

S & J International Enterprises Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2022

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 2022, 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 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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



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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 98% and 96% 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.



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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.



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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.



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- 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: 23 February 2023

S & J International Enterprises Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	7	917,377,349	624,178,695	827,603,293	557,955,055
Trade and other receivables	8	1,079,789,655	955,510,275	913,032,337	836,055,826
Short-term loans to subsidiary	6	-	-	-	-
Inventories	9	841,065,451	863,713,639	692,431,342	716,585,136
Other current financial assets		11,128,904	8,507,121	9,628,904	2,000,000
Other current assets		90,279,197	64,373,975	78,668,830	52,935,949
Total current assets		2,939,640,556	2,516,283,705	2,521,364,706	2,165,531,966
Non-current assets					
Other non-current financial assets	10	1,234,322,057	1,298,764,892	1,231,283,337	1,293,885,692
Investments in subsidiaries	11	-	-	143,903,636	147,903,636
Investments in associates	12	340,723,242	318,794,138	216,261,032	216,261,032
Investments in joint venture		849,900	849,900	849,900	849,900
Long-term loans to other company	13	-	-	-	-
Investment properties	14	76,953,693	80,831,613	76,833,693	80,711,613
Property, plant and equipment	15	1,591,754,439	1,579,188,478	805,761,730	828,909,939
Right-of-use assets	19	56,531,354	78,914,956	47,234,398	73,055,978
Intangible assets	16	19,316,290	23,895,890	16,680,234	20,186,374
Deferred tax assets	23	56,248,697	54,107,657	47,434,454	42,686,265
Other non-current assets	28.2	61,031,203	27,647,981	50,949,879	5,671,115
Total non-current assets		3,437,730,875	3,462,995,505	2,637,192,293	2,710,121,544
Total assets		6,377,371,431	5,979,279,210	5,158,556,999	4,875,653,510

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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	17	218,696,215	205,559,040	-	-
Trade and other payables	18	739,621,979	651,563,884	681,285,694	597,475,596
Current portion of lease liabilities	19	27,765,357	34,780,144	24,231,662	30,033,688
Income tax payable		56,358,184	48,464,861	48,170,409	47,740,396
Other current financial liabilities		174,578	2,082	-	2,082
Other current liabilities		30,961,253	16,374,267	25,075,771	13,343,789
Total current liabilities		1,073,577,566	956,744,278	778,763,536	688,595,551
Non-current liabilities					
Lease liabilities, net of current portion	19	27,737,995	44,943,791	24,947,550	44,928,118
Provision for long-term employee benefits	20	180,207,459	172,600,228	126,988,776	123,658,416
Deferred tax liabilities	23	154,931,561	167,596,441	156,039,657	168,635,016
Other non-current liabilities		630,267	885,203	406,267	431,453
Total non-current liabilities		363,507,282	386,025,663	308,382,250	337,653,003
Total liabilities		1,437,084,848	1,342,769,941	1,087,145,786	1,026,248,554
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		3,015,449,108	2,687,011,462	2,536,193,332	2,263,653,453
Other components of shareholders' equity		626,399,067	677,730,702	640,523,661	691,057,283
Equity attributable to owners of the Company		4,536,542,395	4,259,436,384	4,071,411,213	3,849,404,956
Non-controlling interests		403,744,188	377,072,885	-	-
Total shareholders' equity		4,940,286,583	4,636,509,269	4,071,411,213	3,849,404,956
Total liabilities and shareholders' equity		6,377,371,431	5,979,279,210	5,158,556,999	4,875,653,510

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

Directors

S & J International Enterprises Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Revenues					
Sales		5,959,969,053	4,905,707,439	4,780,162,771	3,966,702,877
Dividend income		19,081,129	19,574,188	73,981,078	77,754,023
Exchange gains		6,617,332	23,805,004	11,112,631	28,961,163
Gain from fair value measurement of derivatives		445,944	-	627,642	-
Other income		97,274,344	107,669,899	102,705,787	123,072,032
Total revenues		6,083,387,802	5,056,756,530	4,968,589,909	4,196,490,095
Expenses					
Cost of sales		4,204,471,466	3,452,644,006	3,344,843,936	2,772,682,758
Selling and distribution expenses		240,807,408	211,932,627	200,502,606	169,663,110
Administrative expenses		1,056,403,378	996,319,103	887,648,231	848,595,684
Loss from fair value measurement of derivatives		-	2,802,356	-	2,811,112
Loss on diminution of investment in subsidiary		-	-	-	5,999,850
Total expenses		5,501,682,252	4,663,698,092	4,432,994,773	3,799,752,514
Operating profit		581,705,550	393,058,438	535,595,136	396,737,581
Share of profit from investments in joint venture and associates	12	63,634,540	69,505,171	-	-
Finance income		932,082	456,521	870,321	323,143
Finance cost		(5,746,914)	(5,461,663)	(1,942,738)	(2,536,436)
Profit before income tax expenses		640,525,258	457,558,467	534,522,719	394,524,288
Income tax expenses	23	(100,555,573)	(58,814,795)	(81,717,947)	(54,090,696)
Profit for the year		539,969,685	398,743,672	452,804,772	340,433,592
Profit attributable to:					
Equity holders of the Company		504,298,382	373,167,092	452,804,772	340,433,592
Non-controlling interests		35,671,303	25,576,580	-	-
		539,969,685	398,743,672		
Earnings per share					
Basic earnings per share	24				
Profit attributable to equity holders of the Company		3.36	2.49	3.02	2.27

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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Profit for the year		<u>539,969,685</u>	<u>398,743,672</u>	<u>452,804,772</u>	<u>340,433,592</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		(315,984)	961,803	-	-
Share of other comprehensive income from investments in associates	12	<u>(209,645)</u>	<u>389,825</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent years - net of income tax		<u>(525,629)</u>	<u>1,351,628</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	(51,154,267)	289,025,373	(50,881,883)	289,030,493
Actuarial gain - net of income tax	20	-	15,763,077	-	21,827,667
Share of other comprehensive income from investments in associates	12	<u>4,404,157</u>	<u>5,174,199</u>	<u>-</u>	<u>-</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent years - net of income tax		<u>(46,750,110)</u>	<u>309,962,649</u>	<u>(50,881,883)</u>	<u>310,858,160</u>
Other comprehensive income for the year		<u>(47,275,739)</u>	<u>311,314,277</u>	<u>(50,881,883)</u>	<u>310,858,160</u>
Total comprehensive income for the year		<u>492,693,946</u>	<u>710,057,949</u>	<u>401,922,889</u>	<u>651,291,752</u>
Total comprehensive income attributable to:					
Equity holders of the Company		457,022,643	687,516,224	<u>401,922,889</u>	<u>651,291,752</u>
Non-controlling interests		<u>35,671,303</u>	<u>22,541,725</u>		
		<u>492,693,946</u>	<u>710,057,949</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 2022

	Consolidated financial statements											(Unit: Baht)
	Equity attributable to owners of the Company											
	Other components of shareholders' equity											
	Issued and paid-up share capital	Share premium	Retained earnings		Share of other comprehensive income from associates	Fair value reserve	Share of other comprehensive income from associates	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests	Total shareholders' equity	
Appropriated - statutory reserve			Unappropriated	on translation of financial statements in foreign currencies								Exchange differences
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	-	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	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	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	149,930,828	724,763,392	20,000,000	2,687,011,462	(13,649,845)	690,990,722	389,825	4,259,436,384	377,072,885	4,636,509,269		
Balance as at 1 January 2022	149,930,828	724,763,392	20,000,000	2,687,011,462	(13,649,845)	690,990,722	389,825	4,259,436,384	377,072,885	4,636,509,269		
Profit for the year	-	-	-	504,298,382	-	-	-	504,298,382	35,671,303	539,969,685		
Other comprehensive income for the year	-	-	-	4,404,157	(315,984)	(51,154,267)	(209,645)	(47,275,739)	-	(47,275,739)		
Total comprehensive income for the year	-	-	-	508,702,539	(315,984)	(51,154,267)	(209,645)	457,022,643	35,671,303	492,693,946		
Dividend paid (Note 27)	-	-	-	(179,916,632)	-	-	-	(179,916,632)	-	(179,916,632)		
Decrease in non-controlling interests from dividend paid by the subsidiary	-	-	-	-	-	-	-	-	(9,000,000)	(9,000,000)		
Transfer of fair value reserve of equity instruments designated at FVOCI to retained earning	-	-	-	(348,261)	-	348,261	-	-	348,261	-		
Balance as at 31 December 2022	149,930,828	724,763,392	20,000,000	3,015,449,108	(13,965,829)	640,184,716	180,180	4,536,542,395	403,744,188	4,940,286,583		

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 2022

	Separate financial statements							(Unit: Baht)
	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity		Total shareholders' equity	
			Appropriated - statutory reserve	Unappropriated	Fair value reserve	Other comprehensive income		
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	149,930,828	724,763,392	20,000,000	2,263,653,453	691,057,283	-	3,849,404,956	
Balance as at 1 January 2022	149,930,828	724,763,392	20,000,000	2,263,653,453	691,057,283	-	3,849,404,956	
Profit for the year	-	-	-	452,804,772	-	-	452,804,772	
Other comprehensive income for the year	-	-	-	-	(50,881,883)	-	(50,881,883)	
Total comprehensive income for the year	-	-	-	452,804,772	(50,881,883)	-	401,922,889	
Dividend paid (Note 27)	-	-	-	(179,916,632)	-	-	(179,916,632)	
Transfer of fair value reserve of equity instruments designated at FVOCI to retained earning	-	-	-	(348,261)	348,261	-	-	
Balance as at 31 December 2022	149,930,828	724,763,392	20,000,000	2,536,193,332	640,523,661	-	4,071,411,213	

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 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit before income tax expenses	640,525,258	457,558,467	534,522,719	394,524,288
Adjustments to reconcile net profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	278,491,401	289,907,986	112,317,290	131,404,211
Reversal impairment loss on financial assets	(770,310)	(20,259,172)	(415,340)	(14,705,630)
Reduction in cost of inventories to net realisable value	14,356,043	43,919,393	20,788,991	34,321,425
Loss (gain) on sales of property and equipment	4,308,373	(636,050)	4,475,728	(350,100)
Loss on write-off of intangible assets	12,496	-	-	-
Loss on sales of investment property	-	2,136,634	-	2,136,634
Provision for long-term employee benefits	17,838,491	18,447,442	11,683,499	13,867,448
Adjustment due to lease modification	(474,880)	(455,907)	48,931	(455,907)
Share of profit from investments in joint venture and associates	(63,634,540)	(69,505,171)	-	-
Unrealised loss (gain) on exchange	9,193,774	(33,099)	9,762,621	(57,699)
Loss (gain) from fair value measurement of derivatives	(445,944)	2,802,356	(627,642)	2,811,112
Loss on diminution of investment in subsidiary	-	-	-	5,999,850
Dividend income	(19,081,129)	(19,574,188)	(73,981,078)	(77,754,023)
Finance income	(932,082)	(456,521)	(870,321)	(323,143)
Finance cost	5,746,914	5,461,663	1,942,738	2,536,436
Profit from operating activities before changes in operating assets and liabilities	885,133,865	709,313,833	619,648,136	493,954,902
Operating assets (increase) decrease				
Trade and other receivables	(133,209,257)	(77,365,335)	(86,157,150)	(114,724,658)
Inventories	8,292,145	(136,588,061)	3,364,803	(73,260,805)
Other current assets	(25,917,328)	(21,995,415)	(25,732,881)	(22,602,902)
Other non-current assets	(33,383,222)	5,920,787	(45,278,764)	158,000
Operating liabilities increase (decrease)				
Trade and other payables	72,109,083	138,802,844	74,471,297	142,323,852
Other current liabilities	14,586,986	(1,626,799)	11,731,982	(1,449,059)
Provision for long-term employee benefits	(10,231,260)	(14,135,291)	(8,353,139)	(12,608,848)
Other non-current liabilities	(254,936)	303,189	(25,186)	(73,046)
Cash flows from operating activities	777,126,076	602,629,752	543,669,098	411,717,436
Interest paid	(5,842,858)	(5,371,851)	(1,942,738)	(2,536,436)
Corporate income tax paid	(94,681,865)	(44,916,275)	(85,911,011)	(44,598,816)
Net cash flows from operating activities	676,601,353	552,341,626	455,815,349	364,582,184

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 2022

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flows from investing activities				
Interest received	945,582	445,526	870,321	323,143
Decrease (increase) in other current financial assets	(2,003,344)	7,500,000	(7,003,344)	4,000,000
Cash received from sales of other non-current financial assets	500,000	175,238,304	-	175,238,304
Cash paid for purchase of other non-current financial assets	-	(68,498,167)	(1,000,000)	(66,998,167)
Cash received from returning funds in subsidiary	-	-	4,000,000	-
Cash paid for investments in joint venture	-	(800,000)	-	(800,000)
Acquisitions of property, plant and equipment	(236,639,713)	(320,737,135)	(48,741,053)	(25,541,472)
Proceeds from sales of property and equipment	2,674,454	1,972,068	2,323,987	1,765,440
Proceeds from sales of investment property	-	99,533	-	99,533
Increase in intangible assets	(1,369,987)	(1,607,919)	(1,149,530)	(1,534,918)
Dividend received	64,981,078	65,474,065	73,981,078	77,754,023
Net cash flows from (used in) investing activities	(170,911,930)	(140,913,725)	23,281,459	164,305,886
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	14,832,844	141,378,195	-	(702,393)
Payment of principal portion of lease liabilities	(36,396,197)	(40,554,987)	(29,531,936)	(32,099,115)
Dividend paid	(179,916,634)	(149,930,828)	(179,916,634)	(149,930,828)
Dividend paid by subsidiary to non-controlling interests	(9,000,000)	(12,000,042)	-	-
Net cash flows used in financing activities	(210,479,987)	(61,107,662)	(209,448,570)	(182,732,336)
Net foreign exchange difference	(2,010,782)	4,861,537	-	-
Net increase in cash and cash equivalents	293,198,654	355,181,776	269,648,238	346,155,734
Cash and cash equivalents at beginning of the year	624,178,695	268,996,919	557,955,055	211,799,321
Cash and cash equivalents at end of the year	917,377,349	624,178,695	827,603,293	557,955,055
Supplementary disclosures of cash flows information				
Non-cash items				
Increase in right-of-use from new lease contracts	8,940,525	10,995,425	2,137,051	9,750,008
Accounts payable - purchase of plant and equipment	16,551,369	12,536,961	9,172,162	8,332,973
Gain (loss) on changes in value of equity investments designated at fair value through other comprehensive income	(63,942,835)	361,284,916	(63,602,355)	361,288,116

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 2022

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 3 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

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	
			2022 (%)	2021 (%)
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.	Under the process of liquidation	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 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 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

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

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

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally 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' 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Transaction with subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Sales of goods	-	-	349	313
Other income	-	-	33	33
Purchases of goods and services	-	-	656	691
Other expenses	-	-	2	3
<u>Transactions with associates</u>				
Sales of goods	21	19	-	-
Rental income	33	33	33	33
<u>Transactions with related parties</u>				
Sales of goods	1,525	1,218	1,342	1,070
Other income	10	7	9	6
Purchases of goods and services	19	17	16	16
Rental expenses	3	8	3	8
Electricity and utilities expenses	157	122	66	50

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
Other expenses	Market price

The balances of the accounts as at 31 December 2022 and 2021 between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Trade and other receivables - related parties (Note 8)</u>				
<u>Trade receivables</u>				
Subsidiaries	-	-	98,133	118,546
Associates	4,754	5,815	-	1,055
Related companies	301,895	122,334	267,609	104,234
Trade and other receivables - related parties	<u>306,649</u>	<u>128,149</u>	<u>365,742</u>	<u>223,835</u>
<u>Other receivables</u>				
Subsidiaries	-	-	1,855	4,791
Associates	131	51	131	41
Related companies	195	1,108	195	1,108
Total other receivables - related parties	<u>326</u>	<u>1,159</u>	<u>2,181</u>	<u>5,940</u>
Total trade and other receivables - related parties	<u>306,975</u>	<u>129,308</u>	<u>367,923</u>	<u>229,775</u>
<u>Short-term loans to subsidiary</u>				
Subsidiary	-	-	3,000	3,000
Less: Allowance for expected credit losses	-	-	(3,000)	(3,000)
Total short-term loans to subsidiary - net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Other non-current assets - related parties</u>				
Related companies	430	2,192	334	2,096
Total other non-current assets - related parties	<u>430</u>	<u>2,192</u>	<u>334</u>	<u>2,096</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Trade and other payables - related parties (Note 18)</u>				
<u>Trade payables</u>				
Subsidiaries	-	-	82,896	104,510
Associates	18	159	18	85
Related companies	2,789	1,017	2,721	1,017
Total trade payables - related parties	<u>2,807</u>	<u>1,176</u>	<u>85,635</u>	<u>105,612</u>
<u>Other payables</u>				
Subsidiaries	-	-	211	390
Associates	69	13	69	13
Related companies	720	6,409	554	644
Total other payables - related parties	<u>789</u>	<u>6,422</u>	<u>834</u>	<u>1,047</u>
Total trade and other payables - related parties	<u>3,596</u>	<u>7,598</u>	<u>86,469</u>	<u>106,659</u>
<u>Lease liabilities - related parties (Note 19)</u>				
Related companies	12,617	11,053	10,236	9,766
Total lease liabilities - related parties	<u>12,617</u>	<u>11,053</u>	<u>10,236</u>	<u>9,766</u>

Short-term loans to subsidiary

As at 31 December 2022 and 2021, 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 31 December 2021	Increase During the period	Decrease during the period	Balance as at 31 December 2022
<u>Short-term loans to subsidiary</u>				
Subsidiary	3,000	-	-	3,000
Less: Allowance for expected credit losses	(3,000)	-	-	(3,000)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Set out below is the movement in the allowance for expected credit losses of loans to subsidiary

	(Unit: Thousand Baht)	
	Separate financial statements	
	<u>2022</u>	<u>2021</u>
Beginning balance	3,000	4,000
Reversal provision for expected credit losses	-	(1,000)
Ending balance	<u>3,000</u>	<u>3,000</u>

The above short-term loans are promissory notes. The loans are due at call and unsecured.

Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	98,901	83,445	94,776	78,127
Post-employment benefits	564	510	564	510
Total	<u>99,465</u>	<u>83,955</u>	<u>95,340</u>	<u>78,637</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash	331	623	180	450
Bank deposits	916,054	623,556	827,423	557,505
Cheque on hand	992	-	-	-
Total	<u>917,377</u>	<u>624,179</u>	<u>827,603</u>	<u>557,955</u>

As at 31 December 2022, bank deposits in saving accounts and fixed deposits carried interests between 0.05 and 0.63 percent per annum (2021: between 0.01 and 0.25 percent per annum) (the Company only: between 0.05 and 0.50 percent per annum, 2021: between 0.05 and 0.25 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	290,055	118,384	358,201	214,008
Past due				
Up to 3 months	16,095	8,798	6,169	9,543
3 - 6 months	39	284	-	176
6 - 12 months	1	575	1,372	-
Over 12 months	459	108	-	108
Total trade accounts receivable - related parties	<u>306,649</u>	<u>128,149</u>	<u>365,742</u>	<u>223,835</u>
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	554,065	631,236	422,724	491,742
Past due				
Up to 3 months	170,624	148,255	79,914	73,924
3 - 6 months	5,130	8,065	16	5,066
6 - 12 months	5,376	1,444	4,444	798
Over 12 months	4,848	6,493	1,733	3,706
Total	<u>740,043</u>	<u>795,493</u>	<u>508,831</u>	<u>575,236</u>
Less: Allowance for expected credit losses	<u>(10,367)</u>	<u>(11,137)</u>	<u>(5,014)</u>	<u>(5,429)</u>
Trade accounts receivable - unrelated parties, net	<u>729,676</u>	<u>784,356</u>	<u>503,817</u>	<u>569,807</u>
Total trade accounts receivable - net	<u>1,036,325</u>	<u>912,505</u>	<u>869,559</u>	<u>793,642</u>
<u>Other receivables</u>				
Other receivables - related parties	326	1,159	2,181	5,940
Other receivables - unrelated parties	5,438	8,464	4,480	7,228
Advance payment for inventories	32,116	30,281	30,680	24,204
Prepaid expenses	5,585	3,101	6,132	5,042
Total other receivables	<u>43,465</u>	<u>43,005</u>	<u>43,473</u>	<u>42,414</u>
Total trade and other receivables - net	<u>1,079,790</u>	<u>955,510</u>	<u>913,032</u>	<u>836,056</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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Beginning balance	11,137	31,396	5,429	19,135
Reversal provision for expected credit losses	(770)	(20,259)	(415)	(13,706)
Ending balance	<u>10,367</u>	<u>11,137</u>	<u>5,014</u>	<u>5,429</u>

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Finished goods	326,359	323,911	(12,686)	(19,117)	313,673	304,794
Work in process	84,327	87,199	(10,838)	(11,150)	73,489	76,049
Raw materials	287,171	268,582	(38,606)	(21,471)	248,565	247,111
Packaging	199,242	184,473	(18,682)	(14,718)	180,560	169,755
Supplies	4,926	3,738	-	-	4,926	3,738
Goods in transit	19,852	62,267	-	-	19,852	62,267
Total	<u>921,877</u>	<u>930,170</u>	<u>(80,812)</u>	<u>(66,456)</u>	<u>841,065</u>	<u>863,714</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Finished goods	239,634	228,032	(6,612)	(10,170)	233,022	217,862
Work in process	55,397	62,645	(10,838)	(9,878)	44,559	52,767
Raw materials	246,293	231,346	(35,092)	(15,670)	211,201	215,676
Packaging	204,620	189,892	(18,682)	(14,717)	185,938	175,175
Supplies	3,005	2,190	-	-	3,005	2,190
Goods in transit	14,706	52,915	-	-	14,706	52,915
Total	<u>763,655</u>	<u>767,020</u>	<u>(71,224)</u>	<u>(50,435)</u>	<u>692,431</u>	<u>716,585</u>

During the current year, the Group reduced cost of inventories by Baht 83 million (2021: Baht 76 million) (The Company only: Baht 64 million, 2021: Baht 63 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 69 million (2021: Baht 32 million) (The Company only: Baht 43 million, 2021: Baht 29 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Equity instruments designated at FVOCI</u>				
Listed equity instruments				
Sahacogen (Chonburi) Plc.	542,080	677,600	542,080	677,600
President Bakery Plc.	207,750	208,500	207,750	208,500
Saha Pathana Inter-Holding Plc.	128,940	120,221	128,940	120,221
Saha Pathanapibul Plc.	78,000	76,200	78,000	76,200
I.C.C. International Plc.	33,907	30,825	33,907	30,825
Bangkok Bank Plc.	9,368	7,659	9,368	7,659
Nation Multimedia Group Plc.	2,180	6,737	2,180	6,737
Thai Wacoal Plc.	3,450	3,850	3,450	3,850
Far East Fame Line DDB Plc.	102	114	102	114
Boutique New City Plc.	27	21	27	21
Total listed equity instruments	1,005,804	1,131,727	1,005,804	1,131,727

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Non-listed equity instruments				
Sahapat Assets Co., Ltd.	55,418	41,032	55,418	41,032
United Utility Co., Ltd.	34,005	33,791	34,005	33,791
Thai Cubic Technology Co., Ltd.	46,392	22,913	46,392	22,913
Tipwarin Watana Co., Ltd.	32,761	14,127	32,761	14,127
T-Way Co., Ltd.	12,154	13,515	9,115	10,136
Saha Sehwa Co., Ltd.	8,601	10,300	8,601	10,300
Pan Land Co., Ltd.	3,723	6,826	3,723	6,826
E.P.F. Co., Ltd.	2,493	4,161	2,493	4,161
Waseda Education (Thailand) Co., Ltd.	3,234	3,606	3,234	3,606
Thai Yukilon Co., Ltd.	15,169	3,548	15,169	3,548
K. Commercial & Construction Co., Ltd.	3,380	3,080	3,380	3,080
Thai Lotte Co., Ltd.	2,996	2,633	2,996	2,633
Thanara Co., Ltd.	1,732	1,743	1,732	1,743
H&B Kabinburi Co., Ltd.	2,664	1,440	2,664	1,440
B.K.C. International Marketing Co., Ltd.	1,060	1,072	1,060	1,072
American Food Co., Ltd.	-	546	-	546
Others	1,736	1,205	1,736	1,205
Total non-listed equity instruments	<u>227,518</u>	<u>165,538</u>	<u>224,479</u>	<u>162,159</u>
Certificates of deposits	<u>1,000</u>	<u>1,500</u>	<u>1,000</u>	<u>-</u>
Total other non-current financial assets	<u>1,234,322</u>	<u>1,298,765</u>	<u>1,231,283</u>	<u>1,293,886</u>

As at 31 December 2022, non-listed equity instruments consisted of investment in 5 companies with fair value of Baht 2 million or 0.8 percent of total non-listed equity instruments in consolidated financial statements (2021: 5 companies with fair value of Baht 1 million or 0.7 percent) (the Company only: 5 companies with fair value of Baht 1 million or 0.8 percent, 2021: 5 companies with fair value of Baht 1 million or 0.7 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.

During the year 2022, the Group received dividends from equity instruments designated at FVOCI, which still existed at the reporting date, in the amount of Baht 19 million (2021: Baht 20 million) (the Company only: Baht 19 million, 2021: Baht 20 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 percentage		Cost		(Unit: Thousand Baht) Dividend received during the year	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
			%	%				
E F Co., Ltd.	Baht 4.0 million	Baht 4.0 million	100	100	4,005	4,005	-	280
Top Trend Manufacturing Co., Ltd.	Baht 120.0 million	Baht 120.0 million	50	50	124,825	124,825	9,000	12,000
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	6,000	10,000	-	-
S&J International (UK) Limited	GBP 0.1 million	GBP 0.1 million	100	100	5,073	5,073	-	-
Total					150,903	154,903	9,000	12,280
Less: Allowance for diminution in value of investments					(6,999)	(6,999)		
Total Investments in subsidiaries					143,904	147,904		

Wildlives (Thailand) Co., Ltd. and SAAS Co., Ltd., subsidiaries, registered their dissolution with the Ministry of Commerce on 4 June 2021 and 19 October 2022, respectively. They are currently undergoing a liquidation process. However, they did not constitute an integral part of the Group's business, there were therefore no material impacts on the consolidated financial statements.

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

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the year		(Unit: Thousand Baht) Dividend paid to non-controlling interests during the year	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(%)	(%)						
Top Trend Manufacturing Co., Ltd.	50	50	403,743	377,072	35,671	22,542	9,000	12,000

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>2022</u>	<u>2021</u>
Current assets	403	342
Non-current assets	771	742
Current liabilities	312	280
Non-current liabilities	54	50

Summarised information about comprehensive income.

	(Unit: Million Baht)	
	For the year ended	
	31 December	
	<u>2022</u>	<u>2021</u>
Revenue	1,350	1,133
Profit	71	51
Other comprehensive income	-	(6)
Total comprehensive income	71	45

Summarised information about cash flow

	(Unit: Million Baht)	
	For the year ended	
	31 December	
	<u>2022</u>	<u>2021</u>
Cash flow from operating activities	10	128
Cash flow used in investing activities	(41)	(269)
Cash flow from financing activities	16	136
Net decrease in cash and cash equivalents	<u>(15)</u>	<u>(5)</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	
				2022	2021	2022 (%)	2021 (%)
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:

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	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
1.	Yamahatsu (Thailand) Co., Ltd.	35,487	37,438	(1,913)	20,556	(38)	1,216	6,000	6,000	-	9,900
2.	Operational Energy Group Limited	103,449	86,010	59,235	47,256	4,104	4,229	13,151	13,151	45,900	36,000
3.	Atika Beauty Manufacturing Sdn. Bhd.	2,803	2,568	106	(2,346)	129	119	17,916	17,916	-	-
4.	Osoth Interlaboratories Co., Ltd.	198,984	192,778	6,206	4,039	-	-	201,994	201,994	-	-
Total		340,723	318,794	63,634	69,505	4,195	5,564	239,061	239,061	45,900	45,900
	Less: Provision for impairment loss							(22,800)	(22,800)		
	Total investment in associates							216,261	216,261		

(Unit: Thousand Baht)

12.3 Summarised financial information about material associates

Summarised information about financial position

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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Yamahatsu (Thailand) Co., Ltd.	308	303	169	205	339	363	8	8	130	137	30	30	39	41	(4)	(4)	35	37
Operational Energy Group Limited	410	377	388	416	280	342	171	163	347	288	30	30	104	86	(1)	-	103	86
Atika Beauty Manufacturing Sdn. Bhd.	10	13	5	10	9	18	-	-	6	5	35	35	2	2	1	1	3	3
Osoth Interlaboratories Co., Ltd.	326	315	348	350	139	149	9	9	526	507	33	33	174	167	25	26	199	193

Summarised information about comprehensive income

Company	Revenue		Profit (loss)		Other comprehensive income		Total comprehensive income	
	2022	2021	2022	2021	2022	2021	2022	2021
Yamahatsu (Thailand) Co., Ltd.	1,016	908	(6)	69	-	4	(6)	73
Operational Energy Group Limited	781	747	197	158	14	14	211	172
Atika Beauty Manufacturing Sdn. Bhd.	34	14	-	(8)	-	-	-	(8)
Osoth Interlaboratories Co., Ltd.	595	501	19	12	-	-	19	12

For the year ended 31 December

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 2022 and 2021 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 2022:						
Cost	120	140,363	140,483	-	140,363	140,363
Less: Accumulated depreciation	-	(63,529)	(63,529)	-	(63,529)	(63,529)
Net book value	<u>120</u>	<u>76,834</u>	<u>76,954</u>	<u>-</u>	<u>76,834</u>	<u>76,834</u>
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>

A reconciliation of the net book value of investment properties for the year 2022 and 2021 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Net book value at beginning of year	80,832	87,130	80,712	87,010
Transfer from properties, plant and equipment				
Disposal/write-off during the year -				
net book value at disposal/write-off date	-	(2,236)	-	(2,236)
Depreciation for the year	<u>(3,878)</u>	<u>(4,062)</u>	<u>(3,878)</u>	<u>(4,062)</u>
Net book value at end of year	<u>76,954</u>	<u>80,832</u>	<u>76,834</u>	<u>80,712</u>

The additional information of the investment properties as at 31 December 2022 and 2021 stated below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
The fair value	201,855	189,879	201,775	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 by an accredited independent valuer.

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 2021	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
Additions	-	1,642	847	10,847	10,537	-	229,318	253,191
Disposals/write-off	-	(14,394)	(14,347)	(7,763)	(22,102)	(16)	-	(58,622)
Transfers	-	37,800	13,595	628	171,699	-	(223,722)	-
31 December 2022	406,322	1,251,828	372,394	166,315	3,222,612	27,406	130,160	5,577,037
Accumulated depreciation:								
1 January 2021	-	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	-	-	237,835
Depreciation on disposals/write-off	-	(262)	(3,089)	(727)	(8,471)	(4,806)	-	(17,355)
31 December 2021	-	597,251	362,565	141,003	2,673,376	26,885	-	3,801,080
Depreciation for the year	-	52,088	4,945	9,438	167,171	-	-	233,642
Depreciation on disposals/write-off	-	(7,739)	(14,333)	(7,639)	(21,912)	(16)	-	(51,639)
31 December 2022	-	641,600	353,177	142,802	2,818,635	26,869	-	3,983,083
Allowance for impairment loss:								
1 January 2021	-	-	-	-	-	-	2,200	2,200
31 December 2021	-	-	-	-	-	-	2,200	2,200
31 December 2022	-	-	-	-	-	-	2,200	2,200
Net book value:								
31 December 2021	406,322	629,529	9,734	21,600	389,102	537	122,364	1,579,188
31 December 2022	406,322	610,228	19,217	23,513	403,977	537	127,960	1,591,754
Depreciation for the year								
2021 (Baht 179 million included in manufacturing cost, and the balance in administrative expenses)								237,835
2022 (Baht 182 million included in manufacturing cost, and the balance in administrative expenses)								233,642

(Unit: Thousand Baht)

Separate financial statements

	Buildings						Assets under		Total
	Land and land improvements	and building improvements	Furniture and fixtures	Office equipment	Machinery and equipment	Motor vehicles	installation and under construction		
Cost:									
1 January 2021	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	
Additions	-	1,642	727	9,282	8,701	-	37,561	57,913	
Disposals/write-off	-	(14,166)	(12,505)	(5,118)	(3,953)	(16)	-	(35,758)	
Transfers	-	11,751	9	-	5,730	-	(17,490)	-	
31 December 2022	200,750	1,023,250	183,141	134,815	1,313,319	12,860	37,926	2,906,061	
Accumulated depreciation:									
1 January 2021	-	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	
Depreciation for the year	-	42,539	1,534	7,901	22,287	-	-	74,261	
Depreciation on									
disposals/ write-off	-	(7,511)	(12,491)	(5,008)	(3,932)	(16)	-	(28,958)	
31 December 2022	-	525,481	180,191	115,051	1,264,574	12,802	-	2,098,099	
Allowance for impairment loss:									
1 January 2021	-	-	-	-	-	-	2,200	2,200	
31 December 2021	-	-	-	-	-	-	2,200	2,200	
31 December 2022	-	-	-	-	-	-	2,200	2,200	
Net book value:									
31 December 2021	200,750	533,570	3,762	18,493	56,622	58	15,655	828,910	
31 December 2022	200,750	497,769	2,950	19,764	48,745	58	35,726	805,762	
Depreciation for the year									
2021 (Baht 39 million included in manufacturing cost, and the balance in administrative expenses)								89,440	
2022 (Baht 30 million included in manufacturing cost, and the balance in administrative expenses)								74,261	

As at 31 December 2022, 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 3,198 million (2021: Baht 2,889 million) (The Company only: Baht 1,761 million, 2021: Baht 1,610 million).

16. Intangible assets

The net book value of intangible assets as at 31 December 2022 and 2021 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Computer software	Computer under installation	Total	Computer software	Computer under installation	Total
31 December 2022						
Cost	106,432	-	106,432	76,529	-	76,529
Less: Accumulated amortisation	(87,116)	-	(87,116)	(59,849)	-	(59,849)
Net book value	19,316	-	19,316	16,680	-	16,680
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	23,546	350	23,896	19,836	350	20,186

A reconciliation of the net book value of intangible assets for the year ended 31 December 2022 and 2021 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Net book value at beginning of year	23,896	29,111	20,186	23,771
Acquisition of computer software	1,370	1,608	1,150	1,535
Amortisation (included in administrative expense)	(5,937)	(6,823)	(4,656)	(5,120)
Disposal/write-off during the year - net book value at disposal/write-off date	(13)	-	-	-
Net book value at end of year	19,316	23,896	16,680	20,186

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

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021	2022	2021
Promissory notes	1.43 - 5.89	0.88 - 2.53	192,915	205,559	-	-
Bank overdrafts	6.35 - 6.65	-	25,781	-	-	-
Total			218,696	205,559	-	-

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	financial statements	financial statements
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Trade payables - related parties	2,807	1,176	85,635	105,612
Trade payables - unrelated parties	361,349	311,969	308,748	223,206
Other payables - related parties	789	6,422	834	1,047
Other payables - unrelated parties	62,347	69,049	45,173	42,873
Accrued expenses	296,074	250,184	231,724	216,405
Payable from acquisition of assets	16,125	12,537	9,172	8,333
Accrued interest expenses	131	227	-	-
Total trade and other payables	739,622	651,564	681,286	597,476

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 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements				
	Land	Buildings and building improvements	Office equipment	Motor vehicles	Total
1 January 2021	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	1,574	54,010	1,628	21,703	78,915
Additions	-	4,253	-	4,688	8,941
Adjustment due to lease modification	-	2,154	2,304	(748)	3,710
Depreciation for the year	(1,542)	(23,253)	(871)	(9,369)	(35,035)
31 December 2022	32	37,164	3,061	16,274	56,531

(Unit: Thousand Baht)

Separate financial statements					
	Land	Buildings and building improvements	Office equipment	Motor vehicles	Total
1 January 2021	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
Additions	-	-	-	2,137	2,137
Adjustment due to lease modification	-	-	2,311	(748)	1,563
Depreciation for the year	(1,175)	(19,907)	(827)	(7,613)	(29,522)
31 December 2022	31	30,895	2,962	13,346	47,234

b) Lease liabilities

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Lease payments	58,734	84,522	52,035	79,593
Less: Deferred interest expenses	(3,231)	(4,798)	(2,856)	(4,631)
Total	55,503	79,724	49,179	74,962
Less: Portion due within one year	(27,765)	(34,780)	(24,232)	(30,034)
Lease liabilities - net of current portion	27,738	44,944	24,947	44,928

Movements of the lease liability account during the years ended 31 December 2022 and 2021 are summarised below:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Balance at beginning of year	79,724	128,565	74,962	116,593
Additions	8,940	10,996	2,137	9,750
Adjustment due to lease modification	3,235	(19,282)	1,612	(19,282)
Accretion of interest	2,196	2,809	1,942	2,536
Repayments	(38,592)	(43,364)	(31,474)	(34,635)
Balance at end of year	55,503	79,724	49,179	74,962

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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Depreciation expense of right-of-use assets	35,035	41,188	29,522	32,782
Interest expense on lease liabilities	2,196	2,809	1,942	2,536
Expense relating to short-term leases	-	48	-	48
Expense relating to leases of low-value assets	59	77	59	77

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 39 million (2021: Baht 43 million) (the Company only: Baht 32 million, 2021: Baht 35 million), including the cash outflow related to short-term lease and leases of low-value assets. The future cash outflows relating to leases that have not yet commenced and disclosed in Note to the financial statement 28.2.

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 to the financial statement 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 2022 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Provision for long-term employee benefits at						
beginning of year	168,110	182,150	4,490	5,842	172,600	187,992
Included in profit or loss:						
Current service cost	15,087	16,070	187	309	15,274	16,379
Interest cost	2,505	2,910	59	52	2,564	2,962
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	
	2022	2021	2022	2021	2022	2021
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	(9,518)	(13,316)	(713)	(819)	(10,231)	(14,135)
Provision for long-term employee benefits at end of year	176,184	168,110	4,023	4,490	180,207	172,600

(Unit: Thousand Baht)

	Separate financial statements					
	Defined benefit plans		Other long-term employee benefits		Total	
	2022	2021	2022	2021	2022	2021
Provision for long-term employee benefits at beginning of year	120,719	145,031	2,939	4,653	123,658	149,684
Included in profit or loss:						
Current service cost	9,761	12,788	101	232	9,862	13,020
Interest cost	1,785	2,348	37	41	1,822	2,389
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	(7,844)	(12,164)	(509)	(445)	(8,353)	(12,609)
Provision for long-term employee benefits at end of year	124,421	120,719	2,568	2,939	126,989	123,658

The Group expect to pay Baht 18 million of long-term employee benefits during the next year (2021: Baht 9 million) (the Company only: Baht 13 million, 2021 Baht 7 million).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 11 - 13 years (2021: 11 - 13 years) (the Company only: 11 years, 2021: 11 years).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Discount rate	1.27 - 1.69	1.27 - 1.69	1.27 - 1.67	1.27 - 1.67
Salary increase rate	2.50 - 5.00	2.50 - 5.00	2.50 - 4.63	2.50 - 4.63

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below:

	(Unit: Million Baht)			
	As at 31 December 2022			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(12)	13	(9)	9
Salary increase rate	24	(21)	19	(18)

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

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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Salaries and wages and other employee benefits	1,362,210	1,226,459	906,315	844,462
Depreciation and amortisation	278,491	289,908	112,317	131,404
Raw materials and consumables used	2,096,040	1,479,311	2,752,443	2,241,421
Changes in finished goods and work in progress	424	(31,738)	(4,354)	10,165
Research and development expenses	23,520	31,656	23,520	31,656

23. Income tax

Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current income tax:				
Current income tax charge	104,298	60,660	88,066	57,193
Adjustment in respect of income tax of previous year	(1,725)	94	(1,725)	94
Deferred tax:				
Relating to origination and reversal of temporary differences	(2,017)	(1,939)	(4,623)	(3,196)
Income tax expenses reported in profit or loss	<u>100,566</u>	<u>58,815</u>	<u>81,718</u>	<u>54,091</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax on				
Loss (gain) from the change in value of financial assets measured at FVOCI	12,788	(72,256)	12,720	(72,258)
Actuarial gain	-	(3,941)	-	(5,457)
Share of other comprehensive income from investments in associates	(1,101)	(1,391)	-	-
Total	<u>11,687</u>	<u>(77,588)</u>	<u>12,720</u>	<u>(77,715)</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Accounting profit before tax	640,525	457,558	534,523	394,524
Applicable tax rate	0 - 20%	0 - 20%	20%	20%
Accounting profit before tax multiplied by income tax rate	126,517	90,060	106,905	78,905
Adjustment in respect of income tax of previous year	(1,725)	94	(1,725)	94
Effects of:				
Exempt income	(14,796)	(15,407)	(14,796)	(15,407)
Non-deductible expenses	1,524	3,104	1,191	2,250
Additional expense deductions allowed	(15,644)	(20,573)	(13,768)	(12,817)
Others	4,680	1,537	3,911	1,066
Total	(24,236)	(31,339)	(23,462)	(24,908)
Income tax expense reported in profit or loss	100,556	58,815	81,718	54,091

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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax assets				
Allowance for expected credit losses	2,073	2,227	1,002	1,086
Allowance for diminution in value of inventories	16,148	13,028	14,245	10,087
Provision for long-term employee benefits	36,387	34,866	25,398	24,732
Provision for impairment loss	200	200	5,960	5,960
Lease	389	381	389	381
Unused tax loss	612	2,966	-	-
Others	440	440	440	440
Total	56,249	54,108	47,434	42,686
Deferred tax liabilities				
Unrealised fair value gain on investments	154,807	167,595	155,915	168,635
Others	125	1	125	-
Total	154,932	167,596	156,040	168,635

As at 31 December 2022, a subsidiary has unused tax losses totaling Baht 20 million (2021: Baht 15 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 23 million will expire by 2027.

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 2022 and 2021.

	Cosmetics						Packaging			Others		Total reportable segments			Adjustments and eliminations		Consolidated financial statements			
	2022		2021		2022		2021		2022		2021		2022		2021		2022		2021	
Sales	4,780	3,967	1,317	1,116	1,054	1,027	1,027	1,027	1,054	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027
Other income	189	230	33	17	4	2	2	2	4	2	2	2	2	2	2	2	2	2	2	2
Total revenue	4,969	4,197	1,350	1,133	1,058	1,029	1,029	1,029	1,058	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029
Cost of sales	(3,314)	(2,733)	(993)	(829)	(919)	(917)	(917)	(917)	(919)	(917)	(917)	(917)	(917)	(917)	(917)	(917)	(917)	(917)	(917)	(917)
Selling and distribution expenses	(200)	(170)	(30)	(35)	(10)	(8)	(8)	(8)	(10)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)
Administrative expenses	(806)	(766)	(82)	(74)	(115)	(106)	(106)	(106)	(115)	(106)	(106)	(106)	(106)	(106)	(106)	(106)	(106)	(106)	(106)	(106)
Depreciation and amortisation	(113)	(131)	(159)	(151)	(7)	(8)	(8)	(8)	(7)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)
Total expenses	(4,433)	(3,800)	(1,264)	(1,089)	(1,051)	(1,039)	(1,039)	(1,039)	(1,051)	(1,039)	(1,039)	(1,039)	(1,039)	(1,039)	(1,039)	(1,039)	(1,039)	(1,039)	(1,039)	(1,039)
Operating profit	536	397	86	44	7	(10)	(10)	(10)	7	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)
Share of profit from investments in joint venture and associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance income	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance cost	(2)	(3)	(2)	(1)	(2)	(1)	(1)	(1)	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Income tax expenses	(82)	(54)	(16)	(3)	(3)	1	1	1	(3)	(3)	1	1	1	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Profit for the year	453	340	68	40	2	(10)	(10)	(10)	2	(10)	(10)	(10)	(10)	17	29	540	540	540	540	399

Geographic information

Revenue from external customers is based on domestic and export sales in consolidated financial statements for the years ended 31 December 2022 and 2021 presented below.

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Sales		
- Domestic	3,282,653	2,574,700
- Export	2,677,316	2,331,007
Total	<u>5,959,969</u>	<u>4,905,707</u>

Major customers

In the year 2022, the Group has revenue from 3 major customers in amount of Baht 2,658 million, arising from sales by cosmetics segments (2021: revenue from 3 major customers in amount of Baht 2,377 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 2022 amounting to approximately Baht 13 million (2021: Baht 13 million) (the Company only: Baht 11 million, 2021: Baht 10 million) were recognised as expenses.

27. Dividend

<u>Dividend</u>	<u>Approved by</u>	<u>Total dividend</u>	<u>Dividend per share</u>
		(Million Baht)	(Baht)
Final dividends for 2020	Annual General Meeting of the shareholders on 27 April 2021	<u>150</u>	<u>1.0</u>
Final dividends for 2021	Annual General Meeting of the shareholders on 26 April 2022	<u>180</u>	<u>1.2</u>

28. Commitments and contingent liabilities

28.1 Capital commitments

As at 31 December 2022, the Group has capital commitments of approximately Baht 26 million (2021: Baht 77 million) (the Company only: Baht 8 million, Baht 7 million), relating to factory construction and purchase machine.

28.2 Lease commitments

On 9 September 2022, the Company entered into land lease agreements for the land to be used for the location of its Bangkok office. The agreements are for a period of 25 years, from May 2023 to April 2048, totaling Baht 289 million. On the agreement date, the Company paid Baht 43 million for the land lease fee.

The Group has future lease payments required under these non-cancellable leases contracts that have not yet commenced as follows:

	(Unit: Million Baht)	
	Consolidated financial statements/ Separate financial statements	
	2022	2021
Within 1 year	2	-
Over 1 and up to 5 years	37	-
Over 5 years	250	-
Total	289	-

28.3 Guarantees

The Group has outstanding bank guarantees as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Bank guarantee for:				
Electricity use guarantees	16.2	15.8	7.5	7.1
Tax refund guarantees	3.9	6.5	3.9	6.5
Other guarantees	3.2	3.1	3.2	3.1

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

29. Fair value hierarchy

As at 31 December 2022 and 2021, 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 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVOCI				
Equity instruments	1,005,804	-	227,518	1,233,322
Derivatives				
Foreign currency forward contracts	-	626	-	626
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	175	-	175
Assets for which fair value are disclosed				
Investment properties	-	166,978	66,399	233,377

(Unit: Thousand Baht)

	Consolidated 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	-	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)			
	Separate financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVOCI				
Equity instruments	1,005,804	-	224,479	1,230,283
Derivatives				
Foreign currency forward contracts	-	626	-	626
Assets for which fair value are disclosed				
Investment properties	-	166,898	66,399	233,297

	(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

30. Financial instruments

30.1 Derivatives

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Derivative assets				
Derivative assets not designated as hedging instruments				
Foreign exchange forward contracts	626	7	626	-
Total derivative assets	626	7	626	-
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
Foreign exchange forward contracts	175	2	-	2
Total derivative liabilities	175	2	-	2

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 2022 and 2021, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
<u>The Company</u>						
USD	6.30	6.20	0.66	1.08	34.56	33.42
GBP	2.33	3.06	0.07	0.38	41.66	45.10
JPY	63.08	47.43	23.43	5.29	0.26	0.29
Euro	0.15	0.81	0.31	0.99	36.83	37.89
<u>The subsidiaries</u>						
USD	0.25	0.59	0.21	0.23	34.56	33.42
GBP	-	0.01	-	0.02	41.66	45.10
Euro	0.06	0.49	0.20	0.05	36.83	37.89
CNY	0.39	0.51	0.89	0.50	4.97	5.25
CHF	0.20	-	-	-	37.43	-

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 2022 and 2021. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	2022		2021	
	Change in FX rate	Effect on profit before tax	Change in FX rate	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
USD	+10	27,201	+10	27,655
	- 10	(27,201)	- 10	(27,655)
GBP	+10	11,471	+10	15,639
	- 10	(11,471)	- 10	(15,639)
Euro	+10	2,851	+10	8,962
	- 10	(2,851)	- 10	(8,962)
JPY	+10	4,342	+10	1,517
	- 10	(4,342)	- 10	(1,517)

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 2022 and 2021, 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					Non-interest bearing					Total	Effective interest rate	
	Within 1 year	Over 1 and up to 2 years	Floating interest rate	Non-interest bearing	Total	2022	2021	2022	2021	2022		2021	(Percent per annum)
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	
Financial assets													
Cash and cash equivalents	-	-	-	-	916,054	623,556	1,323	623	917,377	624,179	0.05 - 0.63	0.01 - 0.25	
Trade and other receivables	-	-	-	-	-	-	1,079,790	955,510	1,079,790	955,510	-	-	
Other current financial assets	10,503	8,500	-	-	-	-	626	7	11,129	8,507	0.75 - 1.40	0.45 - 1.40	
Other non-current financial assets	-	-	1,000	1,500	-	-	1,233,322	1,297,265	1,234,322	1,298,765	1.35	1.40	
	10,503	8,500	1,000	1,500	916,054	623,556	2,315,061	2,253,405	3,242,618	2,886,961			
Financial liabilities													
Bank overdrafts and short-term loans from financial institution	192,915	205,559	-	-	25,781	-	-	-	218,696	205,559	1.43 - 6.65	0.88 - 2.53	
Trade and other payables	-	-	-	-	-	-	739,622	651,564	739,622	651,564	-	-	
	192,915	205,559	-	-	25,781	-	739,622	651,564	958,318	857,123			

(Unit: Thousand Baht)

Separate financial statements

	Fixed interest rates						Effective interest rate					
	Within 1 year		Over 1 and up to 2 years		Floating interest rate		Non-interest bearing		Total			
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021		
Financial assets												
Cash and cash equivalents	-	-	-	-	827,423	557,505	180	450	827,603	557,955	0.05 - 0.50	0.05 - 0.25
Trade and other receivables	-	-	-	-	-	-	913,032	836,056	913,032	836,056	-	-
Other current financial assets	9,003	2,000	-	-	-	-	626	-	9,629	2,000	0.75 - 1.35	0.45 - 1.40
Other non-current financial assets	-	-	1,000	-	-	-	1,230,283	1,293,886	1,231,283	1,293,886	1.35	-
	9,003	2,000	1,000	-	827,423	557,505	2,144,121	2,144,121	2,981,547	2,689,897		
Financial liabilities												
Trade and other payables	-	-	-	-	-	-	681,286	597,476	681,286	597,476	-	-
	-	-	-	-	-	-	681,286	597,476	681,286	597,476		

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 2022 and 2021 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	As at 31 December 2022				
	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	-	222,937	-	-	222,937
Trade and other payables	-	739,622	-	-	739,622
Lease liabilities	-	29,085	29,649	-	58,734
Total non-derivatives	-	991,644	29,649	-	1,021,293
Derivatives					
Derivative liabilities: gross settled					
Cash inflows	-	-	-	-	-
Cash outflows	-	175	-	-	175
Total derivatives	-	175	-	-	175

(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)

Separate financial statements

As at 31 December 2022

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives					
Trade and other payables	-	681,286	-	-	681,286
Lease liabilities	-	25,374	26,661	-	52,035
Total non-derivatives	-	706,660	26,661	-	733,321

(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

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 financial statements	Separate financial statements
Balance as of 1 January 2021	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
Disposed during the year	(435)	(435)
Net loss recognised into other comprehensive income	62,415	62,755
Balance as of 31 December 2022	<u>227,518</u>	<u>224,479</u>

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.	7.7% - 11.5% (2021: 4.7% - 8.9%)	1% (2021: 1%) increase (decrease) in discount rate would result in Baht 5 million decrease in fair value (increase in Baht 7 million) (2021: Baht 9 million decrease in fair value (increase in Baht 7 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 2022, the Group's debt-to-equity ratio was 0.3:1 (2021: 0.3:1) and the Company only was 0.3:1 (2021: 0.3:1).

32. Events after the reporting period

On 23 February 2023, the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of shareholders to be held in April 2023 to pay a dividend of Baht 1.70 per share, or a total of Baht 254.88 million to shareholders in respect of the year 2022 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 23 February 2023.