

Sri Trang Gloves (Thailand) Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2021

Independent Auditor's Report

To the Shareholders of Sri Trang Gloves (Thailand) Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of 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 Sri Trang Gloves (Thailand) 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 Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries and of Sri Trang Gloves (Thailand) Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

Revenue recognition

Revenue from sales of goods is significant to the financial statements. The Coronavirus disease 2019 pandemic has a direct impact on the competition in the rubber glove market and selling prices of rubber gloves. Moreover, the Group has a large number of customers under a variety of conditions. As a result, revenue from sale of goods is a significant account which directly affects the Group's operating results.

I assessed and tested the effectiveness of the Group's internal controls relating to the revenue cycle, examining supporting documents on a sampling basis for actual sale transactions occurring during the year, expanding the scope of audit near the end of the reporting period and testing sale transactions with respect to the accuracy and timing of revenue recognition. I also examined credit notes issued by the Group after the period end and performed analytical procedures on disaggregated data, including reconciliation of sales to cash receipts, to detect possible irregularities in sale transactions throughout the period, particularly accounting entries made through journal vouchers.

Other Information

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

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

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for 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 matter. I describe this matter in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Supachai Phanyawattano
Certified Public Accountant (Thailand) No. 3930

EY Office Limited
Bangkok: 17 February 2022

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020 (Restated)	2021	2020
Assets					
Current assets					
Cash and cash equivalents	7	21,006,128,944	24,273,985,526	17,520,543,697	23,049,358,311
Trade and other receivables	8	2,816,075,380	5,234,483,987	4,111,632,712	5,571,773,099
Short-term loans to subsidiary	6	-	-	400,000,000	-
Inventories	9	4,778,091,158	3,266,357,791	3,440,325,357	2,124,389,782
Derivative financial instruments	33	24,837,308	39,554,629	24,837,308	39,554,629
Other financial assets	11	264,105,305	-	-	-
Other current assets	10	656,469,524	980,759,204	519,736,630	969,254,212
Total current assets		29,545,707,619	33,795,141,137	26,017,075,704	31,754,330,033
Non-current assets					
Other non-current financial assets	11	370,710,729	-	-	-
Investments in subsidiaries	1.2, 1.3, 12	-	-	5,064,861,147	430,487,831
Property, plant and equipment	13	20,369,667,844	9,736,817,416	19,654,760,692	9,520,664,880
Right-of-use assets	14.1	77,638,599	36,537,414	32,361,084	17,225,778
Intangible asset - computer software	15	169,230,502	105,949,210	165,125,724	98,874,281
Goodwill	16	220,884,790	220,884,790	220,884,790	220,884,790
Withholding tax deducted at source		109,977,898	69,292,748	-	-
Advance payments for fixed assets		-	164,650,257	-	175,087,017
Deferred tax assets	26	431,940,020	104,232,530	-	-
Other non-current assets		7,066,093	2,393,946	1,269,298	155,791
Total non-current assets		21,757,116,475	10,440,758,311	25,139,262,735	10,463,380,368
Total assets		51,302,824,094	44,235,899,448	51,156,338,439	42,217,710,401

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

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020 (Restated)	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	17	3,620,736,726	3,614,497,086	3,309,574,674	3,259,625,660
Short-term borrowings from financial institutions	18	-	280,000,000	-	-
Current portions of:					
- Long-term borrowings from financial institutions	18	1,332,821,708	774,216,364	1,332,821,708	774,216,364
- Lease liabilities	14.2, 18	31,565,085	16,759,568	13,426,233	5,815,002
Income tax payable		554,614,015	1,360,396,664	550,907,892	1,196,334,631
Derivative financial instruments	33	43,085,518	45,960,950	42,665,903	45,960,950
Other current liabilities		63,614,820	57,720,094	58,769,612	19,131,918
Total current liabilities		5,646,437,872	6,149,550,726	5,308,166,022	5,301,084,525
Non-current liabilities					
Non-current portions of:					
- Long-term borrowings from financial institutions	18	7,127,733,907	5,525,490,314	7,127,733,907	5,525,490,314
- Lease liabilities	14.2, 18	39,472,105	15,319,385	15,356,187	6,588,673
Derivative financial instruments	33	21,332,231	44,471,537	21,332,231	44,471,537
Provision for retirement benefit obligations	19	168,275,296	160,031,520	132,159,809	119,969,130
Deferred tax liabilities	26	86,453,462	80,615,512	51,376,103	68,044,138
Total non-current liabilities		7,443,267,001	5,825,928,268	7,347,958,237	5,764,563,792
Total liabilities		13,089,704,873	11,975,478,994	12,656,124,259	11,065,648,317

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

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020 (Restated)	2021	2020
Shareholders' equity					
Share capital	20				
Registered					
2,869,560,000 ordinary shares of Baht 0.5 each		<u>1,434,780,000</u>	<u>1,434,780,000</u>	<u>1,434,780,000</u>	<u>1,434,780,000</u>
Issued and fully paid					
2,863,261,410 ordinary shares (2020: 2,857,560,000 shares) of Baht 0.5 each		1,431,630,705	1,428,780,000	1,431,630,705	1,428,780,000
Premium on ordinary shares	20	14,463,099,736	14,243,224,859	14,463,099,736	14,243,224,859
Share-based payment reserve	21	8,181,559	8,153,441	8,181,559	8,153,441
Surplus from the amalgamation		483,694,988	483,694,988	483,694,988	483,694,988
Deficit from business combination under common control	1.2	(787,230,800)	(143,211,674)	-	-
Retained earnings					
Appropriated - statutory reserve	22	143,478,000	143,478,000	143,478,000	143,478,000
Unappropriated		21,812,503,774	15,239,044,923	21,675,295,805	14,551,958,444
Other components of shareholders' equity					
Surplus on revaluation of assets - net of income tax		397,478,497	328,349,582	311,899,172	328,349,582
Exchange differences on translation of financial statements in foreign currencies		282,206,128	1,559,573	-	-
Cash flow hedge reserve - net of income tax		(17,065,785)	(35,577,230)	(17,065,785)	(35,577,230)
Deficit on changes in fair value through other comprehensive income of investments in equity		<u>(4,857,581)</u>	-	-	-
Equity attributable to equity holders of the Company		<u>38,213,119,221</u>	<u>31,697,496,462</u>	<u>38,500,214,180</u>	<u>31,152,062,084</u>
Former shareholders before the restructuring	1.2	-	562,923,992	-	-
Total shareholders' equity		<u>38,213,119,221</u>	<u>32,260,420,454</u>	<u>38,500,214,180</u>	<u>31,152,062,084</u>
Total liabilities and shareholders' equity		<u>51,302,824,094</u>	<u>44,235,899,448</u>	<u>51,156,338,439</u>	<u>42,217,710,401</u>
		-	-	-	-

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

Directors

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Note	2021	2020 (Restated)	2021	2020
Profit or loss:					
Revenues from sales of goods and services		47,550,771,239	30,552,377,106	47,489,780,861	29,733,807,362
Cost of sales and services		(19,291,762,237)	(13,665,358,865)	(18,898,598,233)	(14,127,945,962)
Gross profit		28,259,009,002	16,887,018,241	28,591,182,628	15,605,861,400
Other income	23	362,488,915	247,065,272	328,390,435	247,835,000
Dividend income	12	-	-	-	30,665,796
Selling and distribution expenses		(1,376,214,658)	(607,949,993)	(1,154,387,102)	(470,303,354)
Administrative expenses		(866,573,284)	(556,988,559)	(665,077,888)	(396,770,141)
Gain on exchange rates		598,141,198	161,279,779	590,477,743	140,204,980
Other loss	24	(1,079,415,244)	(62,382,319)	(1,080,034,287)	(62,438,899)
Operating profit		25,897,435,929	16,068,042,421	26,610,551,529	15,095,054,782
Finance income		106,541,574	39,592,951	101,136,039	37,823,401
Finance cost		(127,352,872)	(143,212,537)	(124,461,375)	(137,810,154)
Profit before income tax		25,876,624,631	15,964,422,835	26,587,226,193	14,995,068,029
Income tax	26	(2,172,462,582)	(1,548,702,777)	(2,325,932,922)	(1,311,410,810)
Profit for the year		23,704,162,049	14,415,720,058	24,261,293,271	13,683,657,219
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		280,646,555	3,863,244	-	-
Gain (loss) on cash flow hedges - net of income tax		18,511,445	(7,072,137)	18,511,445	(7,072,137)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		299,158,000	(3,208,893)	18,511,445	(7,072,137)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss) - net of income tax		6,031,609	(7,984,112)	142,690	(6,565,947)
Loss on changes in value of equity investments designated at fair value through other comprehensive income		(4,857,581)	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		1,174,028	(7,984,112)	142,690	(6,565,947)
Other comprehensive income for the year		300,332,028	(11,193,005)	18,654,135	(13,638,084)
Total comprehensive income for the year		24,004,494,077	14,404,527,053	24,279,947,406	13,670,019,135

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

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Note	2021	2020 (Restated)	2021	2020
Profit attributable to:					
Equity holders of the Company		23,704,162,049	14,400,868,953	<u>24,261,293,271</u>	<u>13,683,657,219</u>
Former shareholders before the restructuring		-	14,851,105		
		<u>23,704,162,049</u>	<u>14,415,720,058</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		24,004,494,077	14,391,094,113	<u>24,279,947,406</u>	<u>13,670,019,135</u>
Former shareholders before the restructuring		-	13,432,940		
		<u>24,004,494,077</u>	<u>14,404,527,053</u>		
Earnings per share					
	28				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>8.29</u>	<u>5.94</u>	<u>8.48</u>	<u>5.64</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>8.28</u>	<u>5.93</u>	<u>8.48</u>	<u>5.64</u>

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

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2021

(Unit: Baht)

Consolidated financial statements															
Attributable to the equity holders of the Company															
	Other components of shareholders' equity											Total equity attributable to the equity holders of the Company	Former shareholders before restructuring of the subsidiary	Total shareholders' equity	
	Issued and paid-up share capital	Premium on ordinary shares	Share-based payment reserve	Surplus from the amalgamation	Deficit from business combination under common control	Retained earnings		Surplus on revaluation of assets - net of income tax	Exchange differences on translation of in foreign currencies	Cash flow hedge reserve - net of income tax	Deficit on changes in fair value through other comprehensive income of investments in equity				Total other components of shareholders' equity
- statutory reserve						Unappropriated									
Balance as at 1 January 2020 - as previously reported	990,000,000	-	-	483,694,988	(143,211,674)	64,769,469	2,692,609,826	344,973,640	(2,303,671)	(28,505,093)	-	314,164,876	4,402,027,485	-	4,402,027,485
Effects of business combinations under common control (Note 1.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	809,491,052	809,491,052
Balance as at 1 January 2020 - as restated	990,000,000	-	-	483,694,988	(143,211,674)	64,769,469	2,692,609,826	344,973,640	(2,303,671)	(28,505,093)	-	314,164,876	4,402,027,485	809,491,052	5,211,518,537
Profit for the year - restated (Note 1.2)	-	-	-	-	-	-	14,400,868,953	-	-	-	-	-	14,400,868,953	14,851,105	14,415,720,058
Other comprehensive income for the year	-	-	-	-	-	-	(6,565,947)	-	3,863,244	(7,072,137)	-	(3,208,893)	(9,774,840)	(1,418,165)	(11,193,005)
Total comprehensive income for the year	-	-	-	-	-	-	14,394,303,006	-	3,863,244	(7,072,137)	-	(3,208,893)	14,391,094,113	13,432,940	14,404,527,053
- restated (Note 1.2)	-	-	-	-	-	-	14,394,303,006	-	3,863,244	(7,072,137)	-	(3,208,893)	14,391,094,113	13,432,940	14,404,527,053
Amortisation on surplus of assets revaluation	-	-	-	-	-	-	16,624,058	(16,624,058)	-	-	-	(16,624,058)	-	-	-
Share-based payment (Note 21)	-	-	21,753,441	-	-	-	-	-	-	-	-	-	21,753,441	-	21,753,441
Issuance of additional ordinary shares (Note 20)	438,780,000	14,229,624,859	-	-	-	-	-	-	-	-	-	-	14,668,404,859	-	14,668,404,859
Transfer share-based payment reserve to premium on ordinary shares	-	13,600,000	(13,600,000)	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid of the subsidiary before restructuring	-	-	-	-	-	-	-	-	-	-	-	-	-	(260,000,000)	(260,000,000)
Transferred unappropriated retained earnings to statutory reserve (Note 22)	-	-	-	-	-	78,708,531	(78,708,531)	-	-	-	-	-	-	-	-
Dividend paid (Note 30)	-	-	-	-	-	-	(1,785,783,436)	-	-	-	-	-	(1,785,783,436)	-	(1,785,783,436)
Balance as at 31 December 2021 - restated	1,428,780,000	14,243,224,859	8,153,441	483,694,988	(143,211,674)	143,478,000	15,239,044,923	328,349,582	1,559,573	(35,577,230)	-	294,331,925	31,697,496,462	562,923,992	32,260,420,454
Balance as at 1 January 2021 - as previously reported	1,428,780,000	14,243,224,859	8,153,441	483,694,988	(143,211,674)	143,478,000	15,239,044,923	328,349,582	1,559,573	(35,577,230)	-	294,331,925	31,697,496,462	-	31,697,496,462
Effects of business combinations under common control (Note 1.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	562,923,992	562,923,992
Balance as at 1 January 2021 - as restated	1,428,780,000	14,243,224,859	8,153,441	483,694,988	(143,211,674)	143,478,000	15,239,044,923	328,349,582	1,559,573	(35,577,230)	-	294,331,925	31,697,496,462	562,923,992	32,260,420,454
Profit for the year	-	-	-	-	-	-	23,704,162,049	-	-	-	-	-	23,704,162,049	-	23,704,162,049
Other comprehensive income for the year	-	-	-	-	-	-	6,031,609	-	280,646,555	18,511,445	(4,857,581)	294,300,419	300,332,028	-	300,332,028
Total comprehensive income for the year	-	-	-	-	-	-	23,710,193,658	-	280,646,555	18,511,445	(4,857,581)	294,300,419	24,004,494,077	-	24,004,494,077
Amortisation on surplus of assets revaluation	-	-	-	-	-	-	17,814,203	(17,814,203)	-	-	-	(17,814,203)	-	-	-
Business combination under common control (Note 1.2)	-	-	-	-	(644,019,126)	-	-	86,943,118	-	-	-	86,943,118	(557,076,008)	(562,923,992)	(1,120,000,000)
Share-based payment (Note 21)	-	-	10,618,118	-	-	-	-	-	-	-	-	-	10,618,118	-	10,618,118
Issuance of additional ordinary shares (Note 20)	2,850,705	209,811,888	-	-	-	-	-	-	-	-	-	-	212,662,593	-	212,662,593
Transfer share-based payment reserve to premium on ordinary shares (Note 20)	-	10,062,989	(10,590,000)	-	-	-	527,011	-	-	-	-	-	-	-	-
Dividends paid (Note 30)	-	-	-	-	-	-	(17,155,076,021)	-	-	-	-	-	(17,155,076,021)	-	(17,155,076,021)
Balance as at 31 December 2021	1,431,630,705	14,463,099,736	8,181,559	483,694,988	(787,230,800)	143,478,000	21,812,503,774	397,478,497	282,206,128	(17,065,785)	(4,857,581)	657,761,259	38,213,119,221	-	38,213,119,221

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

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2021

(Unit: Baht)

Separate financial statements

	Other components of shareholders' equity									
	Retained earnings						Other comprehensive income		Total other components of shareholders' equity	Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Share-based payment reserve	Surplus from the amalgamation	Appropriated - statutory reserve		Surplus on revaluation of assets - net of income tax	Cash flow hedge reserve - net of income tax		
					Unappropriated					
Balance as at 1 January 2020	990,000,000	-	-	483,694,988	64,769,469	2,722,735,081	344,973,640	(28,505,093)	316,468,547	4,577,668,085
Profit for the year	-	-	-	-	-	13,683,657,219	-	-	-	13,683,657,219
Other comprehensive income for the year	-	-	-	-	-	(6,565,947)	-	(7,072,137)	(7,072,137)	(13,638,084)
Total comprehensive income for the year	-	-	-	-	-	13,677,091,272	-	(7,072,137)	(7,072,137)	13,670,019,135
Amortisation on surplus of assets revaluation	-	-	-	-	-	16,624,058	(16,624,058)	-	(16,624,058)	-
Share-based payments (Note 21)	-	-	21,753,441	-	-	-	-	-	-	21,753,441
Issuance of additional ordinary shares (Note 20)	438,780,000	14,229,624,859	-	-	-	-	-	-	-	14,668,404,859
Transfer share-based payment reserve to premium on ordinary shares	-	13,600,000	(13,600,000)	-	-	-	-	-	-	-
Transferred unappropriated retained earnings to statutory reserve (Note 22)	-	-	-	-	78,708,531	(78,708,531)	-	-	-	-
Dividend paid (Note 30)	-	-	-	-	-	(1,785,783,436)	-	-	-	(1,785,783,436)
Balance as at 31 December 2020	1,428,780,000	14,243,224,859	8,153,441	483,694,988	143,478,000	14,551,958,444	328,349,582	(35,577,230)	292,772,352	31,152,062,084
Balance as at 1 January 2021	1,428,780,000	14,243,224,859	8,153,441	483,694,988	143,478,000	14,551,958,444	328,349,582	(35,577,230)	292,772,352	31,152,062,084
Profit for the year	-	-	-	-	-	24,261,293,271	-	-	-	24,261,293,271
Other comprehensive income for the year	-	-	-	-	-	142,690	-	18,511,445	18,511,445	18,654,135
Total comprehensive income for the year	-	-	-	-	-	24,261,435,961	-	18,511,445	18,511,445	24,279,947,406
Amortisation on surplus of assets revaluation	-	-	-	-	-	16,450,410	(16,450,410)	-	(16,450,410)	-
Share-based payments (Note 21)	-	-	10,618,118	-	-	-	-	-	-	10,618,118
Issuance of additional ordinary shares (Note 20)	2,850,705	209,811,888	-	-	-	-	-	-	-	212,662,593
Transfer share-based payment reserve to premium on ordinary shares (Note 20)	-	10,062,989	(10,590,000)	-	-	527,011	-	-	-	-
Dividends paid (Note 30)	-	-	-	-	-	(17,155,076,021)	-	-	-	(17,155,076,021)
Balance as at 31 December 2021	1,431,630,705	14,463,099,736	8,181,559	483,694,988	143,478,000	21,675,295,805	311,899,172	(17,065,785)	294,833,387	38,500,214,180

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

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u> (Restated)	<u>2021</u>	<u>2020</u>
Cash flows from operating activities				
Profit before income tax	25,876,624,631	15,964,422,835	26,587,226,193	14,995,068,029
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Unrealised (gain) loss on exchange rates	(31,528,662)	21,948,527	(34,485,868)	23,041,331
Unrealised loss on revaluation of derivative financial instruments	11,841,889	27,284,617	11,422,274	27,284,617
Share-based payment expense	10,618,118	21,753,441	10,618,118	21,753,441
Expected credit losses	2,373,385	3,336,082	2,211,870	3,292,478
Reduction of inventory to net realisable value (reversal)	63,897,574	(36,958,712)	63,894,093	(33,238,128)
Expenses for retirement benefit obligations	16,355,755	13,941,936	13,251,042	11,033,520
Depreciation	1,235,349,538	1,086,858,603	1,193,836,592	1,060,100,900
Amortisation - intangible assets	11,808,612	5,612,427	8,759,334	1,717,124
Dividend income	-	-	-	(30,665,796)
Finance income	(106,541,574)	(39,592,951)	(101,136,039)	(37,823,401)
Finance cost	127,352,872	143,212,537	124,461,375	137,810,154
Written-off withholding tax deducted at source	-	839,850	-	-
Written-off damaged assets	51,195,141	-	51,195,141	-
Loss on disposal and written-off of machinery and equipment, right-of-use assets and intangible assets	10,103,763	6,231,458	11,142,421	6,288,038
Profit from operating activities before changes in operating assets and liabilities	27,279,451,042	17,218,890,650	27,942,396,546	16,185,662,307
Operating assets (increase) decrease				
Trade and other receivables	2,461,755,382	(3,599,194,710)	1,500,476,353	(3,855,088,538)
Inventories	(1,575,630,941)	(1,377,103,466)	(1,379,829,668)	(747,563,104)
Other current assets	364,994,238	(498,799,056)	450,031,682	(490,596,973)
Other non-current assets	(43,734,859)	(165,898,780)	(1,113,507)	(175,054,517)
Operating liabilities increase (decrease)				
Trade and other payables	(912,496,217)	2,232,238,992	(886,389,685)	1,893,536,388
Other current liabilities	5,864,011	38,897,950	39,637,694	5,134,737
Provision for retirement benefit obligations	(882,000)	(956,800)	(882,000)	(808,800)
Cash flows provided by operating activities	27,579,320,656	13,848,074,780	27,664,327,415	12,815,221,500
Cash received from interest income	99,812,805	20,572,569	95,585,602	18,803,019
Cash paid for interest expenses	(234,390,310)	(197,552,922)	(231,503,029)	(192,150,779)
Cash received from withholding tax deducted at source refund	53,137,865	38,073,693	-	-
Cash paid for income tax	(3,427,051,066)	(272,713,009)	(2,993,205,330)	(181,309,111)
Net cash flows provided by operating activities	24,070,829,950	13,436,455,111	24,535,204,658	12,460,564,629

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

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u> (Restated)	<u>2021</u>	<u>2020</u>
Cash flows from investing activities				
Cash paid for other financial assets	(639,673,615)	-	-	-
Cash paid for short-term loan to a subsidiary	-	-	(400,000,000)	-
Cash received from dividend income	-	-	-	30,665,796
Cash paid for investment in subsidiaries	(1,249,686,093)	-	(4,634,373,316)	(267,415,000)
Cash received from disposal of machinery and equipment	15,940,487	3,739,538	7,073,614	3,551,514
Cash paid for purchases of property, plant and equipment and intangible assets	(10,649,065,913)	(2,076,249,913)	(10,243,075,182)	(2,053,999,789)
Net cash flows used in investing activities	<u>(12,522,485,134)</u>	<u>(2,072,510,375)</u>	<u>(15,270,374,884)</u>	<u>(2,287,197,479)</u>
Cash flows from financing activities				
Proceeds from short-term borrowings from related party	-	170,000,000	-	-
Repayments of short-term borrowings from related party	-	(170,000,000)	-	-
Proceeds from short-term borrowings from financial institutions	-	280,000,000	-	-
Repayments of short-term borrowings from financial institutions	(280,000,000)	(274,253,875)	-	-
Proceeds from long-term borrowings from financial institutions	2,935,000,000	2,347,000,000	2,935,000,000	2,347,000,000
Repayments of long-term borrowings from financial institutions	(775,000,000)	(2,843,000,000)	(775,000,000)	(2,843,000,000)
Repayments of lease liabilities	(40,029,271)	(19,053,979)	(11,230,960)	(8,664,576)
Proceeds from increase in ordinary shares	212,662,593	14,609,276,074	212,662,593	14,609,276,074
Dividends paid	(17,155,076,021)	(1,785,783,436)	(17,155,076,021)	(1,785,783,436)
Dividend paid of the subsidiary before restructuring	-	(260,000,000)	-	-
Net cash flows provided by (used in) financing activities	<u>(15,102,442,699)</u>	<u>12,054,184,784</u>	<u>(14,793,644,388)</u>	<u>12,318,828,062</u>
Increase in translation adjustments	<u>286,241,301</u>	<u>12,778,676</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>(3,267,856,582)</u>	<u>23,430,908,196</u>	<u>(5,528,814,614)</u>	<u>22,492,195,212</u>
Cash and cash equivalents at beginning of year	<u>24,273,985,526</u>	<u>843,077,330</u>	<u>23,049,358,311</u>	<u>557,163,099</u>
Cash and cash equivalents at end of year	<u>21,006,128,944</u>	<u>24,273,985,526</u>	<u>17,520,543,697</u>	<u>23,049,358,311</u>
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions:				
Increase in payables from purchases of assets	560,126,669	-	616,409,030	-
Increase in retention	351,944,765	17,056,162	316,571,298	17,056,162
Purchases of assets by entering into lease agreements	73,646,838	3,815,193	27,609,705	3,012,710
Transfer of advance payments for fixed assets to assets under construction and machinery	164,650,257	-	175,087,017	-

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

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2021

1. General information

1.1 Company information

Sri Trang Gloves (Thailand) Public Company Limited (“the Company”) is a public company incorporated domiciled in Thailand. The parent company is Sri Trang Agro-Industry Public Company Limited (“parent company”), which is incorporated in Thailand. The Company is principally engaged in the manufacture and distribution of rubber gloves. The registered office of the Company is at 110 Kanjanavanit Road, Pahtong, Hat Yai, Songkhla, Thailand.

1.2 Business combination under common control

Premier System Engineering Co., Ltd.

On 7 January 2021, the Company acquired ordinary shares of Premier System Engineering Co., Ltd. (“PSE”) 83.9992 percent from its parent company and 16.0000 percent from Rubberland Products Co., Ltd. (a subsidiary of the parent company), in accordance with a resolution of the Extraordinary General Meeting of Shareholders of the Company No. 1/2020, for a total of Baht 1,120 million (in comparison with the price in a report of an independent professional financial advisor). The Company recorded the difference of Baht 644 million between the cost of business combination under common control and the net book value of the subsidiary as “Deficit from business combination under common control” and presented it under shareholders' equity.

The consolidated statement of financial position as at 31 December 2020, the related consolidated statements of comprehensive income and cash flow for the year then ended 31 December 2020 were adjusted to reflect the above transactions. The amounts of the adjustments affecting the restated consolidated financial statements are summarised below:

(Unit: Thousand Baht)

Consolidated statement of financial position	As at 31 December 2020		
	Effect from the business combination under common control	Effect from elimination of transactions in the consolidated financial statements	Total adjustments affecting the restated consolidated financial statements increase (decrease)
Cash and cash equivalents	85,231	-	85,231
Trade and other receivables	470,944	(143,424)	327,520
Inventories	184,776	47,993	232,769
Other current assets	11,505	-	11,505
Property, plant and equipment	253,183	(37,778)	215,405
Right-of-use assets	3,432	-	3,432
Intangible assets - computer software	6,423	-	6,423
Withholding tax deducted at source	69,293	-	69,293
Advance payments for fixed assets	-	(10,437)	(10,437)
Other non-current assets	1,348	-	1,348
Total assets	1,086,135	(143,646)	942,489
Trade and other payables	181,277	(140,226)	41,051
Short-term borrowings from financial institutions	280,000	-	280,000
Current portions of lease liabilities	829	-	829
Other current liabilities	2,415	-	2,415
Non-current portions of lease liabilities	2,637	-	2,637
Provision for retirement benefit obligations	40,062	-	40,062
Deferred tax liabilities	12,571	-	12,571
Total liabilities	519,791	(140,226)	379,565
Former shareholders before the restructuring	566,344	(3,420)	562,924
Total shareholders' equity	566,344	(3,420)	562,924
Total liabilities and shareholders' equity	1,086,135	(143,646)	942,489

(Unit: Thousand Baht)

Consolidated statement of comprehensive income	For the year ended 31 December 2020		
	Effect from the business combination under common control	Effect from elimination of transactions in the consolidated financial statements	Total adjustments affecting the restated consolidated financial statements increase (decrease)
Revenues from sales of goods and services	1,057,394	(910,137)	147,257
Gross profit	85,554	(1,330)	84,224
Income tax	(3,100)	-	(3,100)
Profit for the year	16,181	(1,330)	14,851
Other comprehensive income for the year	(1,418)	-	(1,418)
Total comprehensive income for the year	14,763	(1,330)	13,433
Profit attributable to:			
Former shareholders before the restructuring	16,181	(1,330)	14,851
Total comprehensive income attributable to:			
Former shareholders before the restructuring	14,763	(1,330)	13,433

(Unit: Thousand Baht)

Consolidated statement of cash flows	For the year ended 31 December 2020		
	Effect from the business combination under common control	Effect from elimination of transactions in the consolidated financial statements	Total adjustments affecting the restated consolidated financial statements increase (decrease)
Net cash flows used in operating activities	(179,782)	5,615	(174,167)
Net cash flows used in investing activities	(15,522)	(5,615)	(21,137)
Net cash flows provided by financing activities	18,722	-	18,722
Net decrease in cash and cash equivalents	(176,582)	-	(176,582)

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 Sri Trang Gloves (Thailand) Public Company Limited and the following subsidiary companies (“the subsidiaries”):

Company’s name	Nature of business	Country of incorporation	Paid-up capital			Shareholding percentage	
			Currency	2021	2020	2021 (%)	2020 (%)
Shidong Shanghai Medical Equipment Co., Ltd. (“SDME”)	Distribution of gloves	China	USD	4,150,000	4,150,000	100.00	100.00
Sri Trang USA, Inc. (“STU”)	Distribution of gloves	United states of America	USD	115	115	100.00	100.00
Premier System Engineering Co., Ltd.	Providing engineering services	Thailand	Baht	50,000,000	50,000,000	99.99	-
Sadao P.S. Rubber Co., Ltd.	Providing rental services of real estate	Thailand	Baht	40,000,000	40,000,000	99.99	-
Sri Trang Gloves (Singapore) Pte. Ltd. (“STGS”)	Distribution of gloves and research and development	Singapore	USD	1,000,000	-	100.00	-
Sri Trang Gloves Global Pte. Ltd. (“STGG”)	Financial asset management and financial investment	Singapore	USD	100,000,000*	-	100.00	-
PT Sri Trang Gloves Indo (“STGI”)	Distribution of gloves	Indonesia	IDR	10,000,000,000	-	100.00	-
Sri Trang Gloves Vietnam Company Limited. (“STGV”)	Distribution of gloves	Vietnam	VND	22,670,000,000	-	100.00	-

*Paid-up capital of STGG is comprised of 80,000,000 ordinary shares and 20,000,000 preferred shares. (Par value of USD 1)

For reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

- 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 currency” in the statements of changes in shareholders’ equity.
- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- h) Equity of former shareholders before the restructuring represents the portion of profit or loss and net assets of the former shareholders before the restructuring under common control (Notes 1.2) and is presented separately in the consolidated profit or loss and under shareholders’ equity in the consolidated statements of financial position in accordance with the accounting practice guidelines for business combinations under common control.

2.3 The separate financial statements present investments in subsidiaries under the cost method net of allowance for impairment loss (if any).

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

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

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

However, the Group has applied the specific hedge accounting requirements amends to TFRS 9: Financial Instruments and TFRS 7: Disclosure of Financial Instruments, which apply to all hedging relationships directly affected by interest rate benchmark reform. Consequently, the Group can continue to apply hedge accounting for those hedging relationships in the period when there is uncertainty about the timing or the amount of interest rate benchmark-based cash flows of the hedged item or of the hedging instrument.

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

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

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

The adoption of these financial reporting standards does 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 upon 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 and discounts.

Rendering of services

Service revenue is recognised over time when services have been rendered taking into account the stage of completion, measuring based on information provided by the Group's engineers or project managers.

The recognised revenue which is not yet due per the contacts has been presented as "Unbilled receivables" under caption of trade and other receivables in the statement of financial position. The amounts recognised as unbilled receivables are reclassified to trade receivables when the Group's right to consideration is unconditional such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer is presented as “Advance received from customers” under the caption of trade and other payables in the statement of financial position. Advance received from customers is recognised as revenue when the Group performs under the contract.

Dividends

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

Finance income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the carrying amount of a financial asset net of allowance the expected credit loss (if any).

Finance cost

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

4.2 Government Grants

The Group recognises government grants when all attached conditions are met and there is reasonable assurance that the grants will be received. The Company recognises those government grants as income in profit or loss, included in other income.

4.3 Cash and cash equivalents

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

4.4 Inventories

Inventories are valued at the lower of cost or net realisable value. Cost is determined by weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, or rebates.

The cost of finished goods and work in process are measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads based on the normal operating capacity, but excluding borrowing costs. Raw materials, chemicals, spare parts and factory supplies are charged to production costs whenever consumed.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Allowance is made for obsolete, slow-moving and defective inventories.

4.5 Investments in subsidiaries

Investments in subsidiaries in the separate financial statements are stated at cost net of allowance for impairment loss (if any).

4.6 Property, plant and equipment and depreciation

Land and building are stated at revalued amount. Other assets are stated at cost less accumulated depreciation and allowance for loss on impairment of asset (if any).

Such subsequent cost may include the cost of replacing part of the buildings and equipment, only when it is probable that future economic benefits are expected from its use will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in profit or loss as incurred.

Land and buildings are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Group's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised equity under the heading of "Surplus on revaluation of assets". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Group's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Surplus on revaluation of assets" in respect of the same asset.

The surplus is amortised to retained earnings on a straight-line basis over the remaining useful lives of the related assets and can neither be offset against deficit nor used for dividend payment.

Depreciation of plant and equipment is calculated by reference to their costs or the revalued amount, on the straight-line basis over the following estimated useful lives:

Land improvements	3 - 50	years
Buildings and structures	5 - 50	years
Machinery and equipment	2 - 20	years
Furniture, fixtures and office equipment	3 - 10	years
Motor vehicles	2 - 5	years

Depreciation is included in profit or loss.

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

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.

The assets will be tested for impairment whenever there is an indication.

The residual values and useful lives of assets are reviewed at each reporting period, and adjusted if appropriate.

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

4.8 Intangible assets - computer software

Computer software is recognised at cost. Following the initial recognition, the computer software is carried at cost less accumulated amortisation and accumulated allowance for impairment loss (if any).

Computer software with finite useful lives of 3 - 10 years is amortised on the straight-line basis over the economic useful lives and tested for impairment whenever there is an indication that the computer software may be impaired. The amortisation period and the amortisation method of such computer software are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

No amortisation is provided on computer software under installation.

4.9 Business combinations and 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 in profit or loss.

Goodwill is carried at cost less allowance for impairment loss (if any). 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 group of cash-generating unit that is expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each group of cash-generating unit 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 and will not be reversed in future periods.

Business combinations under common control

Business combinations under common control are accounted for using the pooling of interests method, with the cost of the business combinations under common control being the fair value, at the date of exchange, of the consideration transferred to obtain control. The assets and liabilities of the entities pooled are recognised based on their book values, in proportion to the interests previously under common control.

Differences between the cost of the business combination under common control and the acquirer's proportionate interests in the book value of the pooled entities is presented as "Surplus (deficit) on business combination under common control" in shareholders' equity.

Costs relating to business combinations under common control are accounted for as expenses in the period in which the business combination occurred.

4.10 Leases

At inception of contract, the Group assesses whether the contract is 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 recognises right-of-use assets and lease liabilities for all leases. At the date the underlying asset is available for use (the commencement date of the lease). However, the Group recognises rental expenses on a straight-line basis over the lease term not more than 12 months or leases of low-value assets.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, allowance for impairment losses (if any), and adjusted for remeasurement of lease liabilities (if any). 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.

Depreciation of right-of-use assets is calculated by reference to their costs on the straight-line basis over the lease term or estimated useful lives of the asset, if ownership of the leased asset is transferred to the Group at the end of the lease term as follows.

Land and land improvement	2 - 3	years
Motor vehicles	3 - 5	years

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term, which discounted 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 and is remeasured if there is a change in the lease.

The Group as a lessor

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

4.11 Related party transactions

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

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

4.12 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.

Gain and loss on exchange are included in profit or loss.

4.13 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 and computer software whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss. However, in cases where property and plant was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment (except for goodwill), 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. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, a reversal of that impairment loss is recognised in profit or loss but shall not exceed the impairment loss was previously recognised in profit or loss, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.14 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

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 Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group have obligations in respect of the severance payments it must make to employees upon retirement under labor law of each country. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is 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.

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 entity recognises restructuring-related costs.

4.15 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.

4.16 Share-based payments with equity-settled transactions

The Company recognises share-based payment transactions on the date on which the options are granted, based on the fair value of the options. They are recorded to expenses over the expected lives of the vesting period, and a capital reserve for share-based payment transactions is presented in shareholders' equity.

Estimating the fair value of share-based payment transactions requires the exercise of judgement to make valuations, as well as appropriate assumptions regarding various matters, such as the expected life of the share options, share price volatility and dividend yield.

4.17 Income tax

Income tax represents the sum of corporate income tax and deferred tax.

Current income 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.

4.18 Financial instruments

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 cash flows with the contractual terms. The cash flows are solely payments of principal and interest on the principal amount outstanding complied with the period specified in the contract.

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 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.

Moreover, equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

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

These financial assets include derivative financial instruments and equity linked notes, 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.

Returns on the financial assets at FVTPL are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

The Group's financial liabilities are initially recognised at fair value net of transaction costs and classified as financial liabilities to be subsequently measured at amortised cost, except for derivative liabilities as described in Note 4.19 to the consolidated financial statements. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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 trade receivables, the Group applies a simplified approach in calculating ECLs. The Group recognises a loss based on lifetime ECLs at each reporting date. It is 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.

4.19 Derivatives and hedge accounting

The Group uses derivatives, such as foreign exchange options, forward foreign exchange contracts and interest rate swap, to hedge its foreign currency risks, and interest rate risks, respectively.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss unless the derivative is designated and effective as a hedging instrument under cash flow hedge. Derivatives are carried as financial assets or financial liabilities by considering the fair value of the derivatives.

Derivatives are presented as non-current assets or liabilities and current assets or liabilities by considering the remaining maturity with more than or less than 12 months respectively.

Hedge accounting for cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve and later reclassified to profit or loss when the hedged cash flows affect profit or loss or no longer exist.

The Group prepares formal documentation on the date that hedge accounting is applied, and provides regular updates regarding the risk management objectives and strategies and the relationships between the hedging instruments and hedged items, including the nature of the risks being hedged, how the Group assesses the hedge effectiveness, analysis of the causes of hedge ineffectiveness and how the hedge ratio is determined.

The Group considers of the hedge effectiveness by comparing the critical terms between hedging instruments and hedged items. If the critical terms match, the hedging relationship is expected to be highly effective.

4.20 Fair value measurement

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

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

Level 1 - Use of quoted market prices in an observable 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.

Property, plant and equipment

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

The Group measures land and buildings at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land and the replacement cost approach for buildings. The valuation involves certain assumptions and estimations.

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

6. Related party transactions

During the years, the 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: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December		For the year ended 31 December	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)*		
Transactions with parent company				
Sales of goods	59,933	1,550,322	52,278	1,543,700
Purchases of goods	4,410,564	3,375,394	4,410,564	3,375,394
Service income	40,973	103,496	-	-
Other income	7,095	11,729	3,420	6,110
Rental income	55	3,992	-	3,992
Service expenses	63,489	76,228	48,412	62,792
Purchases of fixed assets	330,140	74,327	330,140	74,327
Transactions with subsidiaries¹				
Sales of goods	-	-	9,030,553	4,663,256
Purchases of goods	-	-	58,174	107,192
Dividend income	-	-	-	30,666
Other income	-	-	6,758	6,172
Commission expenses	-	-	-	390
Service expenses	-	-	288,539	303,101
Interest income	-	-	490	-
Purchases of fixed assets	-	-	3,996,140	508,506
Transactions with related companies				
Sales of goods	207,203	41,727	203,029	37,607
Purchases of goods	2,982,476	2,110,403	2,982,467	2,110,362
Service income	40,488	17,977	-	-
Other income	15,079	13,268	7,795	6,080
Rental income	330	-	330	-
Service expenses	227,570	201,549	215,011	188,248
Commission expenses	2,157	473	2,157	473
Purchases of fixed assets	69,210	-	69,210	-
Interest expense	-	545	-	-

* Restated as described in Note 1.2 to the consolidated financial statements

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December		For the year ended 31 December	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Restated)*			

Transactions with directors and related parties

Purchases of fixed assets	13,320	94,700	13,320	94,700
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¹ Transactions with subsidiaries in 2020 included transactions between the Company and PSE and PS.

The pricing policies of the Group are as follows:

- (1) Sales/purchases of goods are made at market prices or reference to market prices.
- (2) Service, rental and commission income/expenses are based on contract prices.
- (3) Dividend income is made with announced payment rate.
- (4) Other income is based on contract prices or agreement prices.
- (5) Purchases of fixed assets are based on contract prices which reference to market prices.
- (6) Interest income are reference to short-term loan rates from commercial bank rates.

Outstanding balances arising from sales/purchases of goods, providing/receiving of services and other income/expenses

As at 31 December 2021 and 2020, the balances of the accounts between the Group and those related parties were as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December		For the year ended 31 December	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Restated)*			
Trade accounts receivable (Note 8)				
Parent company	8,877	94,491	485	91,114
Subsidiaries ²	-	-	1,605,389	1,415,907
Related companies	50,122	11,231	46,883	7,747
	<u>58,999</u>	<u>105,722</u>	<u>1,652,757</u>	<u>1,514,768</u>
Other receivables (Note 8)				
Parent company	9,638	2,330	1,360	1,921

* Restated as described in Note 1.2 to the consolidated financial statements

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)*		
Subsidiaries ²	-	-	15,647	1,723
Related companies	2,620	988	1,015	933
	<u>12,258</u>	<u>3,318</u>	<u>18,022</u>	<u>4,577</u>
Advance payments (Note 8)				
Related company	<u>10,438</u>	<u>20,000</u>	<u>10,340</u>	<u>20,000</u>
Trade accounts payables (Note 17)				
Parent company	438,855	482,599	438,671	482,416
Subsidiaries ²	-	-	59,594	540
Related companies	144,805	163,704	143,685	205,357
	<u>583,660</u>	<u>646,303</u>	<u>641,950</u>	<u>688,313</u>
Other payables (Note 17)				
Parent company	785	11	4	-
Subsidiaries ²	-	-	277,432	259
Related companies	7,340	3,269	7,340	52,392
	<u>8,125</u>	<u>3,280</u>	<u>284,776</u>	<u>52,651</u>
Advance receipt for goods and others (Note 17)				
Parent company	12,190	526	-	-
Subsidiaries ²	-	-	-	29,219
Related companies	8,207	3,412	-	-
	<u>20,397</u>	<u>3,938</u>	<u>-</u>	<u>29,219</u>

² Outstanding balance with subsidiaries as at 31 December 2020 included outstanding balance of the Company with PSE and PS.

Outstanding balances arising from loans to a subsidiary

As at 31 December 2021, the Company had the balance of a short-term loans to PSE amounting to Baht 400 million. The loans are unsecured and are repayable in February and March 2022.

As at 31 December 2021, the Company had the balance of interest receivable from a short-term loan to PSE amounting to Baht 0.49 million.

Movements in the balance of short-term loans to subsidiary during the year ended 31 December 2021 are as follows.

(Unit: Thousand Baht)

Company's name	Relationship	Separate financial statements			
		Balance as at 31 December 2020	Increase during the year	Decrease during the year	Balance as at 31 December 2021
Premier System Engineering Co.,Ltd	A direct subsidiary	-	400,000	-	400,000

Directors and management's benefits

During the years, the Group had employee benefit expenses of its directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	<u>2021</u>	<u>2021</u>	<u>2021</u>	<u>2020</u>
		(Restated)*		
Short-term employee benefits	136,322	110,124	72,849	56,810
Post-employment benefits	3,177	3,275	1,437	1,192
Share-based payment benefits	6,104	12,506	6,104	12,506
Total	<u>145,603</u>	<u>125,905</u>	<u>80,390</u>	<u>70,508</u>

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)*		
Cash	240	204	175	145
Bank deposits	21,005,889	24,273,782	17,520,369	23,049,213
Total	<u>21,006,129</u>	<u>24,273,986</u>	<u>17,520,544</u>	<u>23,049,358</u>

* Restated as described in Note 1.2 to the consolidated financial statements

As at 31 December 2021, bank deposits carried interests between 0.05 and 0.60 percent per annum (Separate financial statements: 0.05 and 0.60 percent per annum) (2020: between 0.05 and 0.60 percent per annum, Separate financial statements: 0.05 and 0.60 percent per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)*		
Trade accounts receivable - related parties (Note 6)				
Aged on the basis of due dates				
Not yet due	27,113	105,722	1,360,422	1,514,768
Past due				
Up to 30 days	6	-	260,455	-
91 - 120 days	31,880	-	31,880	-
Total trade accounts receivable - related parties	<u>58,999</u>	<u>105,722</u>	<u>1,652,757</u>	<u>1,514,768</u>
Trade accounts receivable - unrelated parties				
Aged on the basis of due dates				
Not yet due	2,127,064	4,372,196	1,941,123	3,748,483
Past due				
Up to 30 days	256,618	278,179	238,860	165,987
31 - 60 days	55,742	133	55,243	-
61 - 90 days	15,983	564	15,582	121
91 - 120 days	6,138	1,972	6,164	1,878
121 - 365 days	14	2,490	37	2,490
Over 365 days	1,329	3,422	1,419	3,422
Total	<u>2,462,888</u>	<u>4,658,956</u>	<u>2,258,428</u>	<u>3,922,381</u>
Less: Allowance for expected credit losses	<u>(7,217)</u>	<u>(4,844)</u>	<u>(5,504)</u>	<u>(3,292)</u>
Total trade accounts receivable - unrelated parties, net	<u>2,455,671</u>	<u>4,654,112</u>	<u>2,252,924</u>	<u>3,919,089</u>
Total trade accounts receivable - net	<u>2,514,670</u>	<u>4,759,834</u>	<u>3,905,681</u>	<u>5,433,857</u>
Other receivables				
Other receivables - related parties (Note 6)	12,258	3,318	18,022	4,577
Other receivables - unrelated parties	127,371	58,299	125,127	57,399
Advance payments - related parties (Note 6)	10,438	20,000	10,340	20,000
Prepaid expenses and advance payments				
- unrelated parties	<u>151,338</u>	<u>393,033</u>	<u>52,463</u>	<u>55,940</u>
Total other receivables	<u>301,405</u>	<u>474,650</u>	<u>205,952</u>	<u>137,916</u>
Total trade and other receivables - net	<u>2,816,075</u>	<u>5,234,484</u>	<u>4,111,633</u>	<u>5,571,773</u>

The general credit term is approximate 60 days.

* Restated as described in Note 1.2 to the consolidated financial statements

9. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduction of cost to net realisable value		Inventories, net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)*		(Restated)*		(Restated)*
Finished goods	2,401,439	1,620,492	(10,363)	(2,990)	2,391,076	1,617,502
Work in process	916,058	474,347	(64,599)	(26,135)	851,459	448,212
Raw materials, packaging, and chemicals	886,173	906,231	(21,649)	(13,356)	864,524	892,875
Spare parts and supplies	687,651	314,620	(16,619)	(6,851)	671,032	307,769
Total	4,891,321	3,315,690	(113,230)	(49,332)	4,778,091	3,266,358

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduction of cost to net realisable value		Inventories, net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Finished goods	1,215,112	707,533	(10,256)	(590)	1,204,856	706,943
Work in process	797,402	298,858	(64,370)	(26,135)	733,032	272,723
Raw materials, packaging, and chemicals	849,856	849,459	(17,591)	(11,357)	832,265	838,102
Spare parts and supplies	686,772	313,463	(16,600)	(6,841)	670,172	306,622
Total	3,549,142	2,169,313	(108,817)	(44,923)	3,440,325	2,124,390

During the years, reduction of cost to net realisable value was summarised as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)*		(Restated)*
Reduced the amount of inventories recognised as cost of sales (reversal)	64	(37)	64	(33)

10. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)*		
Refundable value-added tax	575,678	947,025	443,400	935,897
Prepaid withholding tax	10,135	9,621	10,135	9,621
Input tax waiting for tax invoice or not yet due	70,657	24,113	66,202	23,736
Total other current assets	<u>656,470</u>	<u>980,759</u>	<u>519,737</u>	<u>969,254</u>

11. Other non-current financial assets

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
Equity instruments designated at FVOCI		
Quoted equity instruments	36,063	-
Unquoted equity instruments	334,648	-
Total equity instruments designated at FVOCI	<u>370,711</u>	<u>-</u>
Financial assets at FVTPL		
Equity linked notes	264,105	-
Total financial assets at FVTPL	<u>264,105</u>	<u>-</u>
Total financial assets	<u>634,816</u>	<u>-</u>
Current	264,105	-
Non-current	370,711	-
Total financial assets	<u>634,816</u>	<u>-</u>

* Restated as described in Note 1.2 to the consolidated financial statements

12. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements as at 31 December 2021 and 2020 are as follows:

Company's name	Cost		Dividend received during the year	
	2021 (Million Baht)	2020 (Million Baht)	2021 (Million Baht)	2020 (Million Baht)
Shidong Shanghai Medical Equipment Co., Ltd.	163	163	-	31
Sri Trang USA, Inc.	267	267	-	-
Premier System Engineering Co., Ltd. (Note 1.2)	1,120	-	-	-
Sadao P.S. Rubber Co., Ltd. (Note 1.3)	147	-	-	-
Sri Trang Gloves (Singapore) Pte. Ltd.	33	-	-	-
Sri Trang Gloves Global Pte. Ltd.	3,277	-	-	-
PT Sri Trang Gloves Indo	24	-	-	-
Sri Trang Gloves Vietnam Company Limited	34	-	-	-
Total	5,065	430	-	31

Movements of investments in subsidiaries are as follow:

In addition to investments in Premier System Engineering Co., Ltd. and Sadao PS Rubber Company Limited, as described in Notes 1.2 and 1.3 to the consolidated financial statements, during the year 2021, the Company's Board of Director Meeting passed resolutions approving the incorporation of the following new subsidiaries:

Company's name	Registered the incorporation	Payment of the called-up share capitals
Sri Trang Gloves (Singapore) Pte. Ltd.	August 2021	November 2021
Sri Trang Gloves Global Pte. Ltd.	August 2021	November 2021
PT Sri Trang Gloves Indo	October 2021	November 2021
Sri Trang Gloves Vietnam Company Limited	November 2021	December 2021

Apart from the above-mentioned companies, the Meeting also passed a resolution approving the incorporation of Sri Trang Gloves Philippines in the Philippines to sell and distribute rubber gloves. The process of considering and deciding on a registered share capital and registering the incorporation is still underway.

13. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Revaluation basis			Cost basis			
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	Assets under construction and installation	Total
As at 1 January 2020 (Restated)*							
Cost / Revalued amount	1,178,235	1,741,867	8,837,714	359,441	198,103	2,941,941	15,257,301
Less: Accumulated depreciation	(127,046)	(237,342)	(5,727,968)	(242,381)	(153,665)	-	(6,488,402)
Less: Allowance for impairment	-	-	(15,530)	-	-	-	(15,530)
Net book value	<u>1,051,189</u>	<u>1,504,525</u>	<u>3,094,216</u>	<u>117,060</u>	<u>44,438</u>	<u>2,941,941</u>	<u>8,753,369</u>
For the year ended 31 December 2020 (Restated)*							
Net book value at beginning of year	1,051,189	1,504,525	3,094,216	117,060	44,438	2,941,941	8,753,369
Additions	180,132	15,941	85,698	27,633	12,606	1,684,864	2,006,874
Transfers in (out)	60,570	799,468	2,258,722	417	10,918	(3,130,095)	-
Transfers to intangible assets (Note 15)	-	-	-	-	-	(3,882)	(3,882)
Disposals and write-off, net	(92)	-	(9,669)	(125)	(85)	-	(9,971)
Depreciation for the year (Note 25)	(38,835)	(106,901)	(862,423)	(38,665)	(19,285)	-	(1,066,109)
Interest capitalised to assets	-	-	-	-	-	56,500	56,500
Translation adjustment, net	-	-	-	-	36	-	36
Net book value at end of year	<u>1,252,964</u>	<u>2,213,033</u>	<u>4,566,544</u>	<u>106,320</u>	<u>48,628</u>	<u>1,549,328</u>	<u>9,736,817</u>
As at 31 December 2020 (Restated)*							
Cost / Revalued amount	1,418,824	2,557,268	11,135,141	368,299	210,874	1,549,328	17,239,734
Less: Accumulated depreciation	(165,860)	(344,235)	(6,553,067)	(261,979)	(162,246)	-	(7,487,387)
Less: Allowance for impairment	-	-	(15,530)	-	-	-	(15,530)
Net book value	<u>1,252,964</u>	<u>2,213,033</u>	<u>4,566,544</u>	<u>106,320</u>	<u>48,628</u>	<u>1,549,328</u>	<u>9,736,817</u>

* Restated as described in Note 1.2 to the consolidated financial statements

(Unit: Thousand Baht)

Consolidated financial statements

	Revaluation basis			Cost basis			Total
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	Assets under construction and installation	
For the year ended 31 December 2021							
Net book value at beginning of year	1,252,964	2,213,033	4,566,544	106,320	48,628	1,549,328	9,736,817
Additions	488	138	42,507	72,918	20,146	11,514,580	11,650,777
Increase from acquisition of an subsidiary (Note 1.3)	144,522	-	36	-	-	2,743	147,301
Transfers in (out)	503,606	139,651	1,465,904	62,047	7,094	(2,178,302)	-
Disposals and write-off, net	-	(1,005)	(16,900)	(323)	(77)	(58,927)	(77,232)
Depreciation for the year (Note 25)	(40,929)	(120,148)	(955,746)	(43,104)	(37,109)	-	(1,197,036)
Interest capitalised to assets	-	-	-	-	-	108,737	108,737
Translation adjustment, net	-	-	-	-	304	-	304
Net book value at end of year	<u>1,860,651</u>	<u>2,231,669</u>	<u>5,102,345</u>	<u>197,858</u>	<u>38,986</u>	<u>10,938,159</u>	<u>20,369,668</u>
As at 31 December 2021							
Cost / Revalued amount	2,067,440	2,698,850	12,556,879	483,977	232,955	10,938,159	28,978,260
Less: Accumulated depreciation	(206,789)	(467,181)	(7,439,004)	(286,119)	(193,969)	-	(8,593,062)
Less: Allowance for impairment	-	-	(15,530)	-	-	-	(15,530)
Net book value	<u>1,860,651</u>	<u>2,231,669</u>	<u>5,102,345</u>	<u>197,858</u>	<u>38,986</u>	<u>10,938,159</u>	<u>20,369,668</u>
Depreciation for the year						<u>2021</u>	<u>2020</u>
Included in manufacturing cost						1,160,236	1,056,521
Included in selling and administrative expenses						36,800	9,588
						<u>1,197,036</u>	<u>1,066,109</u>

(Unit: Thousand Baht)

Separate financial statements

	Revaluation basis		Cost basis				Total
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	Assets under construction and installation	
As at 1 January 2020							
Cost / Revalued amount	1,038,333	1,636,843	8,756,339	338,864	144,683	2,985,407	14,900,469
Less: Accumulated depreciation	(125,317)	(220,861)	(5,667,446)	(222,803)	(107,809)	-	(6,344,236)
Less: Allowance for impairment	-	-	(15,530)	-	-	-	(15,530)
Net book value	913,016	1,415,982	3,073,363	116,061	36,874	2,985,407	8,540,703
For the year ended 31 December 2020							
Net book value at beginning of year	913,016	1,415,982	3,073,363	116,061	36,874	2,985,407	8,540,703
Additions	179,032	9,009	83,399	27,395	11,279	1,677,092	1,987,206
Transfers in (out)	60,570	798,850	2,258,721	417	10,918	(3,129,476)	-
Transfers to intangible assets (Note 15)	-	-	-	-	-	(3,882)	(3,882)
Disposals and write-off, net	-	-	(9,666)	(126)	(48)	-	(9,840)
Depreciation for the year (Note 25)	(38,125)	(100,899)	(857,231)	(38,264)	(15,503)	-	(1,050,022)
Interest capitalised to assets	-	-	-	-	-	56,500	56,500
Net book value at end of year	1,114,493	2,122,942	4,548,586	105,483	43,520	1,585,641	9,520,665
As at 31 December 2020							
Cost / Revalued amount	1,277,935	2,444,694	11,056,864	348,182	166,780	1,585,641	16,880,096
Less: Accumulated depreciation	(163,442)	(321,752)	(6,492,748)	(242,699)	(123,260)	-	(7,343,901)
Less: Allowance for impairment	-	-	(15,530)	-	-	-	(15,530)
Net book value	1,114,493	2,122,942	4,548,586	105,483	43,520	1,585,641	9,520,665

(Unit: Thousand Baht)

Separate financial statements

	Revaluation basis		Cost basis				Total
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	Assets under construction and installation	
For the year ended 31 December 2021							
Net book value at beginning of year	1,114,493	2,122,942	4,548,586	105,483	43,520	1,585,641	9,520,665
Additions	487	-	22,111	72,683	8,804	11,172,047	11,276,132
Transfers in (out)	503,605	138,203	1,498,099	62,047	6,514	(2,208,468)	-
Disposals and write-off, net	-	(1,005)	(16,867)	(323)	(21)	(51,195)	(69,411)
Depreciation for the year (Note 25)	(40,242)	(114,475)	(951,048)	(42,825)	(32,772)	-	(1,181,362)
Interest capitalised to assets	-	-	-	-	-	108,737	108,737
Net book value at end of year	<u>1,578,343</u>	<u>2,145,665</u>	<u>5,100,881</u>	<u>197,065</u>	<u>26,045</u>	<u>10,606,762</u>	<u>19,654,761</u>
As at 31 December 2021							
Cost / Revalued amount	1,782,027	2,581,647	12,491,515	464,446	181,764	10,606,762	28,108,161
Less: Accumulated depreciation	(203,684)	(435,982)	(7,375,104)	(267,381)	(155,719)	-	(8,437,870)
Less: Allowance for impairment	-	-	(15,530)	-	-	-	(15,530)
Net book value	<u>1,578,343</u>	<u>2,145,665</u>	<u>5,100,881</u>	<u>197,065</u>	<u>26,045</u>	<u>10,606,762</u>	<u>19,654,761</u>
Depreciation for the year						<u>2021</u>	<u>2020</u>
Included in manufacturing cost						1,147,925	1,042,832
Included in selling and administrative expenses						33,437	7,190
						<u>1,181,362</u>	<u>1,050,022</u>

The Group arranged for independent professional appraisers to appraise the value of certain assets in 2017 and 2018 on an asset-by-asset basis. The basis of the revaluation was as follows:

- Land and land improvements were revalued using the market approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as spaces, location, environment, and highest best use. The most significant input into this valuation approach is price per Rai and size of land.
- Buildings and structures were revalued using the depreciated replacement cost approach. Replacement value is calculated from construction prices in the market to build the similar characteristics of properties in close proximity and adjusted for depreciation which calculated from utilised period and remaining expected useful lives. The most significant input into this valuation approach is construction price per square meter, utility spaces and useful lives of buildings.

The asset revaluation surplus net of applicable deferred income tax was credited to other components of shareholder's equity.

Had the land, land improvement, building and structures been carried in the financial statements on a historical cost basis, their net book value as of 31 December 2021 and 2020 would have been as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)*		
Land and land improvements	1,777,730	1,176,850	1,461,443	1,121,170
Buildings and structures	2,207,618	2,187,823	2,207,618	2,137,897

The Company financed its construction of new plants with a loan from a financial institution. During the years, the Company included borrowing costs in costs of new plants. These were determined by applying capitalisation rates which are the weighted average of the financial charges on total borrowings during the years as follows:

	Consolidated and Separate financial statements	
	<u>2021</u>	<u>2020</u>
Balance of plants under construction (Million Baht)	10,601	1,586
Borrowing costs included in costs of plants (Million Baht)	109	57
Capitalisation rates (Percent)	2.36-3.47	2.17-3.78

* Restated as described in Note 1.2 to the consolidated financial statements

As at 31 December 2021 and 2020, certain items of buildings and equipment had been fully depreciated but were still in use as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)*		
The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss	5,256	4,478	5,115	4,379

14. Leases

14.1 Right-of-use assets

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

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	Land and land improvement	Building and structures	Motor vehicles	Total
As at 1 January 2020 (Restated)*	-	23,901	28,234	52,135
Additions	-	-	3,815	3,815
Depreciation for the year (Note 25)	-	(9,359)	(11,391)	(20,750)
Translation adjustment	-	1,337	-	1,337
As at 31 December 2020 (Restated)*	-	15,879	20,658	36,537
Additions	9,040	44,135	20,472	73,647
Written off	-	-	(388)	(388)
Depreciation for the year (Note 25)	(2,434)	(25,049)	(10,831)	(38,314)
Translation adjustment	-	6,157	-	6,157
As at 31 December 2021	6,606	41,122	29,911	77,639

* Restated as described in Note 1.2 to the consolidated financial statements

(Unit: Thousand Baht)

	Separate financial statements			
	Land and land improvement	Building and structures	Motor vehicles	Total
As at 1 January 2020	-	-	24,292	24,292
Additions	-	-	3,013	3,013
Depreciation for the year (Note 25)	-	-	(10,079)	(10,079)
As at 31 December 2020	-	-	17,226	17,226
Additions	9,040	2,358	16,212	27,610
Depreciation for the year (Note 25)	(2,434)	(373)	(9,668)	(12,475)
As at 31 December 2021	6,606	1,985	23,770	32,361

14.2 Lease liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)*		
Lease payments	74,529	33,582	29,782	13,076
Less: Deferred interest expenses	(3,492)	(1,503)	(1,000)	(672)
Total	71,037	32,079	28,782	12,404
Less: Portion due within one year	(31,565)	(16,760)	(13,426)	(5,815)
Lease liabilities - net of current portion	39,472	15,319	15,356	6,589

14.3 Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31		For the year ended 31	
	December		December	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)*		
Depreciation expense of right-of-use assets	38,314	20,750	12,474	10,079
Interest expense on lease liabilities	2,987	1,591	761	688
Expense relating to leases of low-value assets	57,530	12,704	42,234	10,250

* Restated as described in Note 1.2 to the consolidated financial statements

15. Intangible assets - computer software

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	(Restated)*	
As at 1 January 2020		
Cost	94,026	58,473
Less: Accumulated amortisation	(72,805)	(45,614)
Net book value	<u>21,221</u>	<u>12,859</u>
For the year ended 31 December 2020		
Net book value at beginning of year	21,221	12,859
Additions	86,432	83,850
Transfers from equipment (Note 13)	3,882	3,882
Amortisation (Note 25)	(5,612)	(1,717)
Translation adjustment	26	-
Net book value at end of year	<u>105,949</u>	<u>98,874</u>
As at 31 December 2020		
Cost	174,569	146,121
Less: Accumulated amortisation	(68,620)	(47,247)
Net book value	<u>105,949</u>	<u>98,874</u>
		(Unit: Thousand Baht)
	Consolidated financial statements	Separate financial statements
For the year ended 31 December 2021		
Net book value at beginning of year	105,949*	98,874
Additions	75,011	75,011
Amortisation (Note 25)	(11,809)	(8,759)
Translation adjustment	80	-
Net book value at end of year	<u>169,231</u>	<u>165,126</u>
As at 31 December 2021		
Cost	247,749	221,132
Less: Accumulated amortisation	(78,518)	(56,006)
Net book value	<u>169,231</u>	<u>165,126</u>

* Restated as described in Note 1.2 to the consolidated financial statements

16. Goodwill

For the propose of annual impairment testing for goodwill, the Group determines the recoverable amount of the cash generating units based on value in use, with the cash flow projections derived from financial budgets approved by management. The projections cover a five-year period. The cash flow projections after the fifth-year period are extrapolated using the estimated growth rates stated below. The terminal growth rate does not exceed the long-term average growth rate for the business in which the cash generating units operate.

Key assumptions used in the value in use calculation of the cash generating units are summarised below:

Terminal growth rate at the year-end that the projection was prepared.	0.00% per annum
Pre-tax discount rate	12.53% per annum

The management determines the forecasted operations and future cash flow projections based on factors including historical operating results, expected market growth and economic growth. The discount rate is a pre-tax rate that reflects the risks specific to cash generating unit.

The management determines that goodwill is not impaired.

17. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)*		
Trade accounts payable - related parties (Note 6)	583,660	646,303	641,950	688,313
Trade accounts payable - unrelated parties	859,622	1,020,282	689,599	931,606
Other payables - related parties (Note 6)	8,125	3,280	284,776	52,651
Other payables - unrelated parties	1,484,191	686,283	1,105,343	582,512
Advance receipt for goods and others - related parties (Note 6)	20,397	3,938	-	29,219
Advance receipt for goods and others - unrelated parties	664,742	1,254,411	587,907	975,325
Total trade and other payables	<u>3,620,737</u>	<u>3,614,497</u>	<u>3,309,575</u>	<u>3,259,626</u>

* Restated as described in Note 1.2 to the consolidated financial statements

18. Borrowings

Movements in the borrowing account for the years ended 31 December 2021 and 2020 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Restated)*			
Balance at beginning of year	6,611,786*	7,103,159	6,312,110	6,811,469
Proceeds from short-term borrowings from financial institutions	-	280,000	-	-
Repayments in short-term borrowings from financial institutions	(280,000)	(274,254)	-	-
Proceeds from long-term borrowings from financial institutions	2,935,000	2,347,000	2,935,000	2,347,000
Repayments of long-term borrowings from financial institutions	(775,000)	(2,843,000)	(775,000)	(2,843,000)
Amortisation of finance fee	849	2,293	849	2,293
Increase in lease liabilities	73,647	3,815	27,610	3,013
Repayments of lease liabilities	(40,029)	(19,054)	(11,231)	(8,665)
Written-off lease liabilities	(381)	-	-	-
Translation adjustments	5,721	11,827	-	-
Balance at end of year	<u>8,531,593</u>	<u>6,611,786</u>	<u>8,489,338</u>	<u>6,312,110</u>

Short-term borrowings from financial institutions

Sri Trang USA, Inc. the subsidiary, has credit facilities with an overseas financial institution and the standby-letters of credit of a commercial bank which are guaranteed by the Company as follows:

	Consolidated financial statements			
	31 December 2021		31 December 2020	
	Million	(Equivalent)	Million	(Equivalent)
	US Dollar	Million Baht	US Dollar	Million Baht
Credit facilities	10	334	10	300
Balances of short-term borrowings	-	-	-	-

* Restated as described in Note 1.2 to the consolidated financial statements

18.1 Long-term loans from financial institutions

As at 31 December 2021 and 2020, the Group had entered into long-term borrowing agreements with commercial banks with details as follows.

(Unit: Thousand Baht)

No.	Credit facility	Borrowing periods	Interest rate (%)	Principal and interest repayment	Consolidated and Separate financial statements	
					<u>2021</u>	<u>2020</u>
1	Baht 950 Million granted in 2018	7 years 6 months	MLR less fixed rate per annum	Principal is repayable quarterly from September 2018 and interest is repayable quarterly.	686,000	810,000
2	Baht 700 Million granted in 2018	4 years 6 months	MLR less fixed rate per annum	Principal is repayable quarterly from June 2019 and interest is repayable quarterly.	271,000	427,000
3	Baht 1,623 Million granted in 2018	7 years	6M THBFIX plus fixed rate per annum	Principal is repayable quarterly from December 2019 and interest is repayable quarterly.	1,153,000*	1,393,000*
4	Baht 1,445 Million granted in 2019	7 years 9 months	MLR less fixed rate per annum	Principal is repayable quarterly from March 2020 and interest is repayable quarterly.	1,145,000	1,325,000
5	Baht 1,000 Million granted in 2020	6 years	6M THBFIX plus fixed rate per annum	Principal is repayable quarterly from March 2022 and interest is repayable quarterly.	1,000,000	880,000
6	Baht 2,000 Million granted in 2020	6 years 1 month	MLR less fixed rate per annum	Principal is repayable quarterly from June 2021 and interest is repayable quarterly.	1,925,000	1,467,000

(Unit: Thousand Baht)

No.	Credit facility	Borrowing periods	Interest rate (%)	Principal and interest repayment	Consolidated and Separate financial statements	
					2021	2020
7	Baht 1,500 Million granted in 2020	6 years 2 months	MLR less fixed rate per annum	Principal is repayable quarterly from March 2022 and interest is repayable quarterly.	1,500,000	-
8	Baht 782 Million granted in 2021	6 years	MLR less fixed rate per annum	Principal is repayable quarterly from December 2022 and interest is repayable quarterly.	782,000	-
Total					8,462,000	6,302,000
<u>Less</u> Deferred financial service fees					(1,444)	(2,294)
Long-term borrowings - net					8,460,556	6,299,706
<u>Less</u> Current portion of long-term borrowings					(1,332,822)	(774,216)
Long-term borrowings - net from current portion					7,127,734	5,525,490

* The Group manages interest rate risk of the partial credit facilities by entering into interest rate swap contracts with fixed rate per annum.

The long-term borrowing agreements of the Group contain certain covenants that, among other things, require the Group to maintain certain financial ratios.

19. Provision for retirement benefit obligations

Movements in provision for retirement benefit obligations, which represents compensation payable to employees after they retire for the years ended 31 December 2021 and 2020, was as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u> (Restated)*	<u>2021</u>	<u>2020</u>
Provision for retirement benefit obligations at beginning of year	160,032	137,066	119,969	101,537
Included in profit or loss:				
Current service cost	14,060	11,524	11,512	9,230
Interest cost	2,296	2,418	1,739	1,804
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	-	-	-
Financial assumptions changes	(20,096)	4,620	(16,222)	3,436
Experience adjustments	12,555	5,361	16,044	4,771
Acquisition of a subsidiary (Note 1.3)	310	-	-	-
Benefits paid during the year	(882)	(957)	(882)	(809)
Provision for retirement benefit obligations at end of year	<u>168,275</u>	<u>160,032</u>	<u>132,160</u>	<u>119,969</u>

The Group and the Company expects to pay Baht 1 million of long-term employee benefits during the next year (2020: Baht 1 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit was 16 years (2020: 17 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	Consolidated and Separate financial statements	
	<u>2021</u>	<u>2020</u>
Discount rate	2.42	1.58
Future salary increase rate	3.0 - 4.0	3.0 - 4.0
Turnover rate	0.0 - 35.0	0.0 - 35.0

* Restated as described in Note 1.2 to the consolidated financial statements

The result of sensitivity analysis for significant assumptions that affect the present value of the provision for retirement benefit obligations as at 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	As at 31 December 2021			
	Consolidated financial statements		Separate financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(18,899)	22,136	(15,128)	17,771
Salary increase rate	21,629	(18,822)	17,370	(15,071)
	<u>Increase 20%</u>	<u>Decrease 20%</u>	<u>Increase 20%</u>	<u>Decrease 20%</u>
Turnover rate	(12,125)	14,417	(10,211)	12,220

(Unit: Thousand Baht)

	As at 31 December 2020			
	Consolidated financial statements		Separate financial statements	
	(Restated)*			
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(19,274)	22,432	(14,770)	17,268
Salary increase rate	22,013	(19,048)	16,935	(14,602)
	<u>Increase 20%</u>	<u>Decrease 20%</u>	<u>Increase 20%</u>	<u>Decrease 20%</u>
Turnover rate	(12,756)	15,227	(10,441)	12,577

20. Share capital

	Consolidated and Separate financial statements				
	Par value per share (Baht)	Number of shares		Share capital	
		Registered	Issued and fully paid	Registered	Issued and fully paid
Share capital as at 1 January 2020	1	1,434.78	990.00	1,434.78	990.00
Increase from receipt for additional shares	1	-	438.78	-	438.78
Change in a par value	0.5	1,434.78	1,428.78	-	-
Share capital as at 31 December 2020	0.5	2,869.56	2,857.56	1,434.78	1,428.78
Increase from receipt for additional shares (Note 21)	0.5	-	5.70	-	2.85
Share capital as at 31 December 2021	0.5	2,869.56	2,863.26	1,434.78	1,431.63

* Restated as described in Note 1.2 to the consolidated financial statements

Offering of newly issued ordinary shares of the Company to the directors executives and/or employees of the Group (“STGT ESOP”)

On 25 June 2021, the Company’s Board of Director Meeting passed a resolution approving the offering of newly issued ordinary shares under the STGT ESOP for the second allocation of 6,000,000 of new shares with a par value of Baht 0.5 each, at an offering price of Baht 37.30 per share, equivalent to 90 percent of the market price.

Subsequently, on 14 July 2021, there were 5,701,410 exercised rights. The Company received a full payment of the additional capital and then registered the increase of its issued and paid-up share capital from Baht 1,428,780,000 (2,857,560,000 ordinary shares with a par value of Baht 0.5 each) to Baht 1,431,630,705 (2,863,261,410 ordinary shares with a par value of Baht 0.5 each) with the Ministry of Commerce on 16 July 2021.

As a result of the above matters, the Company recorded premium on ordinary shares amounting to Baht 209,811,888 and transferred share-based payment reserve for the second allocation amounting to Baht 10,062,989 to premium on ordinary shares, resulting in a total premium on ordinary shares amounting to Baht 14,463,099,736 after this offering of newly issued ordinary shares.

21. Share-based payments

Options to purchase newly-issued ordinary shares of the Company offered to the directors executives and/or employees of the Group (“STGT ESOP”)

Type of securities	Newly-issued ordinary shares of the Company to be offered to the directors, executives, and/or employees of the Company and the Company’s subsidiaries
Term	Two years from the date on which the ordinary shares of the Company are listed on the SET
Number of newly-issued ordinary shares to be issued and offered	Not more than 20,000,000 shares with a par value of Baht 0.5 per share
Offering price per share	At the date of the IPO: 90 percent of the IPO price The first to second year after the IPO: 90 percent of the market price * * As specified under the notification of the Office of the Securities and Exchange Commission regarding the calculation of offer price of securities and determination of market price for consideration of offer for sale of newly-issued shares with discount

Offering period	<p>The Company will offer the newly-issued ordinary shares through the STGT ESOP's scheme as detailed below:</p> <table border="0"> <tr> <td data-bbox="667 331 850 409">The first allocation</td> <td data-bbox="866 331 1082 409">The date of the IPO:</td> <td data-bbox="1098 331 1455 409">Not more than 40 percent or 8,000,000 shares</td> </tr> <tr> <td data-bbox="667 450 850 528">The second allocation</td> <td data-bbox="866 450 1082 528">The first year after the IPO:</td> <td data-bbox="1098 450 1455 528">Not more than 30 percent, or 6,000,000 shares</td> </tr> <tr> <td data-bbox="667 568 850 647">The third allocation</td> <td data-bbox="866 568 1082 647">The second year after the IPO:</td> <td data-bbox="1098 568 1455 647">Not more than 30 percent, or 6,000,000 shares</td> </tr> </table>	The first allocation	The date of the IPO:	Not more than 40 percent or 8,000,000 shares	The second allocation	The first year after the IPO:	Not more than 30 percent, or 6,000,000 shares	The third allocation	The second year after the IPO:	Not more than 30 percent, or 6,000,000 shares
The first allocation	The date of the IPO:	Not more than 40 percent or 8,000,000 shares								
The second allocation	The first year after the IPO:	Not more than 30 percent, or 6,000,000 shares								
The third allocation	The second year after the IPO:	Not more than 30 percent, or 6,000,000 shares								
Conditions of the allocation	<p>At the record date</p> <ul style="list-style-type: none"> • Being a director, executive, and/or employee of the Company and the subsidiaries no less than 3 months • Not being under a probationary period <p>At the offering date</p> <ul style="list-style-type: none"> • Remaining a director, executive, and/or employee of the Company and the subsidiaries 									

The Company recorded transfer of share-based payment reserve for the second allocation amounting to Baht 10.1 million to premium on ordinary shares on 14 July 2021.

The Company recognised share-based payment expenses amounting to Baht 10.6 million for the year ended 31 December 2021 (2020: Baht 21.8 million)

Details of option movements are as follows:

	2021	2020
	Number of options	Number of options
	(Units)	(Units)
Outstanding as at beginning of year	12,000,000	-
Issued during the year	-	20,000,000
Exercised during the year	(5,701,410)	(8,000,000)
Expired during the year	(298,590)	-
Outstanding as at ending of year	<u>6,000,000</u>	<u>12,000,000</u>

As at 31 December 2021, the fair value of remaining option granted and the inputs of the model used were summarised below.

	<u>The second year after the IPO:</u>
Fair value of options granted (Baht)	1.84
Dividend yield (%)	1.90
Expected stock volatility* (%)	47.94
Risk-free interest rate (%)	0.52
Expected life of share options (Years)	2.05
Model used	Monte Carlo

* The expected volatility of the share options is based on historical data of the comparable company's stock price.

22. Statutory reserve

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

23. Other income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)*		
Rental income	9,782	13,134	7,527	13,134
Gain from scrap sales	62,872	53,389	62,872	53,389
Revenue from export incentive	57,209	29,623	57,209	29,623
Income from insurance claim net of damaged business assets and interruption	4,352	18,231	4,352	18,231
Compensation income received under the credit support program for rubber producers by the Rubber Authority of Thailand	149,599	78,595	149,599	78,595
Others	78,675	54,093	46,831	54,863
Total other income	<u>362,489</u>	<u>247,065</u>	<u>328,390</u>	<u>247,835</u>

* Restated as described in Note 1.2 to the consolidated financial statements

24. Other loss

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December		For the year ended 31 December	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)*		
Loss on derivative financial instruments	1,069,311	56,151	1,068,892	56,151
Loss on disposal and written-off of machinery and equipment, right-of-use assets and intangible assets	10,104	6,231	11,142	6,288
Total other loss	1,079,415	62,382	1,080,034	62,439

25. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December		For the year ended 31 December	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)*		
Changes in inventories of finished goods and work in progress	(1,222,658)	(955,129)	(1,006,123)	(362,987)
Raw materials and consumables used	14,872,503	8,484,976	12,426,881	7,974,235
Reduction of inventory cost to net realisable value (reversal)	63,898	(36,959)	63,894	(33,238)
Salaries and wages and other employee benefits	2,494,269	2,267,487	1,886,652	1,781,352
Depreciation	1,235,350	1,086,859	1,193,837	1,060,101
Amortisation of intangible assets	9,923	5,612	8,759	1,717

* Restated as described in Note 1.2 to the consolidated financial statements

26. Income tax

Income tax are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December		For the year ended 31 December	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)*		
Current income tax:				
Current income tax charge	2,495,345	1,499,064	2,327,398	1,265,444
Adjustment in respect of corporate income tax of previous year	19,867	(6,406)	19,867	(6,401)
Income tax directly related to shareholders' equity	-	59,129	-	59,129
Deferred tax:				
Relating to origination and reversal of temporary differences	(342,749)	(3,084)	(21,332)	(6,761)
Income tax reported in the profit or loss	<u>2,172,463</u>	<u>1,548,703</u>	<u>2,325,933</u>	<u>1,311,411</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December		For the year ended 31 December	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)*		
Accounting profit before tax	<u>25,876,624</u>	<u>15,965,753</u>	<u>26,587,226</u>	<u>14,995,068</u>
Applicable tax rate	17 - 25%	20 - 25%	20%	20%
Accounting profit before tax multiplied by income tax rate	5,136,778	3,224,734	5,317,445	2,999,014
Adjustment in respect of income tax of previous year	19,867	(6,406)	19,867	(6,401)
Effects of:				
Promotional privileges	(3,016,657)	(1,679,867)	(3,016,657)	(1,679,867)
Income which is not taxable	-	-	-	(6,133)
Non-deductible expenses	22,303	8,015	11,954	7,175
Additional expense deductions allowed	(1,994)	(3,370)	(1,951)	(2,377)
Others	12,166	5,597	(4,725)	-
Total	<u>(2,984,182)</u>	<u>(1,669,625)</u>	<u>(3,011,379)</u>	<u>(1,681,202)</u>
Income tax reported in the profit or loss	<u>2,172,463</u>	<u>1,548,703</u>	<u>2,325,933</u>	<u>1,311,411</u>

* Restated as described in Note 1.2 to the consolidated financial statements

The movements in deferred tax assets and liabilities for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Restated)*			
Deferred tax assets (liabilities)				
Balance at beginning of year	23,617	7,588	(68,044)	(85,342)
Effect from acquisition of a subsidiary (Note 1.3)	(21,674)	-	-	-
Income tax recognised in profit or loss				
- profit or loss	342,749	3,084	21,332	6,762
- other comprehensive income	(6,136)	10,890	(4,664)	10,536
Translation	6,931	2,055	-	-
Balance at end of year	<u>345,487</u>	<u>23,617</u>	<u>(51,376)</u>	<u>(68,044)</u>

The amounts of income tax relating to each component of other comprehensive income are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December		For the year ended 31 December	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Restated)*			
Deferred tax relating to gain on actuarial (gain) loss	(1,508)	1,996	(36)	1,642
Deferred tax relating to loss on cash flow hedges	(4,628)	8,894	(4,628)	8,894
Total	<u>(6,136)</u>	<u>10,890</u>	<u>(4,664)</u>	<u>10,536</u>

* Restated as described in Note 1.2 to the consolidated financial statements

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)*		
Deferred tax assets				
Loss from changes in fair value of derivative				
financial instruments	7,683	12,575	7,683	12,575
Allowance for diminution in value of inventories	9,142	4,969	8,259	4,000
Cumulative loss from assets revaluation and				
allowance for asset impairment	4,315	4,432	3,603	3,721
Provision for retirement benefit obligations	33,655	32,006	26,432	23,994
Unused tax losses	45,846	3,859	-	-
Intercompany profit in inventories	324,812	84,364	-	-
Intercompany profit in fixed assets	40,043	-	-	-
Others	30,018	16,182	7,408	653
Total	495,514	158,387	53,385	44,943
Deferred tax liabilities				
Assets revaluation surplus	120,113	124,645	98,718	102,910
Gain from changes in fair value on derivative				
financial instruments	1,989	3,167	1,989	3,167
Fair value adjustments from business acquisition	27,445	6,451	3,765	6,451
Others	480	507	289	459
Total	150,027	134,770	104,761	112,987
Deferred tax assets	431,940	104,233	-	-
Deferred tax liabilities	86,453	80,616	51,376	68,044

* Restated as described in Note 1.2 to the consolidated financial statements

27. Promotional privileges

The Company is granted certain privileges on its manufactures of rubber gloves pursuant to the Investment Promotion Act B.E. 2520, for the period during 2010 - 2029 totaling 11 certificates, subjected to certain imposed conditions, the privileges included among the others as follows:

- (a) Exemption from payment of import duty on imported machinery and equipment as approved by BOI committee
- (b) Exemption from payment of income tax for the periods of 5 to 8 years starting from the commencement date of the promoted business (started in 2010), and 50 percent reduced from the normal income tax rate for the next 3 to 5 years after the period of exemption from payment of income tax is expired

As a promoted industry, the Company must comply with certain conditions and restrictions provided for in the promotional certificates.

The Company's operating revenues divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	For the year ended 31 December					
	Promoted operations		Non-promoted operations		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)*		(Restated)*		(Restated)*
Sales and service income						
Domestic sales and						
service income	861,692	1,901,908	5,448,346	477,921	6,310,038	2,379,829
Export sales	<u>23,455,302</u>	<u>24,891,529</u>	<u>29,682,263</u>	<u>8,855,200</u>	<u>53,137,565</u>	<u>33,746,729</u>
Total sales	<u>24,316,994</u>	<u>26,793,437</u>	<u>35,130,609</u>	<u>9,333,121</u>	<u>59,447,603</u>	<u>36,126,558</u>
Inter-company elimination					<u>(11,896,832)</u>	<u>(5,574,181)</u>
Total					<u>47,550,771</u>	<u>30,552,377</u>

* Restated as described in Note 1.2 to the consolidated financial statements

(Unit: Thousand Baht)

	Separate financial statements					
	For the year ended 31 December					
	Promoted operations		Non-promoted operations		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Sales and service income						
Domestic sales and service income	861,692	1,901,908	2,468,863	477,921	3,330,555	2,379,829
Export sales	<u>23,455,302</u>	<u>24,891,529</u>	<u>20,703,924</u>	<u>2,462,449</u>	<u>44,159,226</u>	<u>27,353,978</u>
Total sales	<u>24,316,994</u>	<u>26,793,437</u>	<u>23,172,787</u>	<u>2,940,370</u>	<u>47,489,781</u>	<u>29,733,807</u>

28. Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that dilutive potential ordinary shares shall be deemed to have been converted into ordinary shares at the date of the issue of the options to purchase newly issued ordinary shares.

The following tables set forth the computation of basic and diluted earnings per share:

Consolidated financial statements						
For the year ended 31 December						
	Profit for the year (Thousand Baht)		Weighted average number of ordinary shares (Thousand Shares)		Earnings per share (Baht per Share)	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Basic earnings per share						
Profit attributable to equity holders of the Company	23,704,162	14,400,869	2,860,231	2,425,973	8.29	5.94
Effect of dilutive potential ordinary shares						
The options of newly issued ordinary shares under the STGT ESOP	-	-	919	665		
Diluted earnings per share						
Profit attributable to equity holders of the Company assuming the conversion of the options to ordinary shares	<u>23,704,162</u>	<u>14,400,869</u>	<u>2,861,150</u>	<u>2,426,638</u>	8.28	5.93
Separate financial statements						
For the year ended 31 December						
	Profit for the year (Thousand Baht)		Weighted average number of ordinary shares (Thousand Shares)		Earnings per share (Baht per Share)	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Basic earnings per share						
Profit attributable to equity holders of the Company	24,261,293	13,683,657	2,860,231	2,425,973	8.48	5.64
Effect of dilutive potential ordinary shares						
The options of newly issued ordinary shares under the STGT ESOP	-	-	919	665		
Diluted earnings per share						
Profit attributable to equity holders of the Company assuming the conversion of the options to ordinary shares	<u>24,261,293</u>	<u>13,683,657</u>	<u>2,861,150</u>	<u>2,426,638</u>	8.48	5.64

29. Segment information

The chief operating decision-maker has been identified as the Chief Executive Officer. The Chief Executive Officer reviews the Group's internal reporting regularly in order to assess performance and allocate resources. The Chief Executive Officer measures the business based on a measure of segment profit, which is derived on a basis consistent with the measurement of profit for the year in the consolidated financial statements.

Operating segments are defined as components of the Group for which separate financial statements available on a company basis are evaluated regularly by the chief operating decision-maker.

There are two reportable segments as follows:

- 1) Gloves: this segment also includes the manufacture and sale of rubber gloves. Whereas the engineering business and rental property business complements the manufacture of gloves
- 2) Other businesses
 - Financial asset management and financial investment

However, revenue, profit and assets of other businesses are not material to the consolidated financial statements. Therefore, such information of each segment is not presented.

Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Thousand Baht)	
	For the year ended 31 December	
	<u>2021</u>	<u>2020</u>
		(Restated)*
Revenue from external customers		
United States of America	14,259,283	6,850,954
Thailand	3,442,396	1,945,008
Germany	2,952,184	1,996,860
China	2,667,912	3,007,933
Brazil	2,073,360	1,607,912
Singapore	2,051,878	34,412
Japan	1,834,986	2,938,048
Others	18,268,772	12,171,250
Total	<u>47,550,771</u>	<u>30,552,377</u>

* Restated as described in Note 1.2 to the consolidated financial statements

(Unit: Thousand Baht)

	As at 31 December	
	2021	2020 (Restated)*
Non-current assets (other than financial instrument and deferred tax assets)		
Thailand	20,959,879	10,318,358
China	47,022	14,931
United States of America	1,091	3,237
Singapore	59	-
Total	<u>21,008,051</u>	<u>10,336,526</u>

Major customers

The Group has no major customer with revenue of 10 percent or more of revenues.

30. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Interim dividends for 2020	the Company's Board of Director Meeting on 13 November 2020	1,785.78	1.25
Total for 2020		<u>1,785.78</u>	
Dividends for the year 2020	Annual General Meeting of the shareholders on 2 April 2021	5,714.02	2.00
Interim dividends for 2021	the Company's Board of Director Meeting on 12 May 2021	4,285.73	1.50
Interim dividends for 2021	the Company's Board of Director Meeting on 10 August 2021	3,578.39	1.25
Interim dividends for 2021	the Company's Board of Director Meeting on 8 November 2021	3,576.94	1.25
Total for 2021		<u>17,155.08</u>	

* Restated as described in Note 1.2 to the consolidated financial statements

31. Commitments and contingent liabilities

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restate)*		
Capital commitments - purchase of fixed assets	7,298	3,207	19,076	3,776
Commitments from guarantees and contingent liabilities				
Bank guarantees to guarantee electricity usage	59	64	59	64
Letters of credit with overseas suppliers (USD 4 million) (2020: USD 17 million)	147	505	147	505
Bank guarantee for distribution of rubber gloves	15	11	15	11
The future aggregate minimum payments under non-cancellable lease and service agreements				
Not later than 1 year	33	10	33	10
Later than 1 year but not later than 5 years	2	2	2	2

32. Fair value measurements

As at 31 December 2021 and 2020, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows.

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2021			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets measured at fair value				
Property and plant	-	-	4,092,320	4,092,320
Derivative financial instruments	-	24,837	-	24,837
Other financial assets	36,063	598,753	-	634,816
Liabilities measured at fair value				
Derivative financial instruments	-	64,418	-	64,418

* Restated as described in Note 1.2 to the consolidated financial statements

33. Financial instruments

33.1 Derivatives and hedge accounting

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Derivative assets				
<i>Derivative assets not designated as hedging instruments</i>				
Foreign exchange options	-	8,953	-	8,953
Forward foreign exchange contracts	24,837	30,602	24,837	30,602
Total derivative assets	<u>24,837</u>	<u>39,555</u>	<u>24,837</u>	<u>39,555</u>
Derivative liabilities				
<i>Derivatives liabilities not designated as hedging instruments</i>				
Foreign exchange options	-	45,903	-	45,903
Forward foreign exchange contracts	43,086	58	42,666	58
<i>Derivatives liabilities designated as hedging instruments</i>				
Interest rate swap	21,332	44,471	21,332	44,471
Total derivative liabilities	<u>64,418</u>	<u>90,432</u>	<u>63,998</u>	<u>90,432</u>

Derivatives not designated as hedging instruments

The Group uses foreign exchange options and forward foreign exchange 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 within 6 months.

Derivatives designated as hedging instruments

As at 31 December 2021, the Group had an interest rate swap agreement to hedge the exposure to cash flow volatility which the Group has to pay. The Group receives a variable rate of interest and pays fixed rate of interest.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the variable interest rate loan (i.e., interest rate, notional amount, maturity and payment dates). The Group has established a hedge ratio of 1:1.

The impact of the hedging instruments on the statement of financial position as at 31 December 2021 and 2020 are, as follows:

	Notional amount		Carrying amount		Line item in the statement of financial position
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
	(Million Baht)		(Million Baht)		
Interest rate swap	1,153	1,393	21	44	Non-current liabilities - derivatives

There is no ineffectiveness recognised in profit or loss.

Effect from interest rate benchmark reform

The Group has exposures from certain borrowings agreements to benchmark InterBank Offered Rates (“IBORs”) of its financial instruments since there is uncertainty over the timing and the methods of transition in some jurisdictions in which the Group operates. The Group anticipates that IBOR reform will impact its risk management and hedge accounting. The Group applies temporary exceptions which enable entities to continue applying hedge accounting during the period of uncertainty.

However, the Group monitors and evaluates the effect of IBORs reform and adhere to International Swaps and Derivatives Association (ISDA) protocol to transit to alternative benchmark rates after the IBORs reform. If the counterparties agree to adhere to ISDA protocol, the Company and the counterparties are not required to revise a bilateral contract.

As at 31 December 2021, the Group has interest rate swaps with nominal amounts of Baht 1,153 million that are designated as hedging instruments to hedge cash flows on loans that carry interest at floating rates based on THBFIX and mature within 2025.

33.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, short-term and long-term loans. 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, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

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.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by geography and customer rating.

Cash deposits and financial instruments

The credit risk on cash deposits and financial instruments are limited because the Group has a policy to consider and approve credit limits assigned to each counterparty by the Group's Board of Director. The counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising currency risk and interest rate risk. The Group enters into a variety of derivatives to manage its risk exposure, including:

- foreign exchange options and forward foreign exchange contracts to hedge the foreign currency risk arising on the export or import of goods;
- interest rate swaps to mitigate the risk of rising interest rates;

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 options and forward foreign exchange contracts when it considers appropriate. Generally, the forward contracts mature within 6 months.

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

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
		(Restated)*		(Restated)*		
US dollar	71.97	134.28	13.23	21.39	33.4199	30.0371

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 as at 31 December 2021 and 2020. The Group's exposure to foreign currency changes for other currencies is not material.

Currency	Increase / (Decrease) (percent)	Effect on profit before tax (Thousand Baht)	
		<u>2021</u>	<u>2020</u>
			(Restated)*
US dollar	1.56	30,560	52,598
	(1.56)	(30,560)	(52,598)

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

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, short-term and long-term borrowings. 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 enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

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

(Unit: Thousand Baht)

	Consolidated financial statements						Effective interest rate (percent per annum)
	As at 31 December 2021						
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalent	7,670,160	-	-	11,875,707	1,460,262	21,006,129	0.05 - 0.60
Trade and other receivables	-	-	-	-	2,654,299	2,654,299	-
Other financial assets	264,105	-	-	-	370,711	634,816	12.00 - 15.00
Total	7,934,265	-	-	11,875,707	4,485,272	24,295,244	
Financial liabilities							
Trade and other payables	-	-	-	-	2,935,598	2,935,598	-
Long-term borrowings from financial institutions	-	-	-	8,462,000	-	8,462,000	(1) , (2)
Total	-	-	-	8,462,000	2,935,598	11,397,598	

(Unit: Thousand Baht)

	Consolidated financial statements						Effective interest rate (percent per annum)
	As at 31 December 2020 (Restated)*						
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalent	6,000,000	-	-	18,135,378	138,608	24,273,986	0.05 - 0.60
Trade and other receivables	-	-	-	-	5,234,484	5,234,484	-
Total	6,000,000	-	-	18,135,378	5,373,092	29,508,470	
Financial liabilities							
Trade and other payables	-	-	-	-	3,614,497	3,614,497	-
Short-term borrowings from financial institutions	280,000	-	-	-	-	280,000	1.20 - 1.41
Long-term borrowings from financial institutions	-	-	-	6,299,707	-	6,299,707	(1) , (2)
Total	280,000	-	-	6,299,707	3,614,497	10,194,204	

* Restated as described in Note 1.2 to the consolidated financial statements

(Unit: Thousand Baht)

Separate financial statements							
As at 31 December 2021							
Fixed interest rates							
Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non - interest bearing	Total	Effective interest rate (percent per annum)	
Financial assets							
Cash and cash equivalent	6,000,000	-	-	11,201,289	319,255	17,520,544	0.05 - 0.60
Trade and other receivables	-	-	-	-	4,048,830	4,048,830	-
Short-term loans to subsidiary	400,000	-	-	-	-	400,000	Note 6
Total	6,400,000	-	-	11,201,289	4,368,085	21,969,374	
Financial liabilities							
Trade and other payables	-	-	-	-	2,721,668	2,721,668	-
Long-term borrowings from financial institutions	-	-	-	8,462,000	-	8,462,000	(1) , (2)
Total	-	-	-	8,462,000	2,721,668	11,183,668	

(Unit: Thousand Baht)

Separate financial statements							
As at 31 December 2020							
Fixed interest rates							
Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non - interest bearing	Total	Effective interest rate (percent per annum)	
Financial assets							
Cash and cash equivalent	6,000,000	-	-	16,910,809	138,549	23,049,358	0.05 - 0.60
Trade and other receivables	-	-	-	-	5,571,773	5,571,773	-
Total	6,000,000	-	-	16,910,809	5,710,322	28,621,131	
Financial liabilities							
Trade and other payables	-	-	-	-	3,259,626	3,259,626	-
Long-term borrowings from financial institutions	-	-	-	6,299,707	-	6,299,707	(1) , (2)
Total	-	-	-	6,299,707	3,259,626	9,559,333	

(1) MLR less fixed rate per annum

(2) 6M THBFIX plus fixed rate per annum

Interest rate sensitivity

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 floating rate loans from financial institutions affected as at 31 December 2021 and 2020, with all other variables held constant.

Increase / (decrease)	2021		2020	
	Effect on profit		Effect on profit	
	before tax	Effect on equity	before tax	Effect on equity
(Percent)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
0.75	(43,408)	11,613	(47,248)	23,599
(0.75)	43,408	(11,879)	47,248	(23,599)

The above analysis has been prepared assuming that the amounts of loans from financial institutions, and derivatives and all other variables remain constant over one year. Moreover, the floating legs of loans from financial institutions and derivatives are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest receivable/payable for the full 12-month period of the sensitivity calculation. This information is not a forecast or prediction of future market conditions and should be used with care.

Liquidity risk

The Group implements liquidity risk management procedures through the use of loan from financial institution and leases. The Group's management assessed the risk relating to its ability to repay as low since the Group has access to sufficient and varied sources of funding and ability to request an extension to the repayment period for debts due within 12 months. Moreover, the management of the Group considers that there is sufficient working capital to the meet the cash flows to be paid in the near future.

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

(Unit: Thousand Baht)

Consolidated financial statements

	31 December 2021			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Non-derivatives				
Trade and other payables	2,935,598	-	-	2,935,598
Long-term loans from financial institution	1,555,140	7,428,929	118,431	9,102,500
Lease liabilities	33,670	40,859	-	74,529
Total non-derivatives	4,524,408	7,469,788	118,431	12,112,627
Derivatives				
Forward foreign exchange contracts	43,086	-	-	43,086
Interest rate swap	-	21,332	-	21,332
Total derivatives	43,086	21,332	-	64,418

(Unit: Thousand Baht)

Consolidated financial statements

	31 December 2020 (Restated)*			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Non-derivatives				
Trade and other payables	2,356,148	-	-	2,356,148
Short-term loan from financial institution	280,506	-	-	280,506
Long-term loans from financial institution	955,404	5,644,000	246,861	6,846,265
Lease liabilities	18,638	14,944	-	33,582
Total non-derivatives	3,610,696	5,658,944	246,861	9,516,501
Derivatives				
Foreign exchange options	45,903	-	-	45,903
Forward foreign exchange contracts	58	-	-	58
Interest rate swap	-	44,471	-	44,471
Total derivatives	45,961	44,471	-	90,432

* Restated as described in Note 1.2 to the consolidated financial statements

(Unit: Thousand Baht)

	Separate financial statements			
	31 December 2021			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Non-derivatives				
Trade and other payables	2,721,668	-	-	2,721,668
Long-term loans from financial institution	1,555,140	7,428,929	118,431	9,102,500
Lease liabilities	14,068	15,714	-	29,782
Total non-derivatives	4,290,876	7,444,643	118,431	11,853,950
Derivatives				
Forward foreign exchange contracts	42,666	-	-	42,666
Interest rate swap	-	21,332	-	21,332
Total derivatives	42,666	21,332	-	63,998

(Unit: Thousand Baht)

	Separate financial statements			
	31 December 2020			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Non-derivatives				
Trade and other payables	2,255,082	-	-	2,255,082
Long-term loans from financial institution	955,404	5,644,000	246,861	6,846,265
Lease liabilities	6,224	6,852	-	13,076
Total non-derivatives	3,216,710	5,650,852	246,861	9,114,423
Derivatives				
Foreign exchange options	45,903	-	-	45,903
Forward foreign exchange contracts	58	-	-	58
Interest rate swap	-	44,471	-	44,471
Total derivatives	45,961	44,471	-	90,432

33.3 Fair values of financial instruments

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

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

34. 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.

35. Events after the reporting period

On 17 February 2022, the Company's Board of Director Meeting passed the following resolutions.

Dividend

The Company's Board of Director Meeting passed resolutions to approve a dividend payment in respect of operating results of 2021 to shareholders of Baht 0.65 per share, totaling of Baht 1,861.12 million. The Company will propose the Company's Shareholder Annual General Meeting to approve the dividend payment within second quarter of 2022.

Share repurchase program

The Company's Board of Director Meeting passed resolutions to approve the share repurchase program for financial management purpose in the maximum amount not exceeding Baht 3,600 million and the number of the shares to be repurchased not exceeding 120,000,000 shares (par value of Baht 0.5 each) or equivalent to 4.2 percent of the total issued shares. The repurchase period covers the duration of 6 months, starting from 7 March 2022 to 6 September 2022. In this regard, the Company intends to repurchase the shares on the Stock Exchange of Thailand only. The share resales period will be determined after 6 months from the completion date not later than 3 years.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Director on 17 February 2022.