

Information on Acquisition of Assets and Connected Transactions

by



S & J International Enterprises Public Company Limited

-Translation-
Information Memorandum on
Acquisition of Assets and Connected Transactions of
S & J International Enterprises Public Company Limited

The Board of Directors' meeting of S&J International Enterprise Public Company Limited ("the Company") No. 2/2564 held on 25 February 2021 called for the Annual General Meeting of shareholders to consider and approve Top Trend Manufacturing Co., Ltd. ("TTM"); a subsidiary of the company, to enter into a transaction to purchase land which TTM's factory located in Saha Group Industrial Park, Sriracha District, Chonburi Province from Saha Pathana Inter-Holding Public Company Limited ("SPI") instead of land lease. The property area is 10 rai 1 ngan 14.9 square wah or 10-1-14.9 rai which will be purchased at the of not exceeding 10,150,000 Baht per rai or at the total purchase of not exceeding 104,415,588 Baht. The transaction will be fully paid on a date which ownership of the property is transferred to TTM, while SPI as the seller will pay for land transfer fee, tax Duty and all of other expenses related to ownership transfer.

The transaction is considered as an acquisition of assets according to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, dated 31 August 2008, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 ("The Notification on Asset Acquisition or Disposal") with the maximum transaction size equal to 2.04 percent of total assets of the Company. Total value of consideration is calculated based on the consolidated financial statements of the Company for the year ended 31 December 2020. According to the Notification on Asset Acquisition or Disposal, the maximum transaction size is less than 15 percent of the Company's total assets without securities issuance as payment. Therefore, the transaction can be approved by the Board of Directors and the Company neither does not have to disclose information on the transaction to the Stock Exchange of Thailand ("SET"), nor propose the agenda to the Shareholders' meeting for approval. The company did not have any acquisition or disposition of assets within the past 6 months prior to the date the Board of Directors approved the transaction.

Moreover, the transaction is considered as a connected transaction according to the Notification of the Capital Market Supervisory Board No. Tor Chor. 21/2551 Re: Rules on the Connected Transaction dated 31 August 2008 (including (As amended) and the announcement of the Stock Exchange of Thailand regarding the disclosure of information and operations of listed companies on the connected transaction B.E. 2546 dated November 19, 2003 (including the revised Additional) ("Notification of the Connected Transaction"), as SPI is the major shareholder of the Company which, as of December 31, 2020, holds 29,435,192 shares or equivalent to 19.63 percent of the

Company's paid-up shares. The maximum transaction size is equal to 2.98 percent, which is less than 3.00 percent of the Company's net tangible assets (NTA), according to the Company's consolidated financial statements for the year ended 31 December 2020. The transaction is considered as a medium-size connected transaction which can be approved by the Board of Director. Therefore, the Company only have to disclose information to SET and does not have to arrange a shareholders' meeting to approve the transaction.

However, in compliance to a good corporate governance practice, the Board of Directors has resolve to propose the issue to the shareholders' meeting for approval. The Company, therefore, disclosed the information on the transaction to SET, appointed an independent financial advisor to give opinions on the transaction, and will arrange a shareholders' meeting to approve the transaction. The transaction must be approved by the shareholders' meeting, with votes of not less than three-fourths of total number of votes of shareholders who attend the meeting and have the rights to vote, excluding those who have an interest in the matter.

The Board of Directors has appointed Silom Advisory Company Limited as the independent financial advisor, and scheduled to hold the Annual General Meeting of Shareholders 2021 on 27 April 2021.

Details of the transactions are as follows:

1. Date of the transaction

TTM, which is a subsidiary of the company, will enter into an agreement to purchase land with area of 10 rai 1 ngan and 14.9 square wah or 10-1-14.9 rai, which TTM's factory is located on, from SPI. The transaction is expected to be proceed after the Company obtained an approval from the shareholders' meeting which will be held on 27 April 2021, and is expected to be completed within May 2021.

2. The parties involved

Buyer: Top Trend Manufacturing Company Limited ("TTM")

Seller: Saha Pathana Inter Holding Public Company Limited ("SPI")

Relationship with listed companies

SPI is a connected person according to the Notification of the Connected Transaction since SPI is the major shareholder of the Company and TTM, and TTM is the Company's subsidiary. As of 31 December 2020, SPI holds 29,435,192 shares or equivalent to 19.63 percent of the issued and paid-up shares of the Company and holds 24,000,000 shares or 20.00 percent of the issued and paid-up shares of TTM.

The Company, TTM and SPI also share one director in common, namely Mr. Boonkiat Chokwatana, who holds 10,298,408 shares, or 6.87 percent of the Company's issued and paid-up shares. In addition, there is another

director of SPI who is also a shareholder of the Company, namely Mr. Boonyasit Chokwatana, who holds 3,452,374 shares or 2.30 percent of the issued and paid-up shares.

3. General characteristics of the transaction

TTM as a subsidiary of the company will purchase land locating in the Saha Group Industrial Park, Sriracha District, Chonburi Province, deeds number 250323, 250324 and 250416, total area of 10 rai 1 ngan and 14.9 square wah or equivalent to 10-1-14.9 rai, which is owned by SPI. The purchase price of land is not exceeding 10,150,000 Baht per rai, which the total purchase is not exceeding 104,415,588 Baht. The transaction will be fully paid on a date which ownership of the property is transferred to TTM, while SPI as the seller will pay for land transfer fee.

TTM's factory is located on the property, which has been leased from SPI since May 1989. by engaging in 2 leases; a 30-years lease and a short-term lease which has been extended consecutively. When the long-term lease had met its expiration in 2019, TTM negotiated for lease extension annually. Current term of the leases will meet their expiration on 30 April 2021 and 1 May 2021 respectively. After entering into the transaction, the lease agreements between TTM and SPI will be terminated. Thus, TTM will not lose ownership of all buildings and structures which are built on the property to SPI when the lease agreements expire—which is a condition specified in the terms of agreements. Therefore, the ownership of all factory buildings and structures on the property will remain with TTM.

The transaction is considered as an acquisition of assets which the size of transaction, regarding the Notification of the Connected Transaction, can be calculated based on the audited consolidated financial statements for the period ended 31 December 2020. The transaction size calculated under the total value of consideration basis shows the highest value which is 2.04 percent.

$$\begin{aligned}\text{Transaction size} &= \text{Total value of consideration} \times 100 / \text{Total assets of the company} \\ &= 104,415,588 \times 100 / 5,115,102,020 \\ &= 2.04 \text{ percent}\end{aligned}$$

According to the Notification on Asset Acquisition or Disposal, the transaction is considered as an acquisition of assets with transaction size of less than 15 percent of the total assets of the Company without securities issuance as payment. Therefore, the transaction can be approved by the Board of Directors and the Company neither does not have to disclose information on the transaction to the Stock Exchange of Thailand (“SET”), nor propose the agenda to the Shareholders’ meeting for approval. The company did not have any

acquisition or disposition of assets within the past 6 months prior to the date the Board of Directors approved the transaction.

Moreover, the transaction is considered as a connected transaction according to the Notification of the Connected Transaction since SPI is a connected person according to the Notification of the Connected Transaction. SPI is a major shareholder of the Company which, as of 31 December 2020, holds 29,435,192 shares in the Company or equivalent to 19.63 percent of the total issued and paid-up shares of the Company. Regarding calculation of the transaction size based on the consolidated financial statements of the Company. For the period ended 31 December 2020, the maximum transaction size is 2.98 percent is higher than 3.00 percent of the Company's net tangible assets. The transaction is considered as a medium-size connected transaction which can be approved by the Board of Director. Therefore, the Company only have to disclose information to SET and does not have to arrange a shareholders' meeting to approve the transaction.

$$\begin{aligned}\text{Transaction size} &= \text{Maximum transaction value} \times 100 / \text{Net tangible asset value (NTA)} \\ &= 104,415,588 \times 100 / 3,505,348,541 \\ &= 2.98 \text{ percent}\end{aligned}$$

However, in compliance to a good corporate governance practice, the Board of Directors has resolve to propose the issue to the shareholders' meeting for approval. The Company, therefore, disclosed the information on the transaction to SET, appointed an independent financial advisor to give opinions on the transaction, and will arrange a shareholders' meeting to approve the transaction. The transaction must be approved by the shareholders' meeting, with votes of not less than three-fourths of total number of votes of shareholders who attend the meeting and have the rights to vote, excluding those who have an interest in the matter.

4. Details of assets to be acquired

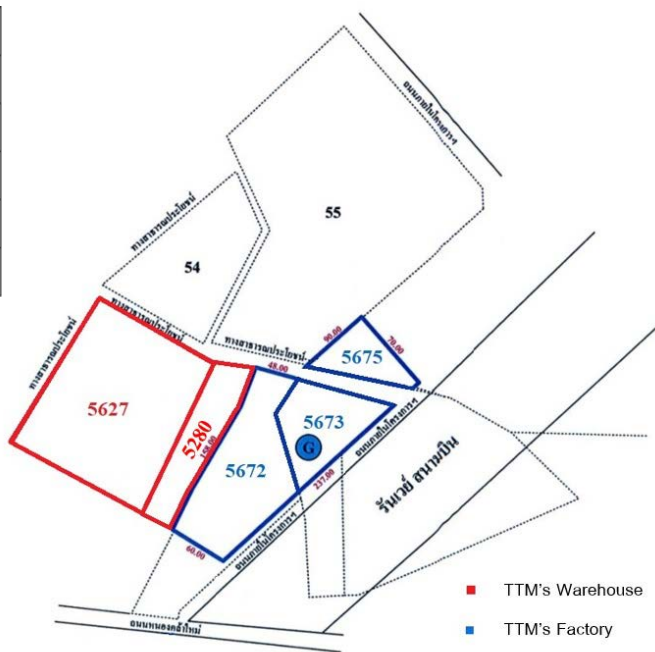
Type	Land
Details	3 plots of land with utilities access located on public road within Saha Group Industrial Park Sriracha TTM's office buildings and factories is located on the property.
Location	Saha Group Industrial Park Sriracha, Sukhaphiban Road, Bueng Subdistrict, Sriracha District, Chonburi Province
Deed No.	250416, 250323 and 250324
Land No.	5675, 5672 and 5673
Area	10 rai 1 ngan and 14.9 square wah or equivalent to 10-1-14.9 rai
Property right	Freehold
Ownership	SPI

Location of the land that TTM will purchase from SPI.



Plot of lands which will be acquired by TTM

Area of property to be purchase	
Land code	Area
5672	5-1-8.6 rai
5673	2-3-72.8 rai
5675	2-0-33.5 rai
Total	10-1-14.9 rai



Source: The Company

5. Total Value of Consideration and Payment

TTM as a subsidiary of the Company will purchase the land which is TTM's factory is currently located on from SPI. The land is located in Saha Group Industrial Park, Sriracha District, Chonburi Province. The property area is 10 rai 1 ngan 14.9 square wah or 10-1-14.9 rai, deeds No, 250416, 250323 and 250324, which will be purchased at the of not exceeding 10,150,000 Baht per rai or at the total purchase of not exceeding 104,415,588 Baht. The transaction will be fully paid on a date which ownership of the property is transferred to TTM, while SPI as the seller will pay for land transfer fee, tax Duty and all of other expenses related to ownership transfer.

6. Value of Assets to be Acquired

The property which TTM, as a subsidiary of the Company, will acquire , has total area of 0 rai 1 ngan 14.9 square wah or 10-1-14.9 rai, which will be purchased at the of not exceeding 10,150,000 Baht per rai or at the total purchase of not exceeding 104,415,588 Baht. The purchase price is based on the land price quotation letter of the project dated 28 January 2021, the standard price of land within Saha Group Sriracha Industrial Park owned by SPI, and a negotiation between TTM and SPI.

7. Criteria used to determine the value of consideration

The value of consideration is based on the price offer from the seller—SPI—as the owner of "Saha Group Industrial Park", according to the land price quotation letter of the project dated 28 January 2021 received from SPI, the standard price of land within Saha Group Sriracha Industrial Park which is announced on 4 July 2016, and

a negotiation between TTM and SPI. In this regard, TTM has appointed Leading Appraisal Service (Thailand) Co., Ltd; an independent appraiser certified by SEC, to appraise market value of the assets to be purchased on 15 October 2020. The market value of the assets is 10.0 million baht per rai or 102.87 million baht in total, and the purchase price of the assets is only 1.5 percent higher than the appraised value.

8. Benefits expected to be generated to the Company

By entering into the land purchase transaction, the Company expects to receive the following benefits:

- (1) TTM will acquire ownership of land which its factory is located on and used for business operation, and will not have a risk that the lease agreements is being terminated or is not being renewed. The risk may cause TTM to have to acquire new property and factory for relocation, which will affect the continuity of TTM business and may incur higher expenses in compared to entering into this transaction.
- (2) Due to the terms of agreement specified in of the original 30-year lease agreement between SPI and TTM, upon expiration of the agreement, ownership of buildings located on the property will be transferred to SPI as the lessor of land. The original lease agreement has already expired since 1 May 1 2019, and both parties agree to extend the agreement annually, which the latest agreement will expire on 1 May 2021. By entering into the land purchase transaction, TTM will not lose ownership of the buildings.
- (3) Reduce rental expense, where TTM currently pays land rental amounting to approximately 8.54 million Baht per year.
- (4) Avoid a risk of rental price to be increased in the future.

9. Source of funds

TTM will use working capital of the company as a source of fund for the transaction which includes cash flow from operating activities and short-term borrowing from financial institutions which TTM currently has credit line for short-term loans approximately 740 million baht in total which the interest rate is between 0.90 – 1.5 percent per annum in terms of promissory notes which can be used for land acquisition. As of 31 December 2020, the company have yet to utilize it. Thus, TTM has enough financial resource for the transaction and business operations. TTM expects to repay the borrowing within 3 years and approximately 1 million baht of interest expense per year. As of 31 December 2020, TTM had 29 million baht of cash approximately. In this regard, TTM's management will consider appropriate proportion of the source of funds to be used depending on the company's financial liquidity as of the transaction date.

10. Connected person and / or interested shareholders who have no right to vote.

This transaction can be performed only after the Company has received approval from the shareholders' meeting of the Company. By a vote of not less than three-fourths of the total number of votes of shareholders who attend the meeting and have the right to vote, excluding the shareholders' equity. The shareholders who have interests and no right to vote are as follows:

Related shareholders	Number of shares held in the Company as of 31 December 2020	Percentage
1. Saha Pathana Inter-Holding Public Company Limited	29,435,192	16.07
2. I.C.C.International Public Company Limited	21,897,781	14.61
3. I.D.F. Company Limited	16,269,802	10.85
4. International Laboratories Corporation Limited	1,424,314	0.95
5. Saha Pathanapibul Public Company Limited	242,802	0.16
6. Sahacogen (Chonburi) Public Company Limited	100,000	0.07
7. Betterway (Thailand) Company Limited	100,000	0.07
8. Chokwatana Company Limited	873,000	0.58
9. Mr. Boonkiet Chokwatana	10,298,408	6.87
10. Mr. Boonyasit Chokwatana	3,452,374	2.3

11. Opinion of the Board of Directors About the agreement to enter into the transaction

Board of Directors' Meeting No.3/2021 on 1 March 2021, which the director who has interest with the matter, namely Mr. Boonkiet Chokwatana, did not attend the meeting, had an opinion that the acquisition of assets is for the benefit of the Company and its shareholders, and the transaction is under reasonable conditions. Therefore, the Board of Directors' Meeting No. 3/2021 resolved to approve the said transaction.

12. Opinion of the Audit Committee and / or the Company's directors Which is different from the opinion of the Board of Directors in item 11

-None-



S & J International Enterprises Public Company Limited

Mr.Thirasak Vikitset, Mrs.Malyn Ungsurungsie

(Mr.Thirasak Vikitset, Mrs.Malyn Ungsurungsie)

Director

Attachment 1: Information summary of S&J International Enterprises Public Company Limited

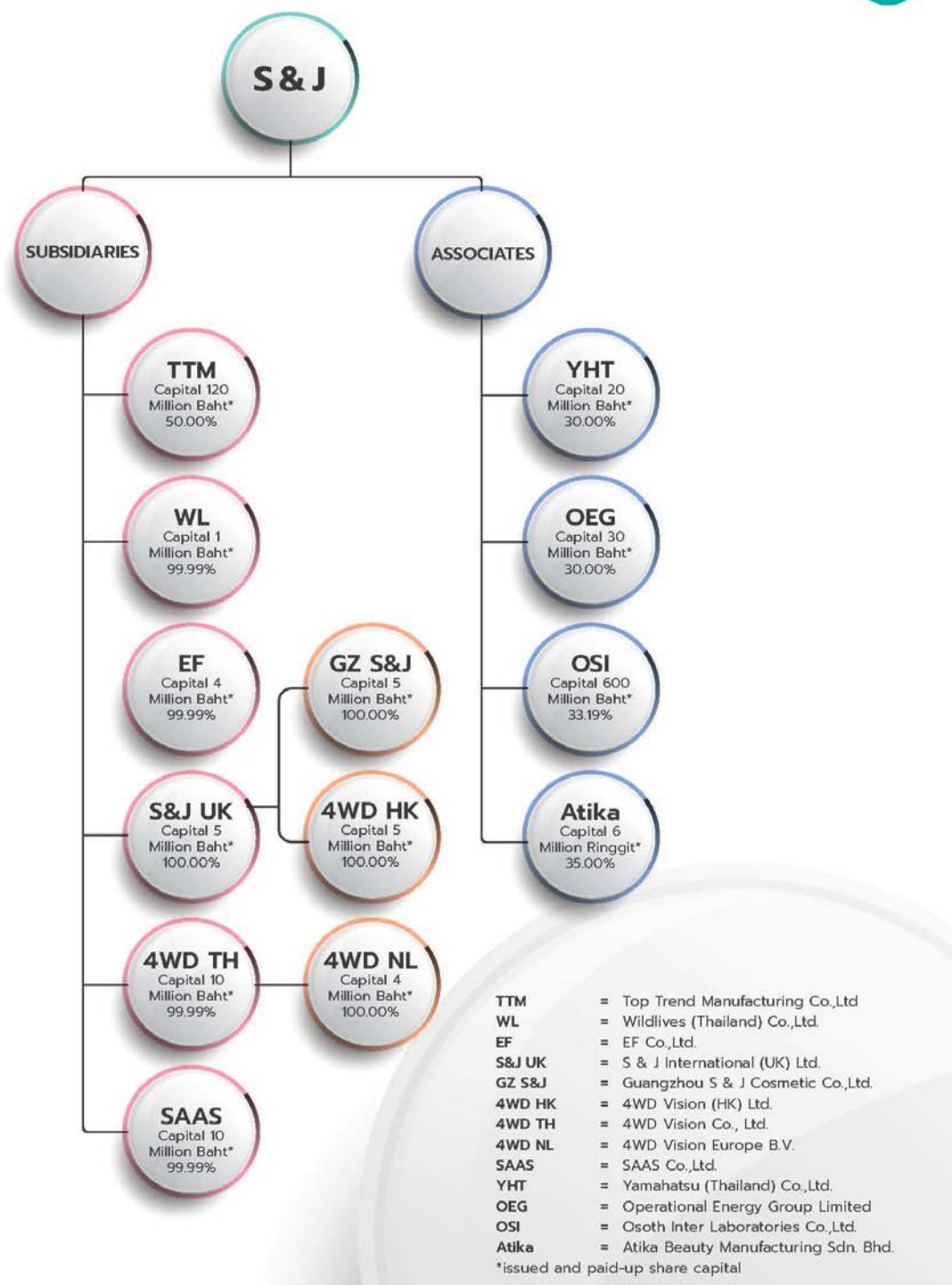
1. Basic Information

Company Name	:	S&J International Enterprises Public Company Limited ("S&J" or "Company")
Registration date	:	22 April 1980
Registration number	:	0107537001366
Location of Head Office & factory no. 1	:	600/4 Moo 11 Sukaphiban 8 Road, Nongkharm, Sriracha, Chonburi, 20230, Thailand
Telephone	:	0-2676-2727
Fax	:	0-2676-2726
Website	:	www.snjinter.com
Factory no. 2	:	789/159 Moo 1, Sai Nong Kho-Leamchabang Road, Nongkharm, Sriracha, Chonburi, 20230, Thailand
Registered capital	:	Baht 200,000,000.00 to be composed of 200,000,000 common stocks of Baht 1.- par value
Issued and paid-up share capital	:	Baht 149,930,828.00 to be composed of 149,930,828 common stocks of Baht 1.- par value
Type of business	:	Cosmetics manufacturing for local and international brands
Dividend policy	:	Rate of 20-80% of net profit of the Company's separate financial statement. However, this rate principally depends on economic conditions and business performance of the company

2. Shareholding Structure for the Company

As of 31 December 2020, S&J International Enterprises Public Company Limited (“S&J” or “Company”) comprised of S&J, 6 subsidiaries, and 4 associates as follows:

SHARE HOLDING STRUCTURE FOR COMPANIES UNDER S&J



3. Type of Business

At present, the company, together with its subsidiaries, manufactures and distributes various cosmetic and beauty products for both local and international brands based on specific requirements and standards. The company also produces beauty products based on in-house R&D with modern and standardized machinery and technology. The company business can be divided into 3 major activities as follows:

1) Manufacturing of Cosmetic products

S&J main business is in the production and the development of all cosmetic products with modern and standardized machinery and technology. The company has been certified with quality-standards certificates, creating confidence in the quality of products delivered to customers, such as

- GMP certificates from Food and Drug Administration, Ministry of Public Health
- ISO 9001: 2015 certificates from TUV ASIA PACIFIC LIMITED – Hong Kong
- ISO 14001: 2015 certificates from TUV ASIA PACIFIC LIMITED – Hong Kong
- ISO 17025 cosmetic-lotion from Department of Medical Sciences, Ministry of Public Health
- OHSAS 18001: 2007 certificates from TUV ASIA PACIFIC LIMITED – Hong Kong
- CSR-DIW (Corporate Social Responsibility - Department of Industrial Work) Certificate or Equivalent to ISO 26000
- ISO 22716: 2007 certificates from TUV ASIA PACIFIC LIMITED – Hong Kong
- ESG 100 (Environmental Social Governance 100) certificates from Thaipat Institute
- Halal certificate from LPPOM MUI, Indonesia
- Thai Labor Standard (TLS 8001:2553)
- The Company becomes a member of the Sedex Member Ethical Trade Audit (SMETA) or SEDEX
- Roundtable on Sustainable Palm Oil certificate (RSPO) from TUV NORD (Thailand)

2) Manufacturing of Packaging

Top Trend Manufacturing Co., Ltd. (TTM), a subsidiary of S&J, manufactures packaging for cosmetic, medicine, and food products such as tube, bottle, jar, compact, lipstick. TTM also supply other packaging materials not manufactured by TTM to better serve customer needs.

3) Other Businesses

Other businesses ranges from the distribution of personal care raw material to the research and development of personal care products. The businesses are operated by S&J's subsidiaries and associates.

Businesses Operated by Subsidiaries

1. Wildlives (Thailand) Co., Ltd. and EF Co., Ltd. are engaged in the development and distribution of personal care and cleaning products.
2. S&J International (UK) Ltd., Guangzhou S&J Cosmetic Co., Ltd. 4WD Vision (HK) Ltd., 4WD Vision Co., Ltd., and 4WD Vision Europe B.V Co., Ltd are engaged in marketing services coupled with trading of raw materials and packaging relating to cosmetic manufacturing industry and beauty care products.
3. SAAS Co., Ltd. is engaged in research and development of cosmetic and beauty care products.

Businesses Operated by Associates

1. Yamahatsu (Thailand) Co., Ltd. is a manufacturer and distributor of hair dyeing and hair perm products.
2. Operational Energy Group Limited is a service provider for operation and maintenance to private power plant as well as local and overseas industrial factories and leased engine service including technical due diligence of power plant for financial advisor.
3. Osoth Inter Laboratories Co., Ltd. is a manufacturer and distributor of pharmaceuticals including food supplements.
4. Atika Beauty Manufacturing Sdn.Bhd., located in Malaysia, manufactures HALAL certified cosmetics and beauty products.

4. Revenue Structure

Separated Revenue of each company	%Shareholding of Company	2020		2019		2018	
		Million Baht	%	Million Baht	%	Million Baht	%
		Manufacturing and Others Business Income					
Manufacturing of Cosmetic							
S&J International Exterprises PLC.	Domestic	1,336.4	24.8	1,612.6	28.6	1,837.2	32.0
	Oversea	1,947.2	36.1	2,174.4	38.6	1,974.8	34.3
Total Manufacturing of Cosmetic		3,283.6	60.9	3,787.0	67.2	3,812.0	66.30
Manufacturing of Packaging							
Top Trend Manufacturing Co., Ltd.	Domestic	1,014.1	18.8	918.6	16.3	1,038.5	18.1
	Oversea	103.4	1.9	86.30	1.5	96.1	1.7
Total Manufacturing of Packaging		1,117.5	20.7	1,004.9	17.8	1,134.6	19.8
Others Business							
Wildlives (Thailand) Co., Ltd.	Domestic	4.3	0.1	7.7	0.1	10.3	0.2
	Oversea	-	-	-	-	-	-
EF Co., Ltd.	Domestic	21.7	0.4	21.9	0.4	20.2	0.3
	Oversea	-	-	-	-	-	-
S&J International (UK) Ltd.	Domestic	-	-	-	-	-	-
	Oversea	472.5	8.7	373.0	6.6	264.4	4.6
Guangzhou S&J Cosmetic Co., Ltd.	Domestic	-	-	-	-	-	-
	Oversea	-	-	-	-	-	-
4WD Vision (HK) Ltd.	Domestic	-	-	-	-	-	-
	Oversea	126.8	2.4	82.0	1.5	59.0	1.0
4WD Vision Co., Ltd.	Domestic	89.7	1.7	86.8	1.6	64.3	1.1
	Oversea	-	-	-	-	2.9	0.1
4WD Vision Europe BV	Domestic	-	-	-	-	-	-
	Oversea	7.0	0.1	-	-	-	-
SAAS Co., Ltd.	Domestic	1.0	-	1.1	-	0.7	-
	Oversea	-	-	-	-	-	-
Total Others Business		723	13.4	572.5	10.2	421.8	7.3
Total Manufacturing and Others Business		5,124.1	95.0	5,364.4	95.2	5,368.4	93.4
Income							
Other Income		193.9	3.6	215.7	3.8	339.0	5.9
Share of profit of investment in associates		74.5	1.4	57.6	1.0	42.4	0.7
Total Revenue		5,392.5	100.0	5,637.7	100.0	5,749.8	100.0

Remark:

Additional information are disclosed in the Notes to Financial Statements for the year 31 December 2020 No.28: Financial information by segment

5. The Board of Directors (As of 31 December 2020)

No.	Name	Position
1	Mr. Boonkiet Chokwatana	Chairman
2	Mrs. Tipaporn Chokwatana	Vice Chairman/ Director
3	Mr. Thirasak Vikitset	Executive Board's Chairman / Managing Director / Director
4	Dr. Atthakorn Glankwamdee	Director
5	Mrs. Kaewta Ongsaranakom	Director
6	Prof. Dr.Malyn Ungsurungsie	Director
7	Mrs. Chitraporn Vikitset	Director
8	Mrs. Teerada Ambhanwong	Director
9	Mr. Suthep Dansiriviroj	Director
10	Mr. Amorn Asvanunt	Audit Committee's Chairman / Independent Director
11	Mrs. Pradittha Chongwattana	Audit Committee's Director / Independent Director
12	Assist.Prof.Dr. Pongchai Athikomrattanakul	Audit Committee's Director / Independent Director
13	Pol.Gen. Somchai Prabhasabhakdi	Audit Committee's Director / Independent Director
14	Admiral Apichart Pengsritong	Independent Director
15	Mrs. Pismai Chandrubeksa	Independent Director

Source: The Stock Exchange of Thailand

6. List of the Management

No.	Name	Position
1	Mr. Thirasak Vikitset	Managing Director / Director which are Management
2	Dr. Atthakorn Glankwamdee	Deputy Managing Director / Director which are Management
3	Mrs. Kaewta Ongsaranakom	Director / Director involved in the Management
4	Prof. Dr. Malyn Ungsurungsie	Director / Director involved in the Management
5	Mrs. Chitraporn Vikitset	Director / Director involved in the Management
6	Mr. Bo Nystrup Nielsen	Strategy and Corporate Development Division Manager
7	Mr. Simon Rhoderick Knight	Overseas Business Division Manager
8	Mrs. Thongsuk Upathambhakul	Domestic Business Division Manager

No.	Name	Position
9	Mr. Praj Srichandra	Factory Division Manager
10	Mr. Varith Tritrapun	Office Division Assistant Manager (Accounting & Finance)
11	Mrs. Patchara Pongwichan	Human Resource Division Assistant Manager
12	Mrs. Daranee Ajjaneeyakul	Technical Division Assistant Manager
13	Dr. Arucha Budsakornbhinanda	Automation and Digital Technology Division Assistant Manager

Source: The Company

7. Major Shareholders (As of 31 December 2020)

The company has total registered capital of Baht 200,000,000.00, with issued and paid-up share capital of Baht 149,930,828.00 to be composed of 149,930,828 shares of common stocks of 1 Baht per share. The list of 10 major shareholders as follows:

No.	Name	No. of share	%
1	Saha Pathana Inter-Holding Public Company Limited	29,435,192	19.63
2	I.C.C. International Public Company Limited	21,897,781	14.60
3	I.D.F. Company Limited	16,269,802	10.85
4	Vittayasith Company Limited	13,039,447	8.70
5	Mr. Boonkiet Chokwatana	10,298,408	6.87
6	Mr. Virapat Punsak-Udomsin	7,430,144	4.96
7	Mr. Boonsithi Chokwatana	3,452,374	2.30
8	Mrs. Tipaporn Chokwatana	2,725,652	1.82
9	Mr. Thanapon Punsak-Udomsin	1,800,000	1.20
10	Ms. Ratiporn Punsak-Udomsin	1,800,000	1.20
11	Mrs. Pavinee Punsak-Udomsin	1,800,000	1.20
12	Mrs. Orapin Punsak-Udomsin	1,800,000	1.20
13	Mrs. Orathai Thongmeearkom	1,800,000	1.20
14	Other shareholders	36,382,028	24.27
Total		149,930,828	100.00

Source: The Company

8. Relating Party Transactions

In year 2020, the company and its subsidiaries entered into related party transactions with parties with possible conflict of interests, according to the details as follows:

1. Normal business transactions, normal business support transactions, rental or lease transaction for immovable property (not more than 3 years), and transactions related to assets and services.

(Unit : Million Baht)

Name	Relationship	Shareholding Proportion (%)	Important transaction	Value of related transactions
1. Saha Pathana Inter-Holding PCL. (SPI)	● Major shareholder	0.32	- Immovable property rental expenses	5.80
	● Co-director is Mr. Boonkiet Chokwatana		- Electrical and Utility charges expenses	116.00
	● ICC which is S&J's major shareholder holds 9.97% shares in SPI		- Sale of goods	0.03
2. I.C.C. International Plc. (ICC)	● Major shareholder	0.35	- Purchase of products / Service	10.08
	● Have the same directors as S&J		- Royalty fee expenses	0.08
	- Mr. Boonkiet Chokwatana		- Other expenses	0.06
	- Mr. Amorn Asavanunt		- Sale of goods	4.81
● SPI which is S&J's major shareholder holds 24.81% shares in ICC		- Other income	0.27	
3. Yamahatsu (Thailand) Co., Ltd.	Have the same directors as S&J	30.00	- Sale of goods	7.35
	- Mr. Thirasak Vikitset		- Immovable property rental income	29.82
	- Mrs. Chitraporn Vikitset		- Other income	0.35
4. Osot Inter Laboratories Co., Ltd.	Have the same directors as S&J	33.19	- Sale of goods	46.24
	- Mr. Boonkiet Chokwatana		- Immovable property rental income	2.85
	- Mr. Thirasak Vikitset		- Service income	0.49
	- Prof.Dr. Malyn Ungsurungsie			
5. Atika Beauty Manufacturing Sdn.Bhd.	Have the same directors as S&J	35.00	- Sale of goods	1.99
	- Mr. Thirasak Vikitset		- Other income	0.32
6. Thai Cubic Technology Co., Ltd.	Have the same directors as S&J	5.0	- Other expenses	0.36
	- Mr. Boonkiet Chokwatana			

(Unit : Million Baht)

Name	Relationship	Shareholding Proportion (%)	Important transaction	Value of related transactions
7. T-Way Co., Ltd.	Have the same directors as S&J	12.00	- Sale of goods	0.11
	- Mr. Boonkiet Chokwatana		- Other expenses	0.04
	- Mrs. Tipaporn Chokwatana			
	- Mrs. Kaewta Ongsaranakom			
8. Thai Wacoal Plc. (WACOAL)	SPI which is S&J's major shareholder	0.08	- Sale of products	10.60
	holds 23.06% shares in WACOAL		- Royalty fee expenses	0.01
9. Better Way (Thailand) Co., Ltd. (BWT)	● Have the same directors as S&J	-	- Sale of goods	739.34
	- Mr. Boonkiet Chokwatana		- Other income	1.44
	- Mrs. Tipaporn Chokwatana			
	● SPI which is S&J's major shareholder holds 24.81% in BWT			
10. International Laboratories Co., Ltd. (ILC)	● Have the same directors as S&J	-	- Purchase of products / Service	0.05
	- Mrs. Tipaporn Chokwatana		- Service fee expenses	0.36
	- Mrs. Kaewta Ongsaranakom		- Sale of goods	166.92
	- Mrs. Teerada Ambhanwong			
	● SPI which is S&J's major shareholder holds 25% shares in ILC			
11. OCC Plc. (OCC)	● Have the same directors as S&J	-	- Sale of goods	8.92
	- Mrs. Tipaporn Chokwatana			
	- Mrs. Teerada Ambhanwong			
	● SPI which is S&J's major shareholder holds 14.36% shares in OCC			
12. Oriental Salon Business Co., Ltd.	Have the same directors as S&J Mrs. Teerada Ambhanwong	-	- Sale of goods	0.18
13. H and B Intertex Co., Ltd.	Have the same directors as S&J	-	- Purchase of products/ Service	6.93
	- Mr. Boonkiet Chokwatana		- Other expenses	0.03
	- Mrs. Tipaporn Chokwatana		- Sale of goods	0.16
	- Mrs. Kaewta Ongsaranakom			
14. Makeup Technic International Co., Ltd.	Have the same directors as S&J	-	- Sale of goods	1.73
	- Mr. Boonkiet Chokwatana			
	- Mrs. Tipaporn Chokwatana			
	- Mrs. Kaewta Ongsaranakom			
15. I.S.B.M Co., Ltd.	Have the same directors as S&J Mr. Thirasak Vikitset	-	- Sale of goods	3.44

(Unit : Million Baht)

Name	Relationship	Shareholding Proportion (%)	Important transaction	Value of related transactions
16. Shaldan (Thailand) Co., Ltd.	Have the same directors as S&J Dr. Atthakorn Glankwamdee	-	- Sale of goods	3.81
			- Other income	0.41
17. Chok Watthana Co., Ltd.	Have the same directors as S&J Mr. Boonkiet Chokwatana	-	- Immovable property rental	
			expenses	0.77
			- Utility charges expenses	0.32
18. AANC Company Limited	Have the same directors as S&J Dr. Atthakorn Glankwamdee	-	- Sale of goods	2.83
19. Saha Pathanapibul Plc. (SPC)	SPI is the major shareholder that investing in SPC 24.98%	-	- Other expenses	0.03
			- Sale of goods	7.98
20. Lion (Thailand) Co., Ltd. (LION)	SPI is the major shareholder that investing in LION 24.80%	-	- Purchase of products/ Service	0.79
			- Sale of goods	38.30
			- Other expenses	0.29

Relating Party Transactions can be looked at the past 3 years at "www.snjinter.com" topic "Investor Relation" "Financial Information".

Transfer Pricing Policy The company set selling price, by considering product design, complexity level of production process, sales forecast, sales volume, and production cost. Which is the same price level with the general customers.

Remuneration Policy The company carried out relating transactions with other companies, on a fair business practice basis, based on market prices and normal business terms being applied to those transactions conducted with unconnected outside business parties or persons.

Item	Remuneration Policy
- Immovable property rental fees	Fees depending on the location, surrounding, building condition, and utilization purpose for said assets
- Service charges	The remuneration of the service provider, the difficulty of the task, without compensation, as well as other persons or other parties that are not involved.
- Utility charges	According to the rates announced by Saha Group Industrial Park, based on actual units or volume used
- Other expenses	According to the actual rate.

2. Transaction in providing or receiving financial assistance

Unit: Million Baht

Company name	Loan Providing				
	Balance as	Additions	Settlements	Balance as	Interest
	of Dec. 31, 2019			of Dec. 31, 2020	Rate %
1.Wildlives (Thailand) Co.,Ltd.	4.0	-	(4.0)	-	2.0

Loan Providing The company and the subsidiaries had not provided additional loan to related parties during year, 2020. (Please see note to financial statements no.7). In 2020, the Company had interest receive of Baht 0.1 Million.

Necessity and rational of transaction with related personnel

The Board of Directors has its opinion on related party transactions that is the normal course of doing business. This is the same as recording transactions with other personnel in the industry relating with the business. Determining buying - selling prices is corresponding to normal practice. It is not for transferring company's benefits to any related person.

The related transaction is made for the benefit of the company and shareholders as a whole in order to sustain growth and grow the business for long term. Teaming-up with an alliance is for mutual strengthening in doing business in order to maximize benefits to all parties concerned.

Criteria or process of authorization in recording related transactions

For unusual transactions, if the size of transactions are not in the level with no need to get approval from a shareholder's meeting. Under SET's regulations, the transactions will be considered and approved by the Executive Board of Directors without get approval from the interested persons. If the size of the transactions are larger than approval, the Executive Board of Directors will obtain a resolution from the Executive Board and propose the resolution to the Board of Directors to gain further approval without gaining an approval from the interested persons.

Also, the Audit Committee shall review the paid transaction and disclose it every quarter to avoid conflict of interest.

In the related transaction between, the company have policy and terms of the transaction such as buying price, selling price, value of the related transaction between the company is subject to normal course of business.

Related party transactions are conformed with the regulations of the Stock Exchange of Thailand and propose to the Audit Committee for consideration and follow the steps to the reasonableness of the transaction and is in the best interests of the company. The Audit Committee will review such prices or rates of the transaction with the staff of the company and internal auditors that the price is reasonable and disclosures in the financial statements are correct.

The company have the process of approving the related party transaction between the company in the same way as the procurement of the company and the executives or shareholders have no interest in the transaction, and not to the approval of such matters.

To enter into the related transaction between the company, the company have complied with the requirements and regulations of the Stock Exchange of Thailand. The Audit Committee will provide an opinion on the suitability of the item and the fair price in order to maximize benefit of the company.

The company complies with the standards of the Stock Exchange of Thailand on the related transaction and / or the acquisition or disposition of assets of the company which will be amended to include the practices disclosed to the shareholders of the company. The Investors and related agencies, including the Stock Exchange of Thailand and will be approved by the Board of Directors and / or the Annual General Meeting of Shareholders, as defined by the Stock Exchange of Thailand.

Comments of Audit Committee relating to the transactions incurred.

The Audit Committee had considered the 2020 connected transactions with comment of no deviation from Board of Directors' resolution.

9. Financial Statement and Performance Overview

9.1 Statement of Financial Position

Consolidated financial statement	Audited financial statement as of 31 December					
	2018		2019		2020	
	MB	%	MB	%	MB	%
Assets						
Current assets						
Cash and cash equivalents	53.01	1.08	127.19	2.57	269.00	5.26
Current investments - Certificates of deposits	8.00	0.16	4.00	0.08	-	-
Trade and other receivables	932.67	18.94	873.86	17.67	857.94	16.77
Inventories	698.05	14.17	764.29	15.45	771.04	15.07
Other current financial assets	-	-	-	-	18.81	0.37
Other current assets	88.82	1.80	111.64	2.26	68.26	1.33
Total current assets	1,780.55	36.16	1,880.99	38.03	1,985.04	38.81

Consolidated financial statement	Audited financial statement as of 31 December					
	2018		2019		2020	
	MB	%	MB	%	MB	%
Non-current assets						
other non-current financial assets	-	-	-	-	1,044.27	20.42
Available-for-sale investments	998.75	20.28	948.05	19.17	-	-
Investments in subsidiaries	279.07	5.67	278.89	5.64	289.62	5.66
Investments in associates		-	-	-	0.05	0.00
Investments in related companies	65.22	1.32	62.90	1.27	-	-
Investment in other company	5.00	0.10	5.00	0.10	-	-
Long-term investments - Certificates of deposits	-	-	3.00	0.06	-	-
Long-term loans to other company	16.14	0.33	-	-	-	-
Investment properties	92.50	1.88	88.68	1.79	87.13	1.70
Property, plant, and equipment	1,569.70	31.87	1,575.30	31.85	1,485.09	29.03
Right-of-use assets	0.53	0.01	-	-	127.93	2.50
Intangible assets	34.70	0.70	32.97	0.67	29.11	0.57
Deferred tax assets	47.72	0.97	53.98	1.09	59.46	1.16
Other non-current assets	34.71	0.70	16.12	0.33	7.39	0.14
Total non-current assets	3,144.04	63.84	3,064.88	61.97	3,130.06	61.19
Total assets	4,924.59	100.00	4,945.87	100.00	5,115.10	100.00
Liabilities and shareholders' equity						
Current liabilities						
Bank overdrafts and short-term loans from financial Institutions	138.74	2.82	180.07	3.64	60.28	1.18
Trade and other payables	529.20	10.75	498.54	10.08	500.27	9.78
Current portion of lease liabilities	-	-	-	-	43.20	0.84
Income tax payable	45.36	0.92	26.21	0.53	10.44	0.20
Other current financial liabilities	-	-	-	-	0.00	0.00
Other current liabilities	10.62	0.22	17.38	0.35	18.00	0.35
Total current liabilities	723.92	14.70	722.21	14.60	632.19	12.36
Non-current liabilities						
Lease liabilities, net of current portion	-	-	-	-	85.36	1.67
Provision for long-term employee benefits	185.84	3.77	178.53	3.61	187.99	3.68
Deferred tax liabilities	129.70	2.63	119.72	2.42	120.59	2.36
Other non-current liabilities	0.36	0.01	0.37	0.01	0.58	0.01
Total non-current liabilities	315.90	6.41	298.62	6.04	394.53	7.71

Consolidated financial statement	Audited financial statement as of 31 December					
	2018		2019		2020	
	MB	%	MB	%	MB	%
Total liabilities	1,039.83	21.12	1,020.82	20.64	1,026.72	20.07
Shareholders' equity						
Share capital						
Registered						
200,000,000 ordinary shares of Baht 1.- each	200.00	4.06	200.00	4.04	200.00	3.91
Issued and fully paid-up						
149,930,828 ordinary shares of Baht 1.- each	149.93	3.04	149.93	3.03	149.93	2.93
Share premium	724.76	14.72	724.76	14.65	724.76	14.17
Retained earnings						
Appropriated-statutory reserve	20.00	0.41	20.00	0.40	20.00	0.39
Unappropriated	2,152.07	43.70	2,234.43	45.18	2,341.18	45.77
Other components of shareholders' equity	510.47	10.37	461.54	9.33	485.98	9.50
Equity attributable to owners of the Company	3,557.24	72.23	3,590.66	72.60	3,721.85	72.76
Non-controlling Interests	327.52	6.65	334.39	6.76	366.53	7.17
Total shareholders' equity	3,884.76	78.88	3,925.05	79.36	4,088.38	79.93
Total liabilities and shareholders' equity	4,924.59	100.00	4,945.87	100.00	5,115.10	100.00

9.2 Income Statement

Unit: Million Baht	Audited financial statement as of 31 December					
	2018		2019		2020	
	MB	%	MB	%	MB	%
Revenue						
Sales revenue	4,798.32	95.34	4,634.03	97.16	4,315.59	97.66
Dividend income	34.41	0.68	27.20	0.57	18.62	0.42
Exchange gains	-	-	12.75	0.27	3.38	0.08
Gain on disposal of investments	87.24	1.73	-	-	-	-
Gain from fair value measurement of derivatives	-	-	0.80	0.02	1.54	0.03
Other income	112.81	2.24	94.46	1.98	79.73	1.80
Total revenue	5,032.78	100.00	4,769.25	100.00	4,418.86	100.00
Expenses						
Cost of sales	3,614.18	71.81	3,419.63	71.70	3,058.60	69.22
Selling and distribution expenses	140.94	2.80	155.07	3.25	143.87	3.26
Administrative expenses	880.44	17.49	945.03	19.82	949.67	21.49
Total expenses	4,635.56	92.11	4,519.72	94.77	4,152.15	93.96

Unit: Million Baht	Audited financial statement as of 31 December					
	2018		2019		2020	
	MB	%	MB	%	MB	%
Operating profit	397.22	7.89	249.52	5.23	266.72	6.04
Share of profit from investments in associates	42.38	0.84	57.63	1.21	74.46	1.69
Finance income	-	-	1.31	0.03	0.68	0.02
Finance cost	(5.97)	(0.12)	(5.33)	(0.11)	(7.27)	(0.16)
Profit before Income tax expenses	433.62	8.62	303.14	6.36	334.59	7.57
Income tax expenses	(55.81)	(1.11)	(28.34)	(0.59)	(20.47)	(0.46)
Profit for the year	377.82	7.51	274.80	5.76	314.12	7.11
Profit attributable to:						
Equity holders of the Company	347.40	6.90	258.25	5.41	275.91	6.24
Non-controlling interests	30.42	0.60	16.55	0.35	38.21	0.86
	377.82	7.51	274.80	5.76	314.12	7.11
Earnings per share						
Profit attributable to equity holders of the Company	2.32	0.00	1.72	0.00	1.84	0.00

9.3 Statement of Cash Flows

Unit: Million Baht	Audited financial statement as of 31 December		
	2018	2019	2020
Net cash flows from (used in) operating activities	489.63	375.25	557.28
Net cash flows from (used in) investing activities	13.13	(135.81)	(76.07)
Net cash flows from (used in) financing activities	(488.80)	(156.58)	(342.97)
Increase (decrease) in translation adjustments	(3.08)	(8.68)	3.56
Net Increase (Decrease) in cash and cash equivalents	10.88	74.17	141.81
Cash and cash equivalents at beginning of the year	42.14	53.01	127.19
Cash and cash equivalents at end of the year	53.01	127.19	269.00

9.4 Financial Ratio

Financial Ratio	Unit	Consolidated financial statement		
		2018	2019	2020
<u>Liquidity Ratio</u>				
Current Ratio	Time	2.46	2.6	3.14
Quick Ratio	Time	1.31	1.35	1.78
Current Cash Flow Ratio	Time	0.58	0.52	0.82
Receivable Turnover	Time	5.38	5.27	5.02
Average Collection Period	Day	67	68	72
Inventory Turnover	Time	16.28	12.78	10.40
Inventory Turnover Period	Day	22	28	35
Payable Turnover	Time	11.46	10.87	10.52
Payment Period	Day	32	33	34
Cash Cycle	Day	57	63	73
<u>Profitability Ratio</u>				
Gross Profit	%	24.68	26.21	29.13
Operating Profit	%	3.39	2.47	3.79
Operating Cash Flow Turnover		300.83	328.28	340.97
Net Profit	%	6.9	5.41	6.24
Return on Equity	%	9.01	6.61	7.55
<u>Efficiency Ratio</u>				
Return on Total Asset	%	6.96	5.23	5.48
Total Asset Turnover	Time	1.01	0.97	0.88
<u>Financial Policy Ratio</u>				
Debt to Equity	Time	0.27	0.26	0.25
Payout Ratio (The Separate Financial Statements)	%	50.02	62.91	62.94

9.5 Business Performance

In 2019, the company and its subsidiaries had revenue from sales of 4,634 Million Baht, a decrease from 2018 by 164 Million Baht or 3.4% due to a decrease in local sales of 353 Million Baht or 12.9% from decreasing market share of cosmetic and packaging products while overseas sales increased by 189 Million Baht or 9.1% from increasing market share in cosmetic products. Overall, the decrease in sales caused inventory turnover to reduce from 16.28 to 12.78, and inventory turnover period to increase from 28 days to 35 days.

For other income, the company recorded a decrease in other income by 98 Million Baht due to in year 2018, the company recorded gain on disposal of investment.

Moreover, the company and its subsidiaries had a gross profit of 26.2% of revenue from sales, an increase of 1.5% from 2018 as the company maintained a similar level of cost of sales and increased the profitability in cosmetic and packaging products. While the company group's selling and distribution expenses was at the same level as 2018, the company recorded 945 Million Baht of administrative expense, an increase of 65 Million Baht or 7.3% due to increasing personal and computer system expense.

As a result, the company and its subsidiaries had profit attributable to equity holders of the parent company of 258.2 Million Baht, decreased from the prior year by 89.2 Million Baht or 25.66% and ROE of 7.23%, a decrease from 9.82% in 2018.

In 2020, the company and its subsidiaries had revenue from sales of 4,316 Million Baht, decreased from prior year of 318 million baht or 6.9% due to recession in economic from the COVID-19 Pandemic effect to sale and delivery goods to customers , resulting decrease in total revenue of the company and its subsidiaries of 318.44 Million Baht , or 7.4% and decrease in inventory turnover from 12.78 times in year 2019 to 10.40 times in year 2020 ,resulting inventory turnover period increased from 28 days in year 2019 to 35 days in year 2020

The company's cost of sales was 3,058.6 Million Baht in 2020, decreased by 10.6% from 2019 due to increased profitability in cosmetic and packaging products as well as stricter control over manufacturing cost. As a result, the company's gross profit grew to 29.13% or by 2.9% from prior year. Selling and distribution expenses decreased by 7.2% which was in line with falling revenue while administrative expenses was maintained at the same level as last year.

Though the company had decreased in revenue from sales in 2020, control in cost of sales and operating expense had led to an increase in operating profit by 17.2 Million Baht or 6.9%. Moreover, the company had increased in share of profit from investments in associates by 16.83 Million Baht while the finance cost had slightly increased to 7.27 Million Baht due to recognition of interest under leases according to Accounting Standards (TFRS 16) : Leases. As a result, the company recorded profit attributable to equity holders of 275.91 Million Baht, increased by 17.7 Million Baht with higher ROE of 7.55%.

Financial position

Total assets

As of December 31, 2019, the company and its subsidiaries had total assets of 4,946.9 Million Baht which was at the same level as 2018. Material changes in total assets were due to an increase in cash and cash equivalent of 74 Million Baht and a decrease in trade and other receivables of 59 Million Baht due to debt collection of receivables, an increase in inventories of 66 Million Baht and a decrease in other non-current assets due to decreasing investment value.

As of December 31, 2020, the company and its subsidiaries recorded total assets of 5,115.1 Million Baht, an increase of 169.2 Million Baht or 3.42% due to an increase in cash and cash equivalent and recorded right-of-use assets under TFRS 16 (Leases) at the end of the year.

Total liabilities

As of December 31, 2019, The company and its subsidiaries had total liabilities of 1,021 Million Baht, decreased by 19 Million Baht or 1.9% due to an increase in bank overdraft and short-term loans from financial institutions of 41 Million Baht from subsidiary's loan from Bank to support its liquidity, a decrease in trade and other payables of 31 Million Baht due to payment to payables, and a decrease in income tax payable by 19 Million Baht which in line with declining sales.

As of December 31, 2020, the company and its subsidiaries recorded total liabilities of 1,026.7 Million Baht from current liabilities of 632.19, decreased by 12.5% from 2019 due to decreasing bank overdrafts and short-term loans from financial institutions by 66.5% as the company repaid bank overdrafts and short-term loans. Also, the company had recorded leases liabilities according to TFRS 16 (Leases) effective as at 1 January 2020.

Shareholders' equity

As of December 31, 2019, the company and its subsidiaries had shareholder's equity of 3,925 Million Baht, increased by 40 Million Baht from net profit of 274 Million Baht and dividend payment of 189 Million Baht. The company also recorded 40 Million Baht loss from change in value of available-for-sale investments.

As of December 31, 2020, the company had shareholder's equity of 4,088.4 Million Baht, increased by 163.3 Million Baht from profit for the year of 314 Million Baht, dividend payment of 165 Million Baht, loss from changes in value of investments (net of income tax) of 70 Million Baht and Cumulative effect from changes in accounting policies of 93 Million Baht due to a change in accounting standard from the adoption of TFRS on financial instruments.