Limited and its Subsidiaries
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9 Investments in subsidiaries

Separate financial statements									
	Type of business	Ownership Interest		Paid-up capital		Cost		Dividend income for the years	
		2023	2022	2023	2022	2023	2022	2023	2022
<i>Direct Subsidiaries</i>									
Somboon Malleable Iron Industrial Company Limited	Manufacture and sale of auto parts	100	100	500,000	500,000	875,989	875,989	121,998	279,995
Bangkok Spring Industrial Company Limited	Rent of real estate and investing in other companies	100	100	130,000	130,000	519,989	519,989	-	-
International Casting Products Co., Ltd.	Manufacture and sale of auto parts	100	100	785,000	785,000	796,034	796,034	235,500	337,550
Somboon Forging Technology Company Limited	Manufacture and sale of auto parts	100	100	1,600,000	1,600,000	1,600,000	1,600,000	440,000	72,000
Somboon Tron Energy Co., Ltd.	Import, research, analyse, design, develop and sale of electric car propulsion structures, electric cars and batteries	60	60	50,000	50,000	30,000	30,000	-	-

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		Separate financial statements						Dividend income	
	Type of business	Ownership Interest		Paid-up capital		Cost		for the years	
		2023	2022	2023	2022	2023	2022	2023	2022
		(%)				(in thousand Baht)			
<i>Direct Subsidiaries</i>									
Somboon Advance Agriculture Co., Ltd	Manufacture and sale of auto parts	100	-	20,000	-	20,000	-	-	-
Total						3,842,012	3,822,012	797,498	689,545

All subsidiaries were incorporated and operate in Thailand.

Somboon Advance Technology Public Company Limited and its Subsidiaries
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<i>Material Movement</i> <i>Year ended 31 December</i>	Separate financial statements	
	2023	2022
	<i>(in million Baht)</i>	
Establish and invest in Somboon Advance Agriculture Co., Ltd.	20	-
Establish and invest in Somboon Tron Energy Co., Ltd.	-	30

Establish and acquisition of additional shares in a new subsidiary

At the Board of Directors' meeting of the Company held on 23 March 2023, the Board of Directors approved the Company to establish a new subsidiary, Somboon Advance Agriculture Co., Ltd., which has an authorised share capital 50,000 ordinary shares at the par value of Baht 100 per share. The Company had invested amounting to Baht 5 million and has a shareholding of 100% in this subsidiary. The subsidiary was registered with the Ministry of Commerce on 7 April 2023.

In May 2023, Somboon Advance Agriculture Co., Ltd. registered additional ordinary shares of 150,000 shares, with a par value of Baht 100 per share. The Company had invested in these additional shares, amounting to Baht 15 million. The proportion of ownership remain unchanged.

Establish and acquisition of investment in a new subsidiary

On 28 January 2022, the Company entered into the joint venture agreement with Tron Energy Technology Co., Ltd. which was incorporated under the law of Taiwan, to established in a new Company, Somboon Tron Energy Co., Ltd., which has an authorised share capital 500,000 ordinary shares at the par value of Baht 100 per share and registered with the Ministry of Commerce on 26 May 2022. The Company has a shareholding of 60% in this subsidiary.

10 Investment properties

Investment properties are land not used in its operation of a subsidiary and were revalued by an independent professional valuer in June 2022, at market comparison approach. The appraised value was Baht 105 million. The fair value for investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Somboon Advance Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

11 Property, plant and equipment

	Consolidated financial statements							Total
	Land	Buildings and other constructions	Machinery and factory equipment	Office furniture, fixtures and equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Spare parts for machinery	
<i>Cost</i>								
At 1 January 2022	539,428	1,798,353	8,580,851	190,659	25,632	154,856	80,273	11,370,052
Additions	-	22,886	104,989	14,969	21,505	479,722	43,868	687,939
Transfers	-	29,396	128,306	1,259	-	(119,285)	(39,676)	-
Disposals	-	(21,383)	(161,493)	(225)	(8,099)	-	-	(191,200)
At 31 December 2022 and 1 January 2023	539,428	1,829,252	8,652,653	206,662	39,038	515,293	84,465	11,866,791
Additions	-	8,156	151,970	4,939	4,336	320,033	63,507	552,941
Transfers	-	134,593	387,939	19,440	-	(495,480)	(46,492)	-
Disposals	-	(906)	(129,784)	(4,699)	(526)	-	-	(135,915)
At 31 December 2023	539,428	1,971,095	9,062,778	226,342	42,848	339,846	101,480	12,283,817
<i>Depreciation and impairment losses</i>								
At 1 January 2022	-	1,167,311	6,955,599	162,688	15,359	-	-	8,300,957
Depreciation charge for the year	-	83,786	402,573	16,293	7,150	-	-	509,802
(Reversal of) impairment losses	-	(140)	3,310	132	-	400	208	3,910
Disposals	-	(11,187)	(142,852)	(216)	(6,743)	-	-	(160,998)
At 31 December 2022 and 1 January 2023	-	1,239,770	7,218,630	178,897	15,766	400	208	8,653,671
Depreciation charge for the year	-	93,945	377,599	18,753	7,827	-	-	498,124
Impairment losses	-	687	2,367	32	-	-	-	3,086
Disposals	-	(461)	(121,958)	(4,551)	(126)	-	-	(127,096)
At 31 December 2023	-	1,333,941	7,476,638	193,131	23,467	400	208	9,027,785

Somboon Advance Technology Public Company Limited and its Subsidiaries
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Consolidated financial statements								
	Land	Buildings and other constructions	Machinery and factory equipment	Office furniture, fixtures and equipment <i>(in thousand Baht)</i>	Vehicles	Assets under construction and installation	Spare parts for machinery	Total
<i>Net book value</i>								
At 31 December 2022								
Owned assets	539,428	589,482	1,419,108	27,765	10,306	514,893	84,257	3,185,239
Right-of-use assets	-	-	14,915	-	12,966	-	-	27,881
	<u>539,428</u>	<u>589,482</u>	<u>1,434,023</u>	<u>27,765</u>	<u>23,272</u>	<u>514,893</u>	<u>84,257</u>	<u>3,213,120</u>
At 31 December 2023								
Owned assets	539,428	637,154	1,571,647	33,211	8,883	339,446	101,272	3,231,041
Right-of-use assets	-	-	14,493	-	10,498	-	-	24,991
	<u>539,428</u>	<u>637,154</u>	<u>1,586,140</u>	<u>33,211</u>	<u>19,381</u>	<u>339,446</u>	<u>101,272</u>	<u>3,256,032</u>

Somboon Advance Technology Public Company Limited and its Subsidiaries
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	Separate financial statements							
	Land	Buildings and other constructions	Machinery and factory equipment	Office furniture, fixtures and equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Spare parts for machinery	Total
Cost								
At 1 January 2022	13,712	73,382	48,732	69,840	14,416	142	-	220,224
Additions	-	-	913	7,773	8,614	-	-	17,300
Disposals	-	-	(8,824)	(5)	(7,483)	-	-	(16,312)
At 31 December 2022 and 1 January 2023	13,712	73,382	40,821	77,608	15,547	142	-	221,212
Additions	-	28,902	73	1,840	2,423	4,386	-	37,624
Transfers	-	-	-	704	-	(704)	-	-
Disposals	-	-	(2,210)	(1,503)	-	-	-	(3,713)
At 31 December 2023	13,712	102,284	38,684	78,649	17,970	3,824	-	255,123
Depreciation								
At 1 January 2022	-	56,306	39,064	52,658	8,848	-	-	156,876
Depreciation charge for the year	-	1,725	4,031	9,587	2,819	-	-	18,162
Disposals	-	-	(6,631)	-	(4,562)	-	-	(11,193)
At 31 December 2022 and 1 January 2023	-	58,031	36,464	62,245	7,105	-	-	163,845
Depreciation charge for the year	-	11,264	1,893	8,673	2,948	-	-	24,778
Disposals	-	-	(1,163)	(1,357)	-	-	-	(2,520)
At 31 December 2023	-	69,295	37,194	69,561	10,053	-	-	186,103

Somboon Advance Technology Public Company Limited and its Subsidiaries
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	Separate financial statements							
	Land	Buildings and other constructions	Machinery and factory equipment	Office furniture, fixtures and equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Spare parts for machinery	Total
<i>Net book value</i>								
At 31 December 2022								
Owned assets	13,712	15,351	4,357	15,363	4,298	142	-	53,223
Right-of-use assets	-	-	-	-	4,144	-	-	4,144
	<u>13,712</u>	<u>15,351</u>	<u>4,357</u>	<u>15,363</u>	<u>8,442</u>	<u>142</u>	<u>-</u>	<u>57,367</u>
At 31 December 2023								
Owned assets	13,712	13,935	1,490	9,088	3,423	3,824	-	45,472
Right-of-use assets	-	19,054	-	-	4,494	-	-	23,548
	<u>13,712</u>	<u>32,989</u>	<u>1,490</u>	<u>9,088</u>	<u>7,917</u>	<u>3,824</u>	<u>-</u>	<u>69,020</u>

As at 31 December 2023 and 2022, land of the Company and a subsidiary valued at Baht 2.3 million comprises land for which the legal ownership has yet to be transferred which is in accordance with the agreements to purchase and to sell the land.

In 2023, the Group leased a machinery for 3 - 4 years. The Group and the Company leased vehicles for 2 - 4 years. The Company leased building for 3 years. The Group and the Company paid fixed lease payment depends on usage over the lease term.

In 2023, total cash outflow for leases of the Group and the Company were Baht 17.06 million and Baht 2.27 million, respectively (2022: Baht 18.19 million and Baht 3.34 million, respectively).

Somboon Advance Technology Public Company Limited and its Subsidiaries
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12 Other payables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2023	2022	2023	2022
		<i>(in thousand Baht)</i>			
Related parties	4	3,764	2,738	4,129	3,344
Other parties					
Accrued operating expenses		182,257	214,191	24,759	26,304
Deposits and advances received		98,122	64,499	524	524
Payable to the Revenue Department		30,699	28,869	11,306	12,135
Others		207,035	181,347	7,711	9,309
Total		521,877	491,644	48,429	51,616

13 Non-current provisions for employee benefits

		Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		<i>(in thousand Baht)</i>			
At 31 December					
Post-employment benefits		293,614	282,169	74,792	81,139
Other long-term employee benefits		25,215	23,645	1,769	1,777
Total		318,829	305,814	76,561	82,916

The Group and the Company operate a post-employment benefits based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

Present value of the defined benefit obligations		Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		<i>(in thousand Baht)</i>			
At 1 January		305,814	276,195	82,916	59,943
Recognised in profit or loss:					
Current service cost		27,794	25,164	6,720	7,107
Past service cost		692	-	45	-
Interest on obligation		7,839	6,222	1,711	1,374
		36,325	31,386	8,476	8,481
Recognised in other comprehensive income:					
Actuarial (gain) loss					
- Financial assumptions		(4,913)	(14,377)	(938)	(2,962)
- Experience adjustment		7,895	24,160	748	18,325
		2,982	9,783	(190)	15,363
Benefit paid		(26,292)	(11,550)	(14,641)	(871)
At 31 December		318,829	305,814	76,561	82,916

Principal actuarial assumptions		Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		<i>(%)</i>			
Discount rate		3.10	2.90	3.10	2.90
Future salary growth		5.00	5.00	5.00	5.00

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Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2023, the weighted-average duration of the defined benefit obligation was 8 - 9 years (2022: 8 - 9 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

<i>Effect to the defined benefit obligation</i>	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	<i>(in thousand Baht)</i>			
<i>At 31 December 2023</i>				
Discount rate (0.5% movement)	(12,452)	13,292	(2,300)	2,433
Future salary growth (1% movement)	27,450	(24,427)	5,301	(4,815)
<i>At 31 December 2022</i>				
Discount rate (0.5% movement)	(12,043)	12,881	(2,426)	2,574
Future salary growth (1% movement)	15,806	(12,803)	5,116	(5,656)

14 Legal reserves

Section 116 of the Public Limited Companies Act B.E. 2535 (1992) Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

15 Segment information and disaggregation of revenue

Segment results that are reported to the Group's CODM (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Management determined that the Group has two reportable segments which are the Group's strategic divisions for different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, CODM reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- *Segment 1* Axles and trunnion shafts
- *Segment 2* Other auto parts and others

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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Consolidated financial statements

<i>Year ended 31 December</i>	Axles and trunnion shafts		Other auto parts and others		Total		Elimination		Net	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	<i>(in million Baht)</i>									
External revenue from sale of goods and rendering of services	3,852	3,488	5,239	5,446	9,091	8,934	-	-	9,091	8,934
Inter-segment revenue from sale of goods and rendering of services	181	171	2,575	2,688	2,756	2,859	(2,756)	(2,859)	-	-
Total revenue	<u>4,033</u>	<u>3,659</u>	<u>7,814</u>	<u>8,134</u>	<u>11,847</u>	<u>11,793</u>	<u>(2,756)</u>	<u>(2,859)</u>	<u>9,091</u>	<u>8,934</u>
Segment profit from operating activities before income tax	701	541	1,148	1,167	1,849	1,708	(772)	(671)	1,077	1,037
Unallocated amounts:										
- Share of profit of joint venture and associates accounted for using equity method									56	38
Profit before income tax									<u>1,133</u>	<u>1,075</u>
Segment assets	2,921	3,037	12,113	11,907	15,034	14,944	(4,633)	(4,593)	10,401	10,351
Segment liabilities	840	1,128	1,920	1,864	2,760	2,992	(652)	(607)	2,108	2,385

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

Major customer

Revenues from certain customers of the Group represents approximately Baht 6,350 million (2022: Baht 6,810 million) of the Group's total revenues.

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16 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Employee benefit expenses	1,289,911	1,256,479	234,695	237,313
Depreciation and amortisation expenses	503,568	514,668	26,677	20,183
Raw materials and consumables used	4,544,853	4,796,267	-	-
Changes in inventories of finished goods and work in process	(19,725)	(172,979)	-	-
(Reversal of) losses inventories devaluation	1,948	(4,979)	-	-
Utilities expenses	696,117	638,513	4,479	3,031
Repair expenses	390,721	391,014	7,189	6,500
Transportation expenses	123,649	208,651	-	-
Outsource expenses	235,515	215,902	15,504	12,361
Others	355,687	210,725	82,090	84,434
Total expenses	<u>8,122,244</u>	<u>8,054,261</u>	<u>370,634</u>	<u>363,822</u>

The defined contribution plan comprise provident fund established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 15% of their basic salaries and by the Group at rates ranging from 3% to 6% of the employees' basic salaries. In 2023, the contributions of Baht 18.5 million and Baht 5.3 million were paid by the Group and the Company, respectively (2022: Baht 16.9 million and Baht 5.5 million, respectively). The provident fund is registered with the Ministry of Finance as juristic entity and is managed by a licensed Fund Manager.

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17 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	<u>174,115</u>	<u>160,563</u>	<u>-</u>	<u>-</u>
Deferred tax expense				
Movements in temporary differences	<u>(6,948)</u>	<u>(20,904)</u>	<u>1,833</u>	<u>(1,524)</u>
Total income tax expense	<u>167,167</u>	<u>139,659</u>	<u>1,833</u>	<u>(1,524)</u>

Consolidated financial statements						
	2023		2022			
	Tax		Tax			
<i>Income tax</i>	(expense)		(expense)			
	benefit		benefit			
	Before	Net of	Before	Net of		
	tax	tax	tax	tax		
		(in thousand Baht)				
<i>Recognised in other comprehensive income</i>						
Financial assets at FVOCI	610	(107)	503	6,040	(1,208)	4,832
Defined benefit plan						
actuarial gains (losses)	(2,982)	42	(2,940)	(9,783)	2,369	(7,414)
Total	(2,372)	(65)	(2,437)	(3,743)	1,161	(2,582)

Separate financial statements						
	Before tax	2023 Tax (expense) benefit	Net of tax <i>(in thousand Baht)</i>	Before tax	2022 Tax (expense) benefit	Net of tax
<i>Income tax</i>						
<i>Recognised in other comprehensive income</i>						
Financial assets at FVOCI	850	(170)	680	-	-	-
Defined benefit plan						
actuarial gains (losses)	190	(38)	152	(15,364)	3,073	12,291
Total	1,040	(208)	832	(15,364)	3,073	12,291

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Reconciliation of effective tax rate

	Consolidated financial statements			
	2023		2022	
	<i>Rate</i> <i>(%)</i>	<i>(in thousand</i> <i>Baht)</i>	<i>Rate</i> <i>(%)</i>	<i>(in thousand</i> <i>Baht)</i>
Profit before income tax expense		<u>1,133,434</u>		<u>1,075,414</u>
Income tax using the Thai corporation tax rate	20	226,687	20	215,083
Income not subject to tax		(63,757)		(52,133)
Expenses that can be additionally deductible for tax purposes		(18,716)		(23,881)
Share of profit of joint ventures and associates accounted for using equity method		(11,196)		(7,653)
Recognition of previously unrecognised tax losses		-		(4,972)
Current year losses for which no deferred tax asset was recognised		24,105		5,993
Expenses not deductible for tax purposes and others		10,044		7,222
Total	<u>14.75</u>	<u>167,167</u>	<u>12.99</u>	<u>139,659</u>

Reconciliation of effective tax rate

	Separate financial statements			
	2023		2022	
	<i>Rate</i> <i>(%)</i>	<i>(in thousand</i> <i>Baht)</i>	<i>Rate</i> <i>(%)</i>	<i>(in thousand</i> <i>Baht)</i>
Profit before income tax expense		<u>730,848</u>		<u>651,626</u>
Income tax using the Thai corporation tax rate	20	146,170	20	130,325
Income not subject to tax		(159,500)		(137,909)
Expenses that can be additionally deductible for tax purposes		(232)		(66)
Current year losses for which no deferred tax asset was recognised		14,366		5,928
Expenses not deductible for tax purposes and others		1,029		198
Total	<u>0.25</u>	<u>1,833</u>	<u>-</u>	<u>(1,524)</u>

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	Consolidated financial statements			
	(Charged) / Credited to			
	At 1	Profit or	Other	At 31
	January	loss	comprehensive	December
		(in thousand Baht)	income	
Deferred tax				
2023				
Deferred tax assets				
Inventories	8,667	1,149	-	9,816
Employee benefit obligations	47,995	6,088	42	54,125
Property, plant and equipment	2,228	764	-	2,992
Total	58,890	8,001	42	66,933
Deferred tax liability				
Financial assets measured at FVOCI	(5,352)	-	(107)	(5,459)
Financial assets measured at FVTPL	(262)	(1,053)	-	(1,315)
Total	(5,614)	(1,053)	(107)	(6,774)
Net	53,276	6,948	(65)	60,159
2022				
Deferred tax assets				
Inventories	8,508	159	-	8,667
Employee benefit obligations	26,930	18,696	2,369	47,995
Property, plant and equipment	-	2,228	-	2,228
Total	35,438	21,083	2,369	58,890
Deferred tax liability				
Financial assets measured at FVOCI	(4,144)	-	(1,208)	(5,352)
Financial assets measured at FVTPL	(83)	(179)	-	(262)
Total	(4,227)	(179)	(1,208)	(5,614)
Net	31,211	20,904	1,161	53,276

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	At 1 January	Separate financial statements (Charged) / Credited to		At 31 December
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax				
2023				
Deferred tax assets				
Employee benefit obligations	16,583	(1,233)	(38)	15,312
Property, plant and equipment	25	105	-	130
Total	16,608	(1,128)	(38)	15,442
Deferred tax liability				
Financial assets measured at FVOCI	-	-	(170)	(170)
Financial assets measured at FVTPL	(33)	(705)	-	(738)
Total	(33)	(705)	(170)	(908)
Net	16,575	(1,833)	(208)	14,534
2022				
Deferred tax assets				
Employee benefit obligations	11,988	1,522	3,073	16,583
Property, plant and equipment	-	25	-	25
Total	11,988	1,547	3,073	16,608
Deferred tax liability				
Financial assets at FVTPL	(10)	(23)	-	(33)
Total	(10)	(23)	-	(33)
Net	11,978	1,524	3,073	16,575
Unrecognised deferred tax assets		Consolidated financial statements	Separate financial statements	
		2023	2023	2022
		(in thousand Baht)		
Tax losses	24,105	5,993	14,366	5,928
Total	24,105	5,993	14,366	5,928

The tax losses will expire during 2027. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that there will be sufficient future taxable profit against which subsidiaries can utilise the benefits therefrom.

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Notes to the financial statements
For the year ended 31 December 2023

18 Earnings per share

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company	978,576	939,967	729,015	653,151
Number of ordinary shares outstanding	425,194	425,194	425,194	425,194
Earnings per share (basic) <i>(in Baht)</i>	2.30	2.21	1.71	1.54

19 Dividends

The shareholders/ Board of Director of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share <i>(in Baht)</i>	Amount <i>(in million Baht)</i>
2023				
Interim dividend 2023	10 August 2023	September 2023	0.38	162
Annual dividend 2022	20 April 2023	May 2023	1.12	476
				638
2022				
Interim dividend 2022	10 August 2022	September 2022	0.38	162
Annual dividend 2021	21 April 2022	May 2022	1.10	468
				630

20 Financial instruments

(a) Carrying amounts and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, but does not include fair value information for financial assets and financial liabilities measured at amortised cost.

	Consolidated financial statement						
	Carrying amount		Fair value				
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Total	Level 1	Level 2	Level 3	Total
	<i>(in thousand Baht)</i>						
At 31 December 2023							
Financial assets							
Other financial assets:							
Investment in mutual funds	603,164	-	603,164	-	603,164	-	603,164
Investment in equity securities	-	97,989	97,989	-	-	97,989	97,989
Investment in debt securities	-	149,351	149,351	-	149,351	-	149,351
Total financial assets	603,164	247,340	850,504	-	752,515	97,989	850,504

Somboon Advance Technology Public Company Limited and its Subsidiaries
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For the year ended 31 December 2023

	Consolidated financial statement						
	Carrying amount		Fair value				Total
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Total	Level 1 (in thousand Baht)	Level 2	Level 3	
At 31 December 2022							
Financial assets							
Other financial assets:							
Investment in mutual funds	305,838	-	305,838	-	305,838	-	305,838
Investment in equity securities	-	98,524	98,524	-	-	98,524	98,524
Total financial assets	305,838	98,524	404,362	-	305,838	98,524	404,362

	Separate financial statement						
	Carrying amount		Fair value				Total
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Total	Level 1 (in thousand Baht)	Level 2	Level 3	
At 31 December 2023							
Financial assets							
Other financial assets:							
Investment in mutual funds	263,832	-	263,832	-	263,832	-	263,832
Investment in equity securities	-	45,108	45,108	-	-	45,108	45,108
Investment in debt securities	-	99,498	99,498	-	99,498	-	99,498
Total financial assets	263,832	144,606	408,438	-	363,330	45,108	408,438

At 31 December 2022							
Financial assets							
Other financial assets:							
Investment in mutual funds	170,167	-	170,167	-	170,167	-	170,167
Investment in equity securities	-	45,108	45,108	-	-	45,108	45,108
Total financial assets	170,167	45,108	215,275	-	170,167	45,108	215,275

Financial instruments measured at fair value

Type	Valuation technique
Investments in unit trusts classified as financial assets measured at FVTPL	The net asset value as of the reporting date.
Investments in non-marketable equity securities	Adjusted net asset value as of the reporting date.
Investments in debt securities as financial assets measured at FVOCI	The net asset value as of the reporting date.

Since the majority of financial assets and liabilities of the Group were short-term. The fair value of financial assets and liabilities is taken to approximate the carrying value as determined in the statement of financial position.

(b) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

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The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(b.1.1) Trade accounts receivable

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 15.

The Group limits its exposure to credit risk from trade accounts receivable by establishing a maximum payment period of 3 months. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade accounts receivable are disclosed in note 6.

(b.1.2) Cash and cash equivalents and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

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Consolidated financial statements					
			Contractual cash flows		
			More than 1 year but less than 2 years	More than 2 years but less than 5 years	
<i>At 31 December</i>	Carrying amount	1 year or less			Total
<i>(in thousand Baht)</i>					
2023					
Financial liabilities					
Trade accounts payable	1,084,782	1,084,782	-	-	1,084,782
Other payables	521,877	521,877	-	-	521,877
Accounts payable - purchase of assets	73,038	73,038	-	-	73,038
Lease liabilities	33,718	16,900	10,198	8,537	35,635
	<u>1,713,415</u>	<u>1,696,597</u>	<u>10,198</u>	<u>8,537</u>	<u>1,715,332</u>
2022					
Financial liabilities					
Trade accounts payable	1,335,355	1,335,355	-	-	1,335,355
Other payables	491,644	491,644	-	-	491,644
Accounts payable - purchase of assets	133,860	133,860	-	-	133,860
Lease liabilities	36,732	14,417	10,854	14,026	39,297
	<u>1,997,591</u>	<u>1,975,276</u>	<u>10,854</u>	<u>14,026</u>	<u>2,000,156</u>
Separate financial statements					
			Contractual cash flows		
			More than 1 year but less than 2 years	More than 2 years but less than 5 years	
<i>At 31 December</i>	Carrying amount	1 year or less			Total
<i>(in thousand Baht)</i>					
2023					
Financial liabilities					
Other payables	48,429	48,429	-	-	48,429
Accounts payable - purchase of assets	578	578	-	-	578
Lease liabilities	24,198	12,946	11,970	593	25,509
	<u>73,205</u>	<u>61,953</u>	<u>11,970</u>	<u>593</u>	<u>74,516</u>
2022					
Financial liabilities					
Other payables	51,616	51,616	-	-	51,616
Accounts payable - purchase of assets	4,887	4,887	-	-	4,887
Lease liabilities	4,271	1,756	1,756	1,056	4,568
	<u>60,774</u>	<u>58,259</u>	<u>1,756</u>	<u>1,056</u>	<u>61,071</u>

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(b.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>United States Dollars</i>				
Cash and cash equivalents	10,515	-	-	-
Trade accounts receivable	65,739	175,917	-	-
Trade accounts payable	(59,156)	(364)	-	-
Other payables	(19)	(1,077)	-	(181)
Net exposure	17,079	174,476	-	(181)
<i>Japanese Yen</i>				
Trade accounts payable	(6,558)	(2,176)	-	-
Other payables	(2,530)	(3,309)	(417)	-
Accounts payable				
- purchase of assets	(10,531)	(557)	-	-
Net exposure	(19,619)	(6,042)	(417)	-
<i>Euro</i>				
Accounts payable				
- purchase of assets	-	(1,630)	-	-
Net exposure	-	(1,630)	-	-

21 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

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22 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
Machinery and equipment	94,969	51,707	-	-
<i>Other commitments</i>				
Short-term lease commitments	40	173	-	-
Service agreement	8,761	-	4,800	-
Unused letters of credit for goods and supplies	52,082	21,246	-	-
Bank guarantees	112,367	93,903	91	53
Total	173,250	115,322	4,891	53

The Group entered into technical assistance agreements with several foreign companies covering assistance of the production processes, whereby the Group is to pay fees at the rate as specified in the agreements. The agreements are valid for 2 - 3 years, expiring in various periods up to 2025, and are renewable for a further 2 - 3 years.

23 Events after the reporting period

Dividends

At the Board of Directors' meeting of the Company held on 21 February 2024, the Board of Directors approved the appropriation of dividends for the year 2023 at the rate of Baht 1.60 per share, totalling Baht 680 million which will be paid from the operation for the year 2023. The interim dividends at the rate of Baht 0.38 per share, in amounting to Baht 162 million were paid in September 2023. Therefore, the remaining dividends of Baht 1.22 per share, in amounting to Baht 518 million will be paid to shareholders in May 2024. The dividends is subject to the approval of the shareholders at the Annual General Meeting.