

Sri Trang Gloves (Thailand) Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2022

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 2022, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of 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 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the 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 competition in the rubber glove market has a direct impact on 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 2023

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

Statement of financial position

As at 31 December 2022

(Unit: Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets					
Current assets					
Cash and cash equivalents	7	14,350,701,692	21,006,128,944	8,790,234,346	17,520,543,697
Trade and other receivables	8	2,086,243,236	2,816,075,380	2,300,301,760	4,111,632,712
Short-term loans to subsidiary	6	-	-	150,000,000	400,000,000
Inventories	9	3,364,087,806	4,778,091,158	2,210,895,173	3,440,325,357
Derivative financial instruments	33.1	241,881,401	24,837,308	241,868,680	24,837,308
Other current financial assets	11	-	264,105,305	-	-
Other current assets	10	300,498,897	656,469,524	223,680,891	519,736,630
Total current assets		<u>20,343,413,032</u>	<u>29,545,707,619</u>	<u>13,916,980,850</u>	<u>26,017,075,704</u>
Non-current assets					
Derivative financial instruments	33.1	1,997,355	-	1,997,355	-
Other non-current financial assets	11	1,023,867,815	370,710,729	-	-
Investments in subsidiaries	12	-	-	8,008,453,507	5,064,861,147
Property, plant and equipment	13	26,130,759,427	20,369,667,844	25,754,604,391	19,654,760,692
Right-of-use assets	14.1	72,734,636	77,638,599	21,567,790	32,361,084
Intangible asset - computer software	15	195,115,268	169,230,502	193,069,736	165,125,724
Goodwill	16	220,884,790	220,884,790	220,884,790	220,884,790
Withholding tax deducted at source		157,690,066	109,977,898	-	-
Deferred tax assets	26	374,509,260	431,940,020	-	-
Other non-current assets		7,561,294	7,066,093	1,756,941	1,269,298
Total non-current assets		<u>28,185,119,911</u>	<u>21,757,116,475</u>	<u>34,202,334,510</u>	<u>25,139,262,735</u>
Total assets		<u>48,528,532,943</u>	<u>51,302,824,094</u>	<u>48,119,315,360</u>	<u>51,156,338,439</u>

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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	17	2,403,222,674	3,620,736,726	2,046,931,481	3,309,574,674
Short-term borrowings from financial institutions	18.1	172,812,000	-	-	-
Current portions of:					
- Long-term borrowings from financial institutions	18.2	1,715,714,709	1,332,821,708	1,715,714,709	1,332,821,708
- Debentures	18.3	13,953,423	-	13,953,423	-
- Lease liabilities	14.2	39,443,271	31,565,085	11,627,976	13,426,233
Income tax payable		31,688,890	554,614,015	31,512,108	550,907,892
Derivative financial instruments	33.1	15,510,719	43,085,518	-	42,665,903
Other current liabilities		14,863,949	63,614,820	12,069,257	58,769,612
Total current liabilities		4,407,209,635	5,646,437,872	3,831,808,954	5,308,166,022
Non-current liabilities					
Non-current portions of:					
- Long-term borrowings from financial institutions	18.2	5,411,982,152	7,127,733,907	5,411,982,152	7,127,733,907
- Debentures	18.3	1,498,265,078	-	1,498,265,078	-
- Lease liabilities	14.2	33,622,298	39,472,105	8,010,068	15,356,187
Derivative financial instruments	33.1	1,126,858	21,332,231	1,126,858	21,332,231
Provision for retirement benefit obligations	19	176,412,391	168,275,296	140,338,791	132,159,809
Deferred tax liabilities	26	189,209,104	86,453,462	139,485,963	51,376,103
Total non-current liabilities		7,310,617,881	7,443,267,001	7,199,208,910	7,347,958,237
Total liabilities		11,717,827,516	13,089,704,873	11,031,017,864	12,656,124,259

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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
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					
2,865,179,910 ordinary shares (2021: 2,863,261,410 shares) of Baht 0.5 each		1,432,589,955	1,431,630,705	1,432,589,955	1,431,630,705
Premium on ordinary shares	20	14,494,582,321	14,463,099,736	14,494,582,321	14,463,099,736
Share-based payment reserve	21	-	8,181,559	-	8,181,559
Surplus on the amalgamation		483,694,988	483,694,988	483,694,988	483,694,988
Deficit on business combination under common control		(787,230,800)	(787,230,800)	-	-
Retained earnings					
Appropriated - statutory reserve	22	143,478,000	143,478,000	143,478,000	143,478,000
Unappropriated		20,210,346,086	21,812,503,774	19,873,457,838	21,675,295,805
Other components of shareholders' equity					
Surplus on revaluation of assets - net of income tax		723,299,958	397,478,497	584,196,071	311,899,172
Exchange differences on translation of financial statements in foreign currencies		238,748,019	282,206,128	-	-
Cash flow hedge reserve - net of income tax		76,298,323	(17,065,785)	76,298,323	(17,065,785)
Deficit on changes in fair value through other comprehensive income of investments in equity		(205,101,423)	(4,857,581)	-	-
Total shareholders' equity		<u>36,810,705,427</u>	<u>38,213,119,221</u>	<u>37,088,297,496</u>	<u>38,500,214,180</u>
Total liabilities and shareholders' equity		<u>48,528,532,943</u>	<u>51,302,824,094</u>	<u>48,119,315,360</u>	<u>51,156,338,439</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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Profit or loss:					
Revenues from sales of goods and services		23,304,819,683	47,550,771,239	21,540,900,522	47,489,780,861
Cost of sales and services		<u>(19,048,019,604)</u>	<u>(19,291,762,237)</u>	<u>(18,128,798,981)</u>	<u>(18,898,598,233)</u>
Gross profit		4,256,800,079	28,259,009,002	3,412,101,541	28,591,182,628
Other income	23	204,572,243	362,488,915	204,904,419	328,390,435
Dividend income	12	4,741,865	-	23,999,640	-
Selling and distribution expenses		(1,332,515,853)	(1,376,214,658)	(1,054,957,697)	(1,154,387,102)
Administrative expenses		(1,068,562,987)	(866,573,284)	(891,189,803)	(665,077,888)
Gain on exchange rates		101,695,960	598,141,198	170,045,453	590,477,743
Other (gain) loss	24	<u>(257,241,719)</u>	<u>(1,079,415,244)</u>	<u>(141,062,769)</u>	<u>(1,080,034,287)</u>
Operating profit		1,909,489,588	25,897,435,929	1,723,840,784	26,610,551,529
Finance income		160,847,413	106,541,574	69,021,006	101,136,039
Finance cost		<u>(186,806,428)</u>	<u>(127,352,872)</u>	<u>(179,314,156)</u>	<u>(124,461,375)</u>
Profit before income tax		1,883,530,573	25,876,624,631	1,613,547,634	26,587,226,193
Income tax	26	<u>(231,479,073)</u>	<u>(2,172,462,582)</u>	<u>(153,550,106)</u>	<u>(2,325,932,922)</u>
Profit for the year		<u>1,652,051,500</u>	<u>23,704,162,049</u>	<u>1,459,997,528</u>	<u>24,261,293,271</u>

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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currencies					
		(43,458,109)	280,646,555	-	-
		93,364,108	18,511,445	93,364,108	18,511,445
Gain on cash flow hedges - net of income tax					
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax					
		49,905,999	299,158,000	93,364,108	18,511,445
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Changes in revaluation of assets - net of income tax					
	13	347,075,104	-	291,274,286	-
Actuarial gain - net of income tax					
		7,377,364	6,031,609	5,207,227	142,690
Loss on changes in value of equity investments designated at fair value through other comprehensive income					
		(197,063,928)	(4,857,581)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax					
		157,388,540	1,174,028	296,481,513	142,690
Other comprehensive income for the year					
		207,294,539	300,332,028	389,845,621	18,654,135
Total comprehensive income for the year					
		1,859,346,039	24,004,494,077	1,849,843,149	24,279,947,406
Earnings per share					
28					
Basic earnings per share					
		0.58	8.29	0.51	8.48
Profit attributable to equity holders of the Company					
Diluted earnings per share					
		0.58	8.28	0.51	8.48
Profit attributable to equity holders of the Company					

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 2022

(Unit: Baht)

Consolidated financial statements															
Attributable to the equity holders of the Company															
	Other components of shareholders' equity														
	Other comprehensive income														
	Issued and paid-up share capital	Premium on ordinary shares	Share-based payment reserve	Surplus on amalgamation	Deficit on business combination under common control	Retained earnings		Surplus on revaluation of assets - net of income tax	Exchange differences on translation of financial statements 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	Total equity attributable to the equity holders of the Company	Former shareholders before restructuring of the subsidiary	Total shareholders' equity
Appropriated - statutory reserve						Unappropriated									
Balance as at 1 January 2021	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 on revaluation of assets	-	-	-	-	-	-	17,814,203	(17,814,203)	-	-	-	(17,814,203)	-	-	-
Business combination under common control	-	-	-	-	(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	-	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	<u>1,431,630,705</u>	<u>14,463,099,736</u>	<u>8,181,559</u>	<u>483,694,988</u>	<u>(787,230,800)</u>	<u>143,478,000</u>	<u>21,812,503,774</u>	<u>397,478,497</u>	<u>282,206,128</u>	<u>(17,065,785)</u>	<u>(4,857,581)</u>	<u>657,761,259</u>	<u>38,213,119,221</u>	<u>-</u>	<u>38,213,119,221</u>
Balance as at 1 January 2022	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
Profit for the year	-	-	-	-	-	-	1,652,051,500	-	-	-	-	-	1,652,051,500	-	1,652,051,500
Other comprehensive income for the year	-	-	-	-	-	-	7,377,364	347,075,104	(43,458,109)	93,364,108	(197,063,928)	199,917,175	207,294,539	-	207,294,539
Total comprehensive income for the year	-	-	-	-	-	-	1,659,428,864	347,075,104	(43,458,109)	93,364,108	(197,063,928)	199,917,175	1,859,346,039	-	1,859,346,039
Amortisation on surplus on revaluation of assets	-	-	-	-	-	-	21,253,643	(21,253,643)	-	-	-	(21,253,643)	-	-	-
Share-based payment (Note 21)	-	-	2,858,441	-	-	-	-	-	-	-	-	-	2,858,441	-	2,858,441
Issuance of additional ordinary shares (Note 20)	959,250	27,952,545	-	-	-	-	-	-	-	-	-	-	28,911,795	-	28,911,795
Transfer share-based payment reserve to premium on ordinary shares (Note 20)	-	3,530,040	(11,040,000)	-	-	-	7,509,960	-	-	-	-	-	-	-	-
Disposal of other financial assets	-	-	-	-	-	-	3,179,914	-	-	-	(3,179,914)	(3,179,914)	-	-	-
Dividends paid (Note 30)	-	-	-	-	-	-	(3,293,530,069)	-	-	-	-	-	(3,293,530,069)	-	(3,293,530,069)
Balance as at 31 December 2022	<u>1,432,589,955</u>	<u>14,494,582,321</u>	<u>-</u>	<u>483,694,988</u>	<u>(787,230,800)</u>	<u>143,478,000</u>	<u>20,210,346,086</u>	<u>723,299,958</u>	<u>238,748,019</u>	<u>76,298,323</u>	<u>(205,101,423)</u>	<u>833,244,877</u>	<u>36,810,705,427</u>	<u>-</u>	<u>36,810,705,427</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 (continued)

For the year ended 31 December 2022

(Unit: Baht)

	Separate financial statements									
					Other components of shareholders' equity					
					Retained earnings		Other comprehensive income		Total other	Total
	Issued and paid-up share capital	Premium on ordinary shares	Share-based payment reserve	Surplus on the amalgamation	Appropriated - statutory reserve	Unappropriated	Surplus on revaluation of assets - net of income tax	Cash flow hedge reserve - net of income tax	components of shareholders' equity	shareholders' equity
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 on revaluation of assets	-	-	-	-	-	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	-	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	<u>1,431,630,705</u>	<u>14,463,099,736</u>	<u>8,181,559</u>	<u>483,694,988</u>	<u>143,478,000</u>	<u>21,675,295,805</u>	<u>311,899,172</u>	<u>(17,065,785)</u>	<u>294,833,387</u>	<u>38,500,214,180</u>
Balance as at 1 January 2022	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
Profit for the year	-	-	-	-	-	1,459,997,528	-	-	-	1,459,997,528
Other comprehensive income for the year	-	-	-	-	-	5,207,227	291,274,286	93,364,108	384,638,394	389,845,621
Total comprehensive income for the year	-	-	-	-	-	1,465,204,755	291,274,286	93,364,108	384,638,394	1,849,843,149
Amortisation on surplus on revaluation of assets	-	-	-	-	-	18,977,387	(18,977,387)	-	(18,977,387)	-
Share-based payments (Note 21)	-	-	2,858,441	-	-	-	-	-	-	2,858,441
Issuance of additional ordinary shares (Note 20)	959,250	27,952,545	-	-	-	-	-	-	-	28,911,795
Transfer share-based payment reserve to premium on ordinary shares (Note 20)	-	3,530,040	(11,040,000)	-	-	7,509,960	-	-	-	-
Dividends paid (Note 30)	-	-	-	-	-	(3,293,530,069)	-	-	-	(3,293,530,069)
Balance as at 31 December 2022	<u>1,432,589,955</u>	<u>14,494,582,321</u>	<u>-</u>	<u>483,694,988</u>	<u>143,478,000</u>	<u>19,873,457,838</u>	<u>584,196,071</u>	<u>76,298,323</u>	<u>660,494,394</u>	<u>37,088,297,496</u>

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 2022

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flows from operating activities				
Profit before income tax	1,883,530,573	25,876,624,631	1,613,547,634	26,587,226,193
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Unrealised (gain) loss on exchange rates	65,517,555	(31,528,662)	56,407,307	(34,485,868)
Unrealised (gain) loss on revaluation of derivative financial instruments	(162,435,844)	11,841,889	(177,514,227)	11,422,274
Loss on disposal of derivative financial instruments	1,682,521	-	-	-
Loss on conversion of derivative instruments to underlying equity instruments	83,848,169	-	-	-
Share-based payment expense	2,858,441	10,618,118	2,858,441	10,618,118
Expected credit losses	103,586,830	2,373,385	103,025,432	2,211,870
Reduction of inventory to net realisable value	156,187,926	63,897,574	52,576,273	63,894,093
Expenses for retirement benefit obligations	18,745,133	16,355,755	15,757,016	13,251,042
Depreciation	1,428,658,288	1,235,349,538	1,385,556,447	1,193,836,592
Amortisation - intangible assets	20,891,607	11,808,612	18,237,471	8,759,334
Impairment loss from assets revaluation	4,013,294	-	5,795,655	-
Dividend income	(4,741,865)	-	(23,999,640)	-
Finance income	(160,847,413)	(106,541,574)	(69,021,006)	(101,136,039)
Finance cost	186,806,428	127,352,872	179,314,156	124,461,375
Write-off for assets under construction from fire incident	-	51,195,141	-	51,195,141
Loss (gain) on disposal and write-off for machinery and equipment, right-of-use assets and intangible assets	(1,092,689)	10,103,763	(949,779)	11,142,421
Profit from operating activities before changes in operating assets and liabilities	3,627,208,954	27,279,451,042	3,161,591,180	27,942,396,546
Operating assets (increase) decrease				
Trade and other receivables	575,548,414	2,461,755,382	1,627,967,897	1,500,476,353
Inventories	1,257,815,426	(1,575,630,941)	1,176,853,911	(1,379,829,668)
Other current assets	355,585,764	364,994,238	285,920,474	450,031,682
Other non-current assets	681,729	(43,734,859)	689,287	(1,113,507)
Operating liabilities increase (decrease)				
Trade and other payables	(834,753,084)	(912,496,217)	(715,640,147)	(886,389,685)
Other current liabilities	(48,750,871)	5,864,011	(46,700,355)	39,637,694
Provision for retirement benefit obligations	(1,386,333)	(882,000)	(1,069,000)	(882,000)
Cash flows provided by operating activities	4,931,949,999	27,579,320,656	5,489,613,247	27,664,327,415
Cash received from interest income	155,706,801	99,812,805	93,009,856	95,585,602
Cash paid for interest expenses	(257,577,791)	(234,390,310)	(250,085,925)	(231,503,029)
Cash received from withholding tax deducted at source refund	29,597,911	53,137,865	6,054,938	-
Cash paid for income tax	(774,661,220)	(3,427,051,066)	(665,897,749)	(2,993,205,330)
Net cash flows provided by operating activities	4,085,015,700	24,070,829,950	4,672,694,367	24,535,204,658

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 2022

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flows from investing activities				
Cash received from dividend income	4,183,563	-	23,999,640	-
Cash received from disposal of other financial assets	27,754,495	-	-	-
Cash paid for other financial assets	(693,287,175)	(639,673,615)	-	-
Cash received from disposal of derivative financial instruments	357,205	-	-	-
Cash paid for purchases of derivative financial instruments	(2,039,726)	-	-	-
Cash received from repayment of short-term loan to subsidiary	-	-	250,000,000	-
Cash paid for short-term loan to a subsidiary	-	-	-	(400,000,000)
Cash paid for investment in subsidiaries	-	(1,249,686,093)	(2,943,592,360)	(4,634,373,316)
Cash paid for advance payment fixed assets	(1,176,930)	-	(1,176,930)	-
Cash received from disposal of machinery and equipment	5,132,856	15,940,487	4,899,641	7,073,614
Cash paid for purchases of property, plant and equipment and intangible assets	<u>(7,074,650,322)</u>	<u>(10,649,065,913)</u>	<u>(7,624,642,181)</u>	<u>(10,243,075,182)</u>
Net cash flows used in investing activities	<u>(7,733,726,034)</u>	<u>(12,522,485,134)</u>	<u>(10,290,512,190)</u>	<u>(15,270,374,884)</u>
Cash flows from financing activities				
Proceeds from short-term borrowings from related party	171,726,000	-	-	-
Repayments of short-term borrowings from financial institutions	-	(280,000,000)	-	-
Proceeds from long-term borrowings from financial institutions	-	2,935,000,000	-	2,935,000,000
Repayments of long-term borrowings from financial institutions	(1,333,550,000)	(775,000,000)	(1,333,550,000)	(775,000,000)
Proceeds from issuance of debentures	1,500,000,000	-	1,500,000,000	-
Repayments of lease liabilities	(38,703,076)	(40,029,271)	(14,323,254)	(11,230,960)
Proceeds from increase in ordinary shares	28,911,795	212,662,593	28,911,795	212,662,593
Dividends paid	<u>(3,293,530,069)</u>	<u>(17,155,076,021)</u>	<u>(3,293,530,069)</u>	<u>(17,155,076,021)</u>
Net cash flows used in financing activities	<u>(2,965,145,350)</u>	<u>(15,102,442,699)</u>	<u>(3,112,491,528)</u>	<u>(14,793,644,388)</u>
Increase (decrease) in translation adjustments	<u>(41,571,568)</u>	<u>286,241,301</u>	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	<u>(6,655,427,252)</u>	<u>(3,267,856,582)</u>	<u>(8,730,309,351)</u>	<u>(5,528,814,614)</u>
Cash and cash equivalents at beginning 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>
Cash and cash equivalents at end of year	<u>14,350,701,692</u>	<u>21,006,128,944</u>	<u>8,790,234,346</u>	<u>17,520,543,697</u>
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions:				
Increase in payables from purchases of assets	-	560,126,669	-	616,409,030
Increase in retention	96,707,894	351,944,765	70,528,995	316,571,298
Purchases of assets by entering into lease agreements	44,842,186	73,646,838	5,178,878	27,609,705
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 2022

1. General 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.

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	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
						(%)	(%)
Premier System Engineering Co., Ltd. (“PSE”)	Providing engineering services	Thailand	Baht	50,000,000	50,000,000	99.99	99.99
Sadao P.S. Rubber Co., Ltd. (“PS”)	Providing rental services of real estate	Thailand	Baht	40,000,000	40,000,000	99.99	99.99
Shidong Shanghai Medical Equipment Co., Ltd. (“SDME”)	Distribution of gloves	China	USD	4,150,000	4,150,000	100.00	100.00
Sri Trang Gloves (Singapore) Pte. Ltd. (“STGS”)	Distribution of gloves and research and development	Singapore	USD	1,000,000	1,000,000	100.00	100.00
Sri Trang Gloves Global Pte. Ltd. (“STGG”)	Financial asset management and financial investment	Singapore	USD	180,000,000*	100,000,000*	100.00	100.00
PT Sri Trang Gloves Indo (“STGI”)	Distribution of gloves	Indonesia	IDR	10,000,000,000	10,000,000,000	100.00	100.00
Sri Trang Gloves Vietnam Company Limited. (“STGV”)	Distribution of gloves	Vietnam	VND	22,670,000,000	22,670,000,000	100.00	100.00
Sri Trang Gloves Philippines Inc. (“STGP”)	Distribution of gloves	Philippines	PHP	10,470,100	-	99.99	-
Sri Trang USA, Inc. (“STU”)	Distribution of gloves	United states of America	USD	115	115	100.00	100.00
Sri Trang Responsible Gloves Supply Inc. (“STRG”)	Distribution of gloves	United states of America	USD	500,000	-	100.00	-

*Paid-up capital of STGG is comprised of 20,000,000 ordinary shares and 160,000,000 preferred shares (2021: 20,000,000 ordinary shares and 80,000,000 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 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 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

However, the Group has adopted the temporary reliefs in accordance with TFRS 9 Financial Instruments and TFRS 7 Disclosure of Financial Instruments, which apply to transactions directly affected by interest rate benchmark reform, including changes to contractual cash flows or hedging relationships arising from the replacement of the referenced interest rate benchmark with an alternative benchmark rate.

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

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

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

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

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally 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 contracts 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 Group 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 on the initial recognition date.

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
Buildings and structures	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 Group'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 33.1 to the 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 has entered into contracts of derivative financial instruments as follows.

- Forward foreign exchange contracts to hedge its foreign currency risks
- Interest rate swaps to hedge its interest rate risks
- Equity accumulators for investment activity

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 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 hedging relationships.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including analysis of the sources 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. The effective portion of the gain or loss from changes in fair value of hedge instruments is recognised as cash flow hedge reserve in other comprehensive income. The reserve will subsequently transfer to profit or loss. While any ineffective portion is recognised immediately in profit or loss.

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	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Transactions with parent company				
Sales of goods	10,152	59,933	198	52,278
Purchases of goods	4,892,117	4,410,564	4,892,117	4,410,564
Service income	267,646	40,973	-	-
Other income	8,438	7,095	3,372	3,420
Rental income	-	55	-	-
Service expenses	68,226	63,489	53,435	48,412
Purchases of fixed assets	-	330,140	-	330,140
Transactions with subsidiaries				
Sales of goods	-	-	3,515,661	9,030,553
Purchases of goods	-	-	32,697	58,174
Dividend income	-	-	24,000	-
Other income	-	-	8,963	6,758
Commission expenses	-	-	2,141	-
Service expenses	-	-	314,482	288,539
Interest income	-	-	2,588	490
Purchases of fixed assets	-	-	1,904,400	3,996,140

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Transactions with related companies				
Sales of goods	6,405	207,203	-	203,029
Purchases of goods	2,308,450	2,982,476	2,308,402	2,982,467
Service income	94,591	40,488	-	-
Other income	14,407	15,079	7,096	7,795
Rental income	360	330	360	330
Service expenses	247,141	227,570	228,486	215,011
Commission expenses	-	2,157	-	2,157
Purchases of fixed assets	104,560	69,210	104,560	69,210
Transactions with directors and related parties				
Purchases of fixed assets	-	13,320	-	13,320

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 income, service expenses, rental income and commission 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 significant business transactions

As at 31 December 2022 and 2021, the balances of the accounts between the Group and those related parties were as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Trade accounts receivable (Note 8)				
Parent company	35,236	8,877	84	485
Subsidiaries	-	-	665,310	1,605,389
Related companies	14,637	50,122	37	46,883
	<u>49,873</u>	<u>58,999</u>	<u>665,431</u>	<u>1,652,757</u>
Other receivables (Note 8)				
Parent company	37,104	9,638	3,170	1,360
Subsidiaries	-	-	3,289	15,647
Related companies	1,320	2,620	632	1,015
	<u>38,424</u>	<u>12,258</u>	<u>7,091</u>	<u>18,022</u>
Advance payments (Note 8)				
Related company	<u>-</u>	<u>10,438</u>	<u>-</u>	<u>10,340</u>
Trade accounts payables (Note 17)				
Parent company	314,701	438,855	314,188	438,671
Subsidiaries	-	-	24,320	59,594
Related companies	55,310	144,805	54,142	143,685
	<u>370,011</u>	<u>583,660</u>	<u>392,650</u>	<u>641,950</u>
Other payables (Note 17)				
Parent company	77	785	5	4
Subsidiaries	-	-	56,289	267,101
Related companies	1,918	7,340	1,802	7,340
	<u>1,995</u>	<u>8,125</u>	<u>58,096</u>	<u>274,445</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Retention payables (Note 17)				
Subsidiaries	-	-	20,140	10,331
Advance receipt for goods and others (Note 17)				
Parent company	30,205	12,190	-	-
Related companies	27,788	8,207	-	-
	<u>57,993</u>	<u>20,397</u>	<u>-</u>	<u>-</u>

Short-term loans to subsidiaries

As at 31 December 2022, the Company had the balance of a short-term loans to PSE amounting to Baht 150 million. The loans are unsecured and are repayable in March 2023.

As at 31 December 2022, the Company had the balance of interest receivable from a short-term loan to PSE amounting to Baht 0.07 million (2021: Baht 0.49 million).

Movements in the balance of short-term loans to subsidiary during the year ended 31 December 2022 are as follows.

	(Unit: Thousand Baht)
	Separate financial statements
Balance as at 1 January 2022	400,000
Decrease	(250,000)
Balance as at 31 December 2022	<u>150,000</u>

Directors and management's benefits

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	108,187	136,322	61,713	72,849
Post-employment benefits	2,927	3,177	1,447	1,437
Share-based payment benefits	1,643	6,104	1,643	6,104
Total	<u>112,757</u>	<u>145,603</u>	<u>64,803</u>	<u>80,390</u>

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its subsidiary, as described in Note 18.1 to the financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash	255	240	195	175
Bank deposits	<u>14,350,447</u>	<u>21,005,889</u>	<u>8,790,039</u>	<u>17,520,369</u>
Total	<u>14,350,702</u>	<u>21,006,129</u>	<u>8,790,234</u>	<u>17,520,544</u>

As at 31 December 2022, bank deposits carried interests between 0.05 and 8.50 percent per annum (Separate financial statements: 0.05 and 0.60 percent per annum) (2021: 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Trade accounts receivable - related parties (Note 6)				
Aged on the basis of due dates				
Not yet due	49,860	27,113	424,592	1,360,422
Past due				
Up to 30 days	13	6	88,463	260,455
31 - 60 days	-	-	112,682	-
61 - 90 days	-	-	39,694	-
91 - 120 days	-	31,880	-	31,880
Total trade accounts receivable - related parties	<u>49,873</u>	<u>58,999</u>	<u>665,431</u>	<u>1,652,757</u>
Trade accounts receivable - unrelated parties				
Aged on the basis of due dates				
Not yet due	1,519,903	2,127,064	1,294,859	1,941,123
Past due				
Up to 30 days	132,893	256,618	104,020	238,860
31 - 60 days	18,048	55,742	17,495	55,243
61 - 90 days	50,155	15,983	50,150	15,582
91 - 120 days	10,874	6,138	10,871	6,164
121 - 365 days	168,239	14	168,233	37
Over 365 days	5,139	1,329	5,139	1,419
Total	1,905,251	2,462,888	1,650,767	2,258,428
Less: Allowance for expected credit losses	(110,804)	(7,217)	(108,530)	(5,504)
Total trade accounts receivable - unrelated parties, net	<u>1,794,447</u>	<u>2,455,671</u>	<u>1,542,237</u>	<u>2,252,924</u>
Total trade accounts receivable - net	<u>1,844,320</u>	<u>2,514,670</u>	<u>2,207,668</u>	<u>3,905,681</u>
Other receivables				
Other receivables - related parties (Note 6)	38,424	12,258	7,091	18,022
Other receivables - unrelated parties	105,655	127,371	67,877	125,127
Advance payments - related parties (Note 6)	-	10,438	-	10,340
Prepaid expenses and advance payments				
- unrelated parties	97,844	151,338	17,666	52,463
Total other receivables	<u>241,923</u>	<u>301,405</u>	<u>92,634</u>	<u>205,952</u>
Total trade and other receivables - net	<u>2,086,243</u>	<u>2,816,075</u>	<u>2,300,302</u>	<u>4,111,633</u>

The general credit term is approximate 60 days.

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduction of cost to net realisable value		Inventories, net	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Finished goods	1,811,427	2,401,439	(133,198)	(10,363)	1,678,229	2,391,076
Work in process	457,583	916,058	(57,909)	(64,599)	399,674	851,459
Raw materials, packaging, and chemicals	548,443	886,173	(25,113)	(21,649)	523,330	864,524
Spare parts and supplies	816,053	687,651	(53,198)	(16,619)	762,855	671,032
Total	3,633,506	4,891,321	(269,418)	(113,230)	3,364,088	4,778,091

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduction of cost to net realisable value		Inventories, net	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Finished goods	733,589	1,215,112	(25,606)	(10,256)	707,983	1,204,856
Work in process	340,040	797,402	(57,909)	(64,370)	282,131	733,032
Raw materials, packaging, and chemicals	483,499	849,856	(24,680)	(17,591)	458,819	832,265
Spare parts and supplies	815,160	686,772	(53,198)	(16,600)	761,962	670,172
Total	2,372,288	3,549,142	(161,393)	(108,817)	2,210,895	3,440,325

During the years ended 31 December 2022 and 2021, reduction of cost to net realisable value was summarised as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Reduced the amount of inventories recognised as cost of sales	156	64	53	64

10. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Refundable value-added tax	286,677	575,678	217,022	443,400
Prepaid withholding tax	5,670	10,135	-	10,135
Input tax waiting for tax invoice or not yet due	8,152	70,657	6,659	66,202
Total other current assets	300,499	656,470	223,681	519,737

11. Other financial assets

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2022</u>	<u>2021</u>
Equity instruments designated at FVOCI		
Quoted equity instruments	572,153	36,063
Unquoted equity instruments	451,715	334,648
Total equity instruments designated at FVOCI	1,023,868	370,711
Financial assets at FVTPL		
Equity linked notes	-	264,105
Total financial assets at FVTPL	-	264,105
Total other financial assets	1,023,868	634,816
Current	-	264,105
Non-current	1,023,868	370,711
Total other financial assets	1,023,868	634,816

During the current year, an oversea subsidiary redeemed its equity linked notes with the carrying amount of USD 11 million (or approximately Baht 376 million) to equity instruments designated at fair value through other comprehensive income according to term and condition in the related agreement. The subsidiary recorded the fair value of the equity instruments on the redemption date of USD 9 million (or approximately Baht 320 million) in its account and loss of USD 2 million (or approximately Baht 56 million) in profit or loss.

12. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements as at 31 December 2022 and 2021 are as follows:

Company's name	Cost		Dividend received during the year	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Shidong Shanghai Medical Equipment Co., Ltd.	163,073	163,073	-	-
Sri Trang USA, Inc.	267,415	267,415	-	-
Premier System Engineering Co., Ltd.	1,120,000	1,120,000	-	-
Sadao P.S. Rubber Co., Ltd.	147,000	147,000	24,000	-
Sri Trang Gloves (Singapore) Pte. Ltd.	32,820	32,820	-	-
Sri Trang Gloves Global Pte. Ltd.	6,196,124	3,277,053	-	-
PT Sri Trang Gloves Indo	24,000	24,000	-	-
Sri Trang Gloves Vietnam Company Limited	33,500	33,500	-	-
Sri Trang Responsible Gloves Supply Inc.	17,655	-	-	-
Sri Trang Gloves Philippines Inc.	6,867	-	-	-
Total	<u>8,008,454</u>	<u>5,064,861</u>	<u>24,000</u>	<u>-</u>

Movements of investments in subsidiaries are as follow:

Sri Trang Responsible Gloves Supply Inc.

On 9 May 2022, a meeting of the Company's Board of Directors passed a resolution approving the incorporation of a new subsidiary, Sri Trang Responsible Gloves Supply Inc., in the United States of America to sell and distribute rubber gloves. The Company plans to invest in STRG amounting to USD 1,000,000. The STRG's registered share capital is USD 10,000 (10,000 ordinary shares with a par value of USD 1 per share). The Company holds a 100% interest in STRG.

STRG already registered the incorporation in June 2022. STRG issued and called up for 5,000 ordinary shares at USD 100 per share, totaling USD 500,000, or approximately Baht 18 million. The Company paid for the ordinary shares in June 2022.

Sri Trang Gloves Philippines Inc.

On 19 July 2021, a meeting of the Company's Board of Directors passed a resolution approving the incorporation of a new subsidiary, Sri Trang Gloves Philippines Inc., in the Philippines to sell and distribute rubber gloves. The STGP's registered share capital is PHP 104,662,400 (1,046,624 ordinary shares with a par value of PHP 100 per share), or approximately Baht 249 million. The Company holds 99.99% interest in STGP.

STGP already registered the incorporation in August 2022. STGP issued and called up for 104,701 ordinary shares at PHP 100 per share, totaling PHP 10,470,100, or approximately Baht 7 million. The Company paid for the ordinary shares in August 2022.

Sri Trang Gloves Global Pte. Ltd.

On 2 September 2022, a meeting of the Company's Board of Directors passed a resolution approving the increase in investment in STGG amounting to USD 80,000,000 in preferred shares. As a result of increase an investment, STGG has a registered share capital of USD 180,000,000, comprising of 20,000,000 ordinary shares and 160,000,000 preferred shares, with a par value of USD 1 per share.

The Company paid for the shares of USD 80,000,000, or approximately Baht 2,919 million and STGG already registered its share capital increase in September 2022.

13. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Revaluation basis		Cost basis				
	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	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	(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>

(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 2022							
Net book value at beginning of year	1,860,651	2,231,669	5,102,345	197,858	38,986	10,938,159	20,369,668
Additions	2,775	12,277	49,692	64,933	31,734	6,474,575	6,635,986
Transfers in (out)	235,998	692,375	2,599,102	115,982	19,108	(3,662,565)	-
Transfers from Right-of-use assets (Note14)	-	-	-	1,250	-	-	1,250
Additions of assets revaluation	319,749	121,788	-	-	-	-	441,537
Reductions of assets revaluation	(657)	(11,049)	-	-	-	-	(11,706)
Disposals and write-off, net	-	-	(3,937)	-	(200)	-	(4,137)
Depreciation for the year	(47,189)	(136,170)	(1,097,547)	(82,171)	(21,350)	-	(1,384,427)
Interest capitalised to assets	-	-	-	-	-	83,656	83,656
Translation adjustment, net	(73)	(706)	-	-	(289)	-	(1,068)
Net book value at end of year	<u>2,371,254</u>	<u>2,910,184</u>	<u>6,649,655</u>	<u>297,852</u>	<u>67,989</u>	<u>13,833,825</u>	<u>26,130,759</u>
As at 31 December 2022							
Cost / Revalued amount	2,455,728	3,080,545	15,094,216	656,215	263,143	13,833,825	35,383,672
Less: Accumulated depreciation	(84,474)	(170,361)	(8,429,031)	(358,363)	(195,154)	-	(9,237,383)
Less: Allowance for impairment	-	-	(15,530)	-	-	-	(15,530)
Net book value	<u>2,371,254</u>	<u>2,910,184</u>	<u>6,649,655</u>	<u>297,852</u>	<u>67,989</u>	<u>13,833,825</u>	<u>26,130,759</u>

(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
Depreciation for the year						<u>2022</u>	<u>2021</u>
Included in manufacturing cost						1,212,224	1,160,236
Included in selling and administrative expenses						172,203	36,800
						<u>1,384,427</u>	<u>1,197,036</u>

(Unit: Thousand Baht)

	Separate financial statements						Total
	Revaluation basis		Cost basis				
	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	(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>

(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 2022							
Net book value at beginning of year	1,578,343	2,145,665	5,100,881	197,065	26,045	10,606,762	19,654,761
Additions	1,326	108	47,367	64,093	26,060	6,892,471	7,031,425
Transfers in (out)	233,712	694,406	2,598,551	115,982	19,050	(3,661,701)	-
Transfers from Right-of-use assets (Note14)	-	-	-	1,250	-	-	1,250
Additions of assets revaluation	272,948	95,126	-	-	-	-	368,074
Reductions of assets revaluation	(657)	(9,120)	-	-	-	-	(9,777)
Disposals and write-off, net	-	-	(3,937)	-	(13)	-	(3,950)
Depreciation for the year	(45,849)	(129,087)	(1,097,208)	(81,803)	(16,888)	-	(1,370,835)
Interest capitalised to assets	-	-	-	-	-	83,656	83,656
Net book value at end of year	<u>2,039,823</u>	<u>2,797,098</u>	<u>6,645,654</u>	<u>296,587</u>	<u>54,254</u>	<u>13,921,188</u>	<u>25,754,604</u>
As at 31 December 2022							
Cost / Revalued amount	2,122,963	2,963,700	15,026,001	637,473	208,619	13,921,188	34,879,944
Less: Accumulated depreciation	(83,140)	(166,602)	(8,364,817)	(340,886)	(154,365)	-	(9,109,810)
Less: Allowance for impairment	-	-	(15,530)	-	-	-	(15,530)
Net book value	<u>2,039,823</u>	<u>2,797,098</u>	<u>6,645,654</u>	<u>296,587</u>	<u>54,254</u>	<u>13,921,188</u>	<u>25,754,604</u>

(Unit: Thousand Baht)

Separate 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
Depreciation for the year					<u>2022</u>	<u>2021</u>
Included in manufacturing cost					1,201,120	1,147,925
Included in selling and administrative expenses					169,715	33,437
					<u>1,370,835</u>	<u>1,181,362</u>

The Group arranges to have its land and building revalued by independent professional appraisers (who were approved by The Securities and Exchange Commission). Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value. The methods of the asset revaluation are as follows.

- Land and land improvements are 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 are revalued 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.

During the current year, in accordance with the Group's accounting policies, therefore the Group arranged to have its assets revalued by independent professional appraisers. Based on the reports of the independent professional appraisers, the Group already reflected the results of these revaluations into its financial statements for the year ended 31 December 2022 as follows.

	(Unit: Million Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Asset revaluation surplus net of applicable deferred income		
tax recognised in other comprehensive income	347,075	291,274
Loss on asset revaluation recognised in profit or loss	(4,013)	(5,796)

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 2022 and 2021 would have been as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land and land improvements	1,933,584	1,777,730	1,654,973	1,461,443
Buildings and structures	2,852,360	2,207,618	2,460,990	2,207,618

The Company financed its construction of new plants with a loan from a financial institution. The Company included borrowing costs in costs of new plants as follows:

	Consolidated and Separate	
	financial statements	
	<u>2022</u>	<u>2021</u>
Balance of plants under construction (Million Baht)	13,921	10,601
Borrowing costs included in costs of plants (Million Baht)	84	109
Capitalisation rates (Percent)	2.36 - 3.97	2.36 - 3.47

As at 31 December 2022 and 2021, 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
The gross carrying amount before				
deducting accumulated depreciation				
and allowance for impairment loss	5,812	5,256	5,694	5,115

14. Leases

14.1 Right-of-use assets

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	Land and land improvement	Building and structures	Motor vehicles	Total
As at 1 January 2021	-	15,879	20,658	36,537
Additions	9,040	44,135	20,472	73,647
Written off	-	-	(388)	(388)
Depreciation for the year	(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
Additions	85	35,709	9,048	44,842
Transfer to Property, plant and equipment (Note 13)	-	-	(1,250)	(1,250)
Written off	-	(1,813)	(432)	(2,245)
Depreciation for the year	(3,088)	(27,571)	(13,572)	(44,231)
Translation adjustment	-	(2,020)	-	(2,020)
As at 31 December 2022	3,603	45,427	23,705	72,735

(Unit: Thousand Baht)

	Separate financial statements			
	Land and land improvement	Building and structures	Motor vehicles	Total
As at 1 January 2021	-	-	17,226	17,226
Additions	9,040	2,358	16,212	27,610
Depreciation for the year	(2,434)	(373)	(9,668)	(12,475)
As at 31 December 2021	6,606	1,985	23,770	32,361
Additions	85	-	5,094	5,179
Transfer to Property, plant and equipment (Note 13)	-	-	(1,250)	(1,250)
Written off	-	-	-	-
Depreciation for the year	(3,088)	(786)	(10,848)	(14,722)
As at 31 December 2022	3,603	1,199	16,766	21,568

14.2 Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Lease payments	76,215	74,529	20,161	29,782
Less: Deferred interest expenses	(3,149)	(3,492)	(523)	(1,000)
Total	73,066	71,037	19,638	28,782
Less: Portion due within one year	(39,443)	(31,565)	(11,628)	(13,426)
Lease liabilities - net of current portion	<u>33,623</u>	<u>39,472</u>	<u>8,010</u>	<u>15,356</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Balance at beginning of year	71,037	32,079	28,782	12,404
Additions	44,842	73,647	5,179	27,609
Accretion of interest	(2,342)	(381)	-	-
Repayments	(38,703)	(40,029)	(14,323)	(11,231)
Translation	(1,768)	5,721	-	-
Balance at end of year	<u>73,066</u>	<u>71,037</u>	<u>19,638</u>	<u>28,782</u>

A maturity analysis of lease payments is disclosed in Note 33.2 to the financial statements under the liquidity risk.

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Depreciation expense of right-of-use assets	44,231	38,314	14,722	12,474
Interest expense on lease liabilities	2,453	2,987	541	761
Expense relating to leases of low-value assets	45,207	57,530	28,578	42,234

15. Intangible assets - computer software

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
As at 1 January 2021		
Cost	174,569	146,121
Less: Accumulated amortisation	<u>(68,620)</u>	<u>(47,247)</u>
Net book value	<u><u>105,949</u></u>	<u><u>98,874</u></u>
For the year ended 31 December 2021		
Net book value at beginning of year	105,949	98,874
Additions	75,011	75,011
Amortisation	(11,809)	(8,759)
Translation adjustment	80	-
Net book value at end of year	<u><u>169,231</u></u>	<u><u>165,126</u></u>
As at 31 December 2021		
Cost	247,749	221,132
Less: Accumulated amortisation	<u>(78,518)</u>	<u>(56,006)</u>
Net book value	<u><u>169,231</u></u>	<u><u>165,126</u></u>
For the year ended 31 December 2022		
Net book value at beginning of year	169,231	165,126
Additions	46,806	46,181
Amortisation	(20,892)	(18,237)
Translation adjustment	(30)	-
Net book value at end of year	<u><u>195,115</u></u>	<u><u>193,070</u></u>
As at 31 December 2022		
Cost	265,944	238,765
Less: Accumulated amortisation	<u>(70,828)</u>	<u>(45,696)</u>
Net book value	<u><u>195,115</u></u>	<u><u>193,070</u></u>

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	10.15 % 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	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Trade accounts payable - related parties (Note 6)	370,011	583,660	392,650	641,950
Trade accounts payable - unrelated parties	663,738	859,622	605,228	689,599
Other payables - related parties (Note 6)	1,995	8,125	58,096	274,445
Other payables - unrelated parties	694,162	1,494,616	464,354	1,115,674
Retention payables - related parties (Note 6)	-	-	20,140	10,331
Retention payables - unrelated parties	283,923	138,652	197,750	138,746
Advance receipt for goods and others - related parties (Note 6)	57,993	20,397	-	-
Advance receipt for goods and others - unrelated parties	331,401	515,665	308,713	438,830
Total trade and other payables	<u>2,403,223</u>	<u>3,620,737</u>	<u>2,046,931</u>	<u>3,309,575</u>

18. Borrowings

18.1 Short-term borrowings from financial institutions

Sri Trang USA, Inc. a subsidiary, has credit facilities with an overseas financial institution which are guaranteed by the Company as follows:

	Consolidated financial statements			
	31 December 2022		31 December 2021	
	Million	(Equivalent)	Million	(Equivalent)
	US Dollar	Million Baht	US Dollar	Million Baht
Credit facilities	10	346	10	334
Balances of short-term borrowings	5	173	-	-

18.2 Long-term loans from financial institutions

As at 31 December 2022 and 2021, the Group had entered into long-term borrowing agreements with commercial banks with details as follows.

(Unit: Thousand Baht)

No.	Credit facility	Borrowing		Principal and interest repayment	Consolidated and Separate financial statements	
		periods	Interest rate (%)		2022	2021
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.	518,000	686,000
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.	115,000	271,000
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.	883,000*	1,153,000*
4	Baht 1,445 million granted in 2019	7 years 9 months	MLR less fixed rate per annum	Principal is repayable quarterly from March 2021 and interest is repayable quarterly.	905,000	1,145,000
5	Baht 1,000 million granted in 2021	6 years	6M THBFIX plus fixed rate per annum	Principal is repayable quarterly from March 2022 and interest is repayable quarterly.	900,000	1,000,000
6	Baht 2,000 million granted in 2021	6 years 1 month	MLR less fixed rate per annum	Principal is repayable quarterly from June 2022 and interest is repayable quarterly.	1,725,000	1,925,000
7	Baht 1,500 million granted in 2021	6 years 2 months	MLR less fixed rate per annum	Principal is repayable quarterly from March 2022 and interest is repayable quarterly.	1,320,000	1,500,000

(Unit: Thousand Baht)

No.	Credit facility	Borrowing periods	Interest rate (%)	Principal and interest repayment	Consolidated and Separate financial statements	
					<u>2022</u>	<u>2021</u>
8	Baht 782 million granted in 2022	6 years	MLR less fixed rate per annum	Principal is repayable quarterly from December 2022 and interest is repayable quarterly.	762,450	782,000
Total					7,128,450	8,462,000
Less: Deferred financial service fees					(753)	(1,444)
Long-term borrowings - net					7,127,697	8,460,556
Less: Current portion of long-term borrowings					(1,715,715)	(1,332,822)
Long-term borrowings - net from current portion					5,411,982	7,127,734

* 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 covenants and restrictions on the Group, pertaining to matters such as the maintenance of a certain debt to equity ratio.

Movements of Long-term loans from financial institutions during the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	<u>2022</u>	<u>2021</u>
Balance at beginning of year	8,460,556	6,299,707
Proceeds from long-term borrowings from financial institutions	-	2,935,000
Repayments of long-term borrowings from financial institutions	(1,333,550)	(775,000)
Amortisation of finance fee	691	849
Balance at end of year	<u>7,127,697</u>	<u>8,460,556</u>

18.3 Debentures

On 2 April 2021, the Company's Shareholder Annual General Meeting passed resolutions approving the issuance and offering debentures at the amount not exceeding Baht 8,000 million.

During the year 2022, the Company issued and offered green debentures No. 1/2022, which were unsubordinated and unsecured debentures with debenture holders' representative to institutional investors and high-net-worth investors totaling Baht 1,500 million as detailed below:

Debenture	Term (years)	Maturity date	Fixed discount		Quantity (Units)	Par value (Baht per unit)	Amount (Million Baht)
			rate (Percent per annum)	Interest repayment term			
STGT259A	3	28 September 2025	2.97	Every 6 months	550,000	1,000	550
STGT299A	7	28 September 2029	3.91	Every 6 months	400,000	1,000	400
STGT329A	10	28 September 2032	4.25	Every 6 months	550,000	1,000	550
Total							<u>1,500</u>

The debenture agreements contain covenants and restrictions on the Company, pertaining to matters such as the maintenance of a certain debt to equity ratio.

Movements of debenture during the years ended 31 December 2022 are summarised below:

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Balance at beginning of year	-
Issuance	1,500,000
Increase in accrued interest expenses	14,407
Increase in deferred expenses of issuing debentures	(2,306)
Amortisation of deferred expenses of issuing debentures	118
Balance at end of year	<u>1,512,219</u>

19. Provision for retirement benefit obligations

Movements in provision for retirement benefit obligations, which represent compensation payable to employees after they retire for the years ended 31 December 2022 and 2021, was as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Provision for retirement benefit obligations				
at beginning of year	168,275	160,032	132,160	119,969
Included in profit or loss:				
Current service cost	15,077	14,060	12,845	11,512
Interest cost	3,668	2,296	2,912	1,739
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(2,633)	-	(2,109)	-
Financial assumptions changes	(14,993)	(20,096)	(12,285)	(16,222)
Experience adjustments	8,404	12,555	7,885	16,044
Acquisition of a subsidiary	-	310	-	-
Benefits paid during the year	<u>(1,386)</u>	<u>(882)</u>	<u>(1,069)</u>	<u>(882)</u>
Provision for retirement benefit obligations				
at end of year	<u>176,412</u>	<u>168,275</u>	<u>140,339</u>	<u>132,160</u>

The Group and the Company expect to pay Baht 1 million of long-term employee benefits during the next year (2021: Baht 1 million).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit was 16 years (2021: 16 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated and Separate financial statements	
	<u>2022</u>	<u>2021</u>
Discount rate	3.06	2.42
Future salary increase rate	3.0 - 4.0	3.0 - 4.0
Turnover rate	0.0 - 35.0	0.0 - 35.0

The result of sensitivity analysis for significant assumptions that affect the present value of the provision for retirement benefit obligations as at 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	As at 31 December 2022			
	Consolidated financial statements		Separate financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(19,171)	22,409	(15,560)	18,240
Salary increase rate	22,008	(19,205)	17,921	(15,593)
	<u>Increase 20%</u>	<u>Decrease 20%</u>	<u>Increase 20%</u>	<u>Decrease 20%</u>
Turnover rate	(11,355)	13,339	(9,663)	11,414

(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

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 2021	0.5	2,869.56	2,857.56	1,434.78	1,428.78
Increase from receipt for additional shares	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
Increase from receipt for additional shares	0.5	-	1.92	-	0.96
Share capital as at 31 December 2022	0.5	<u>2,869.56</u>	<u>2,865.18</u>	<u>1,434.78</u>	<u>1,432.59</u>

Share repurchase program

On 17 February 2022, a meeting of the Company's Board of Directors passed a resolution approving 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.

The share repurchase program for financial management purpose ended on 6 September 2022. The Company did not repurchase any shares from the program.

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

On 24 June 2022, a meeting of the Company's Board of Directors passed a resolution approving an offer of newly issued ordinary shares under the STGT ESOP for the third allocation of 6,000,000 of new shares with a par value of Baht 0.50 each, at an offering price of Baht 15.07 per share, which is equivalent to 90 percent of the market price.

Subsequently, on 5 July 2022, there were 1,918,500 exercised rights to acquire. The Company received full payment of the additional capital and then registered the increase of its issued and paid-up share capital from Baht 1,431,630,705 (2,863,261,410 ordinary shares with a par value of Baht 0.5 each) to Baht 1,432,589,955 (2,865,179,910 ordinary shares with a par value of Baht 0.5 each) with the Ministry of Commerce in July 2022. In addition, the STGT ESOP expired for offering of the newly issued ordinary shares.

As a result of the above matters, the Company recorded premium on ordinary shares amounting to Baht 27,952,545 and transferred share-based payment reserve for the third allocation amounting to Baht 3,530,040 to premium on ordinary shares, resulting in a total premium on ordinary shares amounting to Baht 14,494,582,321 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	<p>At the date of the IPO: 90 percent of the IPO price</p> <p>The first to second year after the IPO: 90 percent of the market price *</p> <p>* 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</p>									
Offering period	<p>The Company will offer the newly-issued ordinary shares through the STGT ESOP’s scheme as detailed below:</p> <table> <tr> <td>The first allocation</td> <td>The date of the IPO:</td> <td>Not more than 40 percent or 8,000,000 shares</td> </tr> <tr> <td>The second allocation</td> <td>The first year after the IPO:</td> <td>Not more than 30 percent, or 6,000,000 shares</td> </tr> <tr> <td>The third allocation</td> <td>The second year after the IPO:</td> <td>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	At the record date
	<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
	At the offering date
	<ul style="list-style-type: none"> • Remaining a director, executive, and/or employee of the Company and the subsidiaries

The Company recognised share-based payment expenses amounting to Baht 2.9 million for the year ended 31 December 2022 (2021: Baht 10.6 million)

Details of option movements are as follows:

	(Units)	
	Number of options	Number of options
	<u>2022</u>	<u>2021</u>
Outstanding as at beginning of year	6,000,000	12,000,000
Exercised during the year	(1,918,500)	(5,701,410)
Expired during the year	(4,081,500)	(298,590)
Outstanding as at ending of year	<u>-</u>	<u>6,000,000</u>

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	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Rental income	11,238	9,782	8,889	7,527
Gain from scrap sales	23,288	62,872	23,288	62,872
Revenue from export incentive	25,774	57,209	25,774	57,209
Income from insurance claim net of damaged business assets and interruption	5,388	4,352	5,388	4,352
Compensation income received under the credit support program for rubber producers by the Rubber Authority of Thailand	91,980	149,599	91,980	149,599
Others	46,904	78,675	49,585	46,831
Total other income	<u>204,572</u>	<u>362,489</u>	<u>204,904</u>	<u>328,390</u>

24. Other gain (loss)

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Loss on derivative financial instruments	(258,335)	(1,069,311)	(142,013)	(1,068,892)
Gain (loss) on disposal and written-off of machinery and equipment, right-of-use assets and intangible assets	1,093	(10,104)	950	(11,142)
Total other loss	<u>(257,242)</u>	<u>(1,079,415)</u>	<u>(141,063)</u>	<u>(1,080,034)</u>

25. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Changes in inventories of finished goods and work in progress	1,048,487	(1,222,658)	938,886	(1,006,123)
Raw materials and consumables used	12,221,708	14,872,503	9,693,722	12,426,881
Reduction of inventory cost to net realisable value	156,188	63,898	52,576	63,894
Salaries and wages and other employee benefits	2,535,049	2,494,269	1,888,975	1,886,652
Depreciation	1,428,658	1,235,350	1,385,556	1,193,837
Amortisation of intangible assets	20,892	11,809	18,237	8,759

26. Income tax

Income tax is made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current income tax:				
Current income tax charge	173,294	2,495,345	150,607	2,327,398
Adjustment in respect of corporate income tax of previous year	374	19,867	(25)	19,867
Deferred tax:				
Relating to origination and reversal of temporary differences	57,811	(342,749)	2,968	(21,332)
Income tax reported in the profit or loss	<u>231,479</u>	<u>2,172,463</u>	<u>153,550</u>	<u>2,325,933</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	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax relating to changes in revaluation of assets	86,769	-	72,818	-
Deferred tax relating to gain on actuarial gain	1,844	1,508	1,302	36
Deferred tax relating to gain on cash flow hedges	11,022	4,628	11,022	4,628
Total	<u>99,635</u>	<u>6,136</u>	<u>85,142</u>	<u>4,664</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Accounting profit before tax	1,883,531	25,876,624	1,613,548	26,587,226
Applicable tax rate	17 - 25%	17 - 25%	20%	20%
Accounting profit before tax multiplied by				
income tax rate	396,046	5,136,778	322,710	5,317,445
Adjustment in respect of income tax of previous year	374	19,867	(25)	19,867
Effects of:				
Promotional privileges	(169,534)	(3,016,657)	(169,534)	(3,016,657)
Income which is not taxable	-	-	(4,800)	-
Non-deductible expenses	10,807	22,303	10,338	11,954
Additional expense deductions allowed	(5,267)	(1,994)	(5,173)	(1,951)
Corporate income tax exemption (a)	5,739	-	-	-
Others	(6,686)	12,166	34	(4,725)
Total	<u>(164,941)</u>	<u>(2,984,182)</u>	<u>(169,135)</u>	<u>(3,011,379)</u>
Income tax reported in the profit or loss	<u>231,479</u>	<u>2,172,463</u>	<u>153,550</u>	<u>2,325,933</u>

Additional information

- a) STGG is awarded the lifetime of Enhanced-Tier Fund Tax Incentive Scheme under section 13U from The Monetary Authority of Singapore (MAS). Under this scheme, upon specified terms and conditions, specific income derived by designated investments is exempted from corporate income tax in Singapore. Withholding tax on interest and dividend under the scheme paid by STGG is also exempted. In addition, the Fund can obtain a remission of Goods and Services Tax ("GST") incurred on expenses.

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax assets				
Loss from changes in fair value of derivative				
financial instruments	225	7,683	225	7,683
Allowance for diminution in value of inventories	213,205	9,142	8,706	8,259
Cumulative loss from assets revaluation and				
allowance for asset impairment	5,351	4,315	4,640	3,603
Provision for retirement benefit obligations	35,282	33,655	28,068	26,432
Unused tax losses	77,306	45,846	-	-
Intercompany profit in inventories	4,579	324,812	-	-
Intercompany profit in fixed assets	69,291	40,043	-	-
Others	28,234	30,018	8,425	7,408
Total	433,473	495,514	50,064	53,385
Deferred tax liabilities				
Assets revaluation surplus	201,491	120,113	166,715	98,718
Gain from changes in fair value on derivative				
financial instruments	19,768	1,989	19,768	1,989
Fair value adjustments from business acquisition	26,596	27,445	2,916	3,765
Others	318	480	151	289
Total	248,173	150,027	189,550	104,761
Deferred tax assets	374,509	431,940	-	-
Deferred tax liabilities	189,209	86,453	139,486	51,376

The movements in deferred tax assets and liabilities for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax assets (liabilities)				
Balance at beginning of year	345,487	23,617	(51,376)	(68,044)
Effect from acquisition of a subsidiary	-	(21,674)	-	-
Income tax recognised in profit or loss				
- profit or loss	(57,811)	342,749	(2,968)	21,332
- other comprehensive income	(99,635)	(6,136)	(85,142)	(4,664)
Translation	(2,741)	6,931	-	-
Balance at end of year	<u>185,300</u>	<u>345,487</u>	<u>(139,486)</u>	<u>(51,376)</u>

27. Promotional privileges

The Company is granted certain privileges on its manufactures of rubber gloves pursuant to the Investment Promotion Act B.E. 2520, 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, 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 Group's operating revenues for the years ended 31 December 2022 and 2021, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operations		Non-promoted operations		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Sales and service income						
Domestic sales and						
service income	997,666	861,692	3,612,542	5,448,346	4,610,208	6,310,038
Export sales	12,001,456	23,455,302	12,387,736	29,682,263	24,389,192	53,137,565
Total sales	<u>12,999,122</u>	<u>24,316,994</u>	<u>16,000,278</u>	<u>35,130,609</u>	<u>28,999,400</u>	<u>59,447,603</u>
Inter-company elimination					(5,694,580)	(11,896,832)
Total					<u>23,304,820</u>	<u>47,550,771</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Sales and service income						
Domestic sales and						
service income	997,666	861,692	1,039,815	2,468,863	2,037,481	3,330,555
Export sales	12,001,456	23,455,302	7,501,964	20,703,924	19,503,420	44,159,226
Total sales	<u>12,999,122</u>	<u>24,316,994</u>	<u>8,541,779</u>	<u>23,172,787</u>	<u>21,540,901</u>	<u>47,489,781</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 without considering the exercise date.

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

Consolidated financial statements						
For the year ended 31 December						
		Weighted average		Earnings per share		
Profit for the year		number of ordinary shares		(Baht per Share)		
(Thousand Baht)		(Thousand Shares)				
<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
Basic earnings per share						
Profit attributable to equity holders of						
the Company						
1,652,052	23,704,162	2,864,208	2,860,231	0.58	8.29	
Effect of dilutive potential ordinary shares						
The options of newly issued ordinary						
shares under the STGT ESOP						
-	-	304	919			
Diluted earnings per share						
Profit attributable to equity holders of						
the Company assuming the conversion						
of the options to ordinary shares						
<u>1,652,052</u>	<u>23,704,162</u>	<u>2,864,512</u>	<u>2,861,150</u>	0.58	8.28	
Separate financial statements						
For the year ended 31 December						
		Weighted average		Earnings per share		
Profit for the year		number of ordinary shares		(Baht per Share)		
(Thousand Baht)		(Thousand Shares)				
<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
Basic earnings per share						
Profit attributable to equity holders of						
the Company						
1,459,998	24,261,293	2,864,208	2,860,231	0.51	8.48	
Effect of dilutive potential ordinary shares						
The options of newly issued ordinary						
shares under the STGT ESOP						
-	-	304	919			
Diluted earnings per share						
Profit attributable to equity holders of						
the Company assuming the conversion						
of the options to ordinary shares						
<u>1,459,998</u>	<u>24,261,293</u>	<u>2,864,512</u>	<u>2,861,150</u>	0.51	8.48	

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 complement the manufacture of gloves
- 2) Other businesses
 - Financial asset management and financial investment

Financial information by products and services for the years ended 31 December 2022 and 2021 is presented as follows.

The Group's financial information by segments for the year ended 31 December 2022 and 2021

(Unit: Thousand Baht)

	Gloves		Others		Elimination		Consolidated financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues								
Revenues from external customers	23,304,820	47,550,771	-	-	-	-	23,304,820	47,550,771
Inter-segment revenues	-	-	-	-	-	-	-	-
Total revenues	<u>23,304,820</u>	<u>47,550,771</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,304,820</u>	<u>47,550,771</u>
Other income and expenses								
Depreciation and amortisation	(1,449,550)	(1,247,158)	-	-	-	-	(1,449,550)	(1,247,158)
Finance income	70,217	104,821	90,630	1,721	-	-	160,847	106,542
Finance cost	(186,806)	(127,353)	-	-	-	-	(186,806)	(127,353)
Segment profit								
Profit before income tax	1,917,291	25,877,012	(33,760)	(387)	-	-	1,883,531	25,876,625
Income tax	(231,479)	(2,172,463)	-	-	-	-	(231,479)	(2,172,463)
Profit (loss) for the year	<u>1,685,812</u>	<u>23,704,549</u>	<u>(33,760)</u>	<u>(387)</u>	<u>-</u>	<u>-</u>	<u>1,652,052</u>	<u>23,704,162</u>
Total assets	<u>48,719,192</u>	<u>51,241,472</u>	<u>6,005,465</u>	<u>3,338,405</u>	<u>(6,196,124)</u>	<u>(3,277,053)</u>	<u>48,528,533</u>	<u>51,302,824</u>

Geographic information

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

	(Unit: Thousand Baht)	
	For the year ended 31 December	
	<u>2022</u>	<u>2021</u>
Revenue from external customers		
United States of America	4,013,390	14,259,283
China	3,092,340	2,667,912
Thailand	2,445,906	3,442,396
Brazil	1,676,480	2,073,360
Germany	1,515,057	2,952,184
Japan	1,137,625	1,834,986
Turkey	924,083	1,255,787
Others	8,499,939	19,064,863
Total	<u>23,304,820</u>	<u>47,550,771</u>

	(Unit: Thousand Baht)	
	As at 31 December	
	<u>2022</u>	<u>2021</u>
Non-current assets (other than financial instrument and deferred tax assets)		
Thailand	26,717,632	20,959,879
China	41,909	47,022
Indonesia	14,392	-
United States of America	7,713	1,091
Others	3,099	59
Total	<u>26,784,745</u>	<u>21,008,051</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)
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		17,155.08	
Dividends for the year 2021	Annual General Meeting of the shareholders on 7 April 2022	1,860.95	0.65
Interim dividends for 2022	the Company's Board of Director Meeting on 10 August 2022	1,432.59	0.50
Total for 2022		3,293.54	

On 17 February 2023, a meeting of the Company's Board of Directors passed resolutions approving a dividend payment in respect of retained earnings and operating results of 2022 to shareholders of Baht 0.75 per share, totaling of Baht 2,148.88 million. The Company made the payment of interim dividend of Baht 0.50 per share, or approximately Baht 1,432.59 million. The payment of remaining dividend of Baht 0.25 per share, or approximately Baht 716.29 million. The Company will propose the Company's Shareholder Annual General Meeting to approve the dividend payment within second quarter of 2023.

31. Commitments and contingent liabilities

(Unit: Million Baht)

	Consolidated financial		Separate	
	statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Capital commitments - purchase of fixed assets	3,256	7,298	6,741	19,076
Commitments from guarantees and contingent liabilities				
Bank guarantees to guarantee electricity usage	141	59	141	59
Letters of credit with overseas suppliers				
2022: Nil (2021: USD 4 million)	-	147	-	147
Bank guarantee for distribution of rubber gloves	9	15	9	15
The future aggregate minimum payments under non-cancellable lease and service agreements				
Not later than 1 year	2	33	2	33
Later than 1 year but not later than 5 years	1	2	1	2

32. Fair value measurements

As at 31 December 2022 and 2021, 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 2022			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets measured at fair value				
Property and plant	-	-	5,281,438	5,281,438
Derivative financial instruments	-	243,879	-	243,879
Other financial assets	572,153	451,715	-	1,023,868
Liabilities measured at fair value				
Derivative financial instruments	-	16,638	-	16,638
Liabilities for which fair value are disclosed				
Debentures	-	1,572,300	-	1,572,300

(Unit: Thousand Baht)

Consolidated financial statements

As at 31 December 2021

	Level 1	Level 2	Level 3	Total
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

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2022

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Property and plant	-	-	4,836,921	4,836,921
Derivative financial instruments	-	243,866	-	243,866
Liabilities measured at fair value				
Derivative financial instruments	-	1,127	-	1,127
Liabilities for which fair value are disclosed				
Debentures	-	1,572,300	-	1,572,300

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2021

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Property and plant	-	-	3,724,008	3,724,008
Derivative financial instruments	-	24,837	-	24,837
Liabilities measured at fair value				
Derivative financial instruments	-	63,998	-	63,998

During the current year, there are no transfer within the fair value hierarchy.

33. Financial instruments

33.1 Derivatives and hedge accounting

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Derivative assets				
<i>Derivative assets not designated as hedging instruments</i>				
Forward foreign exchange contracts	-	24,837	-	24,837
Equity accumulators	13	-	-	-
<i>Derivative assets designated as hedging instruments</i>				
Forward foreign exchange contracts	241,869	-	241,869	-
Interest rate swap	1,997	-	1,997	-
Total derivative assets	<u>243,879</u>	<u>24,837</u>	<u>243,866</u>	<u>24,837</u>
Derivative liabilities				
<i>Derivatives liabilities not designated as hedging instruments</i>				
Forward foreign exchange contracts	-	42,666	-	42,666
Equity accumulators	15,511	420	-	-
<i>Derivatives liabilities designated as hedging instruments</i>				
Interest rate swap	1,127	21,332	1,127	21,332
Total derivative liabilities	<u>16,638</u>	<u>64,418</u>	<u>1,127</u>	<u>63,998</u>

Derivatives not designated as hedging instruments

The Group uses equity accumulators for investment activity.

Derivatives designated as hedging instruments

Interest rate risk

The Group has 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). There is no ineffectiveness portion of such hedge.

(Unit: Million Baht)

	Consolidated and Separate financial statements	
	<u>2022</u>	<u>2021</u>
Carrying amount of interest rate swap		
Assets	2	-
Liabilities	(1)	(21)
Notional amount	883	1,153
Hedge ratio	1:1	1:1
Maturity date	June 2023 to March 2025	June 2023 to March 2025
Changes in fair value of the hedging instruments		
used for measuring ineffectiveness	22	24
Effectiveness recognised in other comprehensive income	22	24
Ineffectiveness recognised in profit or loss	-	-
Cash flow hedge reserve, net of tax	1	(17)

Foreign currency risk

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast sales in US dollar. These forecast transactions are highly probable. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

In addition, hedge ineffectiveness can arise from changes to the forecasted amount of cash flows of hedged items and hedging instruments.

(Unit: Million Baht)

	Consolidated and Separate financial statements	
	<u>2022</u>	
Carrying amount of the foreign exchange forward contracts		
Assets		242
Notional amount (Million USD)		117
Hedge ratio		1:1
Maturity date		February 2023 to July 2023
Changes in fair value of the hedging instruments		
used for measuring ineffectiveness		242
Effectiveness recognised in other comprehensive income		208
Ineffectiveness recognised in profit or loss		34
Cash flow hedge reserve, net of tax		75

Impact of hedging on equity

Set out below is a reconciliation of each component of equity and analysis of other comprehensive income:

	(Unit: Million Baht)
	<u>Cash flow hedge reserve</u>
	<u>Consolidated and Separate</u>
	<u>financial statements</u>
As at 1 January 2021	(36)
Effective portion of changes in fair value arising from derivatives designated as hedging instruments for cash flow hedges	2
Amount reclassified to profit or loss	22
Tax effect	(5)
As at 31 December 2021	(17)
Effective portion of changes in fair value arising from derivatives designated as hedging instruments for cash flow hedges	250
Amount reclassified to profit or loss	(146)
Tax effect	(11)
As at 31 December 2022	<u>76</u>

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 keeps monitoring and evaluating the effect of this matter. At present, the Group is in the process of transition to alternative benchmark rates.

As at 31 December 2022, the Group had interest rate swaps with nominal amounts of Baht 883 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 loans, long-term loans and debentures. 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 based on past experience updated with future forecast information. The Group classifies customer into different segments by geography, product type, customer type 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:

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

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	38.91	71.97	2.98	13.23	34.5624	33.4199

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	58.15	119.53	2.98	12.98	34.5624	33.4199

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

Currency	Increase / (Decrease)	Effect on profit before tax (Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(percent)				
US dollar	1.93	23,965	36,803	37,886	68,724
	(1.93)	(23,965)	(36,803)	(37,886)	(68,724)

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, loan to subsidiaries, short-term and long-term borrowings from financial institutions and debentures. 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 2022 and 2021, 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 as at 31 December 2022							Effective interest rate (percent per annum)
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	4,974,702	-	-	9,302,390	73,610	14,350,702	0.05 - 8.50
Trade and other receivables	-	-	-	-	2,099,203	2,099,203	-
Other financial assets	-	-	-	-	1,023,868	1,023,868	-
Total	4,974,702	-	-	9,302,390	3,196,681	17,473,773	
Financial liabilities							
Trade and other payables	-	-	-	-	2,013,829	2,013,829	-
Short-term borrowings from financial institutions	172,812	-	-	-	-	172,812	(1)
Long-term borrowings from financial institutions	-	-	-	7,128,450	-	7,128,450	(2) , (3)
Debentures	-	550,000	950,000	-	14,406	1,514,406	2.97 - 4.25
Total	172,812	550,000	950,000	7,128,450	2,028,235	10,829,497	

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2021

	Fixed interest rates					Total	Effective interest rate (percent per annum)
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non - interest bearing		
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	(2) , (3)
Total	-	-	-	8,462,000	2,935,598	11,397,598	

(Unit: Thousand Baht)

Separate financial statements as at 31 December 2022

	Fixed interest rates					Total	Effective interest rate (percent per annum)
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non - interest bearing		
Financial assets							
Cash and cash equivalent	-	-	-	8,760,658	29,576	8,790,234	0.05 - 0.60
Trade and other receivables	-	-	-	-	2,391,166	2,391,166	-
Short-term loans to subsidiary	150,000	-	-	-	-	150,000	(1)
Total	150,000	-	-	8,760,658	2,420,742	11,331,400	
Financial liabilities							
Trade and other payables	-	-	-	-	1,738,218	1,738,218	-
Long-term borrowings from financial institutions	-	-	-	7,128,450	-	7,128,450	(2) , (3)
Debentures	-	550,000	950,000	-	14,406	1,514,406	2.97 - 4.25
Total	-	550,000	950,000	7,128,450	1,752,624	10,381,074	

(Unit: Thousand Baht)

Separate financial statements as at 31 December 2021

	Fixed interest rates					Total	Effective interest rate (percent per annum)
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non - interest bearing		
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	(1)
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	(2) , (3)
Total	-	-	-	8,462,000	2,721,668	11,183,668	
(1)	Fixed rate						
(2)	MLR less fixed rate per annum						
(3)	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 2022 and 2021, with all other variables held constant.

Increase / (decrease)	Consolidated and Separate financial statements			
	2022		2021	
	Effect on profit before tax	Effect on equity	Effect on profit before tax	Effect on equity
(Percent)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
0.75	(46,841)	7,903	(43,408)	11,613
(0.75)	46,841	(7,994)	43,408	(11,879)

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, leases and debentures. 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 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 2022 and 2021 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 December 2022			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Non-derivatives				
Trade and other payables	2,013,829	-	-	2,013,829
Short-term loans from financial institution	173,679	-	-	173,679
Long-term loans from financial institution	1,932,975	5,707,930	-	7,640,905
Debentures	55,350	734,568	1,088,385	1,878,303
Lease liabilities	40,914	33,941	-	74,855
Total non-derivatives	<u>4,216,747</u>	<u>6,476,439</u>	<u>1,088,385</u>	<u>11,781,571</u>
Derivatives				
Equity accumulators	-	15,511	-	15,511
Interest rate swap	-	1,127	-	1,127
Total derivatives	<u>-</u>	<u>16,638</u>	<u>-</u>	<u>16,638</u>

(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				
Foreign exchange options	42,666	-	-	42,666
Equity accumulators	420	-	-	420
Interest rate swap	-	21,332	-	21,332
Total derivatives	43,086	21,332	-	64,418

(Unit: Thousand Baht)

Separate financial statements

	31 December 2022			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Non-derivatives				
Trade and other payables	1,738,218	-	-	1,738,218
Long-term loans from financial institution	1,932,975	5,707,930	-	7,640,905
Debentures	55,350	734,568	1,088,385	1,878,303
Lease liabilities	11,978	8,183	-	20,161
Total non-derivatives	3,738,521	6,450,681	1,088,385	11,277,587
Derivatives				
Interest rate swap	-	1,127	-	1,127
Total derivatives	-	1,127	-	1,127

(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

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.

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

- The fair value of derivatives has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Group has considered counterparty credit risk when determining the fair value of derivatives.
- The fair value of fixed rate debentures is estimated by discounting expected future cash flow by the current market interest rate of debentures with similar terms and conditions.
- The carrying amounts of long-term loans carrying interest at rates approximating the market rate, in the statement of financial position approximates their fair value.

During the current year, there are 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 and it meets financial covenants attached to the loan agreements and debentures. The Group has complied with these covenants throughout the reporting periods.

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Director on 17 February 2023.