

S & J International Enterprises Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2021

Independent Auditor's Report

To the Shareholders of S & J International Enterprises Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of S & J International Enterprises Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of S & J International Enterprises Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of S & J International Enterprises Public Company Limited and its subsidiaries and of S & J International Enterprises Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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 matter is that matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

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

Key audit matter and how audit procedures respond to each matter are described below.

Revenue recognition

Revenues from sales of the Group are a significant to the financial statements because the amount of revenue is high (representing 97% and 95% of total revenues in the consolidated financial statements and the separate financial statements, respectively) which directly affect the Group's profit or loss. In addition, economic volatility may have a direct impact on competition in the industry overall. The Group has a large number of domestic and overseas customers, and the prices vary according to the competitive situation. As a result, revenues from sales of the Group are recognised under different conditions and amounts for each customer. There are therefore risks with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Group by assessing and testing the internal controls of the Group with respect to revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls and with special considerations given to testing related to the accuracy and timing of revenue recognition. On a sampling basis, examining supporting documents for sales transactions occurring during the year, near the end of the accounting period and after the period-end. In addition, I reviewed credit notes issued by the Group after the period-end and performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Other Information

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

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine that matter that was of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. I describe these matter in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Sineenart Jirachaikhuan Khan

Certified Public Accountant (Thailand) No. 6287

EY Office Limited

Bangkok: 24 February 2022

S & J International Enterprises Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	7	624,178,695	268,996,919	557,955,055	211,799,321
Trade and other receivables	8	955,510,275	857,937,587	836,055,826	707,652,128
Short-term loans to subsidiary	6	-	-	-	-
Inventories	9	863,713,639	771,044,971	716,585,136	677,645,756
Other current financial assets		8,507,121	18,809,030	2,000,000	7,809,030
Other current assets		64,373,975	42,079,302	52,935,949	30,333,047
Total current assets		2,516,283,705	1,958,867,809	2,165,531,966	1,635,239,282
Non-current assets					
Other non-current financial assets	10	1,298,764,892	1,044,272,177	1,293,885,692	1,040,886,577
Investments in subsidiaries	11	-	-	147,903,636	153,903,486
Investments in associates	12	318,794,138	289,624,822	216,261,032	216,261,032
Investments in joint venture	2.3	849,900	49,900	849,900	49,900
Long-term loans to other company	13	-	-	-	-
Investment properties	14	80,831,613	87,130,206	80,711,613	87,010,206
Property, plant and equipment	15	1,579,188,478	1,485,085,892	828,909,939	885,890,731
Right-of-use assets	19	78,914,956	127,932,471	73,055,978	114,914,465
Intangible assets	16	23,895,890	29,110,803	20,186,374	23,771,174
Deferred tax assets	23	54,107,657	59,459,172	42,686,265	45,509,229
Other non-current assets		27,647,981	33,568,768	5,671,115	5,829,115
Total non-current assets		3,462,995,505	3,156,234,211	2,710,121,544	2,574,025,915
Total assets		5,979,279,210	5,115,102,020	4,875,653,510	4,209,265,197

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

S & J International Enterprises Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	17	205,559,040	60,281,111	-	702,393
Trade and other payables	18	651,563,884	500,268,050	597,475,596	446,951,912
Current portion of lease liabilities	19	34,780,144	43,202,854	30,033,688	34,906,993
Income tax payable		48,464,861	10,435,893	47,740,396	10,396,049
Other current financial liabilities		2,082	1,635	2,082	-
Other current liabilities		16,374,267	18,001,066	13,343,789	14,792,848
Total current liabilities		956,744,278	632,190,609	688,595,551	507,750,195
Non-current liabilities					
Lease liabilities, net of current portion	19	44,943,791	85,362,256	44,928,118	81,686,163
Provision for long-term employee benefits	20	172,600,228	187,991,923	123,658,416	149,684,400
Deferred tax liabilities	23	167,596,441	120,593,028	168,635,016	121,595,908
Other non-current liabilities		885,203	582,014	431,453	504,499
Total non-current liabilities		386,025,663	394,529,221	337,653,003	353,470,970
Total liabilities		1,342,769,941	1,026,719,830	1,026,248,554	861,221,165
Shareholders' equity					
Share capital					
Registered					
200,000,000 ordinary shares of Baht 1 each		200,000,000	200,000,000	200,000,000	200,000,000
Issued and fully paid-up					
149,930,828 ordinary shares of Baht 1 each		149,930,828	149,930,828	149,930,828	149,930,828
Share premium		724,763,392	724,763,392	724,763,392	724,763,392
Retained earnings					
Appropriated-statutory reserve	21	20,000,000	20,000,000	20,000,000	20,000,000
Unappropriated		2,687,011,462	2,341,178,792	2,263,653,453	1,952,696,187
Other components of shareholders' equity		677,730,702	485,977,976	691,057,283	500,653,625
Equity attributable to owners of the Company		4,259,436,384	3,721,850,988	3,849,404,956	3,348,044,032
Non-controlling interests		377,072,885	366,531,202	-	-
Total shareholders' equity		4,636,509,269	4,088,382,190	3,849,404,956	3,348,044,032
Total liabilities and shareholders' equity		5,979,279,210	5,115,102,020	4,875,653,510	4,209,265,197

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

S & J International Enterprises Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Revenues					
Sales		4,905,707,439	4,315,586,107	3,966,702,877	3,283,643,972
Dividend income		19,574,188	18,622,340	77,754,023	84,302,161
Exchange gains		23,805,004	3,381,759	28,961,163	9,079,137
Gain from fair value measurement of derivatives		-	1,540,975	-	1,534,079
Other income		107,669,899	79,731,577	123,072,032	98,984,785
Total revenues		5,056,756,530	4,418,862,758	4,196,490,095	3,477,544,134
Expenses					
Cost of sales		3,452,644,006	3,058,602,236	2,772,682,758	2,299,683,285
Selling and distribution expenses		211,932,627	143,868,619	169,663,110	109,896,064
Administrative expenses		996,319,103	949,674,480	848,595,684	797,736,594
Loss from fair value measurement of derivatives		2,802,356	-	2,811,112	-
Loss on diminution of investment in subsidiary		-	-	5,999,850	999,930
Total expenses		4,663,698,092	4,152,145,335	3,799,752,514	3,208,315,873
Operating profit		393,058,438	266,717,423	396,737,581	269,228,261
Share of profit from investments in joint venture and associates	12	69,505,171	74,463,501	-	-
Finance income		456,521	678,033	323,143	614,108
Finance cost		(5,461,663)	(7,271,569)	(2,536,436)	(4,175,284)
Profit before income tax expenses		457,558,467	334,587,388	394,524,288	265,667,085
Income tax expenses	23	(58,814,795)	(20,470,077)	(54,090,696)	(27,444,466)
Profit for the year		398,743,672	314,117,311	340,433,592	238,222,619
Profit attributable to:					
Equity holders of the Company		373,167,092	275,907,249	340,433,592	238,222,619
Non-controlling interests		25,576,580	38,210,062		
		398,743,672	314,117,311		
Earnings per share					
Basic earnings per share	24				
Profit attributable to equity holders of the Company		2.66	1.84	2.27	1.59

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

S & J International Enterprises Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit for the year		<u>398,743,672</u>	<u>314,117,311</u>	<u>340,433,592</u>	<u>238,222,619</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent years:</i>					
Exchange differences on translation of financial statements in foreign currencies		961,803	1,714,810	-	-
Share of other comprehensive income from investments in associates	12	<u>389,825</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent years - net of income tax		<u>1,351,628</u>	<u>1,714,810</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent years:</i>					
Gain (loss) on changes in value of equity investments designated at fair value through other comprehensive income - net of income tax	10,23	289,025,373	(69,932,872)	289,030,493	(70,414,152)
Actuarial gain - net of income tax	20	15,763,077	-	21,827,667	-
Share of other comprehensive income from investments in associates	12	<u>5,174,199</u>	<u>(4,236,286)</u>	<u>-</u>	<u>-</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent years - net of income tax		<u>309,962,649</u>	<u>(74,169,158)</u>	<u>310,858,160</u>	<u>(70,414,152)</u>
Other comprehensive income for the year		<u>311,314,277</u>	<u>(72,454,348)</u>	<u>310,858,160</u>	<u>(70,414,152)</u>
Total comprehensive income for the year		<u><u>710,057,949</u></u>	<u><u>241,662,963</u></u>	<u><u>651,291,752</u></u>	<u><u>167,808,467</u></u>
Total comprehensive income attributable to:					
Equity holders of the Company		687,516,224	203,212,261	<u>651,291,752</u>	<u>167,808,467</u>
Non-controlling interests		<u>22,541,725</u>	<u>38,450,702</u>		
		<u><u>710,057,949</u></u>	<u><u>241,662,963</u></u>		

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

S & J International Enterprises Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2021

(Unit: Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
	Retained earnings				Other components of shareholders' equity			Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests	Total shareholders' equity		
	Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Unappropriated	Exchange differences on translation of financial statements in foreign currencies	Fair value reserve	Share of other comprehensive income from associates					Other comprehensive income	
												Total equity attributable to shareholders of the Company	
												Total equity attributable to non-controlling interests	
Balance as at 1 January 2020	149,930,828	724,763,392	20,000,000	2,234,431,740	(16,326,458)	570,763,137	-	554,436,679	3,683,562,639	334,080,499	4,017,643,138		
Profit for the year	-	-	-	275,907,249	-	-	-	-	275,907,249	38,210,062	314,117,311		
Other comprehensive income for the year	-	-	-	(4,236,286)	1,714,810	(70,173,513)	-	(68,458,703)	(72,694,989)	240,641	(72,454,348)		
Total comprehensive income for the year	-	-	-	271,670,963	1,714,810	(70,173,513)	-	(68,458,703)	203,212,260	38,450,703	241,662,963		
Dividend paid (Note 27)	-	-	-	(164,923,911)	-	-	-	-	(164,923,911)	-	(164,923,911)		
Decrease in non-controlling interests from dividend paid by the subsidiary	-	-	-	-	-	-	-	-	-	(6,000,000)	(6,000,000)		
Balance as at 31 December 2020	<u>149,930,828</u>	<u>724,763,392</u>	<u>20,000,000</u>	<u>2,341,178,792</u>	<u>(14,611,648)</u>	<u>500,589,624</u>	<u>-</u>	<u>485,977,976</u>	<u>3,721,850,988</u>	<u>366,531,202</u>	<u>4,088,382,190</u>		
Balance as at 1 January 2021	149,930,828	724,763,392	20,000,000	2,341,178,792	(14,611,648)	500,589,624	-	485,977,976	3,721,850,988	366,531,202	4,088,382,190		
Profit for the year	-	-	-	373,167,092	-	-	-	-	373,167,092	25,576,580	398,743,672		
Other comprehensive income for the year	-	-	-	23,969,571	961,803	289,027,933	389,825	290,379,561	314,349,132	(3,034,855)	311,314,277		
Total comprehensive income for the year	-	-	-	397,136,663	961,803	289,027,933	389,825	290,379,561	687,516,224	22,541,725	710,057,949		
Dividend paid (Note 27)	-	-	-	(149,930,828)	-	-	-	-	(149,930,828)	-	(149,930,828)		
Decrease in non-controlling interests from dividend paid by the subsidiary	-	-	-	-	-	-	-	-	-	(12,000,042)	(12,000,042)		
Transfer of fair value reserve of equity instruments designated at FVOCI to retained earning	-	-	-	98,626,835	-	(98,626,835)	-	(98,626,835)	-	-	-		
Balance as at 31 December 2021	<u>149,930,828</u>	<u>724,763,392</u>	<u>20,000,000</u>	<u>2,687,011,462</u>	<u>(13,649,845)</u>	<u>690,990,722</u>	<u>389,825</u>	<u>677,730,702</u>	<u>4,259,436,384</u>	<u>377,072,885</u>	<u>4,636,509,269</u>		

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

S & J International Enterprises Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Separate financial statements					Total shareholders' equity
	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity	
			Appropriated - statutory reserve	Unappropriated	Other	
					Fair value reserve	
Balance as at 1 January 2020	149,930,828	724,763,392	20,000,000	1,879,397,479	571,067,777	3,345,159,476
Profit for the year	-	-	-	238,222,619	-	238,222,619
Other comprehensive income for the year	-	-	-	-	(70,414,152)	(70,414,152)
Total comprehensive income for the year	-	-	-	238,222,619	(70,414,152)	167,808,467
Dividend paid (Note 27)	-	-	-	(164,923,911)	-	(164,923,911)
Balance as at 31 December 2020	<u>149,930,828</u>	<u>724,763,392</u>	<u>20,000,000</u>	<u>1,952,696,187</u>	<u>500,653,625</u>	<u>3,348,044,032</u>
Balance as at 1 January 2021	149,930,828	724,763,392	20,000,000	1,952,696,187	500,653,625	3,348,044,032
Profit for the year	-	-	-	340,433,592	-	340,433,592
Other comprehensive income for the year	-	-	-	21,827,667	289,030,493	310,858,160
Total comprehensive income for the year	-	-	-	362,261,259	289,030,493	651,291,752
Dividend paid (Note 27)	-	-	-	(149,930,828)	-	(149,930,828)
Transfer of fair value reserve of equity instruments designated at FVOCI to retained earning	-	-	-	98,626,835	(98,626,835)	-
Balance as at 31 December 2021	<u>149,930,828</u>	<u>724,763,392</u>	<u>20,000,000</u>	<u>2,263,653,453</u>	<u>691,057,283</u>	<u>3,849,404,956</u>

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

S & J International Enterprises Public Company Limited and its subsidiaries

Statement of cash flows

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities				
Profit before income tax expenses	457,558,467	334,587,388	394,524,288	265,667,085
Adjustments to reconcile net profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	289,824,986	295,771,211	131,404,211	145,137,857
Impairment loss on financial assets (reversal)	(20,259,172)	16,677,228	(14,705,630)	11,139,823
Write-off bad debts	-	405,985	-	-
Reduction in cost of inventories to net realisable value (reversal)	43,919,393	(1,370,558)	34,321,425	223,949
Loss on destruction of inventories	32,562,204	31,832,617	29,348,205	27,454,887
Gain on sales of property and equipment	(553,050)	(869,859)	(350,100)	(1,273,556)
Loss on sales of investment property	2,136,634	-	2,136,634	-
Provision for long-term employee benefits	18,447,442	19,229,879	13,867,448	15,246,184
Adjustment due to lease modification	(455,907)	431,435	(455,907)	-
Share of profit from investments in associates	(69,505,171)	(74,463,501)	-	-
Unrealised loss (gain) on exchange	(33,099)	3,818,523	(57,699)	3,889,519
Loss (gain) from fair value measurement of derivatives	2,802,356	(1,540,975)	2,811,112	(1,534,079)
Loss on diminution of investment in subsidiary	-	-	5,999,850	999,930
Dividend income	(19,574,188)	(18,622,340)	(77,754,023)	(84,302,161)
Finance income	(456,521)	(678,033)	(323,143)	(614,108)
Finance cost	5,461,663	7,271,569	2,536,436	4,175,284
Profit from operating activities before changes in operating assets and liabilities	741,876,037	612,480,569	523,303,107	386,210,614
Operating assets (increase) decrease				
Trade and other receivables	(77,365,335)	(4,758,352)	(114,724,658)	(10,098,080)
Inventories	(169,150,265)	(37,213,435)	(102,609,010)	(54,118,615)
Other current assets	(21,995,415)	68,621,070	(22,602,902)	44,879,269
Other non-current assets	5,920,787	(17,447,677)	158,000	4,193,904
Operating liabilities increase (decrease)				
Trade and other payables	138,802,844	(1,337,129)	142,323,852	(2,520,293)
Other current liabilities	(1,626,799)	628,220	(1,449,059)	1,500,114
Provision for long-term employee benefits	(14,135,291)	(9,763,457)	(12,608,848)	(7,774,411)
Other non-current liabilities	303,189	213,598	(73,046)	246,083
Cash flows from operating activities	602,629,752	611,423,407	411,717,436	362,518,585
Interest paid	(5,371,851)	(7,466,515)	(2,536,436)	(4,175,284)
Corporate income tax paid	(44,916,275)	(46,676,969)	(44,598,816)	(46,420,306)
Net cash flows from operating activities	552,341,626	557,279,923	364,582,184	311,922,995

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

S & J International Enterprises Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from investing activities				
Interest received	445,526	486,536	323,143	419,818
Decrease (increase) in other current financial assets	7,500,000	(9,000,000)	4,000,000	(5,000,000)
Cash received from sales of other non-current financial assets	175,238,304	-	175,238,304	-
Cash paid for purchase of other non-current financial assets	(68,498,167)	-	(66,998,167)	-
Cash paid for investments in joint venture	(800,000)	(49,900)	(800,000)	(49,900)
Acquisitions of property, plant and equipment	(320,737,135)	(144,400,170)	(25,541,472)	(33,122,801)
Proceeds from sales of property and equipment	1,972,068	2,199,728	1,765,440	2,170,661
Proceeds from sales of investment property	99,533	-	99,533	-
Increase in intangible assets	(1,607,919)	(3,328,799)	(1,534,918)	(1,581,354)
Dividend received	65,474,065	78,022,203	77,754,023	84,302,161
Net cash flows from (used in) investing activities	(140,913,725)	(76,070,402)	164,305,886	47,138,585
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	141,378,195	(121,536,737)	(702,393)	702,393
Payment of principal portion of lease liabilities	(40,554,987)	(50,505,166)	(32,099,115)	(34,682,947)
Dividend paid	(149,930,828)	(164,923,911)	(149,930,828)	(164,923,911)
Dividend paid by subsidiary to non-controlling interests	(12,000,042)	(6,000,000)	-	-
Net cash flows used in financing activities	(61,107,662)	(342,965,814)	(182,732,336)	(198,904,465)
Net foreign exchange difference	4,861,537	3,564,431	-	-
Net increase in cash and cash equivalents	355,181,776	141,808,138	346,155,734	160,157,115
Cash and cash equivalents at beginning of the year	268,996,919	127,188,781	211,799,321	51,642,206
Cash and cash equivalents at end of the year	624,178,695	268,996,919	557,955,055	211,799,321
Supplementary disclosures of cash flows information				
Non-cash items				
Increase in right-of-use from new lease contracts	10,995,425	20,458,681	9,750,008	14,864,538
Transfer property, plant and equipment to investments properties	-	3,276,780	-	3,276,780
Accounts payable - purchase of equipment	12,536,961	3,039,749	8,332,973	552,282
Gain (loss) on changes in value of equity investments designated				
at fair value through other comprehensive income	361,284,916	(87,416,090)	361,288,116	(88,017,690)

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

S & J International Enterprises Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2021

1. General information

S & J International Enterprises Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of all type of cosmetics and business of investment. The registered office of the Company is at 600/4 Moo 11, Sukapiban 8 Road, Nhongkharm, Sriracha, Chonburi with 4 branches as follows:

Branch No.1 2 Naradhiwas Rajanakarindra Road, Tungwatdon, Sathorn, Bangkok

Branch No.2 19/43 Moo 7, Bangna-Trad Road Km. 17, Bangchlong, Bangplee, Samutprakan

Branch No.3 789/159 Moo 1, Sai Nongkho-Laemchabang Road, Nongkham, Sriracha, Chonburi

Branch No.4 600/23-24 Moo 11, Sukapiban 8 Road, Nhongkham, Sriracha, Chonburi

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of S & J International Enterprises Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2021</u> (%)	<u>2020</u> (%)
Held by the Company				
E F Co., Ltd.	Manufacturer and distributor of consumer products	Thailand	100	100
Top Trend Manufacturing Co., Ltd.	Manufacturer and distributor of packaging	Thailand	50	50
Wildlives (Thailand) Co., Ltd.	Under the process of liquidation	Thailand	100	100
4WD Vision Co., Ltd.	Import, export, purchase and sale of chemicals, packaging products and cosmetic products	Thailand	100	100
SAAS Co., Ltd.	Research and development of cosmetic formulations	Thailand	100	100
S&J International (UK) Limited	Distributor of cosmetic products, gift set and marketing service	The United Kingdom	100	100
Held by S&J International (UK) Limited				
Guangzhou S&J Cosmetics Company Limited	Distributor of material and packaging	China	100	100
4WD Vision (HK) Limited	Distributor of material and packaging	Hong Kong SAR	100	100
Held by 4WD Vision Co., Ltd.				
4WD Vision Europe B.V.	Distributor of cosmetic products, gift set and marketing service	The Netherlands	100	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiaries are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currencies” in the statement of changes in shareholders’ equity.

- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
 - g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 On 22 June 2020, the Company entered into a joint venture agreement with DKSH (Thailand) Limited (“DKSH”) for the purpose of establishment of DKSJ Limited (“DKSJ”) to operate in the distribution of cosmetics business. On 27 August 2020, the Company paid for shares amounting to Baht 0.05 million. The Company hold a 50 percent interest in DKSJ. The Company recorded such investment as “Investments in joint venture” in the statements of financial position. Subsequently, on 5 March 2021, an Extraordinary General Meeting of the shareholders of DKSJ Limited approved an increase in its registered share capital from Baht 0.1 million (1,000 ordinary shares of Baht 100 each) to Baht 1.7 million (17,000 ordinary shares of Baht 100 each) through the issuance of 16,000 ordinary shares with a par value of Baht 100 per share. The Company’s shareholding in such company remains 50 percent and it has paid up Baht 0.8 million of additional share capital in proportion of interest holding in such company. The increase in share capital was registered with the Ministry of Commerce on 8 March 2021.
- 2.4 The separate financial statements present investments in subsidiaries, joint ventures and associates under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

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

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

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

Interest income

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

Finance cost

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

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

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

4.3 Inventories

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

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

4.4 Investments in subsidiaries, joint ventures and associates

Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries, joint ventures and associates are accounted for in the separate financial statements using the cost method.

4.5 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties, which is building for rent, is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.6 Property, plant and equipment and depreciation

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

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

Building and building improvements	-	20 - 25 years
Machinery and equipment	-	5 - 10 years
Furniture, fixtures and office equipment	-	5 - 10 years
Motor vehicles	-	5 - 8 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and under construction.

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

4.7 Intangible assets

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

A summary of the intangible assets with finite useful lives is computer software with estimated useful lives of 10 years.

4.8 Leases

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

The Group as a lessee

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

Right-of-use assets

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

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

Land	3 - 5 years
Buildings and building improvements	2 - 5 years
Office equipment	2 - 4 years
Motor vehicles	2 - 5 years

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

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate.

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

Short-term leases and leases of low-value assets

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

The Group as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

4.9 Related party transactions

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

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

4.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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

Gains and losses on exchange are included in determining income.

4.11 Impairment of non-financial assets

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

An impairment loss is recognised in profit or loss.

4.12 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

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

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

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

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring - related costs.

4.13 Provisions

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

4.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax of the Group in Thailand is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation of Thailand.

Current income tax of oversea subsidiaries is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation of those countries.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

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

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

4.15 Financial instruments

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

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

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

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

Impairment of financial assets

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

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

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

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

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

Offsetting of financial instruments

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

4.16 Derivatives

The Group uses derivatives, such as forward currency contracts, to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

4.17 Fair value measurement

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

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

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

Determining the lease term with extension and termination options - The Group as a lessee

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

Estimating the incremental borrowing rate - The Group as a lessee

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

Allowance for expected credit losses of trade receivables

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

Allowance of diminution in value of inventories

In determining an allowance of diminution in value of inventories, the management makes judgment and estimates net realisable value of inventories based on the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of reporting period. Also, the management makes judgment and estimates expected loss from stock obsolescence based upon aging profile of inventories and the prevailing economic condition.

Property plant and equipment/Depreciation

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

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

6. Related party transactions

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Transaction with subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Sales of goods	-	-	313	186
Other income	-	-	33	35
Purchases of goods and services	-	-	691	542
Other expenses	-	-	3	7
<u>Transactions with associates</u>				
Sales of goods	19	56	-	34
Rental income	33	33	33	33
Other income	-	1	-	1

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Transactions with related parties</u>				
Sales of goods	1,218	998	1,070	802
Other income	7	2	6	2
Purchases of goods and services	17	18	16	17
Rental expenses	8	7	8	7
Electricity and utilities expenses	122	118	50	44

Transfer pricing policy for significant business transactions with related parties are summarised below.

Transactions	Transfer pricing policy
Sales of goods	Market price
Other income	Cost plus margin
Rental income	Contract price
Purchases of goods and services	Market price
Rental expenses	Contract price
Electricity and utilities expenses	Contract price

The balances of the accounts as at 31 December 2021 and 2020 between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Trade and other receivables - related parties (Note 8)</u>				
<u>Trade receivables</u>				
Subsidiaries	-	-	118,546	52,832
Associates	5,815	29,159	1,055	22,315
Related companies	122,334	141,558	104,234	116,897
Trade and other receivables - related parties	128,149	170,717	223,835	192,044
<u>Other receivables</u>				
Subsidiaries	-	-	4,791	2,833
Associates	51	118	41	113
Related companies	1,108	250	1,108	250
Total other receivables - related parties	1,159	368	5,940	3,196
Total trade and other receivables - related parties	129,308	171,085	229,775	195,240

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<u>Short-term loans to subsidiary</u>				
Subsidiary	-	-	3,000	4,000
Less: Allowance for expected credit losses	-	-	(3,000)	(4,000)
Total short-term loans to subsidiary - net	-	-	-	-
<u>Other non-current assets - related parties</u>				
Related companies	2,192	3,454	2,096	2,096
Total other non-current assets - related parties	2,192	3,454	2,096	2,096
<u>Trade and other payables - related parties (Note 18)</u>				
<u>Trade payables</u>				
Subsidiaries	-	-	104,510	95,573
Associates	159	6	85	6
Related companies	1,017	1,774	1,017	1,691
Total trade payables - related parties	1,176	1,780	105,612	97,270
<u>Other payables</u>				
Subsidiaries	-	-	390	325
Associates	13	-	13	-
Related companies	6,409	8,969	644	3,630
Total other payables - related parties	6,422	8,969	1,047	3,955
Total trade and other payables - related parties	7,598	10,749	106,659	101,255
<u>Lease liabilities - related parties (Note 19)</u>				
Related companies	11,053	40,616	9,766	34,605
Total lease liabilities - related parties	11,053	40,616	9,766	34,605

Short-term loans to subsidiary

As at 31 December 2021 and 2020, the balance of short-term loan between the Company and its subsidiaries and the movement are as follows.

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	Increase	Decrease	Balance as at
	31 December	During	during	31 December
	2020	the period	the period	2021
<u>Short-term loans to subsidiary</u>				
Subsidiary	4,000	-	(1,000)	3,000
Less: Allowance for expected credit losses	(4,000)	-	1,000	(3,000)
Total	-	-	-	-

Set out below is the movement in the allowance for expected credit losses of loans to related parties.

	(Unit: Thousand Baht)	
	Separate financial statements	
	<u>2021</u>	<u>2020</u>
Beginning balance	4,000	-
Provision for expected credit losses (reversal)	(1,000)	4,000
Ending balance	<u>3,000</u>	<u>4,000</u>

The above short-term loans are promissory notes carrying interest at the rate of 2.0 percent per annum (31 December 2020: 2.0 percent per annum). The loans are due at call and unsecured.

Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	83,445	72,058	78,127	67,021
Post-employment benefits	510	374	510	374
Total	<u>83,955</u>	<u>72,432</u>	<u>78,637</u>	<u>67,395</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash	623	646	450	450
Bank deposits	623,556	267,891	557,505	211,349
Cheque on hand	-	460	-	-
Total	<u>624,179</u>	<u>268,997</u>	<u>557,955</u>	<u>211,799</u>

As at 31 December 2021, bank deposits in saving accounts and fixed deposits carried interests between 0.01 and 0.25 percent per annum (2020: between 0.05 and 0.35 percent per annum) (the Company only: between 0.05 and 0.25 percent per annum, 2020: between 0.05 and 0.25 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	118,384	128,355	214,008	148,754
Past due				
Up to 3 months	8,798	17,727	9,543	6,729
3 - 6 months	284	1,716	176	13,642
6 - 12 months	575	22,484	-	22,484
Over 12 months	108	435	108	435
Total trade accounts receivable - related parties	<u>128,149</u>	<u>170,717</u>	<u>223,835</u>	<u>192,044</u>
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	631,236	464,337	491,742	383,232
Past due				
Up to 3 months	148,255	189,769	73,924	104,077
3 - 6 months	8,065	8,686	5,066	4,720
6 - 12 months	1,444	11,840	798	7,025
Over 12 months	6,493	16,699	3,706	11,094
Total	<u>795,493</u>	<u>691,331</u>	<u>575,236</u>	<u>510,148</u>
Less: Allowance for expected credit losses	<u>(11,137)</u>	<u>(31,396)</u>	<u>(5,429)</u>	<u>(19,135)</u>
Trade accounts receivable - unrelated parties, net	<u>784,356</u>	<u>659,935</u>	<u>569,807</u>	<u>491,013</u>
Total trade accounts receivable - net	<u>912,505</u>	<u>830,652</u>	<u>793,642</u>	<u>683,057</u>
<u>Other receivables</u>				
Other receivables - related parties	1,159	368	5,940	3,196
Other receivables - unrelated parties	8,464	1,448	7,228	635
Advance payment for inventories	30,281	20,649	24,204	15,941
Prepaid expenses	3,101	4,821	5,042	4,823
Total other receivables	<u>43,005</u>	<u>27,286</u>	<u>42,414</u>	<u>24,595</u>
Total trade and other receivables - net	<u>955,510</u>	<u>857,938</u>	<u>836,056</u>	<u>707,652</u>

The normal credit term is 30 to 120 days.

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Beginning balance	31,396	14,719	19,135	11,995
Provision for expected credit losses (reversal)	(20,259)	16,755	(13,706)	7,140
Amount recovered	-	(78)	-	-
Ending balance	<u>11,137</u>	<u>31,396</u>	<u>5,429</u>	<u>19,135</u>

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Finished goods	323,911	301,505	(19,117)	(11,482)	304,794	290,023
Work in process	87,199	77,867	(11,150)	(1,264)	76,049	76,603
Raw materials	268,582	174,785	(21,471)	(3,784)	247,111	171,001
Packaging	184,473	185,118	(14,718)	(6,007)	169,755	179,111
Supplies	3,738	2,359	-	-	3,738	2,359
Goods in transit	62,267	51,948	-	-	62,267	51,948
Total	<u>930,170</u>	<u>793,582</u>	<u>(66,456)</u>	<u>(22,537)</u>	<u>863,714</u>	<u>771,045</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Finished goods	228,032	243,876	(10,170)	(6,664)	217,862	237,212
Work in process	62,645	56,966	(9,878)	(1,264)	52,767	55,702
Raw materials	231,346	157,578	(15,670)	(2,179)	215,676	155,399
Packaging	189,892	188,995	(14,717)	(6,007)	175,175	182,988
Supplies	2,190	1,136	-	-	2,190	1,136
Goods in transit	52,915	45,209	-	-	52,915	45,209
Total	<u>767,020</u>	<u>693,760</u>	<u>(50,435)</u>	<u>(16,114)</u>	<u>716,585</u>	<u>677,646</u>

During the current year, the Group reduced cost of inventories by Baht 76 million (2020: Baht 38 million) (The Company only: Baht 63 million, 2020: Baht 35 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 32 million (2020: Baht 39 million) (The Company only: Baht 29 million, 2020: Baht 35 million), and reduced the amount of inventories recognised as expenses during the year.

10. Other non-current financial assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Equity instruments designated at FVOCI</u>				
Listed equity instruments				
Sahacogen (Chonburi) Plc.	677,600	497,896	677,600	497,896
President Bakery Plc.	208,500	207,750	208,500	207,750
Saha Pathana Inter-Holding Plc.	120,221	126,645	120,221	126,645
Saha Pathanapibul Plc.	76,200	-	76,200	-
I.C.C. International Plc.	30,825	28,513	30,825	28,513
Bangkok Bank Plc.	7,659	7,501	7,659	7,501
Nation Multimedia Group Plc.	6,737	3,170	6,737	3,170
Thai Wacoal Plc.	3,850	4,425	3,850	4,425
Far East Fame Line DDB Plc.	114	91	114	91
Boutique New City Plc.	21	28	21	28
Total listed equity instruments	1,131,727	876,019	1,131,727	876,019

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Non-listed equity instruments				
Sahapat Assets Co., Ltd.	41,032	40,926	41,032	40,926
United Utility Co., Ltd.	33,791	33,870	33,791	33,870
Thai Cubic Technology Co., Ltd.	22,913	9,082	22,913	9,082
Tipwarin Watana Co., Ltd.	14,127	23,937	14,127	23,937
T-Way Co., Ltd.	13,515	13,542	10,136	10,157
Saha Sehwa Co., Ltd.	10,300	9,352	10,300	9,352
Pan Land Co., Ltd.	6,826	6,837	6,826	6,837
E.P.F. Co., Ltd.	4,161	4,539	4,161	4,539
Waseda Education (Thailand) Co., Ltd.	3,606	4,294	3,606	4,294
Thai Yukilon Co., Ltd.	3,548	6,725	3,548	6,725
K. Commercial & Construction Co., Ltd.	3,080	3,403	3,080	3,403
Thai Lotte Co., Ltd.	2,633	2,122	2,633	2,122
Thanara Co., Ltd.	1,743	1,765	1,743	1,765
H&B Kabinburi Co., Ltd.	1,440	2,153	1,440	2,153
B.K.C. International Marketing Co., Ltd.	1,072	1,058	1,072	1,058
American Food Co., Ltd.	546	3,272	546	3,272
Others	1,205	1,376	1,205	1,376
Total non-listed equity instruments	<u>165,538</u>	<u>168,253</u>	<u>162,159</u>	<u>164,868</u>
Certificates of deposits	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other non-current financial assets	<u><u>1,298,765</u></u>	<u><u>1,044,272</u></u>	<u><u>1,293,886</u></u>	<u><u>1,040,887</u></u>

As at 31 December 2021, non-listed equity instruments consisted of investment in 5 companies with fair value of Baht 1 million or 0.7 percent of total non-listed equity instruments in consolidated financial statements (2020: 6 companies with fair value of Baht 1 million or 0.8 percent) (the Company only: 5 companies with fair value of Baht 1 million or 0.7 percent, 2020: 6 companies with fair value of Baht 1 million or 0.8 percent).

On 22 September 2021, the Company invested in listed equity instrument of Saha Pathanapibul Public Company Limited amounting to Baht 67 million. The Company had a 0.36% of shareholding in such company.

During the year 2021, the Group sold its equity interest in Sahacogen (Chonburi) Plc. The fair value on the date of sale was Baht 174 million and the accumulated gain recognised in other comprehensive income of Baht 99 million was transferred to retained earnings.

In addition, in 2021, the Group received dividends from equity instruments designated at FVOCI, which still existed at the reporting date, in the amount of Baht 20 million (2020: Baht 19 million) (the Company only: Baht 20 million, 2021: Baht 19 million).

11. Investments in subsidiaries

11.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding		Cost		Dividend received	
			percentage				during the year	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
			%	%				
E F Co., Ltd.	Baht 4.0 million	Baht 4.0 million	100	100	4,005	4,005	280	280
Top Trend Manufacturing Co., Ltd.	Baht 120.0 million	Baht 120.0 million	50	50	124,825	124,825	12,000	6,000
Wildlives (Thailand) Co., Ltd.	Baht 1.0 million	Baht 1.0 million	100	100	1,000	1,000	-	-
4WD Vision Co., Ltd.	Baht 10.0 million	Baht 10.0 million	100	100	10,000	10,000	-	-
SAAS Co., Ltd.	Baht 10.0 million	Baht 10.0 million	100	100	10,000	10,000	-	-
S&J International (UK) Limited	GBP 0.1 million	GBP 0.1 million	100	100	5,073	5,073	-	-
Total					154,903	154,903	12,280	6,280
Less: Allowance for diminution in value of investments					(6,999)	(1,000)		
Total Investments in subsidiaries					147,904	153,903		

On 4 June 2021, Wildlives (Thailand) Co., Ltd. registered its dissolution with the Ministry of Commerce and is currently in the process of liquidation. However, the subsidiary did not constitute an integral part to the Group's business. Therefore, there was no material impact on the consolidated financial statements.

11.2 Details of investments in subsidiary that has material non-controlling interests.

Company's name	Proportion of equity		Accumulated balance of		Profit allocated to		Dividend paid to non-	
	interest held by				non-controlling interests		controlling interests	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(%)	(%)						
Top Trend Manufacturing Co., Ltd.	50	50	377,072	366,531	22,542	38,451	12,000	6,000

11.3 Summarised financial information that based on amounts before inter-company elimination about subsidiary that has material non-controlling.

Top Trend Manufacturing Co., Ltd.

Summarised information about financial position.

	(Unit: Million Baht)	
	As at 31 December	
	<u>2021</u>	<u>2020</u>
Current assets	342	306
Non-current assets	742	570
Current liabilities	280	104
Non-current liabilities	50	39

Summarised information about comprehensive income.

	(Unit: Million Baht)	
	For the year ended	
	31 December	
	<u>2021</u>	<u>2020</u>
Revenue	1,116	1,132
Profit	51	76
Other comprehensive income	(6)	-
Total comprehensive income	45	76

Summarised information about cash flow

	(Unit: Million Baht)	
	For the year ended	
	31 December	
	<u>2021</u>	<u>2020</u>
Cash flow from operating activities	128	239
Cash flow used in investing activities	(269)	(104)
Cash flow from (used in) financing activities	136	(132)
Net increase (decrease) in cash and cash equivalents	<u>(5)</u>	<u>3</u>

12. Investments in associates

12.1 Details of associates

No.	Company's name	Country of incorporation	Nature of business	Paid-up capital		Percentage of investment	
				<u>2021</u>	<u>2020</u>	<u>2021</u> (%)	<u>2020</u> (%)
1.	Yamahatsu (Thailand) Co., Ltd.	Thai	Hair products	Baht 20 million	Baht 20 million	30	30
2.	Operational Energy Group Limited	Thai	Servicing to operate the power plant	Baht 30 million	Baht 30 million	30	30
3.	Atika Beauty Manufacturing Sdn. Bhd.	Malaysia	Manufacturing and distribute cosmetic products	RM 6 million	RM 6 million	35	35
4.	Osoth Interlaboratories Co., Ltd.	Thai	Manufacturing pharmaceutical	Baht 600 million	Baht 600 million	33	33

12.2 Carrying amount share of comprehensive income and dividend received

During the years, the Company recognised its share of profit (loss) from investments in the consolidated financial statements and dividend received from associates in the separate financial statements and presented carrying amount based on equity method in the consolidated financial statements and carrying amount based on cost method in the separate financial statements as follows:

(Unit: Thousand Baht)

No.	Company's name	Consolidated financial statements				Separate financial statements					
		Carrying amount based on equity method		Share of profit (loss) from investments in associates during the year		Share of other comprehensive income from investments in associates during the year		Carrying amount based on cost method		Dividend received during the year	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
1.	Yamahatsu (Thailand) Co., Ltd.	37,438	25,566	20,556	13,095	1,216	-	6,000	6,000	9,900	9,900
2.	Operational Energy Group Limited	86,010	70,525	47,256	62,042	4,229	(4,236)	13,151	13,151	36,000	49,500
3.	Atika Beauty Manufacturing Sdn. Bhd.	2,568	4,795	(2,346)	(2,180)	119	(90)	17,916	17,916	-	-
4.	Osoth Interlaboratories Co., Ltd.	192,778	188,739	4,039	1,506	-	-	201,994	201,994	-	-
Total		<u>318,794</u>	<u>289,625</u>	<u>69,505</u>	<u>74,463</u>	<u>5,564</u>	<u>(4,326)</u>	239,061	239,061	<u>45,900</u>	<u>59,400</u>
	Less: Provision for impairment loss							(22,800)	(22,800)		
	Total investment in associates							<u>216,261</u>	<u>216,261</u>		

12.3 Summarised financial information about material associates

Summarised information about financial position

(Unit: Million Baht)

Company	Current assets		Non-current assets		Current liabilities		Non-current liabilities		Net assets		Shareholding percentage (%)		Share of net assets		Elimination entries and other		Carrying amounts of associates based on equity method	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	Yamahatsu (Thailand) Co., Ltd.	303	243	205	153	363	279	8	20	137	97	30	30	41	29	(4)	(3)	37
Operational Energy Group Limited	377	334	416	139	342	77	163	161	288	235	30	30	86	71	-	-	86	71
Atika Beauty Manufacturing Sdn. Bhd.	13	11	10	19	18	17	-	-	5	13	35	35	2	5	1	-	3	5
Osoth Interlaboratories Co., Ltd.	315	313	350	359	149	169	9	8	507	495	33	33	167	163	26	26	193	189

Summarised information about comprehensive income

(Unit: Million Baht)

For the year ended 31 December

Company	Revenue		Profit (loss)		Other comprehensive income		Total comprehensive income	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	Yamahatsu (Thailand) Co., Ltd.	908	859	69	44	4	-	73
Operational Energy Group Limited	747	744	158	206	14	(14)	172	192
Atika Beauty Manufacturing Sdn. Bhd.	14	13	(8)	(6)	-	-	(8)	(6)
Osoth Interlaboratories Co., Ltd.	501	502	12	5	-	-	12	5

13. Long-term loans to other company

In March 2017, the Company has entered into loan agreement with ELLA CORA, INC., which established under the Law of the United States of America, in the amount of USD 0.5 million as a secured convertible promissory note for a period of 3 years with interest rate equal to the greater of 3% p.a. or the Applicable Federal Rate and no repayment of principal or interest until the maturity date. The loan is secured by a security interest in all of the assets of that company. After maturity date, the loan shall be extended not exceeding for a period of 2 years and the loan and its interest shall be converted to voting preferred shares of that borrower company under the conditions as specified in the promissory note.

Since ELLA CORA, INC. has been fraught with operational difficulties, there are uncertainties as to the amount payable from the company to date. Therefore, the Company already set aside allowance for expected credit losses in full amount.

14. Investment properties

The net book value of investment properties as at 31 December 2021 and 2020 is presented below.

	(Unit: Thousand Baht)					
	Consolidated financial statements			Separate financial statements		
	Non- operating land	Land and building for rent	Total	Non- operating land	Land and building for rent	Total
31 December 2021:						
Cost	120	140,363	140,483	-	140,363	140,363
Less: Accumulated depreciation	-	(59,651)	(59,651)	-	(59,651)	(59,651)
Net book value	<u>120</u>	<u>80,712</u>	<u>80,832</u>	<u>-</u>	<u>80,712</u>	<u>80,712</u>
31 December 2020:						
Cost	120	146,119	146,239	-	146,119	146,119
Less: Accumulated depreciation	-	(59,109)	(59,109)	-	(59,109)	(59,109)
Net book value	<u>120</u>	<u>87,010</u>	<u>87,130</u>	<u>-</u>	<u>87,010</u>	<u>87,010</u>

A reconciliation of the net book value of investment properties for the year 2021 and 2020 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Net book value at beginning of year	87,130	88,680	87,010	88,560
Transfer from properties, plant and equipment	-	3,276	-	3,276
Disposal/write-off during the year - net book value	(2,236)	-	(2,236)	-
Depreciation for the year	(4,062)	(4,826)	(4,062)	(4,826)
Net book value at end of year	<u>80,832</u>	<u>87,130</u>	<u>80,712</u>	<u>87,010</u>

The additional information of the investment properties as at 31 December 2021 and 2020 stated below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
The fair value	189,879	189,879	189,759	189,759

The fair value of non-operating land has been determined based on market prices assessed by an accredited independent valuer. The fair value of the land and building held for rental has been determined using the market approach and the income approach by an accredited independent valuer. Key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

The Company has jointly invested with the related companies to purchase land and construction thereon, with a total value of approximately Baht 30 million, with the investment proportion as follow

	Amount (Thousand Baht)	Ownership in land (Square wa)
Wittaya Sitthi Co., Ltd.	14,929	76.57
S&J International Enterprises Plc.	9,953	51.05
K Commercial and Construction Co., Ltd.	5,474	28.08
Total	<u>30,356</u>	<u>155.70</u>

15. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements								
	Land and improvements	Buildings and building improvements	Furniture and fixtures	Office equipment	Machinery and equipment	Motor vehicles	Assets under installation and under construction	Total
Cost:								
1 January 2020	301,906	1,190,914	375,337	149,480	2,824,448	34,913	68,874	4,945,872
Additions	-	1,451	732	8,243	14,321	-	122,693	147,440
Disposals/write-off	-	(503)	(8,329)	(2,862)	(8,688)	(1,768)	-	(22,150)
Transfer to investment properties	-	-	-	-	-	-	(3,276)	(3,276)
Transfers	-	19,204	4,194	4,055	109,836	-	(137,289)	-
31 December 2020	301,906	1,211,066	371,934	158,916	2,939,917	33,145	51,002	5,067,886
Additions	104,416	2,284	656	4,301	5,685	-	215,931	333,273
Disposals/write-off	-	(637)	(3,093)	(726)	(8,512)	(5,723)	-	(18,691)
Transfers	-	14,067	2,802	112	125,388	-	(142,369)	-
31 December 2021	406,322	1,226,780	372,299	162,603	3,062,478	27,422	124,564	5,382,468
Accumulated depreciation:								
1 January 2020	-	490,815	364,431	120,475	2,359,802	32,845	-	3,368,368
Depreciation for the year	-	52,375	5,397	12,140	163,057	82	-	233,051
Depreciation on disposals/write-off	-	(223)	(8,300)	(2,854)	(8,206)	(1,236)	-	(20,819)
31 December 2020	-	542,967	361,528	129,761	2,514,653	31,691	-	3,580,600
Depreciation for the year	-	54,546	4,126	11,969	167,194	(83)	-	237,752
Depreciation on disposals/write-off	-	(262)	(3,089)	(727)	(8,471)	(4,723)	-	(17,272)
31 December 2021	-	597,251	362,565	141,003	2,673,376	26,885	-	3,801,080
Allowance for impairment loss:								
1 January 2020	-	-	-	-	-	-	2,200	2,200
31 December 2020	-	-	-	-	-	-	2,200	2,200
31 December 2021	-	-	-	-	-	-	2,200	2,200
Net book value:								
31 December 2020	301,906	668,099	10,406	29,155	425,264	1,454	48,802	1,485,086
31 December 2021	406,322	629,529	9,734	21,600	389,102	537	122,364	1,579,188
Depreciation for the year								
2020 (Baht 174 million included in manufacturing cost, and the balance in administrative expenses)								233,051
2021 (Baht 179 million included in manufacturing cost, and the balance in administrative expenses)								237,752

(Unit: Thousand Baht)

Separate financial statements

	Buildings						Assets under	Total
	Land and improvements	and building improvements	Furniture and fixtures	Office equipment	Machinery and equipment	Motor vehicles	installation and under construction	
Cost:								
1 January 2020	200,750	994,311	202,349	120,069	1,280,920	19,996	33,488	2,851,883
Additions	-	1,451	732	6,836	4,257	-	20,399	33,675
Disposals/write-off	-	(381)	(8,074)	(2,065)	(6,770)	(1,673)	-	(18,963)
Transfer to investment properties	-	-	-	-	-	-	(3,276)	(3,276)
Transfers	-	18,717	1,472	3,448	18,029	-	(41,666)	-
31 December 2020	200,750	1,014,098	196,479	128,288	1,296,436	18,323	8,945	2,863,319
Additions	-	2,284	656	2,885	1,805	-	26,244	33,874
Disposals/write-off	-	(637)	(2,314)	(615)	(4,274)	(5,447)	-	(13,287)
Transfers	-	8,278	89	93	8,874	-	(17,334)	-
31 December 2021	200,750	1,024,023	194,910	130,651	1,302,841	12,876	17,885	2,883,906
Accumulated depreciation:								
1 January 2020	-	401,449	196,500	94,265	1,184,350	18,405	-	1,894,969
Depreciation for the year	-	43,637	3,195	10,428	41,065	-	-	98,325
Depreciation on disposals/ write-off	-	(102)	(8,048)	(2,064)	(6,712)	(1,140)	-	(18,066)
31 December 2020	-	444,984	191,647	102,629	1,218,703	17,265	-	1,975,228
Depreciation for the year	-	45,731	1,815	10,144	31,750	-	-	89,440
Depreciation on disposals/ write-off	-	(262)	(2,314)	(615)	(4,234)	(4,447)	-	(11,872)
31 December 2021	-	490,453	191,148	112,158	1,246,219	12,818	-	2,052,796
Allowance for impairment loss:								
1 January 2020	-	-	-	-	-	-	2,200	2,200
31 December 2020	-	-	-	-	-	-	2,200	2,200
31 December 2021	-	-	-	-	-	-	2,200	2,200
Net book value:								
31 December 2020	200,750	569,114	4,832	25,659	77,733	1,058	6,745	885,891
31 December 2021	200,750	533,570	3,762	18,493	56,622	58	15,655	828,910
Depreciation for the year								
2020 (Baht 49 million included in manufacturing cost, and the balance in administrative expenses)								98,325
2021 (Baht 39 million included in manufacturing cost, and the balance in administrative expenses)								89,440

As at 31 December 2021, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 2,889 million (2020: Baht 2,718 million) (The Company only: Baht 1,610 million, 2020: Baht 1,503 million).

16. Intangible assets

The net book value of intangible assets as at 31 December 2021 and 2020 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Computer software	Computer software under installation	Total	Computer software	Computer software under installation	Total
31 December 2021						
Cost	105,332	350	105,682	75,430	350	75,780
Less: Accumulated amortisation	(81,786)	-	(81,786)	(55,594)	-	(55,594)
Net book value	<u>23,546</u>	<u>350</u>	<u>23,896</u>	<u>19,836</u>	<u>350</u>	<u>20,186</u>
31 December 2020						
Cost	104,676	50	104,726	74,195	50	74,245
Less: Accumulated amortisation	(75,615)	-	(75,615)	(50,474)	-	(50,474)
Net book value	<u>29,061</u>	<u>50</u>	<u>29,111</u>	<u>23,721</u>	<u>50</u>	<u>23,771</u>

A reconciliation of the net book value of intangible assets for the year ended 31 December 2021 and 2020 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Net book value at beginning of year	29,111	32,970	23,771	27,815
Acquisition of computer software	1,608	3,328	1,535	1,582
Amortisation (included in administrative expense)	<u>(6,823)</u>	<u>(7,187)</u>	<u>(5,120)</u>	<u>(5,626)</u>
Net book value at end of year	<u>23,896</u>	<u>29,111</u>	<u>20,186</u>	<u>23,771</u>

17. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Promissory notes	0.88 - 2.53	2.50 - 3.00	205,559	59,579	-	-
Bank overdrafts	-	5.88	-	702	-	702
Total			<u>205,559</u>	<u>60,281</u>	<u>-</u>	<u>702</u>

Short-term loans from financial institutions of the Group are unsecured.

18. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade payables - related parties	1,176	1,780	105,612	97,270
Trade payables - unrelated parties	311,969	273,452	223,206	193,085
Other payables - related parties	6,422	8,969	1,047	3,955
Other payables - unrelated parties	69,049	48,794	42,873	21,824
Accrued expenses	250,184	164,096	216,405	130,266
Payable from acquisition of assets	12,537	3,040	8,333	552
Accrued interest expenses	227	137	-	-
Total trade and other payables	<u>651,564</u>	<u>500,268</u>	<u>597,476</u>	<u>446,952</u>

19. Leases

19.1 The Group as a lessee

The Group has lease contracts for used in its operations. Leases generally have lease terms between 2 - 5 years.

a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements				
	Land	Buildings and		Motor vehicles	Total
		building improvements	Office equipment		
1 January 2020	13,059	120,934	3,504	20,683	158,180
Additions	4,124	5,856	-	10,569	20,549
Adjustment due to lease modification	-	-	(90)	-	(90)
Depreciation for the year	(10,901)	(28,850)	(969)	(9,987)	(50,707)
31 December 2020	6,282	97,940	2,445	21,265	127,932
Additions	-	897	176	9,924	10,997
Adjustment due to lease modification	-	(18,580)	-	(246)	(18,826)
Depreciation for the year	(4,708)	(26,247)	(993)	(9,240)	(41,188)
31 December 2021	<u>1,574</u>	<u>54,010</u>	<u>1,628</u>	<u>21,703</u>	<u>78,915</u>

(Unit: Thousand Baht)

Separate financial statements

	Buildings and				Total
	Land	building improvements	Office equipment	Motor vehicles	
1 January 2020	-	118,028	3,245	15,139	136,412
Additions	3,620	469	-	10,887	14,976
Adjustment due to lease modification	-	-	(113)	-	(113)
Depreciation for the year	(1,207)	(26,220)	(827)	(8,107)	(36,361)
31 December 2020	2,413	92,277	2,305	17,919	114,914
Additions	-	367	-	9,383	9,750
Adjustment due to lease modification	-	(18,580)	-	(246)	(18,826)
Depreciation for the year	(1,207)	(23,262)	(827)	(7,486)	(32,782)
31 December 2021	1,206	50,802	1,478	19,570	73,056

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Lease payments	84,522	135,351	79,593	123,019
Less: Deferred interest expenses	(4,798)	(6,786)	(4,631)	(6,426)
Total	79,724	128,565	74,962	116,593
Less: Portion due within one year	(34,780)	(43,203)	(30,034)	(34,907)
Lease liabilities - net of current portion	44,944	85,362	44,928	81,686

Movements of the lease liability account during the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Balance at beginning of year	128,565	158,179	116,593	136,411
Additions	10,996	38,376	9,750	18,094
Adjustment due to lease modification	(19,282)	(18,745)	(19,282)	(3,236)
Accretion of interest	2,809	4,796	2,536	4,030
Repayments	(43,364)	(54,041)	(34,635)	(38,706)
Balance at end of year	79,724	128,565	74,962	116,593

A maturity analysis of lease payments is disclosed in Note 30.2 under the liquidity risk.

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Depreciation expense of right-of-use assets	41,188	50,707	32,782	36,361
Interest expense on lease liabilities	2,809	4,796	2,536	4,030
Expense relating to short-term leases	48	187	48	187
Expense relating to leases of low-value assets	77	23	77	23

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 43 million (2020: Baht 54 million) (the Company only: Baht 35 million, 2020: Baht 39 million), including the cash outflow related to short-term lease and leases of low-value assets.

19.2 The Company as a lessor

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

The Company has future minimum rentals receivable under non-cancellable operating leases as at 31 December 2021 in immaterial amount.

20. Provision for long-term employee benefits

Provision for long-term employee benefits, was as follows.

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Defined benefit plans		Other long-term employee benefits		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Provision for long-term employee benefits at beginning of year	182,150	172,413	5,842	6,113	187,992	178,526
Included in profit or loss:						
Current service cost	16,070	16,109	309	359	16,379	16,468
Interest cost	2,910	2,703	52	58	2,962	2,761
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	-	(2)	-	(2)	-
Financial assumptions changes	-	-	(1,404)	-	(1,404)	-
Experience adjustments	-	-	512	-	512	-

(Unit: Thousand Baht)

	Consolidated financial statements					
	Defined benefit plans		Other long-term employee benefits		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
Demographic assumptions changes	(5,780)	-	-	-	(5,780)	-
Financial assumptions changes	6,672	-	-	-	6,672	-
Experience adjustments	(20,596)	-	-	-	(20,596)	-
Benefits paid during the year	<u>(13,316)</u>	<u>(9,075)</u>	<u>(819)</u>	<u>(688)</u>	<u>(14,135)</u>	<u>(9,763)</u>
Provision for long-term employee benefits at end of year	<u>168,110</u>	<u>182,150</u>	<u>4,490</u>	<u>5,842</u>	<u>172,600</u>	<u>187,992</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Defined benefit plans		Other long-term employee benefits		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Provision for long-term employee benefits at beginning of year	145,031	137,192	4,653	5,021	149,684	142,213
Included in profit or loss:						
Current service cost	12,788	12,745	232	275	13,020	13,020
Interest cost	2,348	2,180	41	45	2,389	2,225
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	-	(81)	-	(81)	-
Financial assumptions changes	-	-	(1,573)	-	(1,573)	-
Experience adjustments	-	-	112	-	112	-
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
Demographic assumptions changes	(4,999)	-	-	-	(4,999)	-
Financial assumptions changes	2,702	-	-	-	2,702	-
Experience adjustments	(24,987)	-	-	-	(24,987)	-
Benefits paid during the year	<u>(12,164)</u>	<u>(7,086)</u>	<u>(445)</u>	<u>(688)</u>	<u>(12,609)</u>	<u>(7,774)</u>
Provision for long-term employee benefits at end of year	<u>120,719</u>	<u>145,031</u>	<u>2,939</u>	<u>4,653</u>	<u>123,658</u>	<u>149,684</u>

The Group expect to pay Baht 9 million of long-term employee benefits during the next year (2020: Baht 15 million) (the Company only: Baht 7 million, 2020 Baht 14 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 11 - 13 years (2020: 11 - 12 years) (the Company only: 11 years, 2020: 12 years).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Discount rate	1.27 - 1.69	1.45 - 1.56	1.27 - 1.67	1.51 - 1.56
Salary increase rate	2.50 - 5.00	3.00 - 5.00	2.50 - 4.63	3.00 - 5.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

	(Unit: Million Baht)			
	As at 31 December 2021			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(12)	14	(9)	9
Salary increase rate	21	(19)	17	(16)

	(Unit: Million Baht)			
	As at 31 December 2020			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(25)	28	(19)	22
Salary increase rate	32	(29)	25	(23)

21. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

22. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Salaries and wages and other employee benefits	1,226,459	1,106,130	844,462	738,815
Depreciation and amortisation	289,825	295,771	131,404	145,138
Raw materials and consumables used	1,479,311	1,479,718	2,241,421	1,842,854
Changes in finished goods and work in progress	(31,738)	6,294	10,165	1,061
Research and development expenses	31,656	17,596	31,656	17,596

23. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Current income tax charge	60,660	31,931	57,193	31,814
Adjustment in respect of income tax of previous year	94	(1,185)	94	(1,185)
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,939)	(10,276)	(3,196)	(3,185)
Income tax expenses reported in profit or loss	<u>58,815</u>	<u>20,470</u>	<u>54,091</u>	<u>27,444</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax on				
Loss (gain) from the change in value of financial assets measured at FVOCI	(72,256)	17,484	(72,258)	17,603
Actuarial gain	(3,941)	-	(5,457)	-
Share of other comprehensive income from investments in associates	(1,391)	-	-	-
Total	<u>(77,588)</u>	<u>17,484</u>	<u>(77,715)</u>	<u>17,603</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Accounting profit before tax	457,558	334,587	394,524	265,667
Applicable tax rate	0 - 20%	0% - 20%	20%	20%
Accounting profit before tax multiplied by income tax rate	90,060	64,097	78,905	53,133
Adjustment in respect of income tax of previous year	94	(1,185)	94	(1,185)
Recording of previously unrecognised deferred tax assets	-	1,410	-	-
Effects of:				
Exempt income	(15,407)	(16,860)	(15,407)	(16,860)
Non-deductible expenses	3,104	2,019	2,250	985
Additional expense deductions allowed	(20,573)	(28,287)	(12,817)	(6,922)
Others	1,537	(724)	1,066	(1,707)
Total	(31,339)	(43,852)	(24,908)	(24,504)
Income tax expense reported in profit or loss	58,815	20,470	54,091	27,444

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

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax assets				
Allowance for expected credit losses	2,227	6,251	1,086	3,827
Allowance for diminution in value of inventories	13,028	4,493	10,087	3,223
Provision for long-term employee benefits	34,866	37,944	24,732	29,937
Provision for impairment loss	200	236	5,960	4,760
Lease	381	336	381	336
Unused tax loss	2,966	6,773	-	-
Others	440	3,426	440	3,426
Total	54,108	59,459	42,686	45,509

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax liabilities				
Unrealised fair value gain on investments	167,595	120,031	168,635	121,034
Others	1	562	-	562
Total	<u>167,596</u>	<u>120,593</u>	<u>168,635</u>	<u>121,596</u>

As at 31 December 2021, a subsidiary has unused tax losses totaling Baht 15 million (2020: Baht 13 million), on which deferred tax assets have not been recognised as the subsidiary believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

The unused tax losses amounting to Baht 30 million will expire by 2026.

24. Earnings per share

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

25. Segment information

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

For management purposes, the Group is organised into business units based on its products and services and have three reportable segments as follows.

- Cosmetics
- Packaging
- Others

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Group' operating segments for the years ended 31 December 2021 and 2020.

(Unit: Million Baht)

	Cosmetics		Packaging		Others		Total reportable segments		Adjustments and eliminations		Consolidated financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	Sales	3,967	3,284	1,116	1,118	1,027	723	6,110	5,125	(1,204)	(809)	4,906
Other income	230	194	17	14	2	5	249	213	(98)	(110)	151	103
Total revenue	4,197	3,478	1,133	1,132	1,029	728	6,359	5,338	(1,302)	(919)	5,057	4,419
Cost of sales	(2,733)	(2,250)	(829)	(817)	(917)	(626)	(4,479)	(3,693)	1,206	810	(3,273)	(2,883)
Selling and distribution expenses	(170)	(110)	(35)	(24)	(8)	(10)	(213)	(144)	1	-	(212)	(144)
Administrative expenses	(766)	(703)	(74)	(90)	(106)	(98)	(946)	(891)	57	62	(889)	(829)
Depreciation and amortisation	(131)	(145)	(151)	(143)	(8)	(8)	(290)	(296)	-	-	(290)	(296)
Total expenses	(3,800)	(3,208)	(1,089)	(1,074)	(1,039)	(742)	(5,928)	(5,024)	1,264	872	(4,664)	(4,152)
Operating profit	397	270	44	58	(10)	(14)	431	314	(38)	(47)	393	267
Share of profit from investments in associates	-	-	-	-	-	-	-	-	70	74	70	74
Finance income	-	1	-	-	-	-	-	1	-	-	-	1
Finance cost	(3)	(4)	(1)	(2)	(1)	(1)	(5)	(7)	-	-	(5)	(7)
Income tax expenses	(54)	(27)	(3)	7	1	(1)	(56)	(21)	(3)	-	(59)	(21)
Profit for the year	340	240	40	63	(10)	(16)	370	287	29	27	399	314

Geographic information

Revenue from external customers is based on domestic and export sales in consolidated financial statements for the years ended 31 December 2021 and 2020 presented below.

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Sales		
- Domestic	2,574,700	2,177,017
- Export	2,331,007	2,138,569
Total	<u>4,905,707</u>	<u>4,315,586</u>

Major customers

In the year 2021, the Group has revenue from 3 major customers in amount of Baht 2,377 million, arising from sales by cosmetics segments (2020: revenue from 3 major customers in amount of Baht 1,594 million, arising from sales by cosmetics segments).

26. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contributes to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by Principal Asset Management Co., Ltd. will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to approximately Baht 13 million (2020: Baht 12 million) (the Company only: Baht 10 million, 2020: Baht 10 million) were recognised as expenses.

27. Dividend

Dividend	Approved by	Total dividend	Dividend per share
		(Million Baht)	(Baht)
Interim dividends for 2019	Board of Directors' meeting on 8 April 2020	<u>165</u>	<u>1.1</u>
Final dividends for 2020	Annual General Meeting of the shareholders on 27 April 2021	<u>150</u>	<u>1.0</u>

28. Commitments and contingent liabilities

28.1 Capital commitments

As at 31 December 2021, the Group has capital commitments of approximately Baht 77 million (2020: Baht 29 million) (the Company only: Baht 7 million, Baht 5 million), relating to factory construction and purchase machine.

28.2 Guarantees

The Group has outstanding bank guarantees as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Bank guarantee for:				
Electricity use guarantees	15.8	15.7	7.1	7.0
Tax refund guarantees	6.5	4.8	6.5	4.8
Other guarantees	3.1	2.9	3.1	2.9

The guarantees in respect of certain performance bonds as required in the normal course of business.

29. Fair value hierarchy

As at 31 December 2021 and 2020, the Group had the assets and liabilities that were measured and disclosed at fair value, as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	As at 31 December 2021			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets measured at fair value				
Financial assets measured at FVOCI				
Equity instruments	1,131,727	-	165,538	1,297,265
Derivatives				
Foreign currency forward contracts	-	7	-	7
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	2	-	2
Assets for which fair value are disclosed				
Investment properties	-	33,878	156,001	189,879

(Unit: Thousand Baht)

Consolidated financial statements

As at 31 December 2020

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVOCI				
Equity instruments	876,019	-	168,253	1,044,272
Derivatives				
Foreign currency forward contracts	-	2,809	-	2,809
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	2	-	2
Assets for which fair value are disclosed				
Investment properties	-	33,878	156,001	189,879

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2021

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVOCI				
Equity instruments	1,131,727	-	162,159	1,293,886
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	2	-	2
Assets for which fair value are disclosed				
Investment properties	-	33,758	156,001	189,759

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2020

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVOCI				
Equity instruments	876,019	-	164,868	1,040,887
Derivatives				
Foreign currency forward contracts	-	2,809	-	2,809
Assets for which fair value are disclosed				
Investment properties	-	33,758	156,001	189,759

30. Financial instruments

30.1 Derivatives

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Derivative assets				
Derivative assets not designated as hedging instruments				
Foreign exchange forward contracts	7	2,809	-	2,809
Total derivative assets	<u>7</u>	<u>2,809</u>	<u>-</u>	<u>2,809</u>
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
Foreign exchange forward contracts	2	2	2	-
Total derivative liabilities	<u>2</u>	<u>2</u>	<u>2</u>	<u>-</u>

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 6 to 12 months.

30.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, loans to subsidiary, investments, and short-term loans from banks. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, borrowing, deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored. In addition, the Group does not have high concentrations of credit risk since it has a large and various customer.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by geography and customer type. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial instruments and cash

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

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

Market risk

There are two types of market risk comprising foreign currency risk and interest rate risk. The Group enters into derivatives to manage its risk exposure for foreign exchange forward contracts to hedge the foreign currency risk arising on the export or import of goods.

Foreign currency risk

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

As at 31 December 2021 and 2020, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
<u>The Company</u>						
USD	6.2	14.01	1.08	0.94	33.42	30.04
GBP	3.06	2.16	0.38	0.52	45.10	40.64
JPY	47.43	140.57	5.29	7.53	0.29	0.29
Euro	0.81	0.56	0.99	1.10	37.89	36.88
<u>The subsidiaries</u>						
USD	0.59	0.36	0.23	0.12	33.42	30.04
GBP	0.01	0.01	0.02	-	45.10	40.64
Euro	0.49	0.48	0.05	0.01	37.89	36.88
CNY	0.51	0.01	0.50	-	5.25	4.62
CHF	-	0.05	-	-	36.52	34.03
JPY	-	0.50	-	-	0.29	0.29

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in USD GBP JPY and Euro exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2021 and 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	2021		2020	
	Change in FX rate	Effect on profit before tax	Change in FX rate	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
USD	+10	27,655	+10	53,408
	- 10	(27,655)	- 10	(53,408)
GBP	+10	15,639	+10	11,227
	- 10	(15,639)	- 10	(11,227)
Euro	+10	8,962	+10	8,020
	- 10	(8,962)	- 10	(8,020)
JPY	+10	1,517	+10	6,449
	- 10	(1,517)	- 10	(6,449)

This information is not a forecast or prediction of future market conditions and should be used with care.

Interest rate risk

The Group's exposure to low interest rate risk. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

Consolidated financial statements												
	Fixed interest rates				Floating interest rate		Non-interest bearing		Total		Effective interest rate	
	Within 1 year		Over 1 and up to 2 years									
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Percent per annum)											
Financial assets												
Cash and cash equivalents	-	-	-	-	623,548	267,891	631	1,106	624,179	268,997	0.01 - 0.25	0.05 - 0.35
Trade and other receivables	-	-	-	-	-	-	955,510	857,938	955,510	857,938	-	-
Other current financial assets	8,500	16,000	-	-	-	-	7	2,809	8,507	18,809	0.45 - 1.40	1.25 - 1.50
Other non-current financial assets	-	-	1,500	-	-	-	1,297,265	1,044,272	1,298,765	1,044,272	1.40	-
	<u>8,500</u>	<u>16,000</u>	<u>1,500</u>	<u>-</u>	<u>623,548</u>	<u>267,891</u>	<u>2,253,413</u>	<u>1,906,125</u>	<u>2,886,961</u>	<u>2,190,016</u>		
Financial liabilities												
Bank overdrafts and short-term loans												
from financial institution	205,559	59,579	-	-	-	702	-	-	205,559	60,281	0.88 - 2.53	2.50 - 5.88
Trade and other payables	-	-	-	-	-	-	651,564	500,268	651,564	500,268	-	-
	<u>205,559</u>	<u>59,579</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>702</u>	<u>651,564</u>	<u>500,268</u>	<u>857,123</u>	<u>560,549</u>		

(Unit: Thousand Baht)

Separate financial statements

	Fixed interest rates				Floating interest rate		Non-interest bearing		Total		Effective interest rate		
	Within 1 year		Over 1 and up to 2 years		2021	2020	2021	2020	2021	2020	2021	2020	
	2021	2020	2021	2020									
													(Percent per annum)
Financial assets													
Cash and cash equivalents	-	-	-	-	557,505	211,349	450	450	557,955	211,799	0.05 - 0.25	0.05 - 0.25	
Trade and other receivables	-	-	-	-	-	-	836,056	707,652	836,056	707,652	-	-	
Short-term loans to subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	
Other current financial assets	2,000	5,000	-	-	-	-	-	2,809	2,000	7,809	0.45 - 1.40	1.40	
Other non-current financial assets	-	-	-	-	-	-	1,293,886	1,040,887	1,293,886	1,040,887	-	-	
	<u>2,000</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>557,505</u>	<u>211,349</u>	<u>2,130,392</u>	<u>1,751,798</u>	<u>2,689,897</u>	<u>1,968,147</u>			
Financial liabilities													
Bank overdrafts and short-term loans													
from financial institutions	-	-	-	-	-	702	-	-	-	702	-	5.88	
Trade and other payables	-	-	-	-	-	-	597,476	446,952	597,476	446,952	-	-	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>702</u>	<u>597,476</u>	<u>446,952</u>	<u>597,476</u>	<u>447,654</u>			

Interest rate sensitivity

The change in interest rate is no significant impact on the Group's profit before tax.

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts and loans from financial institutions and lease contracts. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding. In addition, the Group's management considered that the Group has sufficient net working capital as compared with the expected cash flow will be paid in near future.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	As at 31 December 2021				
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives					
Bank overdraft and short-term loans					
from financial institutions	-	207,054	-	-	207,054
Trade and other payables	-	651,564	-	-	651,564
Lease liabilities	-	36,740	47,782	-	84,522
Total non-derivatives	-	895,358	47,782	-	943,140
Derivatives					
Derivative liabilities: gross settled					
Cash inflows	-	(845)	-	-	(845)
Cash outflows	-	847	-	-	847
Total derivatives	-	2	-	-	2

(Unit: Thousand Baht)

Consolidated financial statements

As at 31 December 2020

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives					
Bank overdraft and short-term loans from financial institutions	702	60,047	-	-	60,749
Trade and other payables	-	500,268	-	-	500,268
Lease liabilities	-	46,477	88,874	-	135,351
Total non-derivatives	702	606,792	88,874	-	696,368
Derivatives					
Derivative liabilities: gross settled					
Cash inflows	-	(5,341)	-	-	(5,341)
Cash outflows	-	5,343	-	-	5,343
Total derivatives	-	2	-	-	2

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2021

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives					
Trade and other payables	-	597,476	-	-	597,476
Lease liabilities	-	31,873	47,720	-	79,593
Total non-derivatives	-	629,349	47,720	-	677,069
Derivatives					
Derivative liabilities: gross settled					
Cash inflows	-	(845)	-	-	(845)
Cash outflows	-	847	-	-	847
Total derivatives	-	2	-	-	2

(Unit: Thousand Baht)

	Separate financial statements				
	As at 31 December 2020				
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives					
Bank overdraft and short-term loans from financial institutions	702	-	-	-	702
Trade and other payables	-	446,952	-	-	446,952
Lease liabilities	-	37,924	85,095	-	123,019
Total non-derivatives	702	484,876	85,095	-	570,673

30.3 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

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

30.4 Reconciliation of recurring fair value measurements, of financial assets categorised within Level 3 of the fair value hierarchy.

(Unit: Thousand Baht)

	Non-listed equity instruments	
	Consolidated	Separate
	financial statements	financial statements
Balance as of 1 January 2020	183,639	180,855
Net loss recognised into other comprehensive income	(15,386)	(15,987)
Balance as of 31 December 2020	168,253	164,868
Net loss recognised into other comprehensive income	(2,715)	(2,709)
Balance as of 31 December 2021	165,538	162,159

Key assumptions used in the valuation are summarised below.

Financial instruments	Valuation technique	Significant unobservable inputs	Rates	Sensitivity of the input to fair value
Non-listed equity instruments	Discounted future cash flow, dividend discount and other methods	Discount rate	4.7% - 8.9% (2020: 2.6% - 12.2%)	1% (2020: 1%) increase (decrease) in discount rate would result in Baht 9 million decrease in fair value (increase in Baht 7 million) (2020: Baht 11 million decrease in fair value (increase in Baht 22 million))

31. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

As at 31 December 2021, the Group's debt-to-equity ratio was 0.3:1 (2020: 0.3:1) and the Company only was 0.3:1 (2020: 0.3:1).

32. Events after the reporting period

On 24 February 2022, the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of shareholders to be held in April 2022 to pay a dividend of Baht 1.2 per share, or a total of Baht 179.92 million to shareholders in respect of the year 2021 profit and retained earnings. The dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

33. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2022.