

**Siam Pan Group Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2021
and
Independent Auditor's Report



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Independent Auditor's Report


To the Shareholders of Siam Pan Group Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Siam Pan Group Public Company Limited and its subsidiaries (the "Group") and of Siam Pan Group Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2021, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2021 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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



Key Audit Matter

Key audit matter is that matter that, in my professional judgment, was of most significance in my audit of the consolidated and separate financial statements of the current period. This matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.


Valuation of inventories	
Refer to Note 8 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
There is a risk of valuation of the Group and the Company's inventories due to high competition for the selling prices of the lubricating oil and grease in the market. Accordingly, it is difficult to adjust the selling prices while the price of main raw materials of the Group and the Company are fluctuated as a result of market price. As it involves management's judgment and assumptions about future sale in the ordinary course of business for valuation of inventories and inventories are significant. I considered this a Key Audit Matter.	<p>My audit procedures included:</p> <ul style="list-style-type: none"> Assessing the net realisable value of inventories by understanding processes and controls underlying of the Group and the Company's valuation of inventories, the pricing policy and selling price list preparation. Performing test the design and implementation of the controls and sampling tests of net realisable value with selling price in subsequent after the reporting period, selling price list and external price including sampling test of estimated expenses necessary to make the sale. Considering the disclosures in accordance with Thai Financial Reporting Standards.

Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made. 



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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company'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 and the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and the Company'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 and the Company'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 consolidated and separate 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 and the Company to cease to continue as a going concern. ✕



- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 consolidated and separate 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.

Thitima P.

(Thitima Pongchaiyong)
Certified Public Accountant
Registration No. 10728

KPMG Phoomchai Audit Ltd.
Bangkok
14 February 2022

Siam Pan Group Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2021	2020	2021	2020
		<i>(in Baht)</i>			
Current assets					
Cash and cash equivalents	5	618,432,025	960,689,448	233,011,422	282,996,339
Other current financial assets	24	2,310,660,056	2,069,137,537	982,528,852	870,012,143
Trade and note receivables	4, 6	46,128,594	35,399,733	12,669,233	13,575,299
Other current receivables	4, 7, 24	48,941,302	42,551,289	9,420,941	19,280,452
Inventories	8	1,301,599,850	920,943,349	142,337,966	81,258,583
Other current assets	9	13,804,284	14,959,875	1,509,207	2,207,660
Total current assets		4,339,566,111	4,043,681,231	1,381,477,621	1,269,330,476
Non-current assets					
Other non-current financial assets	24	10,973,874	10,925,165	404,527	407,376
Investments in subsidiaries	10	-	-	188,253,110	178,253,110
Investment properties	11	3,055,441	3,311,418	41,530,784	43,914,431
Property, plant and equipment	12	1,530,198,429	1,579,432,712	1,283,058,867	1,310,830,616
Right-of-use assets	13	69,984,677	73,862,865	20,690,678	21,840,159
Intangible assets		1,350,000	-	1,350,000	-
Deferred tax assets		43,076,942	38,149,020	31,812,506	28,940,438
Other non-current assets	21	44,526	161,526	20,526	137,526
Total non-current assets		1,658,683,889	1,705,842,706	1,567,120,998	1,584,323,656
Total assets		5,998,250,000	5,749,523,937	2,948,598,619	2,853,654,132

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

Siam Pan Group Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity	Note	2021	2020	2021	2020
<i>(in Baht)</i>					
Current liabilities					
Trade payables	4	124,382,831	82,393,732	126,833,853	90,668,548
Other current payables	14, 24	63,998,000	57,194,068	36,340,304	31,458,026
Current contract liabilities		150,210,001	100,918,746	74,160,008	55,257,721
Current portion of lease liabilities	4	3,047,736	2,957,772	2,574,754	2,498,752
Current income tax payable		48,382,489	47,652,519	19,949,771	28,119,843
Withholding tax payable		54,793,116	36,385,828	53,050,716	34,800,826
Total current liabilities		444,814,173	327,502,665	312,909,406	242,803,716
Non-current liabilities					
Lease liabilities	4	68,817,067	71,864,803	58,173,810	60,748,564
Deferred tax liabilities	21	409,701	1,709,080	-	-
Non-current provisions for employee benefits	15	86,312,035	91,799,967	65,350,058	68,551,630
Total non-current liabilities		155,538,803	165,373,850	123,523,868	129,300,194
Total liabilities		600,352,976	492,876,515	436,433,274	372,103,910

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

Siam Pan Group Public Company Limited and its Subsidiaries

Statement of financial position

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2021	2020	2021	2020
<i>(in Baht)</i>					
Equity					
Share capital					
Authorised share capital					
(345,000,000 ordinary shares, par value at					
Baht 1 per share)		<u>345,000,000</u>	<u>345,000,000</u>	<u>345,000,000</u>	<u>345,000,000</u>
Issued and paid-up share capital					
(345,000,000 ordinary shares, par value at					
Baht 1 per share)		345,000,000	345,000,000	345,000,000	345,000,000
Share premium on ordinary shares	16	297,300,000	297,300,000	297,300,000	297,300,000
Retained earnings					
Appropriated					
Legal reserve	17	34,500,000	34,500,000	34,500,000	34,500,000
Unappropriated		<u>4,700,603,160</u>	<u>4,547,674,319</u>	<u>1,835,365,345</u>	<u>1,804,750,222</u>
Equity attributable to owners of the Company		5,377,403,160	5,224,474,319	2,512,165,345	2,481,550,222
Non-controlling interests		<u>20,493,864</u>	<u>32,173,103</u>	<u>-</u>	<u>-</u>
Total equity		<u>5,397,897,024</u>	<u>5,256,647,422</u>	<u>2,512,165,345</u>	<u>2,481,550,222</u>
 Total liabilities and equity		 <u>5,998,250,000</u>	 <u>5,749,523,937</u>	 <u>2,948,598,619</u>	 <u>2,853,654,132</u>

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

Siam Pan Group Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
<i>(in Baht)</i>					
Revenue					
Revenue from sale of goods	4, 18	2,923,542,752	2,600,712,064	1,970,291,385	1,714,384,707
Dividend income	4, 10	-	-	67,052,335	56,999,460
Investment income		14,317,152	27,442,054	5,994,654	11,163,673
Other income	4, 19	15,177,784	8,967,217	104,838,836	104,867,539
Total revenue		2,953,037,688	2,637,121,335	2,148,177,210	1,887,415,379
Expenses					
Cost of sale of goods	4, 8, 20	1,918,236,099	1,712,746,764	1,363,648,739	1,191,772,647
Distribution costs	20	105,905,181	104,490,490	80,987,554	70,897,603
Administrative expenses	4, 20	350,752,115	352,890,399	291,678,411	288,890,326
Finance costs		2,204,228	2,184,829	1,863,248	1,830,299
Total expenses		2,377,097,623	2,172,312,482	1,738,177,952	1,553,390,875
Profit before income tax expense		575,940,065	464,808,853	409,999,258	334,024,504
Tax expense	21	(114,248,349)	(91,927,700)	(69,497,626)	(56,222,400)
Profit for the year		461,691,716	372,881,153	340,501,632	277,802,104
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Gain on remeasurements of defined benefit plan	15	631,937	91,004	766,864	85,566
Income tax relating to items that will not be reclassified to profit or loss	21	(126,387)	(18,201)	(153,373)	(17,113)
Other comprehensive income for the year, net of tax		505,550	72,803	613,491	68,453
Total comprehensive income for the year		462,197,266	372,953,956	341,115,123	277,870,557

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

Siam Pan Group Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2021	2020	2021	2020
		(in Baht)			
Profit attributable to:					
Owners of the Company		460,034,147	372,858,556	340,501,632	277,802,104
Non-controlling interests		1,657,569	22,597	-	-
Profit for the year		461,691,716	372,881,153	340,501,632	277,802,104
Total comprehensive income					
attributable to:					
Owners of the Company		460,535,184	372,939,188	341,115,123	277,870,557
Non-controlling interests		1,662,082	14,768	-	-
Total comprehensive income for the year		462,197,266	372,953,956	341,115,123	277,870,557
Basic earnings per share	22	1.33	1.08	0.99	0.81

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

Siam Pan Group Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements						
Note	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Equity attributable to owners of the Company	Total equity
			Legal reserve	Unappropriated	the Company	
			(in Baht)			
Year ended 31 December 2020						
Balance at 1 January 2020	345,000,000	297,300,000	34,500,000	4,416,235,131	5,093,035,131	5,125,194,006
Transactions with owners, recorded directly in equity						
Distributions to owners of the Company						
23	-	-	-	(241,500,000)	(241,500,000)	(540)
	-	-	-	(241,500,000)	(241,500,000)	(540)
Comprehensive income for the year						
Profit	-	-	-	372,858,556	372,858,556	372,881,153
Other comprehensive income (loss)	-	-	-	80,632	80,632	72,803
Total comprehensive income for the year	-	-	-	372,939,188	372,939,188	372,953,956
Balance at 31 December 2020	345,000,000	297,300,000	34,500,000	4,547,674,319	5,224,474,319	5,256,647,422

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

Siam Pan Group Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements						
Note	Issued and paid-up share capital	Share premium on ordinary shares	Equity			
			Retained earnings		attributable to owners of the Company	Non-controlling interests
			Legal reserve	Unappropriated		
(in Baht)						
Year ended 31 December 2021	345,000,000	297,300,000	34,500,000	4,547,674,319	5,224,474,319	32,173,103
Balance at 1 January 2021						5,256,647,422
Transactions with owners, recorded directly in equity						
Distributions to owners of the Company						
23	Dividends to owners of the Company	-	-	(310,500,000)	(310,500,000)	(447,664)
	Total distributions to owners of the Company	-	-	(310,500,000)	(310,500,000)	(310,947,664)
Changes in ownership interests in subsidiary						
10	Acquisition of non-controlling interests without a change in control	-	-	2,893,657	2,893,657	(12,893,657)
	Total changes in ownership interests in subsidiary	-	-	2,893,657	2,893,657	(12,893,657)
Total transactions with owners, recorded directly in equity		-	-	(307,606,343)	(307,606,343)	(13,341,321)
						(320,947,664)
Comprehensive income for the year						
	Profit	-	-	460,034,147	460,034,147	1,657,569
	Other comprehensive income	-	-	501,037	501,037	4,513
Total comprehensive income for the year		-	-	460,535,184	460,535,184	1,662,082
Balance at 31 December 2021	345,000,000	297,300,000	34,500,000	4,700,603,160	5,377,403,160	20,493,864
						5,397,897,024

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

Siam Pan Group Public Company Limited and its Subsidiaries

Statement of changes in equity

	Separate financial statements				
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve (in Baht)	Unappropriated	Total equity
Year ended 31 December 2020					
Balance at 1 January 2020	345,000,000	297,300,000	34,500,000	1,768,379,665	2,445,179,665
Transactions with owners, recorded directly in equity					
<i>Distributions to owners of the Company</i>					
Dividends to owners of the Company	-	-	-	(241,500,000)	(241,500,000)
Total distributions to owners of the Company	-	-	-	(241,500,000)	(241,500,000)
Comprehensive income for the year					
Profit	-	-	-	277,802,104	277,802,104
Other comprehensive income	-	-	-	68,453	68,453
Total comprehensive income for the year	-	-	-	277,870,557	277,870,557
Balance at 31 December 2020	345,000,000	297,300,000	34,500,000	1,804,750,222	2,481,550,222

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

Siam Pan Group Public Company Limited and its Subsidiaries

Statement of changes in equity

	Note	Separate financial statements				Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		
			Legal reserve	Unappropriated reserve		
			(in Baht)			
Year ended 31 December 2021		345,000,000	297,300,000	34,500,000	1,804,750,222	2,481,550,222
Balance at 1 January 2021						
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the Company</i>						
Dividends to owners of the Company	23	-	-	-	(310,500,000)	(310,500,000)
Total distributions to owners of the Company		-	-	-	(310,500,000)	(310,500,000)
Comprehensive income for the year						
Profit		-	-	-	340,501,632	340,501,632
Other comprehensive income		-	-	-	613,491	613,491
Total comprehensive income for the year		-	-	-	341,115,123	341,115,123
Balance at 31 December 2021		345,000,000	297,300,000	34,500,000	1,835,365,345	2,512,165,345

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

Siam Pan Group Public Company Limited and its Subsidiaries

Statement of cash flows

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
<i>(in Baht)</i>					
<i>Cash flows from operating activities</i>					
Profit for the year		461,691,716	372,881,153	340,501,632	277,802,104
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Tax expense	21	114,248,349	91,927,700	69,497,626	56,222,400
Finance costs		2,204,228	2,184,829	1,863,248	1,830,299
Depreciation	11, 12, 13	83,487,621	86,806,170	32,602,903	34,933,992
Impairment loss on assets		-	331,215	-	-
Non-current provisions for employee benefits	15	3,878,683	7,504,334	1,472,324	4,084,208
Unrealised (gain) loss on foreign exchange		(4,704)	935,663	-	-
Loss (gain) on forward exchange contracts		280,910	(290,709)	-	-
Loss (reversal of) on decline in value of inventories and other current assets		3,888,071	152,186	(68,729)	69,082
Gain on disposal of equipment	19	(3,217,844)	(1,216,001)	(2,062,571)	(985,978)
Dividend income	10	-	-	(67,052,335)	(56,999,460)
Interest income		(14,317,152)	(26,294,978)	(5,994,654)	(10,869,704)
		652,139,878	534,921,562	370,759,444	306,086,943
<i>Changes in operating assets and liabilities</i>					
Trade and note receivables		(10,791,951)	15,749,136	906,066	(1,830,664)
Other current receivables		(12,136,655)	1,659,319	7,070,622	(1,281,277)
Inventories		(383,936,051)	76,321,620	(61,020,195)	221,961
Other current assets		547,070	(204,922)	707,994	(588,365)
Other non-current assets		117,000	(117,000)	117,000	(117,000)
Trade payables		41,868,052	(28,731,646)	36,165,305	(17,622,557)
Other current payables		6,169,920	11,167,809	4,882,278	6,582,690
Current contract liabilities		49,291,255	51,461,142	18,902,287	18,178,920
Withholding tax payable		18,407,288	1,858,816	18,249,890	2,095,913
Provisions for employee benefits paid	15	(8,734,678)	(6,159,455)	(3,907,032)	(1,354,661)
Net cash generated from operating		352,941,128	657,926,381	392,833,659	310,371,903
Taxes paid		(119,872,067)	(94,626,182)	(80,693,139)	(60,067,769)
Net cash from operating activities		233,069,061	563,300,199	312,140,520	250,304,134

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

Siam Pan Group Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
<i>(in Baht)</i>					
Cash flows from investing activities					
Proceeds from disposal of equipment		4,005,781	1,516,831	2,850,467	985,981
Acquisition of equipment		(30,554,010)	(26,777,579)	(2,085,922)	(11,756,739)
Acquisition of intangible assets		(1,350,000)	-	(1,350,000)	-
Increase in other current financial assets		(241,522,519)	(246,217,510)	(112,516,709)	(119,287,048)
(Increase) decrease in other non-current financial assets		(48,709)	(440,464)	2,849	2,807
Dividend received	10	-	-	67,052,335	56,999,460
Interest received		20,063,794	31,886,978	8,783,543	12,870,141
Net cash used in investing activities		(249,405,663)	(240,031,744)	(37,263,437)	(60,185,398)
Cash flows from financing activities					
Payment of lease liabilities	11, 13	(5,162,000)	(4,926,000)	(4,362,000)	(4,126,000)
Dividends paid to owners of the Company	23	(310,500,000)	(241,500,000)	(310,500,000)	(241,500,000)
Payment of change in ownership interest in subsidiary					
without a change in control	10	(10,000,000)	-	(10,000,000)	-
Dividends paid to non-controlling interests		(447,664)	(540)	-	-
Net cash used in financing activities		(326,109,664)	(246,426,540)	(324,862,000)	(245,626,000)
Net (decrease) increase in cash and cash equivalents, before effect of exchange rate changes					
		(342,446,266)	76,841,915	(49,984,917)	(55,507,264)
Effect of exchange rate changes on cash and cash equivalents					
		188,843	(764,450)	-	-
Net (decrease) increase in cash and cash equivalents		(342,257,423)	76,077,465	(49,984,917)	(55,507,264)
Cash and cash equivalents at 1 January		960,689,448	884,611,983	282,996,339	338,503,603
Cash and cash equivalents at 31 December	5	618,432,025	960,689,448	233,011,422	282,996,339
Non-cash transaction					
Payables for acquisition of equipment		353,100	-	-	-

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

Siam Pan Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 14 February 2022.

1 General information

Siam Pan Group Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in March 1997. The Company’s registered office at 488 Nakhonsawan Road, Mahanak Junction, Dusit District, Bangkok. Its warehouses are located at 60 Moo 3 Soi Jai-Ua, Krungtep-Pathum Thani Road, Tambon Bangkayang, Amphoe Muang, Pathumthani and at 101 Moo 2 Samkhok-Sena Road, Tambon Klong Kwai, Amphoe Samkhok, Pathumthani.

The Company’s major shareholders during the financial year were Mr. Muk Rotrakarn (32.8% shareholding), who is a Thai national, the estate of Mr. Lerd Jittivanich (13.7% shareholding) and the estate of Mrs. Chalam Rotrakarn (12.5% shareholding).

The principal activities of the Company and its subsidiaries, the “Group”, are the manufacturing and distributing of lubricating oil, grease and batteries. Details of the Company’s subsidiaries as at 31 December 2021 and 2020 are given in note 10.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies are described have been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”).

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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When there is a change in the Group's interest in a subsidiary that do not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid from the acquisition of the non-controlling interests with no change in control are accounted for as other surpluses in shareholders' equity.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation.

(b) Investments in subsidiaries

Investments in subsidiaries in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains or losses on disposal of the investments are recognised in profit or loss.

(c) Foreign currencies

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

Foreign currency differences are generally recognised in profit or loss.

(d) Financial instruments

(d.1) Classification and measurement

Financial assets and financial liabilities (except trade receivables (see note 3 (f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition, except for financial assets measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition are recognised in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method or FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

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Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

(d.2) Derecognition and offsetting

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Derivatives

Derivatives are recognised at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(d.4) Impairment of financial assets other than trade receivables

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group recognises ECLs for low credit risk financial asset as 12-month ECLs

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Siam Pan Group Public Company Limited and its Subsidiaries
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The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

(d.5) Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the year in which the recovery occurs.

(d.6) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

(f) Trade, note and other current receivables

A trade receivable is recognised when the Group has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost principle. Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

A right to recover returned products is recognised when the products are expected to be returned by customers and measured by reference to the former carrying amount of the sold inventories less any expected costs to recover those products.

(h) Investment properties

Investment properties are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Siam Pan Group Public Company Limited and its Subsidiaries
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No depreciation charged on freehold land and assets under construction

Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

(i) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction.

The estimated useful lives are as follows:

Buildings and other constructions	5 - 20	years
Machinery and equipment	5 - 20	years
Tools and equipment	5 - 10	years
Furniture, fixtures and office equipment	5 - 10	years
Vehicles	5	years

(j) Leases

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

As a lessee

At commencement of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

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Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

At lease inception, the Group considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

When the Group is an intermediate lessor, the Group classifies the sub-lease either as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease. In case of a head lease is a short-term lease, the sub-lease is classified as an operating lease. Those right-of-use assets are presented as investment properties.

The Group recognises finance lease receivables at the net investment of the leases, which includes the present value of the lease payments, and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income reflects a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of rental income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

The Group derecognises and determines impairment on the lease receivables as disclosed in note 3 (d).

(k) Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

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(l) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised in profit or loss if the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the greater of the assets' value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses of assets recognised in prior years is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Employee benefits

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior years. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the year, taking into account any changes in the net defined benefit liability during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Warranties

A provision for warranties is recognised when the underlying products are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

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(o) 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 market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as Level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value is transferred or the transaction is closed out.

(p) Revenue from contracts with customers

Revenue recognition

Revenue is recognised when a customer obtains control of the goods in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax or other sales taxes and is after deduction of any trade discounts and volume rebates.

Revenue from sale of goods is recognised on the date on which the goods are delivered to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognise revenue for this transaction and remains recognition of inventory for the estimated products to be returned.

Contract balances

Contract assets are recognised when the Group has recognised revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Group is entitled to, less allowance for expected credit loss. The contract assets are classified as trade receivables when the Group has an unconditional right to receive consideration.

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Contract liabilities are the obligation to transfer goods to the customer. The contract liabilities are recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

(q) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investment in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) Earnings per share

Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Company by the number of ordinary shares outstanding.

4 Related parties

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

Relationships with subsidiaries are described in note 10. Other related parties that the Group had significant transactions with during the year were as follows:

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Name of personnel/entity	Nationality/ country of incorporation	Nature of relationships
Mr. Muk Rotrakarn	Thailand	A major shareholder, 32.8% shareholding and the Chairman of the Company
Rojpaisan Ltd. Partnership	Thailand	Having some common directors

Significant transactions with related parties Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiaries				
Revenue from sale of goods	-	-	2,075	3,530
Purchase of goods	-	-	1,409,277	1,181,690
Dividend income	-	-	67,052	56,999
Management service fee income	-	-	11,568	14,124
Marketing management service fee income	-	-	81,629	81,150
Land rental income	-	-	2,832	2,596
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	177,130	168,799	163,606	155,939
Post-employment benefit	1,194	3,333	1,194	3,333
Total key management personnel compensation	<u>178,324</u>	<u>172,132</u>	<u>164,800</u>	<u>159,272</u>

Balances as at 31 December with related parties were as follows:

Trade receivables	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiaries				
Premier Lubricant Co., Ltd.	-	-	503	763
Siam Lubricant Industry Co., Ltd.	-	-	463	492
Siam Battery Industry Co., Ltd.	-	-	313	274
Total	<u>-</u>	<u>-</u>	<u>1,279</u>	<u>1,529</u>
Other current receivables				
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiaries				
Premier Lubricant Co., Ltd.	-	-	4,823	10,656
Siam Battery Industry Co., Ltd.	-	-	-	1,053
Total	<u>-</u>	<u>-</u>	<u>4,823</u>	<u>11,709</u>

Siam Pan Group Public Company Limited and its Subsidiaries
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<i>Trade payables</i>	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiaries				
Premier Lubricant Co., Ltd.	-	-	49,518	40,074
Siam Lubricant Industry Co., Ltd.	-	-	59,414	30,582
Siam Battery Industry Co., Ltd.	-	-	17,454	19,809
Total	-	-	126,386	90,465

<i>Lease liabilities</i>	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Other related parties	71,865	74,823	60,749	63,247

Significant agreements with related parties

Lease agreement between the Company and major shareholder

On 1 December 2019, Siam Pan Group Public Company Limited has entered into a land lease agreement with Mr. Muk Rotrakarn, the Company's chairman and major shareholder with an 1-year period, effective from 1 February 2020 to 31 January 2021. The Company pays monthly rental fee at Baht 236,000. When the lease term expires, lessor and lessee can extend this agreement for another 1 year. Subsequently, Siam Pan Group Public Company Limited has entered into a sublease agreement with Siam Battery Industry Co., Ltd. under the same rental fee and conditions. The Company classifies such land as an investment property.

Lease agreement between the Company and subsidiary with related party

The Company and subsidiary have entered into a land lease agreement with Rojpaisan Ltd. Partnership, a related party, to use as a factory and warehouse location, under the agreement dated 8 December 1997.

On 25 January 2021, the agreement was extended to a 2-year period ended 31 December 2022 for Siam Pan Group Public Company Limited and on 20 December 2021, the agreement was extended to a 2-year period ended 31 December 2023 for Premier Lubricant Co., Ltd. When the lease term expires, if there is no party terminate the agreement both lessor and lessee agree to renew this agreement for another 1 year with the same condition of original agreement in all respects. The rental fee rate is as follows:

	Annual rental fee
	<i>(in thousand Baht)</i>
Siam Pan Group Public Company Limited	1,530
Premier Lubricant Co., Ltd.	800

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Lease agreement between subsidiary and subsidiary

Premier Lubricant Co., Ltd. has entered into a land lease agreement with Siam Lubricant Industry Co., Ltd. to use as a factory under the agreement dated 19 February 2020. The conditions are as follows:

- The lease agreement has a 3-year period starting from 1 March 2020 to 28 February 2023. The monthly rental fee is Baht 60,000, which may fluctuate according to market conditions;
- The lease term can be extended at the end of each a 3-year term, with additional rental fee not exceeding 20% of the existing rental fee.

Service agreement between the Company and subsidiary

The Company has entered into a service agreement with Premier Lubricant Co., Ltd. for marketing management service under the agreement dated 1 July 2016. The conditions are as follows:

- The service agreement has a 2-year period starting from 1 July 2016 to 30 June 2018. The monthly service fee calculated in accordance with the conditions stipulated in the agreement;
- The agreement can be extended for each an 1-year period unless terminated by either party or change in conditions.

The Company has entered into a service agreement with Premier Lubricant Co., Ltd., Siam Lubricant Industry Co., Ltd. and Siam Battery Industry Co., Ltd. for management service under the agreement dated 1 February 2017. The conditions are as follows:

- The service agreement has a 2-year period starting from 1 January 2017 to 31 December 2018. The monthly service fee calculated in accordance with the conditions stipulated in the agreement;
- The agreement can be extended for each an 1-year period unless terminated by either party or change in conditions.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Cash on hand	291	405	177	149
Cash at banks	618,141	960,284	232,834	282,847
Total	618,432	960,689	233,011	282,996

6 Trade and note receivables

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Within credit terms	46,044	35,322	12,638	13,575
Overdue:				
1 - 30 days	1	7	-	-
31 - 60 days	50	71	-	-
More than 90 days	34	-	31	-
Total	46,129	35,400	12,669	13,575

Siam Pan Group Public Company Limited and its Subsidiaries
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Information of credit risk is disclosed in note 24 (b.1.1).

7 Other current receivables

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Accrued marketing management service fee income	-	-	4,823	10,656
Refundable value added tax	23,584	6,141	-	-
Prepaid expenses	10,921	9,048	1,877	2,075
Advance payment	5,093	15,351	-	-
Accrued interest income	4,629	10,376	1,893	4,682
Others	4,714	1,635	828	1,867
Total	48,941	42,551	9,421	19,280

8 Inventories

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Finished goods	218,891	135,203	142,454	81,404
Work in progress	196,505	141,331	-	-
Raw materials	768,276	624,377	-	-
Packaging	30,514	23,021	18	48
Goods in transit	94,678	995	-	-
	1,308,864	924,927	142,472	81,452
Less allowance for decline in value of inventories	(7,264)	(3,984)	(134)	(193)
Net	1,301,600	920,943	142,338	81,259
Inventories recognised in 'cost of sale of goods'				
- Cost	1,914,956	1,713,016	1,363,708	1,191,706
- Write-down to net realisable value (Reversal)	3,280	(269)	(59)	67
Net	1,918,236	1,712,747	1,363,649	1,191,773

9 Other current assets

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Spare parts for maintenance and supplied used	20,178	20,726	1,746	2,455
Less allowance for decline in value of other current assets	(6,374)	(5,766)	(237)	(247)
Net	13,804	14,960	1,509	2,208

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10 Investments in subsidiaries

		Separate financial statements				
Type of business	Ownership interest 2021 (%)	Paid-up capital 2021	Paid-up capital 2020	Cost		Dividend income for the year 2020
				2021 (in thousand Baht)	2020	
Premier Lubricant Co., Ltd.	99.99	70,000	70,000	70,000	70,000	41,999
Siam Lubricant Industry Co., Ltd.	99.99	50,000	50,000	50,000	50,000	15,000
Siam Battery Industry Co., Ltd.	97.41	60,000	60,000	68,253	58,253	-
Total				188,253	178,253	56,999

All subsidiaries were incorporated and operate in Thailand.

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***Significant movement for the year ended
31 December 2021***

**Separate
financial statements**
(in thousand Baht)
10,000

Purchase investment in Siam Battery Industry Co., Ltd.

In September 2021, the Group acquired an additional 1.67% interest in Siam Battery Industry Co., Ltd. for Baht 10.0 million in cash, increasing its ownership from 95.74% to 97.41%. The carrying amount of Siam Battery Industry Co., Ltd.'s net assets in the Group's financial statements on the date of the acquisition was Baht 773.6 million. The Group recognised a decrease in non-controlling interests of Baht 12.9 million, an increase in retained earnings of Baht 2.9 million of changes in the Group's ownership interest in Siam Battery Industry Co., Ltd..

11 Investment properties

The fair value of investment properties for land not used in an operation as at 31 December 2021 of Baht 802.4 million (2020: Baht 802.4 million) was determined by an independent professional valuer, at open market values on an existing use basis. The fair value of investment properties has been categorised as a Level 3 fair value.

Investment properties consist of land not used in an operation and right-of-use assets.

<i>Investment properties At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Land not used in an operation	3,055	3,311	3,055	3,311
Right-of-use assets	-	-	38,476	40,603
Total	3,055	3,311	41,531	43,914

<i>Year ended 31 December</i>	Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
<i>Amounts recognised in profit or loss</i>		
Rental income	2,832	2,596
Depreciation of right-of-use assets	2,128	1,950
Interest on lease liabilities	1,211	1,152

In 2021, total cash outflow for leases of the Company were Baht 2.8 million (2020: Baht 2.6 million).

12 Property, plant and equipment

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Siam Pan Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

	Separate financial statements					
	Land	Buildings and other constructions	Tools and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Assets under construction and installation
Cost						Total
At 1 January 2020	1,103,692	360,164	54,737	40,891	76,226	1,641,322
Additions	-	-	2,048	876	8,498	11,757
Transfers	-	4,587	1,360	-	-	-
Disposals	-	-	(2,691)	-	(3,209)	(5,900)
At 31 December 2020 and 1 January 2021	1,103,692	364,751	55,454	41,767	81,515	1,647,179
Additions	-	-	8	314	1,764	2,086
Disposals	(532)	-	-	-	(11,184)	(11,716)
At 31 December 2021	1,103,160	364,751	55,462	42,081	72,095	1,637,549
Accumulated depreciation						
At 1 January 2020	-	174,197	45,737	38,561	51,919	310,414
Depreciation charge for the year	-	16,423	2,831	1,439	11,141	31,834
Disposals	-	-	(2,691)	-	(3,209)	(5,900)
At 31 December 2020 and 1 January 2021	-	190,620	45,877	40,000	59,851	336,348
Depreciation charge for the year	-	16,648	2,498	616	9,564	29,326
Disposals	-	-	-	-	(11,184)	(11,184)
At 31 December 2021	-	207,268	48,375	40,616	58,231	354,490
Net book value						
At 31 December 2020	1,103,692	174,131	9,577	1,767	21,664	1,310,831
At 31 December 2021	1,103,160	157,483	7,087	1,465	13,864	1,283,059

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For the year ended 31 December 2021

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
		(in thousand Baht)		
Depreciation	79,610	83,105	29,326	31,834
Gross amount of assets which are fully depreciated but still in use	1,570,813	1,571,822	140,977	141,988

Donated land for public benefit

At the Board of Directors' Meeting held on 23 May 1997, the Board of Directors passed a resolution to donate certain plots of land at the carrying amount of Baht 787,896 comprising two title deeds located at Suanluang Sub-district, Phraekong District, Bangkok to the Bangkok Metropolitan Administration to be used for public benefit. The Company has transferred the right of ownership of the land to the Bangkok Metropolitan Administration on 7 September 2021.

Guarantee

As at 31 December 2021, the Group's land and other constructions at cost of Baht 159.9 million (2020: Baht 159.9 million) have been mortgaged as collateral for credit facilities from financial institutions and jointly guaranteed by subsidiaries.

Land

As at 31 December 2021, the Company's land at cost of Baht 1,098.7 million (2020: Baht 1,098.7 million) is in the progress of an utilisation plan. The Company has intention to construct a new factory and warehouse on this land.

Buildings and other constructions

As at 31 December 2021, a part of building and construction of a subsidiary at cost of Baht 69.9 million (2020: Baht 69.9 million) is located on land leased of another subsidiary.

As at 31 December 2021, building and other construction, and assets under construction of the Company and subsidiary at cost of Baht 395.6 million (2020: Baht 395.6 million) are located on land leased of a related party.

13 Leases

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
		(in thousand Baht)		
<i>Right-of-use assets</i>				
<i>At 31 December</i>				
Right-of-use land	69,985	73,863	20,691	21,840
Total	69,985	73,863	20,691	21,840

The Group leases a number of lands, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

Extension options

The Group has extension options on property leases exercisable up to one year before the end of the contract period. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options and will regularly reassess so.

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<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets	3,878	3,701	1,149	1,150
Interest on lease liabilities	2,204	2,185	652	678

In 2021, total cash outflow for leases of the Group and the Company were Baht 5.2 million and Baht 1.5 million, respectively (2020: Baht 4.9 million and Baht 1.5 million, respectively).

14 Other current payables

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Value added tax and excise tax payables	8,570	10,806	5,622	8,361
Accrued operating expenses	7,003	7,979	4,644	6,012
Accrued bonus	5,240	5,125	2,840	3,296
Others	43,185	33,284	23,234	13,789
Total	63,998	57,194	36,340	31,458

15 Non-current provisions for employee benefits

Defined benefit plan

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

<i>Present value of the defined benefit obligations</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
At 1 January	91,800	90,546	68,552	65,908
<i>Recognised in profit or loss:</i>				
Current service cost	3,785	7,384	1,453	4,033
Interest on obligation	94	120	19	52
	3,879	7,504	1,472	4,085
<i>Recognised in other comprehensive income:</i>				
Actuarial (gain) loss				
- Demographic assumptions	60	(1,123)	(622)	(570)
- Financial assumptions	16	376	(2)	90
- Experience adjustment	(708)	656	(143)	394
	(632)	(91)	(767)	(86)

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<i>Present value of the defined benefit obligations</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Benefit paid	(8,735)	(6,159)	(3,907)	(1,355)
	<u>(8,735)</u>	<u>(6,159)</u>	<u>(3,907)</u>	<u>(1,355)</u>
At 31 December	<u>86,312</u>	<u>91,800</u>	<u>65,350</u>	<u>68,552</u>

<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(%)</i>			
Discount rate	1.29 - 1.84	1.28 - 1.84	1.29	1.28
Future salary growth	1.70 - 2.22	3.14 - 5.01	1.77	3.37

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2021, the weighted-average duration of the defined benefit obligation of the Group and the Company were 10 - 21 years and 10 years, respectively (2020: 10 - 22 years and 10 years, respectively).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant.

<i>Effect to the defined benefit obligation At 31 December</i>	Consolidated financial statements			
	1% increase in assumption		1% decrease in assumption	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Discount rate	(437)	(261)	466	268
Future salary growth	1,423	1,285	(1,395)	(1,274)

<i>Effect to the defined benefit obligation At 31 December</i>	Separate financial statements			
	1% increase in assumption		1% decrease in assumption	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Discount rate	(117)	(58)	125	60
Future salary growth	805	737	(797)	(735)

16 Share premium on ordinary shares

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

17 Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Siam Pan Group Public Company Limited and its Subsidiaries
Notes to the financial statements
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18 Segment information and disaggregation of revenue

Management determined that the Group has three reportable segments which are the Group's strategic divisions for different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1 Lubricating oil
- Segment 2 Grease
- Segment 3 Batteries

Other segments include plastic beads and scrap. None of these segments meets the quantitative thresholds for determining reportable segments in 2021 or 2020.

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

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Consolidated financial statements												
Year ended 31 December	Segment Lubricating oil		Segment Grease		Segment Batteries		Total reportable segments		Other segments		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
(in thousand Baht)												
Information about reportable segments												
Revenue from sale of goods	1,507,560	1,315,889	1,053,022	914,540	350,054	356,798	2,910,616	2,587,227	12,927	13,485	2,923,543	2,600,712
Other income	12,245	17,162	11,718	11,823	5,532	7,424	29,495	36,409	-	-	29,495	36,409
Total revenue	<u>1,519,805</u>	<u>1,333,051</u>	<u>1,064,720</u>	<u>926,363</u>	<u>355,586</u>	<u>364,222</u>	<u>2,940,111</u>	<u>2,623,636</u>	<u>12,927</u>	<u>13,485</u>	<u>2,953,038</u>	<u>2,637,121</u>
Timing of revenue recognition												
At a point in time	1,519,805	1,333,051	1,064,720	926,363	355,586	364,222	2,940,111	2,623,636	12,927	13,485	2,953,038	2,637,121
Total revenue	<u>1,519,805</u>	<u>1,333,051</u>	<u>1,064,720</u>	<u>926,363</u>	<u>355,586</u>	<u>364,222</u>	<u>2,940,111</u>	<u>2,623,636</u>	<u>12,927</u>	<u>13,485</u>	<u>2,953,038</u>	<u>2,637,121</u>
Segment profit (loss)												
before income tax	285,302	236,087	228,677	230,890	61,485	(2,360)	575,464	464,617	476	192	575,940	464,809
Interest income	6,879	13,056	4,285	8,142	3,153	5,097	14,317	26,295	-	-	14,317	26,295
Depreciation	(41,957)	(44,269)	(26,981)	(26,744)	(14,550)	(15,793)	(83,488)	(86,806)	-	-	(83,488)	(86,806)
Tax expense	(58,610)	(54,619)	(38,900)	(33,048)	(16,738)	(4,261)	(114,248)	(91,928)	-	-	(114,248)	(91,928)

Total revenue of the Group was external revenue.

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For the year ended 31 December 2021

	Consolidated financial statements							
	Segment		Segment Grease		Segment Batteries		Total reportable segments	
	Lubricating oil		2020		2020		2021	
	2021	2020	2021	2020	2021	2020	2021	2020
	<i>(in thousand Baht)</i>							
Capital expenditure	4,075	1,970	24,424	12,431	322	447	28,821	14,848
Unallocated amounts								
Total capital expenditure							32,257	26,605
Segment assets	1,771,865	1,675,244	717,800	676,518	882,563	811,265	3,372,228	3,163,027
Unallocated amounts								
Total assets							5,998,250	5,749,524
Segment liabilities	84,254	102,256	106,632	46,686	99,420	62,296	290,306	211,238
Unallocated amounts								
Total liabilities							600,353	492,877

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Geographical segments

The Group is managed, operates manufacturing facilities and sales offices only in Thailand. Portions of product are exported to external customers in foreign countries. There are no assets located in foreign countries.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

Geographical information

	Revenue	
	2021	2020
	<i>(in thousand Baht)</i>	
Thailand	1,762,188	1,553,461
Myanmar	815,377	716,989
Other countries	375,473	366,671
Total	<u>2,953,038</u>	<u>2,637,121</u>

Major customer

Revenue from one customer of the Group's segment 1 represents approximately Baht 698.1 million (2020: Baht 616.3 million) of the Group's total revenue.

19 Other income

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Marketing management service fee income from subsidiary	4	-	-	81,629	81,150
Management service fee income from subsidiaries	4	-	-	11,568	14,124
Land rental income	4	-	-	2,832	2,596
Freight charges		3,386	780	-	-
Gain on disposal of equipment		3,218	1,216	2,063	986
Others		8,574	6,971	6,747	6,012
Total		<u>15,178</u>	<u>8,967</u>	<u>104,839</u>	<u>104,868</u>

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20 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Included in cost of sale of goods:</i>				
Changes in inventories of finished goods and work in progress	(138,862)	(31,122)	(61,050)	243
Purchase of goods for sales	-	-	1,424,699	1,191,530
Raw materials and consumables used	1,775,936	1,462,235	-	-
Employee benefit expenses	129,143	135,612	-	-
Depreciation	49,791	50,437	-	-
Others	102,228	95,585	-	-
Total	1,918,236	1,712,747	1,363,649	1,191,773
<i>Included in distribution costs:</i>				
Marketing expenses	47,028	56,886	32,981	33,890
Employee benefit expenses	32,655	29,180	32,655	29,180
Distribution expenses	22,051	14,192	11,887	4,470
Others	4,171	4,232	3,465	3,358
Total	105,905	104,490	80,988	70,898
<i>Included in administrative expenses:</i>				
Employee benefit expenses	284,388	289,731	227,931	224,627
Depreciation	33,696	36,369	32,603	34,934
Transportation expenses	3,105	3,290	2,509	2,577
Others	29,563	23,500	28,635	26,752
Total	350,752	352,890	291,678	288,890

21 Income tax

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	120,601	99,400	72,524	60,872
Over provided in prior years	-	(1)	-	-
	120,601	99,399	72,524	60,872
Deferred tax expense				
Movements in temporary differences	(6,353)	(7,471)	(3,026)	(4,650)
	(6,353)	(7,471)	(3,026)	(4,650)
Total	114,248	91,928	69,498	56,222

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Income tax recognised in other comprehensive income

	Consolidated financial statements					
	Before tax	2021 Tax expense	Net of tax (in thousand Baht)	Before tax	2020 Tax expense	Net of tax
Defined benefit plan actuarial gain	<u>632</u>	<u>(126)</u>	<u>506</u>	<u>91</u>	<u>(18)</u>	<u>73</u>

	Separate financial statements					
	Before tax	2021 Tax expense	Net of tax (in thousand Baht)	Before tax	2020 Tax expense	Net of tax
Defined benefit plan actuarial gain	<u>767</u>	<u>(153)</u>	<u>614</u>	<u>86</u>	<u>(17)</u>	<u>69</u>

Reconciliation of effective tax rate

	Consolidated financial statements			
	Rate (%)	2021 (in thousand Baht)	Rate (%)	2020 (in thousand Baht)
Profit before income tax expense		<u>575,940</u>		<u>464,809</u>
Income tax using the Thai corporation tax rate	20.0	115,188	20.0	92,962
Expenses not deductible for tax purposes		1,074		1,287
Additional deductible expenses for tax purposes		(2,014)		(2,320)
Over provided in prior years		-		(1)
Total	19.8	114,248	19.8	91,928

	Separate financial statements			
	Rate (%)	2021 (in thousand Baht)	Rate (%)	2020 (in thousand Baht)
Profit before income tax expense		<u>409,999</u>		<u>334,025</u>
Income tax using the Thai corporation tax rate	20.0	82,000	20.0	66,805
Expenses not deductible for tax purposes		1,071		1,282
Dividend income not subject to tax		(13,410)		(11,400)
Additional deductible expenses for tax purposes		(163)		(465)
Total	17.0	69,498	16.8	56,222

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<i>Deferred tax</i> <i>At 31 December</i>	Consolidated financial statements			
	Assets		Liabilities	
	2021	2020	2021	2020
		<i>(in thousand Baht)</i>		
Total	46,367	41,977	(3,700)	(5,537)
Set off of tax	(3,290)	(3,828)	3,290	3,828
Net deferred tax assets (liabilities)	43,077	38,149	(410)	(1,709)

<i>Deferred tax</i> <i>At 31 December</i>	Separate financial statements			
	Assets		Liabilities	
	2021	2020	2021	2020
		<i>(in thousand Baht)</i>		
Total	31,813	28,940	-	-
Set off of tax	-	-	-	-
Net deferred tax assets	31,813	28,940	-	-

	Consolidated financial statements			
	(Charged) / credited to:			
	At 1 January	Profit or loss	Other comprehensive income	At 31 December
		<i>(in thousand Baht)</i>		
2021				
<i>Deferred tax assets</i>				
Inventories and other current assets	4,835	1,901	-	6,736
Assets under construction and installation	3,585	-	-	3,585
Right-of-use assets	192	185	-	377
Non-current provisions for employee benefits	18,360	(972)	(126)	17,262
Others	15,005	3,402	-	18,407
Total	41,977	4,516	(126)	46,367
<i>Deferred tax liabilities</i>				
Equipment	(5,479)	1,779	-	(3,700)
Other assets	(58)	58	-	-
Total	(5,537)	1,837	-	(3,700)
Net	36,440	6,353	(126)	42,667

Siam Pan Group Public Company Limited and its Subsidiaries

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	Consolidated financial statements (Charged) / credited to:			At 31 December
	At 1 January	Profit or loss (in thousand Baht)	Other comprehensive income	
2020				
Deferred tax assets				
Inventories and other current assets	3,797	1,038	-	4,835
Assets under construction and installation	3,519	66	-	3,585
Right-of-use assets	-	192	-	192
Non-current provisions for employee benefits	18,109	269	(18)	18,360
Others	11,140	3,865	-	15,005
Total	36,565	5,430	(18)	41,977
Deferred tax liabilities				
Equipment	(7,554)	2,075	-	(5,479)
Other assets	(24)	(34)	-	(58)
Total	(7,578)	2,041	-	(5,537)
Net	28,987	7,471	(18)	36,440

	Separate financial statements (Charged) / credited to:			At 31 December
	At 1 January	Profit or loss (in thousand Baht)	Other comprehensive income	
2021				
Deferred tax assets				
Inventories and other current assets	88	(14)	-	74
Right-of-use assets	161	156	-	317
Non-current provisions for employee benefits	13,710	(487)	(153)	13,070
Others	14,981	3,371	-	18,352
Total	28,940	3,026	(153)	31,813

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	At 1 January	Separate financial statements (Charged) / credited to:		At 31 December
		Profit or loss (in thousand Baht)	Other comprehensive income	
2020				
Deferred tax assets				
Inventories and other current assets	74	14	-	88
Right-of-use assets	-	161	-	161
Non-current provisions for employee benefits	13,182	545	(17)	13,710
Others	11,112	3,869	-	14,981
Total	24,368	4,589	(17)	28,940
Deferred tax liabilities				
Equipment	(61)	61	-	-
Total	(61)	61	-	-
Net	24,307	4,650	(17)	28,940

22 Basic earnings per share

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht / thousand shares)			
Profit attributable to ordinary shareholders of the Company (basic)	460,034	372,859	340,502	277,802
Number of ordinary shares outstanding	345,000	345,000	345,000	345,000
Basic earnings per share (in Baht)	1.33	1.08	0.99	0.81

23 Dividends

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in thousand Baht)
2021				
Interim dividend	9 November 2021	7 December 2021	0.45	155,250
Interim dividend	26 April 2021	24 May 2021	0.45	155,250
			0.90	310,500
2020				
Interim dividend	2 April 2020	30 April 2020	0.70	241,500

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24 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

Consolidated financial statements			
	Carrying amount		Fair value
	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost (in thousand Baht)	Level 2
At 31 December 2021			
Financial assets			
Short-term deposits at financial institutions	-	2,310,660	2,305,906
Government bonds	-	10,974	11,076
Financial liability			
Derivative liabilities	(281)	-	(281)
At 31 December 2020			
Financial assets			
Short-term deposits at financial institutions	-	2,069,138	2,058,937
Derivative assets	291	-	291
Government bonds	-	10,925	11,190
Separate financial statements			
	Carrying amount		Fair value
	Financial instruments measured at amortised cost (in thousand Baht)		Level 2
At 31 December 2021			
Financial assets			
Short-term deposits at financial institutions		982,529	980,643
Government bonds		405	410
At 31 December 2020			
Financial assets			
Short-term deposits at financial institutions		870,012	865,368
Government bonds		407	418

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The following tables present valuation technique of financial instruments measured at fair value in the statements of financial position:

Type	Valuation technique
Forward exchange contracts	Derived by using a valuation technique incorporating observable market data.
Investments in government bonds guaranteed by the government	Derived by using Thai Bond Market Association Government Bond Yield Curve.

The fair value of investment in debt instruments and financial liabilities measured at amortised costs are calculated by discounted cash flows technique.

(b) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt instruments.

(b.1.1) Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's commercial terms and conditions are offered. Sale limits are established for each customer. Any sales exceeding those limits require approval from the risk management committee.

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The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 3 months. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade receivables are disclosed in note 6.

(b.1.2) Investment in debt instruments

The Group limits its exposure to credit risk by investing only in liquid debt instruments and only with counterparties that no credit risk.

(b.1.3) Cash and cash equivalents and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

(b.1.4) Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities.

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Consolidated financial statements					
Contractual cash flows					
	Carrying	1 year	More than	More than	Total
<i>At 31 December</i>	amount	or less	1 year but less than 5 years	5 years	
<i>(in thousand Baht)</i>					
<i>2021</i>					
<i>Financial liabilities</i>					
Trade payables	124,383	124,383	-	-	124,383
Other current payables	63,998	63,998	-	-	63,998
Current contract liabilities	150,210	150,210	-	-	150,210
Lease liabilities	71,865	5,162	20,648	67,342	93,152
	410,456	343,753	20,648	67,342	431,743

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Consolidated financial statements					
At 31 December	Carrying amount	Contractual cash flows			Total
		1 year or less	More than 1 year but less than 5 years		
			(in thousand Baht)		
2020					
Financial liabilities					
Trade payables	82,394	82,394	-	-	82,394
Other current payables	57,194	57,194	-	-	57,194
Current contract liabilities	100,919	100,919	-	-	100,919
Lease liabilities	74,823	5,162	20,648	72,504	98,314
	315,330	245,669	20,648	72,504	338,821

Separate financial statements					
At 31 December	Carrying amount	Contractual cash flows			Total
		1 year or less	More than 1 year but		
			less than 5 years	More than 5 years	
2021					
Financial liabilities					
Trade payables	126,834	126,834	-	-	126,834
Other current payables	36,340	36,340	-	-	36,340
Current contract liabilities	74,160	74,160	-	-	74,160
Lease liabilities	60,749	4,362	17,448	56,942	78,752
	298,083	241,696	17,448	56,942	316,086

Separate financial statements					
At 31 December	Carrying amount	Contractual cash flows			Total
		1 year or less	More than 1 year but less than 5 years		
			More than 5 years		
			(in thousand Baht)		
2020					
Financial liabilities					
Trade payables	90,669	90,669	-	-	90,669
Other current payables	31,458	31,458	-	-	31,458
Current contract liabilities	55,258	55,258	-	-	55,258
Lease liabilities	63,247	4,362	17,448	61,304	83,114
	240,632	181,747	17,448	61,304	260,499

(b.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

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(b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

	Consolidated financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
<i>United States Dollars</i>		
Cash and cash equivalents	15,705	18,671
Trade and note receivables	30,665	19,084
Trade payables	(48,328)	(11,918)
Other current payables	-	(90)
Net statement of financial position exposure	(1,958)	25,747
Forward exchange selling contracts	(78,875)	(71,983)
Net exposure	(80,833)	(46,236)
<i>Euro</i>		
Cash and cash equivalents	16	15
Trade payables	(997)	(335)
Net exposure	(981)	(320)

Sensitivity analysis

A reasonably possible strengthening (weakening) of Thai Baht against all other foreign currencies at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Consolidated financial statements		
<i>Impact to profit or loss</i>	Movement	Strengthening	Weakening
	(%)	<i>(in thousand Baht)</i>	
<i>At 31 December 2021</i>			
USD	10	(8,044)	8,044
EUR	10	(97)	97
<i>At 31 December 2020</i>			
USD	10	(4,568)	4,568
EUR	10	(32)	32

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows which mainly is cash and cash equivalents so the Group has low interest rate risk. The sensitivity impact to the increase or decrease as a result of changes in interest rates is immaterial on financial statements of the Group.

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25 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, by evaluating result from operating activities divided by total equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

26 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Capital commitments				
Machinery and equipment	5,658	1,233	-	-
Intangible assets	1,350	-	1,350	-
Total	7,008	1,233	1,350	-
Other commitments				
Letters of credit for purchasing raw materials	68,481	6,924	-	-
Purchase orders for raw materials	7,378	5,567	-	-
Guarantee for the usage of electricity	10,360	9,560	400	400
Others	30	30	20	20
Total	86,249	22,081	420	420

27 Event after the reporting period

At the Board of Directors' meeting of the Company held on 14 February 2022, the Board of Directors passed a resolution to approve a dividend payment for the year 2021 of Baht 0.45 per share amounting to Baht 155.25 million. The resolution will be proposed to the annual general meeting held on 25 April 2022.