

Thai Wah Public Company Limited and its subsidiaries
Report and consolidated financial statements
31 December 2022

Independent Auditor's Report

To the Shareholders of Thai Wah Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Thai Wah 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 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 Thai Wah 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 Thai Wah Public Company Limited and its subsidiaries and of Thai Wah 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.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were 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 these matters.

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 matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

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

Revenue recognition - sale of goods

The revenue from sales is the significant amount in the statement of comprehensive income and is also the key indicator of business performance on which the users of financial statements focus. In addition, the Company has a large customer base. There is therefore a risk of the Company recognising revenue that has not actually occurred.

Our key audit procedures were as follows:

- Gaining an understanding of operations and internal control procedures related to the recognition of revenue from sale of goods.
- Assessing and testing the Company's IT system and its internal controls with respect to the 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.
- Applying a sampling method to select sales documents to assess whether revenue recognition was consistent with the conditions of sales, and whether it was in compliance with the Company's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Company issued after the period-end.
- Performing analytical procedures on the relationship of the accounting transactions to the sale of goods and performing analytical procedures on disaggregated data to detect possible irregularities in transactions throughout the period.

Goodwill and trademarks

As discussed in Notes 16 and 17 to the financial statements, respectively, because the assessment of impairment of goodwill and intangible assets is a significant accounting estimate requiring management to exercise a high degree of judgment in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the values of goodwill and trademarks.

Our key audit procedures were as follows:

- Assessing the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised.
- Testing the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgment in estimating the cash flow projections.
- Evaluating the discount rate applied by management through analysis of the moving average finance costs of the Company and from the available public information in industry.
- Testing the calculation of the realisable values of the assets using the selected financial model.
- Considering the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term growth rates.
- Reviewing the disclosures made with respect to the impairment assessment for goodwill and intangible assets, as well as sensitivity of the impact of changes in key assumptions to the cash flow projections.

Allowance for impairment of investments in subsidiaries

As discussed in Note 12 to the financial statements, because the impairment assessment on investments in subsidiaries is a significant accounting estimate requiring the management to exercise a high degree of judgment in identifying and estimating the recoverable amounts that are expected to be generated from those investments in subsidiaries. There is thus a risk with respect to the valuation of investments in subsidiaries. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use.

Our key audit procedures were as follows:

- Assessing the identification of the financial models selected by the Company's management by gaining an understanding of management's decision-making process.
- Testing the significant assumptions applied by the Company's management in preparing estimates of the recoverable amounts that are expected to be generated from the investments in subsidiaries, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgment in estimating the cash flow projections.
- Evaluating the discount rate applied by the Company's management through analysis of the average finance costs of the subsidiaries and from the available public information in industries.
- Testing the calculation of the realisable values of the investments in subsidiaries using the selected financial model.
- Considering the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term growth rates.

Other Information

Management is responsible for the other information. The other information comprises 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 correction of the misstatement.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Sumana Punpongsanon
Certified Public Accountant (Thailand) No.5872

EY Office Limited
Bangkok: 21 February 2023

Thai Wah Public Company Limited and its subsidiaries
Statement of financial position
As at 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	7	1,025,767,580	889,505,613	455,906,829	377,877,984
Trade and other receivables	6, 8	876,926,680	838,203,574	757,815,821	712,441,255
Short-term loans to and interest receivables					
from related parties	6	-	-	6,468,696	157,065,462
Inventories	9	1,810,781,871	1,615,527,682	745,615,871	658,063,197
Current tax assets		302,517	248,133	-	-
Other current financial assets	11	193,308,254	543,235,765	191,694,198	532,582,548
Other current assets		137,194,752	171,398,676	48,563,773	82,372,479
Total current assets		4,044,281,654	4,058,119,443	2,206,065,188	2,520,402,925
Non-current assets					
Restricted bank deposits	10	33,197,107	43,154,701	-	-
Other non-current financial assets	11	153,279,655	113,283,950	138,720,655	113,283,950
Investments in subsidiaries	12	-	-	1,105,501,310	735,291,458
Long-term loans to and interest receivables					
from related parties	6	-	-	638,853,035	576,176,338
Investment properties	13	71,189,341	70,225,885	9,175,107	504,000
Property, plant and equipment	14	3,554,131,273	3,458,483,314	2,276,565,732	2,174,908,777
Right-of-use assets	15	237,100,275	211,166,417	109,082,330	86,062,740
Intangible assets	16, 17	452,206,367	474,674,705	418,747,571	435,157,675
Goodwill	17	100,678,428	100,678,428	100,678,428	100,678,428
Deferred tax assets	27	32,376,549	22,304,620	-	-
Other non-current assets		43,610,751	52,004,656	5,617,527	4,889,527
Total non-current assets		4,677,769,746	4,545,976,676	4,802,941,695	4,226,952,893
Total assets		8,722,051,400	8,604,096,119	7,009,006,883	6,747,355,818

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

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

Thai Wah Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	18	428,274,648	287,536,307	300,000,000	-
Trade and other payables	6, 19	795,588,438	741,999,316	600,752,423	623,916,620
Current portion of lease liabilities	15	46,132,415	29,112,798	26,770,960	13,953,874
Current portion of long-term loans from financial institutions	18	202,860,000	60,000,000	202,860,000	60,000,000
Current portion of debentures	20	-	999,538,599	-	999,538,599
Income tax payable		27,861,620	37,088,396	6,503,994	-
Other current financial liabilities	34.1	1,431,832	1,314,785	726,272	923,039
Other current liabilities		69,159,670	76,465,124	35,368,918	45,760,875
Total current liabilities		1,571,308,623	2,233,055,325	1,172,982,567	1,744,093,007
Non-current liabilities					
Long-term loans from and accrued interests to related parties	6	2,718,196	2,712,534	60,152,918	-
Lease liabilities - net of current portion	15	168,140,290	152,152,121	93,342,103	73,444,748
Long-term loans from financial institutions - net of current portion	18	932,271,851	210,000,000	932,271,851	210,000,000
Provision for long-term employee benefits	21	289,762,161	362,490,302	240,933,510	292,649,940
Deferred tax liabilities	27	108,512,734	106,720,428	77,601,926	75,219,385
Other non-current liabilities		5,420,656	3,135,459	3,133,365	3,133,365
Total non-current liabilities		1,506,825,888	837,210,844	1,407,435,673	654,447,438
Total liabilities		3,078,134,511	3,070,266,169	2,580,418,240	2,398,540,445

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

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

Thai Wah 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
Shareholders' equity					
Share capital					
Registered					
880,420,930 ordinary shares of Baht 1 each		880,420,930	880,420,930	880,420,930	880,420,930
Issued and fully paid up					
880,420,930 ordinary shares of Baht 1 each		880,420,930	880,420,930	880,420,930	880,420,930
Share premium		300,740,523	300,740,523	300,740,523	300,740,523
Surplus on the amalgamation		764,866,016	764,866,016	764,866,016	764,866,016
Surplus on changes in ownership interests					
in subsidiary		66,886,183	66,886,183	-	-
Retained earnings					
Appropriated - statutory reserve	23	89,705,000	89,705,000	89,705,000	89,705,000
Unappropriated		3,416,404,253	3,251,329,793	2,442,559,637	2,382,275,487
Other components of shareholders' equity		(248,994,073)	(191,031,067)	(49,703,463)	(69,192,583)
Equity attributable to owners of the Company		5,270,028,832	5,162,917,378	4,428,588,643	4,348,815,373
Non-controlling interests of the subsidiaries		373,888,057	370,912,572	-	-
Total shareholders' equity		5,643,916,889	5,533,829,950	4,428,588,643	4,348,815,373
Total liabilities and shareholders' equity		8,722,051,400	8,604,096,119	7,009,006,883	6,747,355,818
		-	-	-	-

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

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

Thai Wah 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 or loss:					
Revenues					
Sales		10,293,799,664	9,077,270,946	5,834,477,807	5,051,537,056
Services income		127,097,767	28,168,027	69,490,719	53,106,777
Dividend income	6, 12	-	-	3,845,147	8,719,185
Gain on sales of investment properties		-	2,553,569	-	-
Gain from fair value measurement of derivatives		2,551,383	-	1,829,288	-
Other income		42,472,785	86,398,841	35,046,578	59,804,602
Total revenues		<u>10,465,921,599</u>	<u>9,194,391,383</u>	<u>5,944,689,539</u>	<u>5,173,167,620</u>
Expenses					
Cost of sales		8,446,496,728	7,277,427,010	4,702,494,866	4,030,337,180
Cost of services		116,392,218	31,184,782	65,345,254	51,193,891
Selling and distribution expenses		747,056,959	741,093,846	398,119,162	354,211,179
Administrative expenses		732,063,729	648,861,481	533,703,774	473,960,972
Loss from fair value measurement of derivatives		-	2,626,369	-	2,915,151
Total expenses		<u>10,042,009,634</u>	<u>8,701,193,488</u>	<u>5,699,663,056</u>	<u>4,912,618,373</u>
Profit from operating activities		<u>423,911,965</u>	<u>493,197,895</u>	<u>245,026,483</u>	<u>260,549,247</u>
Finance income	24	2,579,134	2,672,069	31,219,797	30,404,977
Finance cost	25	(60,408,946)	(67,166,497)	(44,476,016)	(55,404,699)
Profit before income tax expenses		<u>366,082,153</u>	<u>428,703,467</u>	<u>231,770,264</u>	<u>235,549,525</u>
Income tax expenses	27	(65,787,562)	(66,094,415)	(30,138,888)	(18,752,115)
Profit for the year		<u>300,294,591</u>	<u>362,609,052</u>	<u>201,631,376</u>	<u>216,797,410</u>

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

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

Thai Wah Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
Note	2022	2021	2022	2021
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currencies	(64,062,582)	78,983,857	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	(64,062,582)	78,983,857	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Actuarial gain - net of income tax	58,320,780	-	48,734,671	-
Gain on investment in equity designated at fair value through other comprehensive income - net of income tax	7,265,120	8,352,480	19,489,120	8,352,480
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	65,585,900	8,352,480	68,223,791	8,352,480
Other comprehensive income for the year	1,523,318	87,336,337	68,223,791	8,352,480
Total comprehensive income for the year	301,817,909	449,945,389	269,855,167	225,149,890
Profit attributable to:				
Equity holders of the Company	298,185,636	323,027,384	201,631,376	216,797,410
Non-controlling interests of the subsidiaries	2,108,955	39,581,668		
	300,294,591	362,609,052		
Total comprehensive income attributable to:				
Equity holders of the Company	297,193,351	386,523,752	269,855,167	225,149,890
Non-controlling interests of the subsidiaries	4,624,558	63,421,637		
	301,817,909	449,945,389		
Basic earnings per share	29			
Profit attributable to equity holders of the Company	0.34	0.37	0.23	0.25

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

(Mr. Umnad Sukprasongphol)
Director

(Mr. Ho Ren Hua)
Director

Thai Wah 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 tax	366,082,153	428,703,467	231,770,264	235,549,525
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	496,478,009	473,567,750	287,504,046	271,279,014
Increase in (reversal of) bad debt and allowance for expected credit losses	25,919,217	3,858,596	8,722,407	(993,392)
Increase in (reversal of) allowance for reducing cost of inventories to net realisable value	8,898,818	(8,657,715)	2,518,991	(868,529)
Reversal of allowance for impairment of investment property	-	(23,553,696)	-	-
Loss on sales and write-off of investment property	-	16,247,442	-	-
Loss on sales and write-off of property, plant, equipment and intangible assets	564,952	12,686,637	513,031	3,275,654
Loss on write-off of right-of-use assets	101,327	3,022,746	101,327	3,348,816
Gain on lease modification	-	(628)	-	(628)
Loss on dissolution of the subsidiary	-	-	-	58,251
Loss on sales of investments	1,026,056	540,090	1,064,653	695,942
Gain on changes in fair value of investments	(869,836)	(971,736)	(944,907)	(981,758)
Loss (gain) on changes in fair value of derivatives	(2,551,383)	2,626,369	(1,829,288)	2,915,151
Unrealised loss (gain) on exchange rates	19,486,588	(9,331,916)	11,780,562	(10,692,864)
Amortised transaction cost of deferred finance fees	561,851	-	561,851	-
Amortised transaction cost of debenture	461,401	1,450,574	461,401	1,450,574
Provision for long-term employee benefits	11,410,896	36,544,948	8,850,909	29,454,071
Actuarial gain from other long-term employee benefits	6,672,404	-	11,753,883	-
Interest income	(2,579,134)	(2,672,069)	(31,219,797)	(30,404,977)
Dividend income from related parties	-	-	(3,845,147)	(8,719,185)
Interest expenses	59,385,694	65,715,923	43,452,764	53,954,125
Profit from operating activities before changes in operating assets and liabilities	991,049,013	999,776,782	571,216,950	549,319,790

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

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

Thai Wah Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Operating assets (increase) decrease				
Trade and other receivables	(84,797,741)	(127,567,901)	(73,390,239)	(158,721,801)
Inventories	(204,153,007)	(438,054,512)	(90,071,665)	(134,076,077)
Other current assets	30,693,590	(28,322,038)	29,808,706	(13,934,309)
Other non-current assets	8,393,905	(33,712,848)	(728,000)	64,000
Operating liabilities increase (decrease)				
Trade and other payables	60,017,270	166,128,053	(21,158,838)	189,660,835
Other current liabilities	(7,524,349)	(10,566,158)	(10,611,144)	(11,629,932)
Other non-current liabilities	1,655,284	618	-	-
Cash flows from operating activities	795,333,965	527,681,996	405,065,770	420,682,506
Cash paid for long-term employee benefits	(17,910,467)	(22,451,380)	(11,402,883)	(18,811,781)
Cash paid for income tax expenses	(100,472,309)	(63,672,534)	(38,308,301)	(29,980,024)
Net cash flows from operating activities	676,951,189	441,558,082	355,354,586	371,890,701
Cash flows from investing activities				
Interest received	12,174,054	12,907,846	36,597,144	40,947,711
Decrease (increase) in short-term loans to related parties	-	-	8,082,007	(60,400,000)
Cash paid for long-term loans to related parties	-	-	(263,314,300)	(35,870,000)
Cash received from long-term loans to related parties	-	-	201,773,318	26,649,498
Acquisition of investments	(242,288,008)	(798,930,946)	(212,449,008)	(788,930,946)
Proceeds from sale of investments	544,204,020	836,066,033	534,165,422	799,029,637
Proceeds from held to maturity of investments	10,000,000	30,000,000	10,000,000	30,000,000
Acquisition of investments in subsidiaries	-	-	(216,988,750)	(30,394,250)
Cash received from dissolution of the subsidiaries	-	-	-	629,999
Acquisition of property, plant and equipment	(518,631,411)	(307,999,947)	(338,970,148)	(170,591,417)
Acquisition of intangible assets	(7,634,750)	(6,769,135)	(7,403,751)	(4,177,051)
Proceeds from sale of property, plant and equipment	3,229,698	5,057,653	2,142,996	3,034,395
Proceeds from sales of intangible assets	231,000	-	231,000	-
Proceeds from sales of investment properties	-	17,000,000	-	-
Dividends received from related parties	-	-	3,845,147	8,719,185
Net cash flows used in investing activities	(198,715,397)	(212,668,496)	(242,288,923)	(181,353,239)

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

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

Thai Wah Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from financing activities				
Decrease (increase) in restricted bank deposits	10,008,099	(1,000,000)	-	-
Increase in short-term loans from financial institutions	140,738,341	57,536,307	300,000,000	-
Cash received from long-term loans from related party	-	-	60,000,000	-
Cash received from long-term loans from financial institutions	1,000,000,000	-	1,000,000,000	-
Repayment of long-term loans from financial institutions	(131,430,000)	(60,000,000)	(131,430,000)	(60,000,000)
Cash paid for redemption of debentures	(1,000,000,000)	-	(1,000,000,000)	-
Cash paid under lease agreements	(39,090,620)	(30,796,398)	(23,100,717)	(15,422,705)
Interest paid	(65,410,666)	(66,348,828)	(50,643,387)	(53,996,685)
Dividends paid	(189,863,002)	(117,865,952)	(189,862,714)	(117,865,955)
Dividends paid by the subsidiaries to non-controlling interests	(1,649,073)	(3,789,578)	-	-
Net cash flows used in financing activities	(276,696,921)	(222,264,449)	(35,036,818)	(247,285,345)
Translation adjustments	(65,276,904)	29,649,981	-	-
Net increase (decrease) in cash and cash equivalents	136,261,967	36,275,118	78,028,845	(56,747,883)
Cash and cash equivalents at beginning of year	889,505,613	853,230,495	377,877,984	434,625,867
Cash and cash equivalents at end of year	1,025,767,580	889,505,613	455,906,829	377,877,984
	-	-	-	-
Supplemental cash flow information				
Non-cash items				
Undue installments for acquisition of property, plant and equipment	61,707,833	62,518,780	51,740,551	47,596,406
Undue installments for acquisition of computer software	1,177,000	80,250	1,177,000	80,250
Addition right-of-use assets and lease liabilities	72,728,320	10,792,832	55,815,157	40,474,384
Sales of equipment that has not yet been collected	-	-	5,893,451	5,893,451
Dividend payables	880,013	661,118	880,013	660,830
Decrease in investments in subsidiaries from liquidation	-	-	-	688,250
Gain on investments in equity designated at fair value	9,081,400	10,440,600	24,361,400	10,440,600
Decrease in trade and other receivables from bad debts written-off	100,000	-	100,000	-
Reclassification of right-of-use assets to investment properties	1,051,455	-	9,463,091	-
Actuarial gain	72,900,975	-	60,918,339	-
Reclassification of short-term loans to related parties to long-term loans to related parties	-	-	141,451,000	-
Reclassification of long-term loans to related parties to investments in subsidiaries	-	-	132,558,417	-
Reclassification of account receivables to investments in subsidiaries	-	-	20,662,685	-

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

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

Thai Wah Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2022

(Unit: Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
	Equity attributable to owners of the Company						Other components of equity					
							Other comprehensive income					
			Surplus on the amalgamation	Surplus on changes in the ownership interests in subsidiary	Retained earnings		Gain (loss) on investments in equity designated at fair value through other comprehensive income	Exchange differences on translation of financial statements in foreign currencies	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	Issued and fully paid-up share capital	Share premium			Appropriated - statutory reserve	Unappropriated						
Balance as at 1 January 2021	880,420,930	300,740,523	764,866,016	66,886,183	89,705,000	3,046,276,192	(77,526,015)	(177,001,420)	(254,527,435)	4,894,367,409	311,280,513	5,205,647,922
Profit for the year	-	-	-	-	-	323,027,384	-	-	-	323,027,384	39,581,668	362,609,052
Other comprehensive income for the year	-	-	-	-	-	-	8,352,480	55,143,888	63,496,368	63,496,368	23,839,969	87,336,337
Total comprehensive income for the year	-	-	-	-	-	323,027,384	8,352,480	55,143,888	63,496,368	386,523,752	63,421,637	449,945,389
Dividend paid (Note 22)	-	-	-	-	-	(117,973,783)	-	-	-	(117,973,783)	-	(117,973,783)
Dividend paid by the subsidiary	-	-	-	-	-	-	-	-	-	-	(3,789,578)	(3,789,578)
Balance as at 31 December 2021	<u>880,420,930</u>	<u>300,740,523</u>	<u>764,866,016</u>	<u>66,886,183</u>	<u>89,705,000</u>	<u>3,251,329,793</u>	<u>(69,173,535)</u>	<u>(121,857,532)</u>	<u>(191,031,067)</u>	<u>5,162,917,378</u>	<u>370,912,572</u>	<u>5,533,829,950</u>
Balance as at 1 January 2022	880,420,930	300,740,523	764,866,016	66,886,183	89,705,000	3,251,329,793	(69,173,535)	(121,857,532)	(191,031,067)	5,162,917,378	370,912,572	5,533,829,950
Profit for the year	-	-	-	-	-	298,185,636	-	-	-	298,185,636	2,108,955	300,294,591
Other comprehensive income for the year	-	-	-	-	-	56,970,721	7,265,120	(65,228,126)	(57,963,006)	(992,285)	2,515,603	1,523,318
Total comprehensive income for the year	-	-	-	-	-	355,156,357	7,265,120	(65,228,126)	(57,963,006)	297,193,351	4,624,558	301,817,909
Dividend paid (Note 22)	-	-	-	-	-	(190,081,897)	-	-	-	(190,081,897)	-	(190,081,897)
Dividend paid by the subsidiary	-	-	-	-	-	-	-	-	-	-	(1,649,073)	(1,649,073)
Balance as at 31 December 2022	<u>880,420,930</u>	<u>300,740,523</u>	<u>764,866,016</u>	<u>66,886,183</u>	<u>89,705,000</u>	<u>3,416,404,253</u>	<u>(61,908,415)</u>	<u>(187,085,658)</u>	<u>(248,994,073)</u>	<u>5,270,028,832</u>	<u>373,888,057</u>	<u>5,643,916,889</u>
	-	-	-	-	-	-	-	-	-	-	-	-

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

(Mr. Umnad Sukprasongphol)
Director

(Mr. Ho Ren Hua)
Director

Thai Wah Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2022

(Unit: Baht)

	Separate financial statements							
						Other components of equity		
						Other comprehensive income		
						Gain (loss) on investments		
						Issued and fully paid-up share capital	Share premium	Surplus on the amalgamation
			Appropriated - statutory reserve	Unappropriated				
Balance as at 1 January 2021	880,420,930	300,740,523	764,866,016	89,705,000	2,283,451,860	(77,545,063)	(77,545,063)	4,241,639,266
Profit for the year	-	-	-	-	216,797,410	-	-	216,797,410
Other comprehensive income for the year	-	-	-	-	-	8,352,480	8,352,480	8,352,480
Total comprehensive income for the year	-	-	-	-	216,797,410	8,352,480	8,352,480	225,149,890
Dividend paid (Note 22)	-	-	-	-	(117,973,783)	-	-	(117,973,783)
Balance as at 31 December 2021	880,420,930	300,740,523	764,866,016	89,705,000	2,382,275,487	(69,192,583)	(69,192,583)	4,348,815,373
Balance as at 1 January 2022	880,420,930	300,740,523	764,866,016	89,705,000	2,382,275,487	(69,192,583)	(69,192,583)	4,348,815,373
Profit for the year	-	-	-	-	201,631,376	-	-	201,631,376
Other comprehensive income for the year	-	-	-	-	48,734,671	19,489,120	19,489,120	68,223,791
Total comprehensive income for the year	-	-	-	-	250,366,047	19,489,120	19,489,120	269,855,167
Dividend paid (Note 22)	-	-	-	-	(190,081,897)	-	-	(190,081,897)
Balance as at 31 December 2022	880,420,930	300,740,523	764,866,016	89,705,000	2,442,559,637	(49,703,463)	(49,703,463)	4,428,588,643
	-	-	-	-	-	-	-	-

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

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

Thai Wah Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2022

1. General information

1.1 General information of the Company

Thai Wah 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 vermicelli, tapioca starch and other food products. Its registered address is 21/11, 21/13 Thai Wah Tower 1 Bldg., 6th Floor, South Sathorn Road, Tungmahamek, Sathorn, Bangkok.

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 Thai Wah Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

(Unit: percent)

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022	2021
Thai Wah Alpha Starch Company Limited	Manufacture and distribution of alpha starch	Thailand	100.00	100.00
DI Company Limited	Manufacture and distribution of tapioca starch	Thailand	99.98	99.98

.....
(Mr. Umnad Sukprasongphol)

Director

.....
(Mr. Ho Ren Hua)

Director

(Unit: percent)

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022	2021
Thai Nam Tapioca Company Limited	Manufacture and distribution of tapioca starch	Thailand	70.00	70.00
Tapioca Development Corporation Limited ⁽¹⁾	Manufacture and distribution of modified tapioca starch	Thailand	100.000	100.00
Tay Ninh Tapioca Joint Stock Company ⁽²⁾	Manufacture and distribution of tapioca starch, glucose and candy	Vietnam	70.00	70.00
Thai Wah International Trade (Shanghai) Company Limited	Distribution of tapioca starch	China	100.00	100.00
TWPC Investment (Cambodia) Company Limited	Distribution of tapioca root and tapioca chip	Cambodia	100.00	100.00
Thai Wah Vietnam Company Limited	Manufacture and distribution of food products (vermicelli and other products)	Vietnam	100.00	100.00
PT Thai Wah Indonesia ⁽³⁾	Distribution of tapioca starch, rice flour and glucose	Indonesia	100.00	100.00
Asia Tapioca Products Company Limited ⁽⁴⁾	Holding company	Thailand	99.50	99.50
Thai Wah Ventures Company Limited ⁽⁵⁾	Holding company	Thailand	100.00	100.00
Thai Wah Bio Power Limited	Generation and sale of electricity	Thailand	99.99	99.99
Bangpakong Turakij Company Limited	Landholding	Thailand	100.00	100.00
Thai Wah (6) Company Limited	Landholding	Thailand	100.00	100.00
Bang Thao (6) Company Limited	Landholding	Thailand	100.00	100.00
Tha Thungna Land Company Limited	Landholding	Thailand	100.00	100.00
Thai Sin Tapioca (1989) Company Limited	Landholding	Thailand	100.00	100.00
Mae Hong Son Land Development Limited	Landholding	Thailand	84.99	84.99
Thai Nam Tapioca (1) Company Limited	Landholding	Thailand	70.00	70.00
Mae Joe Land Company Limited ⁽⁶⁾	Landholding	Thailand	50.01	50.01
Thai Modified Starch Company Limited	Landholding	Thailand	94.75	94.75

⁽¹⁾ The shareholding percentage in Tapioca Development Corporation Limited included indirect holding of 66.67% by a subsidiary of the Company.

⁽²⁾ The shareholding percentage in Tay Ninh Tapioca Joint Stock Company included indirect holding of 0.01% by a subsidiary of the Company.

⁽³⁾ The shareholding percentage in PT Thai Wah Indonesia included indirect holding of 1.00% by a subsidiary of the Company.

⁽⁴⁾ The shareholding percentage in Asia Tapioca products Company Limited included indirect holding of 69.50% by a subsidiary of the Company.

⁽⁵⁾ The shareholding percentage in Thai Wah Ventures Company Limited included indirect holding of 0.01% by subsidiaries of the Company.

⁽⁶⁾ The shareholding percentage in Mae Joe Land Company Limited included indirect holding of 0.02% by a subsidiary of the Company.

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

- 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 subsidiary companies 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 statements 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 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.

.....
(Mr. Umnad Sukprasongphol)

Director

.....
(Mr. Ho Ren Hua)

Director

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.

Rendering of services

Service revenue is recognised over time when services have been rendered taking into account the stage of completion.

Rental income

Rental income arising from operating leases of properties is accounted for on a straight-line basis over the lease terms and treated as revenue earned in the ordinary course of business.

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).

.....
(Mr. Umnad Sukprasongphol)

Director

.....
(Mr. Ho Ren Hua)

Director

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 and factory supplies are valued at the lower of cost (under the weighted average method) and net realisable value and are charged to production costs whenever consumed.

4.4 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method less allowance for loss on impairment (if any).

4.5 Investment properties

Investment properties are measured initially, 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 office building for rent is calculated by reference to their costs on the straight-line basis over estimated useful lives of 10 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 year when the asset is derecognised.

.....
(Mr. Umnad Sukprasongphol)

Director

.....
(Mr. Ho Ren Hua)

Director

4.6 Property, plant and equipment / Depreciation

Land and land improvement are 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 plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and building improvement	5 - 40	years
Machinery and equipment	5 - 20	years
Furniture, fixtures and office equipment	3 - 10	years
Vehicles	5 - 15	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 acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are 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 as follows:

Customer relationship	4 - 16	years
Computer software	3 - 10	years

.....
(Mr. Umnad Sukprasongphol)

Director

.....
(Mr. Ho Ren Hua)

Director

No amortisation is provided on intangible assets under installation. Intangible asset with indefinite useful life i.e. trademarks is not amortised, but is tested for impairment annually either individually or at the cash-generating unit level. The assessment of indefinite useful life of the intangible assets is reviewed annually.

4.8 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain on profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.9 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.

Leasehold rights on land	30 - 50	years
Land	1 - 12	years
Buildings	1 - 10	years
Motor vehicles	2 - 4	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. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

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 that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

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.

4.10 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 or officers with authority in the planning and direction of the Company's operations.

4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also 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 recognised in determining income.

4.12 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. The Group also carries out annual impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. 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.

In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other special retirement benefits when they reach the retirement age in accordance with the Group policy and other employee benefit plans. The Group treats these severance payment obligations and special benefit as defined benefit plans. In addition, the Group provides other long-term employee benefit plans, namely long service awards.

The obligations under the defined benefit plans and other long-term employee benefit plans are determined by a professionally qualified independent actuary based on actuarial techniques, using the Projected Unit Credit Method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

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

4.14 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.

4.15 Income tax

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

Current tax

Current income tax 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.

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 it recognises 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.

4.16 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 including interest income recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, 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.

Dividends on listed equity investments are recognised as dividend income in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Regular way purchases and sales of financial assets

Regular way purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date on which the Group commits to purchase or sell the asset.

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).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

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.

4.17 Derivatives

The Group uses derivatives, such as foreign currency forward contracts and foreign currency option 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 including interest income 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.

4.18 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 a buyer and a 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 techniques 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 categories 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:

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.

Impairment of investments

The Company treats investments in subsidiaries as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the management.

Goodwill and intangible assets from amalgamation

The initial recognition and measurement of goodwill and intangible assets from amalgamation, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plans and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, gold inflation rate, mortality rate and staff turnover rate.

6. Related party transactions

Relationships between the Company and its related parties are summarised below.

Name of related parties	Relationship
Thai Wah Alpha Starch Company Limited	Subsidiary
D I Company Limited	Subsidiary
Thai Nam Tapioca Company Limited	Subsidiary
Tapioca Development Corporation Limited	Subsidiary
Tay Ninh Tapioca Joint Stock Company	Subsidiary
Thai Wah Vietnam Company Limited	Subsidiary
Thai Wah International Trade (Shanghai) Company Limited	Subsidiary
TWPC Investment (Cambodia) Company Limited	Subsidiary
PT Thai Wah Indonesia	Subsidiary
Thai Wah Bio Power Limited	Subsidiary
Bangpakong Turakij Company Limited	Subsidiary
Thai Wah (6) Company Limited	Subsidiary
Bang Thao (6) Company Limited	Subsidiary
Tha Thungna Land Company Limited	Subsidiary
Thai Sin Tapioca (1989) Company Limited	Subsidiary
Mae Hong Son Land Development Limited	Subsidiary
Thai Nam Tapioca (1) Company Limited	Subsidiary
Thai Modified Starch Company Limited	Subsidiary
Mae Joe Land Company Limited	Subsidiary

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

Name of related parties	Relationship
Asia Tapioca Products Company Limited	Subsidiary
Thai Wah Ventures Company Limited	Subsidiary
Vietnam Tapioca Company Limited	Subsidiary of subsidiary
Laguna Resort & Hotels Public Company Limited	Common shareholders and directors
International Commercial Development Company Limited	Shareholder of subsidiary
Tay Ninh Sugar Corporation	Shareholder of subsidiary
Thai Wah Tower Company Limited	Common directors
Thai Wah Tower (2) Company Limited	Common directors
Thai Wah Plaza Limited	Common directors
Banyan Tree Holdings Limited	Common directors
Banyan Tree Hotel Management (Beijing) Company Limited	Common directors
Thanh Thanh Cong Packing Trading Production Joint Stock Company	Common shareholder with the subsidiary
Laguna (Vietnam) Company Limited	Common shareholders and directors

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

(Unit: Million Baht)

	For the year ended 31 December				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	2022	2021	2022	2021	
<u>Transactions with subsidiaries</u>					
(Eliminated from consolidated financial statements)					
Purchases of goods	-	-	708	609	Cost plus margin
Sales of goods	-	-	1,275	1,261	Cost plus margin
Dividends received	-	-	4	9	As declared
Rental and service income	-	-	53	50	Contract price
Lease payments and service expenses	-	-	4	2	Contract price
Interest income	-	-	30	29	Contract rate
Other income	-	-	8	12	Actual charge
Other expenses	-	-	6	1	Actual charge

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

(Unit: Million Baht)

	For the year ended 31 December				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	2022	2021	2022	2021	
Transactions with related companies					
Purchases of goods	4	6	-	-	Cost plus margin
Dividends paid	2	4	-	-	As declared
Rental and service expenses	8	7	8	7	Contract price
Lease payments	20	19	7	7	Contract price
Other expenses	8	3	8	3	Actual charge

6.2 As at 31 December 2022 and 2021, the balances of the accounts between the Group and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Trade and other receivables - related parties (Note 8)				
Subsidiaries	-	-	335,339	346,516
Related companies	20	11	20	11
Total	20	11	335,359	346,527
Less: Allowance for expected credit losses	-	-	(13,545)	(5,037)
Total trade and other receivables - related parties - net	20	11	321,814	341,490
Short-term loans to and interest receivables from related parties				
Subsidiaries	-	-	6,469	157,065
Less: Allowance for expected credit losses	-	-	-	-
Total short-term loans to and interest receivables from related parties - net	-	-	6,469	157,065
Long-term loans to and interest receivables from related parties				
Subsidiaries	-	-	671,486	608,494
Less: Allowance for expected credit losses	-	-	(32,633)	(32,318)
Total long-term loans to and interest receivables from related parties - net	-	-	638,853	576,176
Trade and other payables - related parties (Note 19)				
Subsidiaries	-	-	108,393	145,450
Related companies	5,784	3,663	4,496	2,057
Total trade and other payables - related parties	5,784	3,663	112,889	147,507

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Long-term loans from and accrued interests to related parties				
Subsidiaries	-	-	60,153	-
Related company	2,718	2,713	-	-
Total long-term loans from and accrued interests to related parties	2,718	2,713	60,153	-
Lease liabilities - related parties				
Subsidiaries	-	-	26,226	29,016
Related companies	124,309	129,715	48,975	44,748
Total lease liabilities - related parties	124,309	129,715	75,201	73,764

6.3 During the years, movements of short-term loans to and interest receivables from related parties are as follows:

(Unit: Thousand Baht)

	Separate financial statements									
	Balance as at 1 January 2022		Increase		Decrease		Reclassification		Balance as at 31 December 2022	
Short-term loans to and interest receivables from subsidiaries	Loans	Interest	Loans	Interest	Loans	Interest	Loans	Interest	Loans	Interest
D I Company Limited	141,951	1,114	9,500	4,439	(10,000)	(5,123)	(141,451)	(430)	-	-
PT Thai Wah Indonesia	14,000	-	-	627	(7,582)	(576)	-	-	6,418	51
Total	155,951	1,114	9,500	5,066	(17,582)	(5,699)	(141,451)	(430)	6,418	51

As at 31 December 2022, short-term loans to and interest receivables from related parties mature at call and carry interest at 4.50% per annum (31 December 2021: 4.50% and 4.84% per annum).

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

6.4 During the years, movements of long-term loans to and interest receivables from related parties are as follows:

(Unit: Thousand Baht)

Long-term loans to and interest receivables from subsidiaries	Separate financial statements									
	Balance as at 1 January 2022		Increase		Decrease		Reclassification		Balance as at 31 December 2022	
	Loans	Interest	Loans	Interest	Loans	Interest	Loans	Interest	Loans	Interest
Thai Wah Bio Power Limited	360,500	2,410	-	14,053	(22,000)	(14,194)	-	-	338,500	2,269
TWPC Investment (Cambodia) Company Limited	83,527	295	112,208	3,083	(144,234)	(3,180)	-	-	51,501	198
Thai Wah Vietnam Company Limited	101,300	8,399	16,806	4,711	(75,708)	(12,737)	-	-	42,398	373
Bang Thao (6) Company Limited	935	1,439	-	37	-	-	-	-	935	1,476
Tha Thungna Land Company Limited	390	600	-	1	(390)	(601)	-	-	-	-
Thai Nam Tapioca (1) Company Limited	800	7	-	30	-	(30)	-	-	800	7
Mae Joe Land Company Limited	8,048	24,269	-	316	-	-	-	-	8,048	24,585
Thai Wah Alpha Starch Company Limited	15,450	125	-	479	(7,000)	(547)	-	-	8,450	57
Tapioca Development Corporation Limited	-	-	85,000	838	(85,000)	(838)	-	-	-	-
D I Company Limited	-	-	49,300	1,621	-	(913)	141,451	430	190,751	1,138
Total	570,950	37,544	263,314	25,169	(334,332)	(33,040)	141,451	430	641,383	30,103
Less: Allowance for expected credit losses	(8,048)	(24,270)	-	-	-	(315)	-	-	(8,048)	(24,585)
Net	562,902	13,274	263,314	25,169	(334,332)	(33,355)	141,451	430	633,335	5,518

As at 31 December 2022, long-term loans to and interest receivables from related parties mature within December 2024 to December 2027 (31 December 2021: July 2023 to September 2025) and carry interests at 3.72% and 4.00% per annum (31 December 2021: 4.00% and 4.84% per annum).

6.5 During the years, movements of long-term loans from and accrued interests to related parties are as follows:

(Unit: Thousand Baht)

Long-term loans from and accrued interests to related party	Consolidated financial statements							
	Balance as at 1 January 2022		Increase		Decrease		Balance as at 31 December 2022	
	Loans	Interest	Loans	Interest	Loans	Interest	Loans	Interest
International Commercial Development Company Limited	2,089	624	-	5	-	-	2,089	629

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

(Unit: Thousand Baht)

	Separate financial statements							
	Balance as at						Balance as at	
	1 January 2022		Increase		Decrease		31 December 2022	
	Loans	Interest	Loans	Interest	Loans	Interest	Loans	Interest
Long-term loans from and accrued interests to related party								
Thai Wah Ventures Company Limited	-	-	60,000	567	-	(414)	60,000	153

As at 31 December 2022, long-term loans from and accrued interests to related parties mature in December 2024 (31 December 2021: within December 2024) and carry interest at 0.60% and 1.53% per annum (31 December 2021: 0.20% per annum).

- 6.6 Set out below is the movements in the allowance for expected credit losses of loans to and interest receivables from related parties.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Beginning balance	-	-	32,318	31,896
Provision for expected credit losses	-	-	315	422
Amount recovered	-	-	-	-
Ending balance	-	-	32,633	32,318

6.7 Directors and management's benefits

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

(Unit: Thousand Baht)

	Consolidated / Separate	
	financial statements	
	2022	2021
Short-term employee benefits	58,418	59,069
Post-employment benefits	3,660	3,516
Other long-term benefits	5,723	5,722
Total	67,801	68,307

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Cash	2,183	4,377	946	589
Bank deposits	1,023,585	885,129	454,951	377,289
Total	1,025,768	889,506	455,907	377,878

As at 31 December 2022, bank deposits in saving accounts and fixed deposits carried interests between 0.01% and 5.00% per annum (2021: between 0.01% and 3.20% per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	20	11	124,351	166,399
Past due				
Up to 3 months	-	-	34,741	69,006
3 - 6 months	-	-	12,582	9,976
6 - 12 months	-	-	10,491	12,223
Over 12 months	-	-	45,514	11,905
Total	20	11	227,679	269,509
Less: Allowance for expected credit losses	-	-	(7,353)	-
Total trade receivables - related parties - net	20	11	220,326	269,509
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	627,828	673,509	340,467	293,095
Past due				
Up to 3 months	229,271	118,107	88,289	66,967
3 - 6 months	3,700	37,260	2,315	7,890
6 - 12 months	4,093	181	132	46
Over 12 months	31,283	5,365	2,221	2,108
Total	896,175	834,422	433,424	370,106
Less: Allowance for expected credit losses	(33,192)	(7,172)	(3,203)	(3,304)
Total trade receivables - unrelated parties - net	862,983	827,250	430,221	366,802
Total trade receivables - net	863,003	827,261	650,547	636,311

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Other receivables</u>				
Interest receivables - unrelated parties	26	22	-	-
Other receivables - related parties	-	-	107,680	77,018
Other receivables - unrelated parties	14,933	12,057	5,781	4,149
Total	14,959	12,079	113,461	81,167
Less: Allowance for expected credit losses	(1,035)	(1,136)	(6,192)	(5,037)
Total other receivables - net	13,924	10,943	107,269	76,130
Total trade and other receivables - net	876,927	838,204	757,816	712,441

The normal credit term is 30 to 120 days.

Set out below is the movements in the allowance for expected credit losses of trade and other receivables.

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Beginning balance	8,308	4,448	8,341	9,756
Provision for expected credit losses	27,430	4,995	9,915	1,136
Amount written off	(605)	(1,143)	(1,402)	(2,544)
Amount recovered	(106)	(7)	(106)	(7)
Effect from foreign exchange rates	(800)	15	-	-
Ending balance	34,227	8,308	16,748	8,341

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

9. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Allowance for reducing cost of inventories to net realisable value		Inventories - net	
	2022	2021	2022	2021	2022	2021
Finished goods	1,204,551	1,079,741	(18,824)	(13,036)	1,185,727	1,066,705
Raw materials	470,796	363,451	(459)	(14)	470,337	363,437
Goods in transit	1,040	35,557	-	-	1,040	35,557
Packing materials	84,592	87,522	(2,600)	(1,493)	81,992	86,029
Factory supplies	77,650	68,736	(8,558)	(6,999)	69,092	61,737
Other	2,594	2,063	-	-	2,594	2,063
Total	<u>1,841,223</u>	<u>1,637,070</u>	<u>(30,441)</u>	<u>(21,542)</u>	<u>1,810,782</u>	<u>1,615,528</u>

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Allowance for reducing cost of inventories to net realisable value		Inventories - net	
	2022	2021	2022	2021	2022	2021
Finished goods	417,740	401,820	(5,163)	(4,610)	412,577	397,210
Raw materials	241,491	138,637	-	-	241,491	138,637
Goods in transit	-	31,536	-	-	-	31,536
Packing materials	57,039	59,235	(2,056)	(1,195)	54,983	58,040
Factory supplies	41,508	36,478	(4,943)	(3,838)	36,565	32,640
Total	<u>757,778</u>	<u>667,706</u>	<u>(12,162)</u>	<u>(9,643)</u>	<u>745,616</u>	<u>658,063</u>

During the current year, the Group reduced cost of inventories by Baht 8.90 million (the Company only: Baht 2.52 million) to reflect the net realisable value. This was included in cost of sales. And during 2021, the Group reversed the write-down of cost of inventories by Baht 8.66 million (the Company only: Baht 0.87 million) and reduced the amount of inventories recognised as expenses during the year.

10. Restricted bank deposits

As at 31 December 2022, fixed deposits which the subsidiaries pledged with the banks to secure credit facilities carried interest at the rate of 0.20% - 4.70% per annum (2021: 0.10% - 4.60% per annum).

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

11. Other financial assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Financial assets measured at fair value through profit or loss</u>				
Investments in debt securities	198,357	270,372	198,357	270,372
Investments in mutual funds	1,196	280,702	1,075	270,506
Derivative assets	4,578	1,910	3,085	1,452
Total financial assets measured at fair value through profit or loss	204,131	552,984	202,517	542,330
<u>Financial assets measured at fair value through other comprehensive income</u>				
Laguna Resort & Hotels Public Company Limited	127,898	103,536	127,898	103,536
Investments in other equity instruments	14,559	-	-	-
Total financial assets measured at fair value through other comprehensive income	142,457	103,536	127,898	103,536
Total financial assets	346,588	656,520	330,415	645,866

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Current	193,308	543,236	191,694	532,582
Non-current	153,280	113,284	138,721	113,284
	346,588	656,520	330,415	645,866

Equity instruments designated at FVOCI include listed and non-listed equity investments which the Company considers these investments to be strategic in nature.

During the year 2022 and 2021, the Company has not received dividends from equity instruments designated at FVOCI which still existed at the reporting date.

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

12. Investments in subsidiaries

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

	Country of incorporation	Paid-up capital		Percentage of shareholding		Investments at cost method	
		2022	2021	2022	2021	2022	2021
		(Million Baht)	(Million Baht)	(%)	(%)	(Thousand Baht)	(Thousand Baht)
Investments in subsidiary companies							
Agricultural business							
Thai Wah Alpha Starch Company Limited	Thailand	68.00	18.00	99.99	99.99	67,997	17,999
D I Company Limited	Thailand	60.00	10.00	99.95	99.95	59,383	9,408
Thai Nam Tapioca Company Limited	Thailand	86.60	86.60	70.00	70.00	60,620	60,620
Tapioca Development Corporation Limited	Thailand	50.00	50.00	33.33	33.33	54,751	54,751
Tay Ninh Tapioca Joint Stock Company	Vietnam	192.53	192.53	69.99	69.99	86,877	86,877
Thai Wah Vietnam Company Limited	Vietnam	220.67	98.22	100.00	100.00	220,673	98,217
Thai Wah International Trade (Shanghai) Company Limited	China	5.27	5.27	100.00	100.00	5,267	5,267
TWPC Investment (Cambodia) Company Limited	Cambodia	106.98	46.72	100.00	100.00	106,982	46,721
PT Thai Wah Indonesia	Indonesia	23.75	11.10	99.99	99.00	23,513	10,989
Holding business							
Asia Tapioca Products Company Limited	Thailand	105.25	105.25	30.00	30.00	31,600	31,600
Thai Wah Ventures Company Limited	Thailand	100.00	25.00	99.99	99.99	99,995	24,999
Land holding and others							
Thai Wah Bio Power Limited	Thailand	450.00	450.00	99.99	99.99	469,012	469,012
Bangpakong Turakij Company Limited	Thailand	91.00	91.00	99.99	99.99	90,999	90,999
Thai Wah (6) Company Limited	Thailand	69.00	69.00	99.99	99.99	68,998	68,998
Bang Thao (6) Company Limited	Thailand	21.50	21.50	99.99	99.99	21,499	21,499
Tha Thungna Land Company Limited	Thailand	15.00	15.00	99.99	99.99	14,999	14,999
Thai Sin Tapioca (1989) Company Limited	Thailand	5.00	5.00	99.99	99.99	4,999	4,999
Mae Hong Son Land Development Limited	Thailand	2.00	2.00	84.97	84.97	1,699	1,699
Thai Nam Tapioca (1) Company Limited	Thailand	1.00	1.00	69.95	69.95	700	700
Thai Modified Starch Company Limited	Thailand	10.00	10.00	94.62	94.62	9,462	9,462
Mae Joe Land Company Limited	Thailand	3.00	3.00	49.99	49.99	1,500	1,500
Total						1,501,525	1,131,315
Less: Allowance for impairment on investments						(396,024)	(396,024)
Investments in subsidiaries - net						1,105,501	735,291

The Company recognised dividend income from subsidiaries in the separate financial statements for the year ended 31 December 2022 and 2021 as follows:

(Unit: Thousand Baht)

	Separate financial statements	
	2022	2021
Tay Ninh Tapioca Joint Stock Company	3,845	8,719

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

The significant events related with investments in subsidiaries which were sequenced by transaction dates are summarised below.

Year 2022

On 27 April 2022, the Group paid an additional payment of Baht 75 million for its investments in Thai Wah Ventures Company Limited (a subsidiary), accounting for 75% of the existing registered capital. The Group remains holding 100% interest in the said subsidiary.

On 10 August 2022, the Company's Board of Directors' meeting approved an increase of USD 4 million in the registered capital of TWPC Investment (Cambodia) Company Limited (a subsidiary) in Cambodia, from USD 3 million to USD 7 million. Currently, the registration of the capital increase is underway. On 26 September 2022, payment of the investments of USD 1.59 million or Baht 60.26 million in this subsidiary was made for the uncalled portions of the existing registered capital. The Company remains holding 100% interest in the said subsidiary.

On 20 October 2022, the investment payment of IDR 5,000 million or Baht 12.63 million in the registered capital of PT Thai Wah Indonesia (a subsidiary) in Indonesia, resulting in a total registered share capital of IDR 10,000 million or Baht 23.75 million. The Group remains holding 100% interest in the said subsidiary. On 8 November 2022, a meeting of the Company's Board of Directors approved an increase of IDR 10,000 million in the registered capital of this company, from IDR 10,000 million to IDR 20,000 million. The Group remains holding 100% interest in this company.

On 31 October 2022, the Extraordinary General Meeting of shareholders of Tha Thungna Land Company Limited (a subsidiary) passed a resolution to approve the dissolution. This subsidiary company registered for the dissolution with the Ministry of Commerce on the same date. The subsidiary has been in the liquidation process.

On 8 November 2022, a meeting of the Company's Board of Directors approved an increase of Baht 50 million in the registered capital of DI Company Limited (a subsidiary), resulting in a total registered share capital of Baht 60 million and an increase of Baht 50 million in the registered capital of Thai Wah Alpha Starch Company Limited (a subsidiary), resulting in a total registered share capital of Baht 68 million. The Company remains holding 99.95% and 99.99% interest in the said subsidiaries, respectively. On 21 December 2022, the Company fully paid these investments.

On 8 November 2022, a meeting of the Company's Board of Directors passed a resolution approving the establishment an overseas subsidiary to sell, market, and distribute tapioca starch, bioplastic and agri-food related products with the initial registered capital equivalent to Baht 5 million, which will be 100% owned by the Company.

On 27 December 2022, the investment payment of USD 3.5 million or Baht 122.46 million in the increase registered capital of Thai Wah Vietnam Company Limited (a subsidiary) in Vietnam, resulting in a total registered share capital of USD 6.5 million or Baht 220.67 million. The Company remains holding 100% interest in this company.

Year 2021

On 24 February 2021, the Group has additionally invested 25% of PT Thai Wah Indonesia (a subsidiary), or a total of IDR 2,500 million or Baht 5.45 million.

On 12 March 2021, the Annual General Meeting of shareholders of Bang Tao (5) Company Limited and Phang Nga Reports Limited (subsidiaries) passed a resolution to approve the dissolution. These subsidiary companies also registered for the dissolution with the Ministry of Commerce on the same date. The Company received its return on investment approximately Baht 0.6 million on 4 November 2021.

On 10 June 2021, the Extraordinary General Meeting of shareholders of Mae Hong Son Land Development Limited (a subsidiary) passed a resolution to approve the dissolution. This subsidiary company also registered for the dissolution with the Ministry of Commerce on the same date. The subsidiary has been in the liquidation process.

On 30 September 2021, the Extraordinary General Meeting of shareholders of Thai Modified Starch Company Limited (a subsidiary) passed a resolution to approve the dissolution. This subsidiary company registered for the dissolution with the Ministry of Commerce on 1 October 2021. The subsidiary has been in the liquidation process.

Thai Wah Ventures Company Limited has been registered in Thailand since 16 December 2021, with the registered capital of Baht 100 million. The objective of the company is to engage in investing in other companies. The Company will hold both directly and indirectly 100% of its registered shares in this company. On 21 December 2021, the Company has invested 25% of its registered share in this company, or a total of Baht 25 million.

12.2 Details of investments in subsidiaries that have material non-controlling interests

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year ended		Dividend paid to non-controlling interests during the year ended	
	2022	2021	2022	2021	2022	2021	2022	2021
	(%)	(%)						
Thai Nam Tapioca Company Limited	30.00	30.00	177.96	165.04	12.91	32.94	-	-
Tay Ninh Tapioca Joint Stock Company	30.00	30.00	184.10	190.86	(6.76)	9.95	1.65	3.79

12.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling interests.

Summarised information about financial position as at 31 December 2022 and 2021 is as follows:

	Thai Nam Tapioca Company Limited		Tay Ninh Tapioca Joint Stock Company	
	2022	2021	2022	2021
Current assets	417.42	563.76	581.13	573.10
Non-current assets	278.69	301.63	220.84	261.12
Current liabilities	91.83	297.24	176.45	180.04
Non-current liabilities	17.84	24.77	8.42	14.54

Summarised information about comprehensive income for the year ended 31 December 2022 and 2021 is as follows:

	Thai Nam Tapioca Company Limited		Tay Ninh Tapioca Joint Stock Company	
	2022	2021	2022	2021
Revenue	1,976.29	1,699.63	1,190.20	1,140.41
Profit (loss)	43.05	109.81	(20.31)	33.18
Total comprehensive income	43.05	109.81	(20.31)	33.18

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

Summarised information about cash flow for the year ended 31 December 2022 and 2021 is as follows:

(Unit: Million Baht)				
	Thai Nam Tapioca Company Limited		Tay Ninh Tapioca Joint Stock Company	
	2022	2021	2022	2021
Cash flow from operating activities	136.40	144.70	(0.87)	(151.34)
Cash flow from investing activities	(24.58)	(26.25)	(4.05)	(19.24)
Cash flow from financing activities	(182.90)	(55.51)	6.38	93.97
Net increase (decrease) in cash and cash equivalents	<u>(71.08)</u>	<u>62.94</u>	<u>1.46</u>	<u>(76.61)</u>

12.4 Impairment testing of investments in subsidiaries

For the purpose of impairment testing of investments in subsidiaries, the Company determined the recoverable amount of some significant investments in subsidiaries which have events indicating that assets may be impaired. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use. The estimated future cash flows were determined using cash flow projections covering a five-year period extracted from financial budgets approved by the management.

Key assumptions used in the value in use calculations are summarised below:

	(Unit: % per annum)	
	2022	2021
Long-term growth rate	0	0 - 1
Discount rate	10.88 to 14.34	9.47 to 12.88

The management determined the budgeted gross profit margin and growth rate based on historical operating results and expected market growth of those subsidiaries. The discount rate used reflects specific risks relating to the relevant segments of those subsidiaries.

The growth rate used to extrapolate cash flow projections beyond the period covered by the most recent forecasts does not exceed the long-term average growth rate for the industries in which those subsidiaries operate.

The management determined that allowance for impairment of investments in subsidiaries of Baht 396.03 million (2021: Baht 396.03 million), which was recorded in the statements of financial position as at 31 December 2022, was adequate.

13. Investment properties

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Land awaiting	Office building	Total	Land awaiting	Office building	Total
	sales	for rent		sales	for rent	
31 December 2021						
Cost	72,330	-	73,230	504	-	504
<u>Less: Allowance for impairment</u>	<u>(2,104)</u>	<u>-</u>	<u>(2,104)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book value	<u>70,226</u>	<u>-</u>	<u>70,226</u>	<u>504</u>	<u>-</u>	<u>504</u>
31 December 2022						
Cost	72,330	1,051	73,381	504	9,463	9,967
<u>Less: Accumulated depreciation</u>	<u>-</u>	<u>(88)</u>	<u>(88)</u>	<u>-</u>	<u>(792)</u>	<u>(792)</u>
<u>Less: Allowance for impairment</u>	<u>(2,104)</u>	<u>-</u>	<u>(2,104)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book value	<u>70,226</u>	<u>963</u>	<u>71,189</u>	<u>504</u>	<u>8,671</u>	<u>9,175</u>

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

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Net book value at beginning of year	70,226	79,920	504	504
Disposals during the year	-	(14,446)	-	-
Write off during the year	-	(18,802)	-	-
Reversal of impairment losses	-	23,554	-	-
Reclassification from right-of-use assets	1,051	-	9,463	-
Depreciation charged for the year	(88)	-	(792)	-
Net book value at end of year	<u>71,189</u>	<u>70,226</u>	<u>9,175</u>	<u>504</u>

Fair value of the investment properties which are land awaiting for sale has been determined based on the valuation performed by an accredited independent valuer, using comparative method. As at 31 December 2022, their fair value is amounting to Baht 328.0 million (2021: Baht 328.0 million) (Separate financial statements: Baht 248.9 million and 2021: Baht 248.9 million).

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

14. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements							
	Land and improvement	Buildings and improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under installation and under construction	Total
Cost:							
1 January 2021	616,460	1,894,962	3,535,435	170,238	195,198	89,347	6,501,640
Additions	137	4,804	56,974	14,761	3,871	225,240	305,787
Disposals	-	(6,420)	(108,571)	(3,747)	(9,353)	-	(128,091)
Write-off	-	-	-	(372)	-	-	(372)
Transfer in (out)	(621)	37,976	115,231	13,831	100	(165,979)	538
Translation adjustment	3,200	22,038	69,457	3,110	4,181	423	102,409
31 December 2021	619,176	1,953,360	3,668,526	197,821	193,997	149,031	6,781,911
Additions	11,633	7,009	79,014	16,837	11,076	393,071	518,640
Disposals	-	(2,373)	(42,879)	(5,284)	(15,070)	-	(65,606)
Transfer in (out)	-	19,626	277,115	8,739	-	(306,300)	(820)
Translation adjustment	1,062	815	(286)	46	139	(289)	1,487
31 December 2022	631,871	1,978,437	3,981,490	218,159	190,142	235,513	7,235,612
Accumulated depreciation:							
1 January 2021	(4,032)	(676,233)	(2,051,489)	(112,025)	(121,323)	-	(2,965,102)
Depreciation for the year	(2,749)	(85,925)	(271,226)	(22,565)	(24,092)	-	(406,557)
Depreciation on disposals	-	2,453	100,230	2,496	5,324	-	110,503
Depreciation on write-off	-	-	-	366	-	-	366
Translation adjustment	(453)	(9,088)	(41,899)	(1,633)	(2,740)	-	(55,813)
31 December 2021	(7,234)	(768,793)	(2,264,384)	(133,361)	(142,831)	-	(3,316,603)
Depreciation for the year	(2,998)	(86,980)	(283,497)	(25,088)	(21,097)	-	(419,660)
Depreciation on disposals	-	1,803	41,168	5,283	13,561	-	61,815
Translation adjustment	(232)	(162)	200	24	(38)	-	(208)
31 December 2022	(10,464)	(854,132)	(2,506,513)	(153,142)	(150,405)	-	(3,674,656)
Allowance for impairment:							
1 January 2021	-	(6,825)	-	-	-	-	(6,825)
31 December 2021	-	(6,825)	-	-	-	-	(6,825)
31 December 2022	-	(6,825)	-	-	-	-	(6,825)
Net book value:							
31 December 2021	611,942	1,177,742	1,404,142	64,460	51,166	149,031	3,458,483
31 December 2022	621,407	1,117,480	1,474,977	65,017	39,737	235,513	3,554,131
Depreciation for the year							
For the year ended 31 December 2021 (Baht 325.4 million included in manufacturing cost, and the balance in administrative expenses)							406,557
For the year ended 31 December 2022 (Baht 391.1 million included in manufacturing cost, and the balance in administrative expenses)							419,660

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

Separate financial statements

	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under installation and under construction	Total
Cost:							
1 January 2021	433,825	1,245,628	1,758,290	119,621	114,784	60,699	3,732,847
Additions	-	1,500	22,850	10,820	3,117	135,741	174,028
Disposals	-	(1,390)	(7,337)	(3,116)	(7,273)	-	(19,116)
Write-off	-	-	-	(372)	-	-	(372)
Transfer in (out)	-	11,968	72,422	11,435	101	(95,942)	(16)
31 December 2021	433,825	1,257,706	1,846,225	138,388	110,729	100,498	3,887,371
Additions	11,625	3,657	59,811	10,729	6,112	252,523	344,457
Disposals	-	-	(20,229)	(718)	(14,620)	-	(35,567)
Transfer in (out)	-	9,175	186,870	7,430	-	(204,818)	(1,343)
31 December 2022	445,450	1,270,538	2,072,677	155,829	102,221	148,203	4,194,918
Accumulated depreciation:							
1 January 2021	-	(420,138)	(924,129)	(77,587)	(71,471)	-	(1,493,325)
Depreciation for the year	-	(52,065)	(150,019)	(16,529)	(13,759)	-	(232,372)
Depreciation on disposals	-	275	6,887	1,865	3,843	-	12,870
Depreciation on write-off	-	-	-	365	-	-	365
31 December 2021	-	(471,928)	(1,067,261)	(91,886)	(81,387)	-	(1,712,462)
Depreciation for the year	-	(53,015)	(155,518)	(18,116)	(12,137)	-	(238,786)
Depreciation on disposals	-	-	19,067	718	13,111	-	32,896
31 December 2022	-	(524,943)	(1,203,712)	(109,284)	(80,413)	-	(1,918,352)
Net book value:							
31 December 2021	433,825	785,778	778,964	46,502	29,342	100,498	2,174,909
31 December 2022	445,450	745,595	868,965	46,545	21,808	148,203	2,276,566
Depreciation for the year							
For the year ended 31 December 2021 (Baht 205.9 million included in manufacturing cost, and the balance in administrative expenses)							232,372
For the year ended 31 December 2022 (Baht 219.3 million included in manufacturing cost, and the balance in administrative expenses)							238,786

As at 31 December 2022, certain plant, machinery and equipment items of the Group were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 1,503 million (2021: Baht 1,050 million) (Separate financial statements: Baht 682 million and 2021: Baht 625 million).

The Group has mortgaged some of their land, construction and machinery with the net book value amounting to approximately Baht 492.13 million (2021: Baht 505.86 million) as collateral against credit facilities received from financial institutions (Separate financial statements: Baht 352.64 million and 2021: Baht 360.80 million).

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

15. Leases

15.1 The Group as a lessee

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 1 - 10 years.

a) Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements				
	Leasehold rights on land	Land	Buildings	Motor vehicles	Total
1 January 2021	38,215	93,066	101,824	10,651	243,756
Increase during the year	-	1,479	2,476	6,838	10,793
Decrease from lease modification	-	(24)	-	-	(24)
Write-off during the year	-	-	(5,468)	(3,349)	(8,817)
Depreciation for the year	(3,703)	(10,786)	(16,091)	(5,361)	(35,941)
Translation adjustment	1,399	-	-	-	1,399
31 December 2021	35,911	83,735	82,741	8,779	211,166
Increase during the year	-	6,214	27,823	38,207	72,244
Increase from lease modification	-	-	483	-	483
Reclassification to investment properties - net book value	-	-	(1,051)	-	(1,051)
Write-off during the year	-	-	-	(101)	(101)
Depreciation for the year	(3,684)	(12,782)	(19,124)	(10,342)	(45,932)
Translation adjustment	291	-	-	-	291
31 December 2022	32,518	77,167	90,872	36,543	237,100

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

(Unit: Thousand Baht)

Separate financial statements					
	Leasehold				
	rights on land	Land	Buildings	Motor vehicles	Total
1 January 2021	-	901	52,481	10,274	63,656
Increase during the year	-	11,519	22,117	6,839	40,475
Decrease from lease modification	-	(24)	-	-	(24)
Write-off during the year	-	-	-	(3,349)	(3,349)
Depreciation for the year	-	(1,438)	(8,112)	(5,145)	(14,695)
31 December 2021	-	10,958	66,486	8,619	86,063
Increase during the year	-	6,214	13,032	36,314	55,560
Increase from lease modification	-	-	255	-	255
Reclassification to investment properties - net book value	-	-	(9,463)	-	(9,463)
Write-off during the year	-	-	-	(101)	(101)
Depreciation for the year	-	(3,326)	(10,085)	(9,821)	(23,232)
31 December 2022	-	13,846	60,225	35,011	109,082

b) Lease liabilities

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Lease payments	238,440	207,165	131,934	99,423
Less: Deferred interest expenses	(24,168)	(25,900)	(11,821)	(12,024)
Total	214,272	181,265	120,113	87,399
Less: Portion due within one year	(46,132)	(29,113)	(26,771)	(13,954)
Lease liabilities - net of current portion	168,140	152,152	93,342	73,445

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

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

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2022	2021	2022	2021
Beginning balance	181,265	207,087	87,399	62,371
Additions	71,614	10,793	55,560	40,475
Accretion of interest	9,334	8,875	4,301	2,999
Repayments	(48,424)	(39,672)	(27,402)	(18,422)
Write-off during the year	-	(5,794)	-	-
Increase (decrease) from lease modification	483	(24)	255	(24)
Ending balance	214,272	181,265	120,113	87,399

A maturity analysis of lease payments is disclosed in Note 34.2 under the liquidity risk.

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

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2022	2021	2022	2021
Depreciation expense of right-of-use assets	45,932	35,941	23,232	14,695
Interest expense on lease liabilities	9,334	8,875	4,301	2,999
Expense relating to short-term leases	28,643	19,392	8,361	11,168
Expense relating to leases of low-value assets	354	257	208	160

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 77.42 million (2021: Baht 50.45 million), including the cash outflow related to short-term lease and leases of low-value assets.

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

15.2 Group as a lessor

The Company has entered into operating leases for its investment property portfolio, including land and office building of the lease terms are approximately 3 years.

The Company has future minimum rentals receivable under non-cancellable operating leases to local subsidiaries as at 31 December 2022 and 2021 as follows:

	(Unit: Thousand Baht)	
	Separate	
	financial statements	
	2022	2021
Within 1 year	7,589	5,327
Over 1 and up to 5 years	9,346	8,400
Total	16,935	13,727

During 2022, the Company has sub-lease income from local subsidiaries amounting to Baht 2.56 million (2021: Baht 2.56 million).

16. Intangible assets

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

	(Unit: Thousand Baht)				
	Consolidated financial statements				
	Trademarks	Customer relationship	Computer software	Software under installation	Total
As at 31 December 2021					
Cost	264,303	273,042	104,675	4,667	646,687
Less: Accumulated amortisation	-	(125,740)	(46,272)	-	(172,012)
Net book value	264,303	147,302	58,403	4,667	474,675
As at 31 December 2022					
Cost	264,303	273,042	113,278	4,294	654,917
Less: Accumulated amortisation	-	(144,981)	(57,730)	-	(202,711)
Net book value	264,303	128,061	55,548	4,294	452,206

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

(Unit: Thousand Baht)

	Separate financial statements				
	Trademarks	Customer relationship	Computer software	Software under installation	Total
As at 31 December 2021					
Cost	264,303	247,223	69,188	4,667	585,381
Less: Accumulated amortisation	-	(114,767)	(35,456)	-	(150,223)
Net book value	264,303	132,456	33,732	4,667	435,158
As at 31 December 2022					
Cost	264,303	247,223	77,842	4,294	593,662
Less: Accumulated amortisation	-	(131,426)	(43,488)	-	(174,914)
Net book value	264,303	115,797	34,354	4,294	418,748

A reconciliation of the net book value of intangible assets for the years 2022 and 2021 is presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2021	500,044	457,764
Acquisition during the year - Cost	4,255	1,663
Disposal during the year - Net book value	(150)	(57)
Amortisation for the year	(31,070)	(24,212)
Translation adjustment	1,596	-
Net book value as at 31 December 2021	474,675	435,158
Acquisition during the year - Cost	8,732	8,500
Disposal during the year - Net book value	(216)	(216)
Write-off during the year - Net book value	(19)	-
Amortisation for the year	(30,798)	(24,694)
Translation adjustment	(168)	-
Net book value as at 31 December 2022	452,206	418,748

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

17. Goodwill and intangible assets with indefinite useful lives

The Company allocates goodwill acquired through business combination and trademarks with indefinite useful lives to an asset's cash-generating unit (CGUs), for annual impairment testing as follows:

(Unit: Thousand Baht)		
	Food Segment	
	2022	2021
Goodwill	100,678	100,678
Trademarks with indefinite useful lives	264,303	264,303

The Company has determined the recoverable amounts of its cash-generating units based on value in use using cash flow projections from financial estimation approved by management covering a five-year period for food segment unit.

Key assumptions used in value in use calculations are as follows:

(Unit: % per annum)		
	2022	2021
	7 - 8	5 - 10
Sale growth rate for five-year cash flow projections	7 - 8	5 - 10
Long-term growth rate	2.00	2.00
Discount rate	12.45	10.86

The management determined the budgeted gross profit margin and long-term growth rate based on past performance and its expectations of market development. The discount rate used reflects specific risks relating to the relevant segments.

The long-term growth rate used to extrapolate cash flow projections beyond the period covered by the most recent forecasts does not exceed the long-term average growth rate for the industry in which the CGU operates.

Management has considered the above and believes that there is no occurrence of impairment of goodwill and trademarks with indefinite useful lives.

If the long-term growth rate was reduced by 1.7 percent per annum (2021: 0.1 percent per annum) or the discount rate was increased by 1.1 percent per annum (2021: 0.5 percent per annum) or the sale growth rate was reduced by 1.5 percent per annum (2021: 0.1 percent per annum), the recoverable amount would be equal to the carrying amount.

.....
(Mr. Umnad Sukprasongphol)

Director

.....
(Mr. Ho Ren Hua)

Director

18. Loans from financial institutions

Short-term loans from financial institutions

	Interest rate		Consolidated		(Unit: Thousand Baht)	
	(% per annum)		financial statements		Separate	
	2022	2021	2022	2021	financial statements	2021
Promissory notes	2.00 - 2.10	2.45	300,000	180,000	300,000	-
Short-term loans	6.30 - 9.60	2.80 - 3.80	128,275	107,536	-	-
Total			428,275	287,536	300,000	-

Long-term loans from financial institutions

Loan	Interest rate		Consolidated / Separate	
	(% per annum)		financial statements	
	Repayment schedule		2022	2021
1	Prime rate - 2.50	Monthly installments of Baht 5 million and mature in June 2026	210,000	270,000
2	2.90	Every 3 months installments of Baht 36 million and mature in April 2029	928,570	-
Total			1,138,570	270,000
Less: Deferred finance fees			(3,438)	-
Net			1,135,132	270,000
Less: Current portion			(202,860)	(60,000)
Long-term loans from financial institutions - net of current portion			932,272	210,000

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

Movements of the long-term loan account during the years ended 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)
	Consolidated / Separate financial statements
Balance as at 1 January 2021	330,000
Add: Additional borrowings	-
Less: Repayments	(60,000)
Balance as at 31 December 2021	270,000
Add: Additional borrowings	1,000,000
Less: Deferred finance fees	(4,000)
Less: Repayments	(131,430)
Amortised transaction cost of deferred finance fees during the year	562
Balance as at 31 December 2022	1,135,132

The short-term and long-term loans are secured by the mortgage of land and construction thereon of the Company as described in Note 14 to the consolidated financial statements.

As at 5 November 2021, the Company entered into a credit agreements with a local commercial bank to obtain a facility of Baht 1,500 million. The drawdown period for the first loan is from 24 April 2022 to 30 December 2022 and the interest rate is 2.90% per annum. The loan is repayable from the 3rd month from the date of the first loan drawdown and the payment must be settled within 7 years and 10 months. The drawdown period for the second loan is by 30 December 2023 and the interest rate is BIBOR 1 month plus 2.21% per annum. The repayment is to be made every 3 months for 24 installments and must be settled within 8 years.

All loan agreements contain several covenants which, among other things, require the Company to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

As at 31 December 2022, the long-term credit facilities of the Company which have not yet been drawdown amounted to Baht 500 million (2021: Baht 1,500 million).

19. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Trade payables - related parties	254	1,531	106,225	144,001
Trade payables - unrelated parties	393,063	325,671	212,605	191,569
Other payables - related parties	5,530	2,132	6,664	3,150
Payables for purchase of fixed assets - related parties	-	-	-	356
Payables for purchase of fixed assets - unrelated parties	62,885	62,599	52,917	47,321
Payables for electricity charges	33,968	28,083	18,219	16,331
Accrued factory expenses	126,695	121,023	93,425	91,481
Accrued expenses	173,193	200,960	110,697	129,708
Total trade and other payables	<u>795,588</u>	<u>741,999</u>	<u>600,752</u>	<u>623,917</u>

20. Debentures

				Consolidated / Separate financial statements			
				Number of debenture		Amount	
				(Units)		(Thousand Baht)	
No.	Interest rate (% per annum)	Age	Maturity	2022	2021	2022	2021
No. 1/2019	4.00	3 years	24 April 2022	-	1,000,000	-	1,000,000
Less: Unamortised portion of deferred transaction costs						-	(461)
Debentures - net						-	999,539
Less: Current portion of debentures						-	(999,539)
Debentures - net of current portion						-	-

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

Movements in debenture account during the years ended 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)
	Consolidated / Separate financial statements
Balance as at 1 January 2021	998,088
Amortisation of transaction costs of debenture during the year	1,451
Balance as at 31 December 2021	999,539
Amortisation of transaction costs of debenture during the year	461
Redemption of debentures during the year	(1,000,000)
Balance as at 31 December 2022	-

On 24 April 2019, the Company issued debentures to the institutions and high net-worth investors as approved by the shareholders at the Annual General Meeting held on 27 April 2018. The debentures are registered unsubordinated and unsecured debentures with a debenture holders' representatives in the name - registered certificate at 1 million units, Baht 1,000 par value, totaling principal amount of Baht 1,000 million. The debentures have a term of 3 years with a fixed interest rate of 4% per annum. The interest is payable every 6 months throughout the debenture term. The proceeds from the issuance of debentures were used for business expansion and used as general working capital.

In addition, the debentures were issued with covenants relating to various matters such as maintaining the debt-to-equity ratio of not exceeding 1.5 times at every quarter end.

During the current year, the debentures had been matured and the Company has already redeemed all debentures from all holders completely.

21. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2022 and 2021 is as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Provision for compensation on employees' retirement	241,154	296,679	201,227	244,934
Provision for special retirement benefits	5,474	4,041	4,651	3,243
Provision for long service awards	43,134	61,770	35,056	44,473
Total	289,762	362,490	240,934	292,650

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

Provision for long-term employee benefits is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	2022			2021		
	Post-employment benefits	Other long-term benefits	Total	Post-employment benefits	Other long-term benefits	Total
Provision for long-term employee benefits at beginning of year	300,720	61,770	362,490	285,979	62,418	348,397
Current service cost	25,820	4,806	30,626	26,195	5,248	31,443
Interest cost	4,426	1,583	6,009	4,103	998	5,101
Past service cost	-	(25,224)	(25,224)	-	-	-
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	-	-	-	-	-
Financial assumptions changes	(35,161)	(4,918)	(40,079)	-	-	-
Experience adjustments	(37,740)	11,590	(26,150)	-	-	-
Benefits paid during the year	(11,437)	(6,473)	(17,910)	(15,557)	(6,894)	(22,451)
Provision for long-term employee benefits at end of year	<u>246,628</u>	<u>43,134</u>	<u>289,762</u>	<u>300,720</u>	<u>61,770</u>	<u>362,490</u>

(Unit: Thousand Baht)

	Separate financial statements					
	2022			2021		
	Post-employment benefits	Other long-term benefits	Total	Post-employment benefits	Other long-term benefits	Total
Provision for long-term employee benefits at beginning of year	248,177	44,473	292,650	235,455	44,639	280,094
Current service cost	21,883	3,224	25,107	21,660	3,747	25,407
Interest cost	3,717	1,219	4,936	3,419	628	4,047
Past service cost	-	(21,192)	(21,192)	-	-	-
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	-	-	-	-	-
Financial assumptions changes	(29,547)	(3,917)	(33,464)	-	-	-
Experience adjustments	(31,371)	15,671	(15,700)	-	-	-
Transfer employee	-	-	-	1,285	629	1,914
Benefits paid during the year	(6,981)	(4,422)	(11,403)	(13,642)	(5,170)	(18,812)
Provision for long-term employee benefits at end of year	<u>205,878</u>	<u>35,056</u>	<u>240,934</u>	<u>248,177</u>	<u>44,473</u>	<u>292,650</u>

The Group expects to pay Baht 41.43 million of long-term employee benefits during the next year (2021: Baht 15.23 million) (Separate financial statements: Baht 38.08 million and 2021: Baht 10.90 million).

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

As at 31 December 2022 and 2021, the weighted average duration of the liabilities for long-term employee benefits is 7.28 years (2021: 5 - 8 years) (Separate financial statements: 7.28 years and 2021: 8 years).

Significant actuarial assumptions at the valuation date are summarised below:

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Discount rate (% per annum)	3.2 (Thailand) 5.0 (Vietnam)	1.5 (Thailand) 3.5 (Vietnam)	3.2	1.5
Salary increase rate (% per annum)	1.7 - 6.5	4 - 8	1.7 - 6.5	4 - 8
Turnover rate (% per annum)	1 - 23	2 - 23	2 - 23	2 - 23
Gold price (Baht)	22,000 and 30,000*	22,660	22,000 and 30,000*	22,660

* The Company has changed the policy for long service award to permanent employees that converted from providing gold to cash, which specified that 1 Baht gold is equivalent to Baht 22,000. This change is effective since 2021 that shall apply to all employees that eligible for this benefit.

The results 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: Thousand Baht)			
	As at 31 December 2022			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (+/- 0.50%)	(10,074)	10,617	(8,346)	8,964
Salary increase rate (+/- 1.00%)	20,559	(17,857)	17,314	(14,808)
Turnover rate (+/- 1.00%)	(20,826)	23,563	(17,342)	19,822
Gold price (+/- Baht 1,000)	73	(262)	155	(155)

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

(Unit: Thousand Baht)

As at 31 December 2021

	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (+/- 0.50%)	(11,206)	22,588	(7,880)	19,957
Salary increase rate (+/- 1.00%)	39,021	(23,501)	34,103	(18,343)
Turnover rate (+/- 1.00%)	(4,315)	18,421	(2,384)	16,408
Gold price (+/- Baht 1,000)	3,360	(2,926)	2,489	(2,082)

22. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Dividends from retained earnings as at 31 December 2021	Annual General Meeting of the shareholders on 22 April 2022	190.08	0.22
Total dividends for 2022		190.08	0.22
Dividends from retained earnings as at 31 December 2020	Annual General Meeting of the shareholders on 23 April 2021	117.97	0.13
Total dividends for 2021		117.97	0.13

23. 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% of its net profit, after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of its registered share capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

According to Section 1202 of the Civil and Commercial Code, the subsidiaries are required to set aside a statutory reserve at least 5% of their net income each time the subsidiaries pay a dividend, until such reserve reaches 10% of their registered share capital. The statutory reserve can neither be used to offset with deficit nor be used for dividend payment.

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

24. Finance income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Interest income on debt instruments measured at amortised cost	2,579	2,672	31,220	30,405
Total	2,579	2,672	31,220	30,405

25. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Interest expenses on loan from	37,559	16,840	26,659	10,956
Interest expenses on debentures	13,516	41,451	13,516	41,450
Interest expenses on lease liabilities	9,334	8,875	4,301	2,999
Total	60,409	67,166	44,476	55,405

26. Expenses by nature

Significant expenses classified by nature for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Salaries, wages and other employee benefits	1,248,828	1,192,159	919,824	865,800
Depreciation	465,680	442,498	262,810	247,067
Amortisation	30,798	31,070	24,694	24,212
Rental and service expenses from operating lease agreements	28,997	19,649	8,569	11,328
Raw materials, consumables used and purchase of goods	7,428,220	6,373,026	3,558,179	3,110,991
Changes in finished goods	(124,810)	(223,884)	(15,920)	(58,340)

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

27. 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	
	2022	2021	2022	2021
Current income tax:				
Current income tax charge	90,112	92,294	44,812	29,980
Deferred tax:				
Relating to origination and reversal of temporary differences	(24,676)	(26,481)	(14,673)	(11,228)
Translation adjustment	352	281	-	-
Income tax expenses reported in profit or loss	65,788	66,094	30,139	18,752

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	
	2022	2021	2022	2021
Deferred tax on gain from the change in fair value of investments in equity instruments	1,816	2,088	4,872	2,088
Deferred tax related to actuarial gain	14,580	-	12,184	-
Total	16,396	2,088	17,056	2,088

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Accounting profit before tax	366,082	428,703	231,770	235,550
Applicable tax rate	20%, 25%	20%, 25%	20%	20%
Accounting profit before tax multiplied by income tax rate	76,232	89,510	46,354	47,110
Adjustment in respect of income tax of previous year	2,023	951	-	-
Effects of:				
Promotional privileges (Note 28)	(12,557)	(15,572)	(12,557)	(15,572)
Non-deductible expenses	927	(7,755)	1,631	(9,427)
Additional deductible expenses	(5,723)	(3,451)	(4,501)	(2,698)
Tax losses	14,646	7,763	-	-
Dividend income	-	-	(769)	(1,744)
Translation adjustment	(7,345)	(7,325)	-	-
Others	(2,415)	1,973	(19)	1,083
Total	(12,467)	(24,367)	(16,215)	(28,358)
Income tax expense reported in profit or loss	65,788	66,094	30,139	18,752

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Deferred tax assets				
Allowance for reducing cost of inventories to net realisable value	5,359	4,249	2,433	1,929
Provision for long-term employee benefits	56,702	71,010	48,187	58,530
Leases	40,943	31,556	24,023	17,480
Unutilised tax losses	17,131	10,707	-	-
Others	23,470	18,705	13,088	8,377
Total	143,605	136,227	87,731	86,316

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Deferred tax liabilities				
Accumulated depreciation - building and equipment	24,028	27,904	14,549	17,087
Leases	41,028	30,263	23,553	17,213
Surplus of fair value from the amalgamation	123,068	126,976	123,068	126,976
Surplus of fair value from acquisition of subsidiary	31,515	35,193	-	-
Others	102	306	4,163	259
Total	219,741	220,642	165,333	161,353
Net deferred tax liabilities	(76,136)	(84,415)	(77,602)	(75,219)

Presented in the statements of financial position as follows:

Deferred tax assets	32,377	22,305	-	-
Deferred tax liabilities	(108,513)	(106,720)	(77,602)	(75,219)
Net deferred tax liabilities	(76,136)	(84,415)	(77,602)	(75,219)

As at 31 December 2022, the subsidiaries had unused tax losses totaling Baht 228.93 million (2021: Baht 221.17 million), on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses of the subsidiaries amounting to Baht 228.93 million (2021: Baht 221.17 million) will expire by 2027 (2021: 2026).

28. Promotional privileges

The Company received promotional privileges from the Board of Investment as follows:

- For the manufacture of producing dried rice noodles, pursuant to the investment promotion certificate No. 59-0098-0-00-1-2 issued on 20 January 2016. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations begin generating revenues, to the extent that the amount of tax exempted does not exceed 100% of investment capital exclusive of land and working capital.

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

- For the improvement production efficiency of vermicelli for alternative energy utilisation, pursuant to the investment promotion certificate No. 62-0293-1-04-1-0 issued on 22 March 2019. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax cap does not exceed 50% of the investment capital exclusive of land and working capital, for a period of 3 years from the date of revenue generating after promotion certificate issuance. The corporate income tax exemption will not exceed of Baht 35.65 million.

The local subsidiary received promotional privileges from the Board of Investment for the production of biogas and electricity, pursuant to the investment promotion certificate No. 60-0077-1-00-1-0 issued on 23 January 2017. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations begin generating revenues, to the extent that the amount of tax exempted does not exceed 100% of investment capital exclusive of land and working capital.

The Group's operating revenues for the years ended 31 December 2022 and 2021, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operations		Non-promoted operations		Total	
	2022	2021	2022	2021	2022	2021
Sales						
Domestic sales	312,185	1,193,896	6,487,240	4,757,730	6,799,425	5,951,626
Export sales	123,412	158,450	3,370,963	2,967,195	3,494,375	3,125,645
Total sales	<u>435,597</u>	<u>1,352,346</u>	<u>9,858,203</u>	<u>7,724,925</u>	<u>10,293,800</u>	<u>9,077,271</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	2022	2021	2022	2021	2022	2021
Sales						
Domestic sales	312,185	1,193,896	2,089,091	909,665	2,401,276	2,103,561
Export sales	123,412	158,450	3,309,790	2,789,526	3,433,202	2,947,976
Total sales	<u>435,597</u>	<u>1,352,346</u>	<u>5,398,881</u>	<u>3,699,191</u>	<u>5,834,478</u>	<u>5,051,537</u>

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

29. Basic earnings per share

Basic earnings per share is calculated by dividing profit attributable to equity holders of the Company for the years ended 31 December 2022 and 2021 (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Profit for the year (Thousand Baht)	298,186	323,027	201,631	216,797
Number of ordinary shares (shares)	880,420,930	880,420,930	880,420,930	880,420,930
Earnings per share (Baht/share)	0.34	0.37	0.23	0.25

30. 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 their products and services and have reportable segments as follows:

- the manufacture and distribution of starch and other agricultural products
- the manufacture and distribution of vermicelli and other food products

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, total assets and total liabilities and on a basis consistent with that used to measure operating profit or loss, total assets and total liabilities in the financial statements.

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

.....
(Mr. Umnad Sukprasongphol)

Director

.....
(Mr. Ho Ren Hua)

Director

The following tables present revenue and profit, total assets and total liabilities information regarding the Group's operating segments for the years ended 31 December 2022 and 2021.

(Unit: Thousand Baht)

	For the year ended 31 December 2022				
	Starch	Food	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	8,413,010	2,014,903	10,427,913	(7,016)	10,420,897
Interest revenue	1,885	694	2,579	-	2,579
Depreciation and amortisation	(380,114)	(116,364)	(496,478)	-	(496,478)
Gain (loss) on sale of investments	409	(1,435)	(1,026)	-	(1,026)
Gain from fair value measurement of derivatives	2,551	-	2,551	-	2,551
Finance cost	(56,779)	(3,630)	(60,409)	-	(60,409)
Income tax expenses	(32,750)	(33,238)	(65,988)	200	(65,788)
Segment profit	131,915	169,289	301,204	(909)	300,295
Timing of revenue recognition:					
Revenue recognised at a point in time					10,293,800
Revenue recognised over time					127,097
Total revenue from contracts with customers					<u>10,420,897</u>
 Segment total assets	 5,692,752	 2,896,626	 8,589,378	 132,673	 8,722,051
Increase of non-current assets other than financial instruments and deferred tax assets	66,592	25,091	91,683	-	91,683
 Segment total liabilities	 2,466,701	 477,636	 2,944,337	 133,798	 3,078,135

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

(Unit: Thousand Baht)

For the year ended 31 December 2021

	Starch	Food	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	7,356,423	1,767,388	9,123,811	(18,372)	9,105,439
Interest revenue	1,839	833	2,672	-	2,672
Depreciation and amortisation	(362,574)	(110,994)	(473,568)	-	(473,568)
Gain (loss) on sale of investments	1,041	(1,581)	(540)	-	(540)
Gain on sale of investments properties	2,554	-	2,554	-	2,554
Loss from fair value measurement of derivatives	(2,626)	-	(2,626)	-	(2,626)
Finance cost	(63,348)	(3,818)	(67,166)	-	(67,166)
Income tax expenses	(38,885)	(27,290)	(66,175)	81	(66,094)
Segment profit	212,795	148,242	361,037	1,572	362,609
Timing of revenue recognition:					
Revenue recognised at a point in time					9,077,271
Revenue recognised over time					28,168
Total revenue from contracts with customers					<u>9,105,439</u>
Segment total assets	5,644,243	2,982,884	8,627,127	(23,031)	8,604,096
Decrease of non-current assets other than financial instruments and deferred tax assets	(78,821)	(25,789)	(104,610)	(561)	(105,171)
Segment total liabilities	2,486,607	634,096	3,120,703	(50,437)	3,070,266

Revenue from external customers and non-current assets are based on locations of the Group.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2022	2021
Revenue from external customers		
Thailand	5,899,555	4,968,805
Vietnam	1,577,008	1,548,560
China	2,711,356	2,410,482
Cambodia	190,145	65,226
Indonesia	42,833	112,366
Total	<u>10,420,897</u>	<u>9,105,439</u>

(Unit: Thousand Baht)

	Consolidated financial statements	
	2022	2021
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	3,951,749	3,753,286
Vietnam	376,737	545,633
China	12,896	4,090
Cambodia	114,489	64,127
Indonesia	3,045	97
Total	4,458,916	4,367,233

Major customers

For the year 2022, the Group has revenue from one major customer in amount of Baht 862 million, arising from sales of starch segment (2021: Baht 708 million, arising from sales of starch segment).

31. 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 contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by MFC Asset Management Public Company Limited, will be paid to the employees upon termination in accordance with the fund rules. During the year, the Group contributed Baht 16.63 million (2021: Baht 14.62 million) (Separate financial statements: Baht 14.49 million and 2021: Baht 12.74 million) to the fund.

.....
(Mr. Umnad Sukprasongphol)

Director

.....
(Mr. Ho Ren Hua)

Director

32. Commitments and contingent liabilities

32.1 Investment commitments

The Company was committed to pay uncalled portions of its investments as follows:

(Unit: Million)

	Consolidated / Separate financial statements	
	2022	2021
Overseas subsidiaries		
US Dollar	4.00	1.59
IDR	10,000.00	5,000.00
Local subsidiaries		
Baht	10.43	85.43
Overseas mutual funds		
US Dollar	0.26	-

32.2 Capital commitments

The Group had commitments related to the construction of buildings and the purchases of machinery, equipment and computer software as follows:

(Unit: Million)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Baht	50.79	59.19	47.54	46.14
Vietnam Dong	973.17	807.91	-	-
US Dollar	1.07	0.02	0.06	0.02
Euro	-	0.66	-	0.66

.....
(Mr. Umnad Sukprasongphol)

Director

.....
(Mr. Ho Ren Hua)

Director

32.3 Purchase of raw material commitments

The Group had outstanding future payment commitments in respect of agreements to purchase raw materials as follows:

	(Unit: Million)	
	Consolidated / Separate	
	financial statements	
	2022	2021
US Dollar	4.87	3.58

32.4 Commitment under tapioca industry development cooperation agreement

The Company has collaborated with a local foundation on a project to jointly develop and bring new tapioca species into commercialisation. The Company received tapioca stems for propagation and cultivation.

As at 31 December 2022 and 2021, the Company has obligation to return the tapioca stems under condition as identified in agreement with the maximum value of Baht 5 million.

As at 31 December 2022, the Company has obligation to contribute to the fund as identified in agreement approximately Baht 1.23 million per annum for 3 years (31 December 2021: Baht 0.68 million per annum).

32.5 Operating lease commitments

As at 31 December 2022 and 2021, the Group had future minimum payments required under these non-cancellable leases contracts that have not yet commenced and leases that have a lease term of 12 months or less at the commencement date, or are leases of low-value assets as follows:

	(Unit: Million)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Baht				
Within 1 year	1.00	0.27	1.00	0.20
1 to 5 years	0.13	0.07	0.13	0.07
Total	1.13	0.34	1.13	0.27

				(Unit: Million)	
		Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
Vietnam Dong					
Within 1 year		161.66	163.69	-	-
1 to 5 years		248.91	357.53	-	-
Total		410.57	521.22	-	-

32.6 Service agreement commitments

				(Unit: Million)	
		Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
Service agreements					
Baht		28.08	14.10	26.18	12.12
Vietnam Dong		59.00	-	-	-
US Dollar		0.02	0.12	0.02	0.11
Rupiah		374.62	-	-	-

32.7 Guarantees

As at 31 December 2022 and 2021, the Group had outstanding bank guarantees issued by the banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business as follows.

(Unit: Million)				
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Baht	40.96	40.50	19.55	19.55
Vietnam Dong	440.50	440.50	-	-

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

33. Fair value hierarchy

As at 31 December 2022 and 2021, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

	(Unit: Million 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 FVTPL				
Investments in mutual funds	0.12	-	1.08	1.20
Investments in debt securities	-	188.61	9.75	198.36
Financial assets measured at FVOCI				
Equity investments	127.90	-	14.56	142.46
Derivatives				
Foreign currency forward contracts	-	4.58	-	4.58
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	1.43	-	1.43
Assets for which fair value are disclosed				
Investment properties	-	-	328.00	328.00
Liabilities for which fair value are disclosed				
Long-term loans from financial institutions	-	1,032.95	-	1,032.95

	(Unit: Million 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 FVTPL				
Investments in mutual funds	280.70	-	-	280.70
Investments in debt securities	-	260.62	9.75	270.37
Financial assets measured at FVOCI				
Equity investments	103.54	-	-	103.54
Derivatives				
Foreign currency forward contracts	-	1.91	-	1.91

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

(Unit: Million Baht)

Consolidated financial statements				
As at 31 December 2021				
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	1.31	-	1.31
Assets for which fair value are disclosed				
Investment properties	-	-	328.00	328.00
Liabilities for which fair value are disclosed				
Debentures	-	1,000.00	-	1,000.00

(Unit: Million 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 FVTPL				
Investments in mutual funds	-	-	1.08	1.08
Investments in debt securities	-	188.61	9.75	198.36
Financial assets measured at FVOCI				
Equity investments	127.90	-	-	127.90
Derivatives				
Foreign currency forward contracts	-	3.09	-	3.09
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	0.73	-	0.73
Assets for which fair value are disclosed				
Long-term loans to and interest receivables				
from related parties	-	628.67	-	628.67
Investment properties	-	-	248.90	248.90
Liabilities for which fair value are disclosed				
Long-term loans from financial institutions	-	1,032.95	-	1,032.95

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

(Unit: Million 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 FVTPL				
Investments in mutual funds	270.51	-	-	270.51
Investments in debt securities	-	260.62	9.75	270.37
Financial assets measured at FVOCI				
Equity investments	103.54	-	-	103.54
Derivatives				
Foreign currency forward contracts	-	1.45	-	1.45
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	0.92	-	0.92
Assets for which fair value are disclosed				
Long-term loans to and interest receivables				
from related parties	-	552.25	-	552.25
Investment properties	-	-	248.90	248.90
Liabilities for which fair value are disclosed				
Debentures	-	1,000.00	-	1,000.00

34. Financial instruments

34.1 Derivatives

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Derivative assets				
Derivative assets not designated as hedging instruments				
Foreign exchange forward contracts	4,578	1,910	3,085	1,452
Total derivative assets	<u>4,578</u>	<u>1,910</u>	<u>3,085</u>	<u>1,452</u>
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
Foreign exchange forward contracts	1,432	1,315	726	923
Total derivative liabilities	<u>1,432</u>	<u>1,315</u>	<u>726</u>	<u>923</u>

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

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 1 to 12 months.

34.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, loans to, investments, and short-term and long-term loans from. 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, loans, 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 and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

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 product type 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 deposits

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. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. 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 debt instruments and derivatives is limited because the counterparties are banks and financial institutions 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 a variety of derivatives to manage its risk exposure, including:

- foreign exchange forward contracts and foreign exchange option 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 Group had the balances of financial assets and liabilities denominated in foreign currencies which are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2022	2021	2022	2021	2022	2021
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	12.87	10.69	0.97	1.55	34.56	33.41
EUR	-	0.19	-	-	36.83	37.89
KHR	66.01	12.52	-	791.08	0.8395	0.8208

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

As at 31 December 2022 and 2021, the Group has foreign exchange forward contracts and foreign exchange option contracts outstanding as summarised below.

31 December 2022						
Foreign currencies	Bought	Sold	Contractual exchange rate		Contractual maturity date	
	amount	amount	Bought	Sold	Bought	Sold
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)			
<u>The Company</u>						
USD	213	6,583	34.85 - 35.21	33.92 - 37.44	23 May 2023	21 March 2023
			Baht against	Baht against	- 26 May 2023	- 22 June 2023
			USD	USD		
CNY	-	18,845	-	4.94 - 5.02	-	13 January 2023
				Baht against		- 3 February 2023
				CNY		
<u>Local subsidiary</u>						
USD	-	2,104	-	33.99 - 37.89	-	27 March 2023
				Baht against		- 6 June 2023
				USD		
CNY	-	14,387	-	4.94 - 5.02	-	20 January 2023
				Baht against		- 10 February 2023
				CNY		

31 December 2021						
Foreign currencies	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date	
			Bought	Sold	Bought	Sold
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)			
<u>The Company</u>						
USD	-	6,067	-	32.31 - 34.07 Baht against USD	-	25 February 2022 - 15 November 2022
EUR	-	172	-	38.01 - 38.47 Baht against EUR	-	24 May 2022 - 27 June 2022
CNY	-	32,500	-	5.18 - 5.29 Baht against CNY	-	21 January 2022 - 25 February 2022
<u>Local subsidiary</u>						
USD	-	2,225	-	32.86 - 34.00 Baht against USD	-	28 March 2022 - 15 November 2022
CNY	-	6,000	-	5.23 - 5.27 Baht against CNY	-	18 February 2022 - 25 February 2022

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

Fair value of the above foreign exchange forward contracts and foreign exchange option contracts was recorded in other current financial assets and other current financial liabilities accounts.

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar 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. This information is not a forecast or prediction of future market conditions and should be used with care.

Currency	2022		2021	
	Increase / decrease	Effect on profit before tax	Increase / decrease	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
USD	+3	11,924	+3	9,163
	-3	(11,924)	-3	(9,163)

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts, debentures, short-term and long-term loans from. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

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: Million Baht)

Consolidated financial statements						
As at 31 December 2022						
Fixed interest rate			Non -		Total	Effective interest rate (% per annum)
within 1 year	1 - 5 years	Floating interest rate	interest bearing			
Financial assets						
Cash and cash equivalents	-	-	1,023.59	2.18	1,025.77	0.01 - 5.00
Trade and other receivables	-	-	-	876.93	876.93	-
Other current financial assets	188.61	-	-	4.70	193.31	2.60 - 5.05
Restricted bank deposits	33.20	-	-	-	33.20	0.20 - 4.70
Other non-current financial assets	-	-	-	153.28	153.28	-
	221.81	-	1,023.59	1,037.09	2,282.49	
Financial liabilities						
Short-term loans from financial institutions						
	428.27	-	-	-	428.27	2.00 - 9.60
Trade and other payables	-	-	-	795.59	795.59	-
Lease liabilities	46.13	168.14	-	-	214.27	2.78 - 17.24
Long-term loans from and accrued interests to related parties						
	-	-	2.72	-	2.72	0.60
Long-term loans from financial institutions						
	202.86	932.27	-	-	1,135.13	Prime rate - 2.5 , 2.90
	677.26	1,100.41	2.72	795.59	2,575.98	

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2021						
	Fixed interest rate			Non -		
	within	1 - 5	Floating	interest		Effective
	1 year	years	interest rate	bearing	Total	interest rate
						(% per annum)
Financial assets						
Cash and cash equivalents	-	-	885.13	4.38	889.51	0.01 - 3.20
Trade and other receivables	-	-	-	838.20	838.20	-
Other current financial assets	260.62	-	-	282.61	543.23	2.60 - 5.05
Restricted bank deposits	43.15	-	-	-	43.15	0.10 - 4.60
Other non-current financial assets	-	-	-	113.28	113.28	-
	303.77	-	885.13	1,238.47	2,427.37	
Financial liabilities						
Short-term loans from financial						
institutions	287.54	-	-	-	287.54	2.45 - 3.80
Trade and other payables	-	-	-	742.00	742.00	-
Lease liabilities	29.11	152.15	-	-	181.26	3.25 - 17.24
Long-term loans from and accrued						
interests to related parties	-	2.71	-	-	2.71	0.20
Long-term loans from financial						
institutions	60.00	210.00	-	-	270.00	Prime rate - 2.50
Debentures	999.54	-	-	-	999.54	4.15
	1,376.19	364.86	-	742.00	2,483.05	

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2022						
Fixed interest rate			Non -		Total	Effective interest rate (% per annum)
within 1 year	1 - 5 years	Floating interest rate	interest bearing			
Financial assets						
Cash and cash equivalents	-	-	454.96	0.95	455.91	0.01 - 3.25
Trade and other receivables	-	-	-	757.82	757.82	-
Short-term loans to and interest receivables from related parties	-	-	6.47	-	6.47	4.5
Other current financial assets	188.61	-	-	3.08	191.69	2.60 - 5.05
Other non-current financial assets	-	-	-	138.72	138.72	-
Long-term loans to and interest receivables from related parties	-	635.64	3.21	-	638.85	3.72 - 4.00
	188.61	635.64	464.64	900.57	2,189.46	
Financial liabilities						
Short-term loans from financial institutions	300.00	-	-	-	300.00	2.00 - 2.10
Trade and other payables	-	-	-	600.75	600.75	-
Lease liabilities	26.77	93.34	-	-	120.11	3.08 - 17.24
Long-term loans from and accrued interests to related parties	-	60.15	-	-	60.15	1.53
Long-term loans from financial institutions	202.86	932.27	-	-	1,135.13	Prime rate 2.50 , 2.90
	529.63	1,085.76	-	600.75	2,216.14	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2021						
Fixed interest rate		Non -		Total	Effective interest rate (% per annum)	
within 1 year	1 - 5 years	Floating interest rate	interest bearing			
<u>Financial assets</u>						
Cash and cash equivalents	-	-	377.29	0.59	377.88	0.01 - 0.25
Trade and other receivables	-	-	-	712.44	712.44	-
Short-term loans to and interest receivables from related parties	-	-	157.07	-	157.07	4.50 - 4.84
Other current financial assets	260.62	-	-	271.96	532.58	2.60 - 5.05
Other non-current financial assets	-	-	-	113.28	113.28	-
Long-term loans to and interest receivables from related parties	-	556.43	19.75	-	576.18	4.00 - 4.84
	260.62	556.43	554.11	1,098.27	2,469.43	

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

(Unit: Million Baht)

Separate financial statements					
As at 31 December 2021					
Fixed interest rate		Non -		Total	Effective interest rate (% per annum)
within 1 year	1 - 5 years	Floating interest rate	interest bearing		
Financial liabilities					
Trade and other payables	-	-	623.92	623.92	-
Lease liabilities	13.95	73.45	-	87.40	3.25 – 17.24
Long-term loans from financial institutions	60.00	210.00	-	270.00	Prime rate - 2.50
Debentures	999.54	-	-	999.54	4.15
	1,073.49	283.45	-	1,980.86	

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of loans affected as at 31 December 2022 and 2021, with all other variables held constant. This information is not a forecast or prediction of future market conditions and should be used with care.

Currency	2022		2021	
	Effect on profit		Effect on profit	
	Increase / Decrease	before tax	Increase / Decrease	before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Thai Baht Loans	+20	(6,750)	+20	(1,755)
	-20	6,750	-20	1,755

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, trade and other payables, bank loans, debentures and lease contracts. Approximately 56.82% of the Group's debt will mature in less than one year at 31 December 2022 (2021: 85.31%) (the Company only: 50.83% and 2021: 85.69%) based on the carrying value of borrowings reflected in the financial statements. 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.

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

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	> 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	-	428,275	-	-	428,275
Trade and other payables	-	795,588	-	-	795,588
Lease liabilities	-	52,667	123,133	62,640	238,440
Long-term loans from and accrued interests to related parties	-	-	2,718	-	2,718
Long-term loans from financial institutions	-	202,860	721,440	214,270	1,138,570
Total non-derivatives	-	1,479,390	847,291	276,910	2,603,591
Derivatives					
Cash inflows	-	473,144	-	-	473,144
Cash outflows	-	(468,871)	-	-	(468,871)
Total derivatives	-	4,273	-	-	4,273

(Unit: Thousand Baht)

Consolidated financial statements					
As at 31 December 2021					
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	-	287,536	-	-	287,536
Trade and other payables	-	741,999	-	-	741,999
Lease liabilities	-	29,113	119,593	32,559	181,265
Long-term loans from and accrued interests to related parties	-	-	2,713	-	2,713
Long-term loans from financial institutions	-	60,000	210,000	-	270,000
Debentures	-	999,539	-	-	999,539
Total non-derivatives	-	2,118,187	332,306	32,559	2,483,052
Derivatives					
Cash inflows	-	486,149	-	-	486,149
Cash outflows	-	(481,715)	-	-	(481,715)
Total derivatives	-	4,434	-	-	4,434

(Unit: Thousand Baht)

Separate financial statements					
As at 31 December 2022					
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	-	300,000	-	-	300,000
Trade and other payables	-	600,752	-	-	600,752
Lease liabilities	-	30,511	43,058	58,365	131,934
Long-term loans from and accrued interests to related parties	-	-	60,153	-	60,153
Long-term loans from financial institutions	-	202,860	721,440	214,270	1,138,570
Total non-derivatives	-	1,134,123	824,651	272,635	2,231,409
Derivatives					
Cash inflows	-	328,598	-	-	328,598
Cash outflows	-	(326,081)	-	-	(326,081)
Total derivatives	-	2,517	-	-	2,517

(Unit: Thousand Baht)

Separate financial statements					
As at 31 December 2021					
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Trade and other payables	-	623,917	-	-	623,917
Lease liabilities	-	13,954	51,839	21,606	87,399
Long-term loans from financial institutions	-	60,000	210,000	-	270,000
Debentures	-	999,539	-	-	999,539
Total non-derivatives	-	1,697,410	261,839	21,606	1,980,855
Derivatives					
Cash inflows	-	380,211	-	-	380,211
Cash outflows	-	(376,644)	-	-	(376,644)
Total derivatives	-	3,567	-	-	3,567

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

34.3 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 statements of financial position.

The estimated fair value of financial instruments, in comparison with the related amounts carried in the statements of financial position, is as follows:

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	Carrying amount		Fair value		Carrying amount		Fair value	
	2022	2021	2022	2021	2022	2021	2022	2021
Long-term loans to and interest								
receivables from related parties	-	-	-	-	638.85	576.18	628.67	552.25
Debentures	-	999.54	-	1,000.00	-	999.54	-	1,000.00
Long-term loans from financial								
institutions	1,135.13	-	1,032.95	-	1,135.13	-	1,032.95	-

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, accounts receivable and short-term loans to, accounts payable and short-term loans from, the carrying amounts in the statement of financial position approximate their fair value.
- The fair value of debts securities is generally derived from quoted market prices as announced by the Thai Bond Market Association.
- The fair value of equity securities is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- The fair value of long-term loans is estimated by discounting expected future cash flows by the current market interest rate of loans with similar terms and conditions.
- The fair value of fixed rate debentures and long-term loans is estimated by discounting expected future cash flow by the current market interest rate of loans with similar terms and conditions.
- The carrying amounts of long-term loans carrying interest at rates approximating the market rate, in the statement of financial position approximates their fair value.

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

- g) The fair value of derivatives has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves. The Group considers counterparty credit risk when determining the fair value of derivatives

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

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

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	Equity investments	Investments in mutual funds	Investments in debt securities	Total	Equity investments	Investments in mutual funds	Investments in debt securities	Total
Balance as of 1 January 2021	-	-	10,284	10,284	-	-	10,284	10,284
Net loss recognised into profit or loss	-	-	(536)	(536)	-	-	(536)	(536)
Balance as of 31 December 2021	-	-	9,748	9,748	-	-	9,748	9,748
Acquired during the year	29,839	1,700	-	31,539	-	1,700	-	1,700
Net loss recognised into profit or loss	-	(625)	-	(625)	-	(625)	-	(625)
Net loss recognised into other comprehensive income	(15,280)	-	-	(15,280)	-	-	-	-
Balance as of 31 December 2022	<u>14,559</u>	<u>1,075</u>	<u>9,748</u>	<u>25,382</u>	<u>-</u>	<u>1,075</u>	<u>9,748</u>	<u>10,823</u>

Key assumptions used in the valuation of non-listed equity investments are summarised below.

Financial instruments	Valuation technique	Significant unobservable inputs	Rates	Sensitivity of the input to fair value
Non-listed equity investments	Market multiples	Forecasted operating results	Forecasted revenue from financial statements obtained from managements of investees	Decrease in forecasted revenue would result in a decrease in fair value

(Mr. Umnad Sukprasongphol)

Director

(Mr. Ho Ren Hua)

Director

35. 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 and it meets financial covenants attached to the loan agreements. The Group has complied with these covenants throughout the reporting periods.

As at 31 December 2022, the Group's debt-to-equity ratio was 0.58:1 (2021: 0.59:1) (Separate financial statements: 0.58:1 and 2021: 0.55:1).

36. Event after the reporting period

On 25 January 2023, Thai Wah Agri Biotech Company Limited has been registered with the registered capital of Baht 5 million. The objective of the company is design, develop and distribute agri-biotech products and solution service for the Group. The Company will hold both directly and indirectly 100% of its registered shares in this company. On 15 February 2023, the Company has invested in full of its registered share in this company.

On 21 February 2023, the meeting of the Company's Board of Directors passed the resolution to approve the establishment of an oversea subsidiary to manufacture, purchase and distribute of tapioca, bioplastic and agri-food related products with the initial registered capital equivalent to Baht 5 million. The Company will hold 100% of its registered shares capital.

On 21 February 2023, the meeting of the Company's Board of Directors passed the resolution to propose to Annual General Meeting of the Company's shareholders for approval for dividend payment from retained earnings as at 31 December 2022, to be paid cash at a rate of Baht 0.2158 per share. Payment of this dividend is dependent on approval being granted by the shareholders.

37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 21 February 2023.

.....
(Mr. Umnad Sukprasongphol)

Director

.....
(Mr. Ho Ren Hua)

Director