

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

Financial statements for the year ended  
31 December 2022  
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 2022, 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 2022 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 including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



### *Key Audit 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.

<b>Valuation of inventories</b>	
Refer to Note 8 to the consolidated and separate financial statements.	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
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"> <li>• 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.</li> <li>• 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.</li> <li>• Considering the disclosures in accordance with Thai Financial Reporting Standards.</li> </ul>

### *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.

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- 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, actions taken to eliminate threats or safeguards applied.

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  
27 February 2023

# 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	
		2022	2021	2022	2021
<i>(in Baht)</i>					
<b>Current assets</b>					
Cash and cash equivalents	5	412,571,981	618,432,025	151,490,251	233,011,422
Other current financial assets	24	2,593,007,228	2,310,660,056	1,039,688,135	982,528,852
Trade and note receivables	4, 6	23,957,644	46,128,594	12,026,031	12,669,233
Other current receivables	4, 7, 24	44,016,021	48,941,302	8,689,888	9,420,941
Inventories	8	1,387,846,142	1,301,599,850	217,756,353	142,337,966
Other current assets	9	11,660,690	13,804,284	1,256,754	1,509,207
<b>Total current assets</b>		<b>4,473,059,706</b>	<b>4,339,566,111</b>	<b>1,430,907,412</b>	<b>1,381,477,621</b>
<b>Non-current assets</b>					
Other non-current financial assets	24	10,846,748	10,973,874	401,634	404,527
Investments in subsidiaries	10	-	-	201,903,110	188,253,110
Investment properties	11	3,055,441	3,055,441	39,403,116	41,530,784
Property, plant and equipment	12	1,469,799,328	1,530,198,429	1,257,677,152	1,283,058,867
Right-of-use assets	13	66,106,490	69,984,677	19,541,196	20,690,678
Intangible assets		1,350,000	1,350,000	1,350,000	1,350,000
Deferred tax assets	21	44,308,058	43,076,942	31,387,089	31,812,506
Other non-current assets		46,526	44,526	22,526	20,526
<b>Total non-current assets</b>		<b>1,595,512,591</b>	<b>1,658,683,889</b>	<b>1,551,685,823</b>	<b>1,567,120,998</b>
<b>Total assets</b>		<b>6,068,572,297</b>	<b>5,998,250,000</b>	<b>2,982,593,235</b>	<b>2,948,598,619</b>

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	2022	2021	2022	2021
<i>(in Baht)</i>					
<b>Current liabilities</b>					
Trade payables	4, 24	104,091,929	124,382,831	107,820,338	126,833,853
Other current payables	14, 24	42,579,076	63,998,000	21,842,239	36,340,304
Current contract liabilities	24	115,718,634	150,210,001	69,953,348	74,160,008
Current portion of lease liabilities	4, 24	3,140,435	3,047,736	2,653,068	2,574,754
Current income tax payable		33,099,970	48,382,489	15,497,127	19,949,771
Withholding tax payable		39,470,863	54,793,116	37,474,445	53,050,716
<b>Total current liabilities</b>		<b>338,100,907</b>	<b>444,814,173</b>	<b>255,240,565</b>	<b>312,909,406</b>
<b>Non-current liabilities</b>					
Lease liabilities	4, 24	65,676,632	68,817,067	55,520,742	58,173,810
Deferred tax liabilities	21	-	409,701	-	-
Non-current provisions for employee benefits	15	90,958,291	86,312,035	66,792,462	65,350,058
<b>Total non-current liabilities</b>		<b>156,634,923</b>	<b>155,538,803</b>	<b>122,313,204</b>	<b>123,523,868</b>
<b>Total liabilities</b>		<b>494,735,830</b>	<b>600,352,976</b>	<b>377,553,769</b>	<b>436,433,274</b>

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	
	Note	2022	2021	2022	2021
		(in Baht)			
<b>Equity</b>					
Share capital					
Authorised 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
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					
		4,895,580,009	4,700,603,160	1,928,239,466	1,835,365,345
<b>Equity attributable to owners of the Company</b>					
		5,572,380,009	5,377,403,160	2,605,039,466	2,512,165,345
Non-controlling interests					
		1,456,458	20,493,864	-	-
<b>Total equity</b>					
		5,573,836,467	5,397,897,024	2,605,039,466	2,512,165,345
<b>Total liabilities and equity</b>					
		6,068,572,297	5,998,250,000	2,982,593,235	2,948,598,619

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	2022	2021	2022	2021
		(in Baht)			
<b>Income</b>					
Revenue from sale of goods	4, 18	2,881,147,537	2,923,542,752	1,959,031,237	1,970,291,385
Dividend income	4, 10	-	-	67,227,335	67,052,335
Investment income		12,063,636	14,317,152	4,841,399	5,994,654
Other income	4, 19	16,107,714	15,177,784	109,286,185	104,838,836
<b>Total income</b>		<b>2,909,318,887</b>	<b>2,953,037,688</b>	<b>2,140,386,156</b>	<b>2,148,177,210</b>
<b>Expenses</b>					
Cost of sale of goods	4, 8, 20	2,010,194,746	1,918,236,099	1,457,821,910	1,363,648,739
Distribution costs	20	124,777,420	105,905,181	105,022,500	80,987,554
Administrative expenses	4, 20	341,238,251	350,752,115	282,454,392	291,678,411
Finance costs	11, 13	2,114,264	2,204,228	1,787,246	1,863,248
<b>Total expenses</b>		<b>2,478,324,681</b>	<b>2,377,097,623</b>	<b>1,847,086,048</b>	<b>1,738,177,952</b>
<b>Profit before income tax expense</b>		<b>430,994,206</b>	<b>575,940,065</b>	<b>293,300,108</b>	<b>409,999,258</b>
Tax expense	21	(86,295,133)	(114,248,349)	(45,778,267)	(69,497,626)
<b>Profit for the year</b>		<b>344,699,073</b>	<b>461,691,716</b>	<b>247,521,841</b>	<b>340,501,632</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Gain on remeasurements of defined benefit plan	15	516,294	631,937	752,850	766,864
Income tax relating to items that will not be reclassified to profit or loss	21	(103,259)	(126,387)	(150,570)	(153,373)
<b>Other comprehensive income for the year, net of tax</b>		<b>413,035</b>	<b>505,550</b>	<b>602,280</b>	<b>613,491</b>
<b>Total comprehensive income for the year</b>		<b>345,112,108</b>	<b>462,197,266</b>	<b>248,124,121</b>	<b>341,115,123</b>

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

# Siam Pan Group Public Company Limited and its Subsidiaries

## Statement of comprehensive income

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
		<i>(in Baht)</i>			
<b>Profit attributable to:</b>					
Owners of the Company		344,089,634	460,034,147	247,521,841	340,501,632
Non-controlling interests		609,439	1,657,569	-	-
<b>Profit for the year</b>		<b>344,699,073</b>	<b>461,691,716</b>	<b>247,521,841</b>	<b>340,501,632</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		344,517,019	460,535,184	248,124,121	341,115,123
Non-controlling interests		595,089	1,662,082	-	-
<b>Total comprehensive income for the year</b>		<b>345,112,108</b>	<b>462,197,266</b>	<b>248,124,121</b>	<b>341,115,123</b>
<b>Basic earnings per share</b>	22	<b>1.00</b>	<b>1.33</b>	<b>0.72</b>	<b>0.99</b>

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		Total equity
				Legal reserve	Unappropriated (in Baht)	
Year ended 31 December 2021						
Balance at 1 January 2021		345,000,000	297,300,000	34,500,000	4,547,674,319	5,224,474,319
						32,173,103
						5,256,647,422
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)
						(447,664)
						(310,947,664)
<i>Changes in ownership interests in subsidiary</i>						
Acquisition of non-controlling interests without a change in control	10	-	-	-	2,893,657	2,893,657
Total changes in ownership interests in subsidiary		-	-	-	2,893,657	2,893,657
						(12,893,657)
						(10,000,000)
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
Other comprehensive income		-	-	-	501,037	501,037
Total comprehensive income for the year		-	-	-	460,535,184	460,535,184
						1,657,569
						4,513
						505,550
						1,662,082
						462,197,266
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**

	Consolidated financial statements					
	Note	Retained earnings		Equity attributable to owners of the Company		Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated (in Baht)	
<b>Year ended 31 December 2022</b>						
<b>Balance at 1 January 2022</b>		<b>345,000,000</b>	<b>297,300,000</b>	<b>34,500,000</b>	<b>4,700,603,160</b>	<b>5,377,403,160</b>
						<b>20,493,864</b>
						<b>5,397,897,024</b>
<b>Transactions with owners, recorded directly in equity</b>						
<i>Distributions to owners of the Company</i>						
Dividends to owners of the Company	23	-	-	-	(155,250,000)	(155,250,000)
Total distributions to owners of the Company		-	-	-	(155,250,000)	(155,250,000)
<i>Changes in ownership interests in subsidiary</i>						
Acquisition of non-controlling interests without a change in control	10	-	-	-	5,709,830	5,709,830
Total changes in ownership interests in subsidiary		-	-	-	5,709,830	5,709,830
Total transactions with owners, recorded directly in equity		-	-	-	(149,540,170)	(149,540,170)
						<b>(19,632,495)</b>
						<b>(169,172,665)</b>
<b>Comprehensive income for the year</b>						
Profit		-	-	-	344,089,634	344,089,634
Other comprehensive income (loss)		-	-	-	427,385	427,385
Total comprehensive income for the year		-	-	-	344,517,019	344,517,019
						<b>595,089</b>
						<b>345,112,108</b>
<b>Balance at 31 December 2022</b>		<b>345,000,000</b>	<b>297,300,000</b>	<b>34,500,000</b>	<b>4,895,580,009</b>	<b>5,572,380,009</b>
						<b>1,456,458</b>
						<b>5,573,836,467</b>

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	Retained earnings		Total equity
					</	

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	
				(in Baht)		
Year ended 31 December 2022						
Balance at 1 January 2022		345,000,000	297,300,000	34,500,000	1,835,365,345	2,512,165,345
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the Company</i>						
Dividends to owners of the Company	23	-	-	-	(155,250,000)	(155,250,000)
Total distributions to owners of the Company		-	-	-	(155,250,000)	(155,250,000)
Comprehensive income for the year						
Profit		-	-	-	247,521,841	247,521,841
Other comprehensive income		-	-	-	602,280	602,280
Total comprehensive income for the year		-	-	-	248,124,121	248,124,121
Balance at 31 December 2022		345,000,000	297,300,000	34,500,000	1,928,239,466	2,605,039,466

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	
		2022	2021	2022	2021
<i>(in Baht)</i>					
<b><i>Cash flows from operating activities</i></b>					
Profit for the year		344,699,073	461,691,716	247,521,841	340,501,632
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Tax expense	21	86,295,133	114,248,349	45,778,267	69,497,626
Finance costs		2,114,264	2,204,228	1,787,246	1,863,248
Depreciation	11, 12, 13	80,246,566	83,487,621	29,513,935	32,602,903
Reversal of impairment loss on assets	12	(2,850,000)	-	-	-
Non-current provisions for employee benefits	15	11,682,897	3,878,683	3,455,453	1,472,324
Unrealised loss (gain) on foreign exchange		1,150,757	(4,704)	-	-
Loss on forward exchange contracts		2,601,625	280,910	-	-
Loss on (reversal of) decline in value of inventories and other current assets		2,517,152	3,888,071	216,812	(68,729)
Gain on disposal of equipment	19	(3,171,261)	(3,217,844)	(2,995,995)	(2,062,571)
Dividend income	10	-	-	(67,227,335)	(67,052,335)
Interest income		(12,063,636)	(14,317,152)	(4,841,399)	(5,994,654)
		513,222,570	652,139,878	253,208,825	370,759,444
<b><i>Changes in operating assets and liabilities</i></b>					
Trade and note receivables		22,037,007	(10,791,951)	643,202	906,066
Other current receivables		6,529,171	(12,136,655)	1,114,931	7,070,622
Inventories		(87,807,635)	(383,936,051)	(75,644,289)	(61,020,195)
Other current assets		1,187,785	547,070	261,543	707,994
Other non-current assets		(2,000)	117,000	(2,000)	117,000
Trade payables		(19,463,813)	41,868,052	(19,013,515)	36,165,305
Other current payables		(24,853,834)	6,169,920	(14,498,065)	4,882,278
Current contract liabilities		(34,491,367)	49,291,255	(4,206,660)	18,902,287
Withholding tax payable		(15,322,253)	18,407,288	(15,576,271)	18,249,890
Provisions for employee benefits paid	15	(6,520,347)	(8,734,678)	(1,260,199)	(3,907,032)
Net cash generated from operations		354,515,284	352,941,128	125,027,502	392,833,659
Taxes paid		(103,321,728)	(119,872,067)	(49,956,065)	(80,693,139)
<b>Net cash from operating activities</b>		<b>251,193,556</b>	<b>233,069,061</b>	<b>75,071,437</b>	<b>312,140,520</b>

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

# Siam Pan Group Public Company Limited and its Subsidiaries

## Statement of cash flows

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2022	2021	2022	2021
		(in Baht)			
<b>Cash flows from investing activities</b>					
Proceeds from disposal of equipment		3,334,116	4,005,781	3,158,832	2,850,467
Acquisition of equipment		(12,975,258)	(30,554,010)	(1,017,907)	(2,085,922)
Acquisition of intangible assets		-	(1,350,000)	-	(1,350,000)
Increase in other current financial assets		(282,347,172)	(241,522,519)	(57,159,283)	(112,516,709)
Decrease (increase) in other non-current financial assets		127,126	(48,709)	2,893	2,849
Dividend received	10	-	-	67,227,335	67,052,335
Interest received		10,986,157	20,063,794	4,457,522	8,783,543
<b>Net cash (used in) from investing activities</b>		<b>(280,875,031)</b>	<b>(249,405,663)</b>	<b>16,669,392</b>	<b>(37,263,437)</b>
<b>Cash flows from financing activities</b>					
Payment of lease liabilities	11, 13	(5,162,000)	(5,162,000)	(4,362,000)	(4,362,000)
Dividends paid to owners of the Company	23	(155,250,000)	(310,500,000)	(155,250,000)	(310,500,000)
Payment of change in ownership interest in subsidiary					
without a change in control	10	(13,650,000)	(10,000,000)	(13,650,000)	(10,000,000)
Dividends paid to non-controlling interests		(272,665)	(447,664)	-	-
<b>Net cash used in financing activities</b>		<b>(174,334,665)</b>	<b>(326,109,664)</b>	<b>(173,262,000)</b>	<b>(324,862,000)</b>
Net decrease in cash and cash equivalents,					
before effect of exchange rate changes		(204,016,140)	(342,446,266)	(81,521,171)	(49,984,917)
Effect of exchange rate changes on					
cash and cash equivalents		(1,843,904)	188,843	-	-
<b>Net decrease in cash and cash equivalents</b>		<b>(205,860,044)</b>	<b>(342,257,423)</b>	<b>(81,521,171)</b>	<b>(49,984,917)</b>
Cash and cash equivalents at 1 January		618,432,025	960,689,448	233,011,422	282,996,339
<b>Cash and cash equivalents at 31 December</b>	5	<b>412,571,981</b>	<b>618,432,025</b>	<b>151,490,251</b>	<b>233,011,422</b>
<b>Non-cash transaction</b>					
Payables for acquisition of equipment		659,975	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 2022**

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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 27 February 2023.

**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 2022 and 2021 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, described in note 3, 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 does 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 is accounted for as other surplus 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 plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or 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. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

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.

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*(d.2) Derecognition and offsetting*

The Group derecognises a financial asset when the contractual rights to receive 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.

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 takes action such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

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*(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 the ECLs rates. 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.

No depreciation is provided 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.

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**(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, 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.

*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 are recognised as expenses on a straight-line basis over the respective lease terms.

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.

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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 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 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.

**(k) Intangible assets**

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate 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.

**(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.

An impairment loss of asset 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.

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**(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.

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.

**(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.



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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 and cost of sale 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.

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 it relates 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.

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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 earnings per share (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 is under common control or under the same significant influence as the Group; or a person or entity over which the Group has direct or indirect control or has significant influence over the financial and managerial decision-making. The pricing policies for transactions with related parties are determined on an arm's length basis or based on contractual agreed price.

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

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

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<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Revenue from sale of goods	-	-	1,109	2,075
Purchase of goods	-	-	1,531,297	1,409,277
Dividend income	-	-	67,227	67,052
Management service fee income	-	-	11,527	11,568
Marketing management service fee income	-	-	86,084	81,629
Land rental income	-	-	2,832	2,832
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits	175,552	177,130	161,234	163,606
Post-employment benefit	1,978	1,194	1,978	1,194
Total key management personnel compensation	<u>177,530</u>	<u>178,324</u>	<u>163,212</u>	<u>164,800</u>
<b>Balances with related parties</b> <i>At 31 December</i>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Trade receivables</b>				
<b>Subsidiaries</b>				
Premier Lubricant Co., Ltd.	-	-	439	503
Siam Lubricant Industry Co., Ltd.	-	-	479	463
Siam Battery Industry Co., Ltd.	-	-	313	313
<b>Total</b>	<u>-</u>	<u>-</u>	<u>1,231</u>	<u>1,279</u>
<b>Balances with related parties</b> <i>At 31 December</i>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Other current receivables</b>				
<b>Subsidiaries</b>				
Premier Lubricant Co., Ltd.	-	-	4,032	4,823
<b>Total</b>	<u>-</u>	<u>-</u>	<u>4,032</u>	<u>4,823</u>
<b>Balances with related parties</b> <i>At 31 December</i>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Trade payables</b>				
<b>Subsidiaries</b>				
Premier Lubricant Co., Ltd.	-	-	48,410	49,518
Siam Lubricant Industry Co., Ltd.	-	-	47,952	59,414
Siam Battery Industry Co., Ltd.	-	-	11,271	17,454
<b>Total</b>	<u>-</u>	<u>-</u>	<u>107,633</u>	<u>126,386</u>

**Siam Pan Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

<i>Balances with related parties</i> <i>At 31 December</i>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>Lease liabilities</i>				
Other related parties	<u>68,817</u>	<u>71,865</u>	<u>58,174</u>	<u>60,749</u>

***Significant agreements with related parties***

*Lease agreement between the Company and major shareholder*

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 2022 to 31 January 2023. 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:

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

*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.

**Siam Pan Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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*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**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Cash on hand	203	291	97	177
Cash at banks	412,369	618,141	151,393	232,834
<b>Total</b>	<b>412,572</b>	<b>618,432</b>	<b>151,490</b>	<b>233,011</b>

**6 Trade and note receivables**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Within credit terms	23,919	46,044	12,006	12,638
Overdue:				
1 - 30 days	19	1	-	-
31 - 60 days	-	50	-	-
More than 90 days	20	34	20	31
<b>Total</b>	<b>23,958</b>	<b>46,129</b>	<b>12,026</b>	<b>12,669</b>

Information of credit risk is disclosed in note 24 (b.1.1).

**Siam Pan Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**7 Other current receivables**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Accrued marketing management service fee income	-	-	4,032	4,823
Refundable value added tax	25,632	23,584	-	-
Prepaid expenses	7,336	10,921	1,573	1,877
Accrued interest income	5,706	4,629	2,277	1,893
Advance payment	3,406	5,093	-	-
Others	1,936	4,714	808	828
<b>Total</b>	<b>44,016</b>	<b>48,941</b>	<b>8,690</b>	<b>9,421</b>

**8 Inventories**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Finished goods	314,065	218,891	218,108	142,454
Work in progress	172,199	196,505	-	-
Raw materials	839,949	768,276	-	-
Packaging	34,582	30,514	8	18
Goods in transit	35,876	94,678	-	-
	1,396,671	1,308,864	218,116	142,472
Less allowance for decline in value of inventories	(8,825)	(7,264)	(360)	(134)
<b>Net</b>	<b>1,387,846</b>	<b>1,301,600</b>	<b>217,756</b>	<b>142,338</b>
Inventories recognised in 'cost of sale of goods'				
- Cost	2,008,634	1,914,956	1,457,596	1,363,708
- Write-down to net realisable value (Reversal)	1,561	3,280	226	(59)
<b>Net</b>	<b>2,010,195</b>	<b>1,918,236</b>	<b>1,457,822</b>	<b>1,363,649</b>

**9 Other current assets**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Spare parts for maintenance and supplied used	18,991	20,178	1,485	1,746
Less allowance for decline in value of other current assets	(7,330)	(6,374)	(228)	(237)
<b>Net</b>	<b>11,661</b>	<b>13,804</b>	<b>1,257</b>	<b>1,509</b>

**Siam Pan Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**10 Investments in subsidiaries**

	Type of business	Separate financial statements					
		Ownership interest		Paid-up capital		Cost	
		2022	2021	2022	2021	2022	2021
		(%)				<i>(in thousand Baht)</i>	
Premier Lubricant Co., Ltd.	Manufacture of lubricating oil	99.99	99.99	70,000	70,000	70,000	41,999
Siam Lubricant Industry Co., Ltd.	Manufacture of grease	99.99	99.99	50,000	50,000	50,000	15,000
Siam Battery Industry Co., Ltd.	Manufacture of batteries	99.83	97.41	60,000	60,000	81,903	10,228
<b>Total</b>						<b>201,903</b>	<b>67,227</b>
						<b>68,253</b>	<b>10,053</b>
						<b>188,253</b>	<b>67,052</b>

All subsidiaries were incorporated and operate in Thailand.

**Siam Pan Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

<i>Significant movement for the year ended 31 December</i>	<b>Separate financial statements</b>	
	2022	2021
	<i>(in thousand Baht)</i>	
Purchase investment in Siam Battery Industry Co., Ltd.	13,650	10,000

In May and June 2022, the Group acquired an additional 2.42% interest in Siam Battery Industry Co., Ltd. for Baht 13.65 million in cash, increasing its ownership from 97.41% to 99.83%. 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 801.1 million. The Group recognised a decrease in non-controlling interests of Baht 19.4 million, an increase in retained earnings of Baht 5.7 million of changes in the Group's ownership interest in Siam Battery Industry Co., Ltd.

In September 2021, the Group acquired an additional 1.67% interest in Siam 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 2022 of Baht 802.4 million (2021: 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>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Land not used in an operation	3,055	3,055	3,055	3,055
Right-of-use assets	-	-	36,348	38,476
<b>Total</b>	<b>3,055</b>	<b>3,055</b>	<b>39,403</b>	<b>41,531</b>

<i>Year ended 31 December</i>	<b>Separate financial statements</b>	
	2022	2021
	<i>(in thousand Baht)</i>	
<i>Amounts recognised in profit or loss</i>		
Rental income	2,832	2,832
Depreciation of right-of-use assets	2,128	2,128
Interest on lease liabilities	1,162	1,211

In 2022, total cash outflow for leases of the Company was Baht 2.8 million (2021: Baht 2.8 million).



**Siam Pan Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**12 Property, plant and equipment**

	Consolidated financial statements					
	Land	Buildings and other constructions	Machinery and equipment	Tools and equipment <i>(in thousand Baht)</i>	Furniture, fixtures and office equipment	Vehicles
					Assets under construction and installation	Total
<i>Cost</i>						
At 1 January 2021	1,105,417	676,468	1,389,140	196,974	57,389	86,071
Additions	-	-	2,190	3,010	478	3,694
Transfers	-	590	1,311	2,011	-	-
Disposals	(532)	-	(9,974)	(3,049)	(176)	(13,052)
At 31 December 2021						
and 1 January 2022	1,104,885	677,058	1,382,667	198,946	57,691	76,713
Additions	-	-	9,146	266	744	162
Transfers	-	-	7,170	422	-	-
Disposals	-	-	(3,610)	(2,114)	(387)	(10,565)
At 31 December 2022	1,104,885	677,058	1,395,373	197,520	58,048	66,310
					37,178	3,536,372
<i>Accumulated depreciation and impairment losses</i>						
At 1 January 2021	-	408,518	1,247,695	163,634	54,987	63,449
Depreciation charge for the year	-	25,606	33,734	9,431	856	9,983
Disposals	-	-	(9,974)	(3,049)	(176)	(13,052)
At 31 December 2021						
and 1 January 2022	-	434,124	1,271,455	170,016	55,667	60,380
Depreciation charge for the year	-	25,587	33,321	9,305	810	7,345
Reversal of impairment losses	-	-	-	-	-	-
Disposals	-	-	(3,610)	(2,113)	(387)	(10,403)
At 31 December 2022	-	459,711	1,301,166	177,208	56,090	57,322
					15,076	2,066,573
<i>Net book value</i>						
At 31 December 2021	1,104,885	242,934	111,212	28,930	2,024	16,333
At 31 December 2022	1,104,885	217,347	94,207	20,312	1,958	8,988
					23,880	1,530,198
					22,102	1,469,799

**Siam Pan Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

	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
<i>Cost</i>						Total
At 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 and 1 January 2022	1,103,160	364,751	55,462	42,081	72,095	1,637,549
Additions	-	-	329	489	-	1,018
Disposals	-	-	(1,317)	(237)	(10,092)	(11,646)
At 31 December 2022	1,103,160	364,751	54,474	42,333	62,003	1,626,921
<i>Accumulated depreciation</i>						
At 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 and 1 January 2022	-	207,268	48,375	40,616	58,231	354,490
Depreciation charge for the year	-	16,649	2,403	578	6,606	26,236
Disposals	-	-	(1,315)	(237)	(9,930)	(11,482)
At 31 December 2022	-	223,917	49,463	40,957	54,907	369,244
<i>Net book value</i>						
At 31 December 2021	1,103,160	157,483	7,087	1,465	13,864	1,283,059
At 31 December 2022	1,103,160	140,834	5,011	1,376	7,096	1,257,677

**Siam Pan Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Depreciation	76,368	79,610	26,236	29,326
Gross amount of assets which are fully depreciated but still in use	1,617,321	1,570,813	147,123	140,977

*Guarantee*

As at 31 December 2022, the Group's land and other constructions at cost of Baht 159.9 million (2021: 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 2022, the Company's land at cost of Baht 1,098.7 million (2021: 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 2022, a part of building and construction of a subsidiary at cost of Baht 69.9 million (2021: Baht 69.9 million) is located on land leased of another subsidiary.

As at 31 December 2022, building and other construction, and assets under construction of the Company and subsidiary at cost of Baht 395.6 million (2021: Baht 395.6 million) are located on land leased of a related party.

### **13 Leases**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<i>Right-of-use assets At 31 December</i>	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Right-of-use land	66,106	69,985	19,541	20,691
<b>Total</b>	<b>66,106</b>	<b>69,985</b>	<b>19,541</b>	<b>20,691</b>

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.

**Siam Pan Group Public Company Limited and its Subsidiaries**  
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<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets	3,879	3,878	1,150	1,149
Interest on lease liabilities	2,114	2,204	625	652

In 2022, total cash outflow for leases of the Group and the Company were Baht 5.2 million and Baht 1.5 million, respectively (2021: Baht 5.2 million and Baht 1.5 million, respectively).

**14 Other current payables**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Accrued operating expenses	9,530	7,003	8,022	4,644
Value added tax and excise tax payables	6,222	8,570	3,824	5,622
Accrued bonus	577	5,240	-	2,840
Others	26,250	43,185	9,996	23,234
<b>Total</b>	<b>42,579</b>	<b>63,998</b>	<b>21,842</b>	<b>36,340</b>

**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.

**Siam Pan Group Public Company Limited and its Subsidiaries**  
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<i>Present value of the defined benefit obligations</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
At 1 January	86,312	91,800	65,350	68,552
<i>Recognised in profit or loss:</i>				
Current service cost	11,537	3,785	3,406	1,453
Interest on obligation	145	94	49	19
	<b>11,682</b>	<b>3,879</b>	<b>3,455</b>	<b>1,472</b>
<i>Recognised in other comprehensive income:</i>				
Actuarial (gain) loss				
- Demographic assumptions	(2,771)	60	(757)	(622)
- Financial assumptions	(378)	16	(137)	(2)
- Experience adjustment	2,633	(708)	141	(143)
	<b>(516)</b>	<b>(632)</b>	<b>(753)</b>	<b>(767)</b>
Benefit paid	(6,520)	(8,735)	(1,260)	(3,907)
	<b>(6,520)</b>	<b>(8,735)</b>	<b>(1,260)</b>	<b>(3,907)</b>
<b>At 31 December</b>	<b>90,958</b>	<b>86,312</b>	<b>66,792</b>	<b>65,350</b>

<i>Principal actuarial assumptions</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(%)</i>			
Discount rate	2.00 - 2.86	1.29 - 1.84	2.03	1.29
Future salary growth	1.18 - 1.83	1.70 - 2.22	1.18	1.77

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

At 31 December 2022, the weighted-average duration of the defined benefit obligation of the Group and the Company were 9 - 20 years and 10 years, respectively (2021: 10 - 21 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>	<b>Consolidated financial statements</b>			
	1% increase in assumption		1% decrease in assumption	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Discount rate	(473)	(437)	523	466
Future salary growth	1,430	1,423	(1,380)	(1,395)

<i>Effect to the defined benefit obligation At 31 December</i>	<b>Separate financial statements</b>			
	1% increase in assumption		1% decrease in assumption	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Discount rate	(167)	(117)	188	125
Future salary growth	852	805	(830)	(797)

**Siam Pan Group Public Company Limited and its Subsidiaries**  
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**16 Share premium on ordinary shares**

Section 51 of the Public Limited Companies Act B.E. 2535 (1992) requires a public company 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 Limited Companies Act B.E. 2535 (1992) 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.

**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 2022 or 2021.

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.

**Siam Pan Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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Year ended 31 December	Consolidated financial statements									
	Segment		Segment Grease		Segment Batteries		Total reportable segments		Other segments	
	Lubricating oil	2021	2022	2021	2022	2021	2022	2021	2022	2021
<i>(in thousand Baht)</i>										
<i>Information about reportable segments</i>										
Revenue from sale of goods	1,478,502	1,507,560	1,054,342	1,053,002	337,564	350,054	2,870,408	2,910,616	10,740	2,881,148
Other income	12,848	12,245	9,988	11,718	5,335	5,532	28,171	29,495	-	28,171
<b>Total income</b>	<b>1,491,350</b>	<b>1,519,805</b>	<b>1,064,330</b>	<b>1,064,720</b>	<b>342,899</b>	<b>355,586</b>	<b>2,898,579</b>	<b>2,940,111</b>	<b>10,740</b>	<b>2,909,319</b>
Segment profit before income tax	198,955	285,302	179,723	228,677	51,507	61,485	430,185	575,464	809	430,994
Interest income	5,370	6,879	3,879	4,285	2,815	3,153	12,064	14,317	-	12,064
Depreciation	(40,250)	(41,957)	(26,013)	(26,981)	(13,984)	(14,550)	(80,247)	(83,488)	-	(80,247)
Tax expense	(40,889)	(58,610)	(31,547)	(38,900)	(13,859)	(16,738)	(86,295)	(114,248)	-	(86,295)

Total income of the Group was external income.

# Siam Pan Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

**For the year ended 31 December 2022**

	Consolidated financial statements							
	Segment		Segment Grease		Segment Batteries		Total reportable segments	
	Lubricating oil		2022	2021	2022	2021	2022	2021
							Other segments	Total
							2022	2021
Capital expenditure	8,061	4,075	4,592	24,424	79	322	12,732	28,821
Unallocated amounts							-	-
<b>Total capital expenditure</b>							<b>12,732</b>	<b>28,821</b>
							550	3,436
							<b>13,282</b>	<b>32,257</b>
Segment assets	1,776,449	1,771,865	871,929	717,800	850,890	882,563	3,499,268	3,372,228
Unallocated amounts							-	-
<b>Total assets</b>							<b>3,499,268</b>	<b>3,372,228</b>
							2,569,304	2,626,022
							<b>6,068,572</b>	<b>5,998,250</b>
Segment liabilities	99,916	84,254	88,047	106,632	36,853	99,420	224,816	290,306
Unallocated amounts							-	-
<b>Total liabilities</b>							<b>224,816</b>	<b>290,306</b>
							269,920	310,047
							<b>494,736</b>	<b>600,353</b>



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

	<b>Revenue</b>	
	2022	2021
	<i>(in thousand Baht)</i>	
Thailand	1,729,978	1,762,188
Myanmar	793,888	815,377
Other countries	385,453	375,473
<b>Total</b>	<b>2,909,319</b>	<b>2,953,038</b>

***Major customer***

Revenue from one customer of the Group's segment 1 represents approximately Baht 632.7 million (2021: Baht 698.1 million) of the Group's total income.

**19 Other income**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Marketing management service fee income from subsidiary	4	-	-	86,084	81,629
Management service fee income from subsidiaries	4	-	-	11,527	11,568
Land rental income	4	-	-	2,832	2,832
Freight charges		3,016	3,386	-	-
Gain on disposal of equipment		3,171	3,218	2,996	2,063
Others		9,921	8,574	5,847	6,747
<b>Total</b>		<b>16,108</b>	<b>15,178</b>	<b>109,286</b>	<b>104,839</b>

**Siam Pan Group Public Company Limited and its Subsidiaries**  
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**20 Expenses by nature**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b><i>Included in cost of sale of goods:</i></b>				
Changes in inventories of finished goods and work in progress	(70,868)	(138,862)	(75,654)	(61,050)
Purchase of goods for sales	-	-	1,533,476	1,424,699
Raw materials and consumables used	1,808,182	1,775,936	-	-
Employee benefit expenses	122,654	129,143	-	-
Depreciation	49,471	49,791	-	-
Others	100,756	102,228	-	-
<b>Total</b>	<b>2,010,195</b>	<b>1,918,236</b>	<b>1,457,822</b>	<b>1,363,649</b>
<b><i>Included in distribution costs:</i></b>				
Marketing expenses	57,175	47,028	46,302	32,981
Employee benefit expenses	31,953	32,655	31,953	32,655
Distribution expenses	31,790	22,051	23,494	11,887
Others	3,859	4,171	3,274	3,465
<b>Total</b>	<b>124,777</b>	<b>105,905</b>	<b>105,023</b>	<b>80,988</b>
<b><i>Included in administrative expenses:</i></b>				
Employee benefit expenses	275,313	284,388	222,973	227,931
Depreciation	30,776	33,696	29,514	32,603
Transportation expenses	3,642	3,105	2,952	2,509
Others	31,507	29,563	27,015	28,635
<b>Total</b>	<b>341,238</b>	<b>350,752</b>	<b>282,454</b>	<b>291,678</b>

**21 Income tax**

***Income tax recognised in profit or loss***

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Current tax expense</b>				
Current year	88,009	120,601	45,743	72,524
Under (over) provided in prior years	30	-	(240)	-
	<b>88,039</b>	<b>120,601</b>	<b>45,503</b>	<b>72,524</b>
<b>Deferred tax expense</b>				
Movements in temporary differences	(1,744)	(6,353)	275	(3,026)
	<b>(1,744)</b>	<b>(6,353)</b>	<b>275</b>	<b>(3,026)</b>
<b>Total</b>	<b>86,295</b>	<b>114,248</b>	<b>45,778</b>	<b>69,498</b>

**Siam Pan Group Public Company Limited and its Subsidiaries**  
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***Income tax recognised in other comprehensive income***

	<b>Consolidated financial statements</b>					
	Before tax	2022 Tax expense	Net of tax (in thousand Baht)	Before tax	2021 Tax expense	Net of tax
Defined benefit plan actuarial gain	<b>516</b>	<b>(103)</b>	<b>413</b>	<b>632</b>	<b>(126)</b>	<b>506</b>

	<b>Separate financial statements</b>					
	Before tax	2022 Tax expense	Net of tax (in thousand Baht)	Before tax	2021 Tax expense	Net of tax
Defined benefit plan actuarial gain	<b>753</b>	<b>(151)</b>	<b>602</b>	<b>767</b>	<b>(153)</b>	<b>614</b>

***Reconciliation of effective tax rate***

	<b>Consolidated financial statements</b>			
	2022	2021	2022	2021
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		<b>430,994</b>		<b>575,940</b>
Income tax using the Thai corporation tax rate	20.0	<b>86,199</b>	20.0	<b>115,188</b>
Expenses not deductible for tax purposes		<b>849</b>		<b>1,074</b>
Additional deductible expenses for tax purposes		<b>(783)</b>		<b>(2,014)</b>
Under provided in prior years		<b>30</b>		<b>-</b>
<b>Total</b>	<b>20.0</b>	<b>86,295</b>	<b>19.8</b>	<b>114,248</b>

	<b>Separate financial statements</b>			
	2022	2021	2022	2021
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		<b>293,300</b>		<b>409,999</b>
Income tax using the Thai corporation tax rate	20.0	<b>58,660</b>	20.0	<b>82,000</b>
Expenses not deductible for tax purposes		<b>845</b>		<b>1,071</b>
Dividend income not subject to tax		<b>(13,445)</b>		<b>(13,410)</b>
Additional deductible expenses for tax purposes		<b>(42)</b>		<b>(163)</b>
Over provided in prior years		<b>(240)</b>		<b>-</b>
<b>Total</b>	<b>15.6</b>	<b>45,778</b>	<b>17.0</b>	<b>69,498</b>

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<i>Deferred tax</i> <i>At 31 December</i>	<b>Consolidated financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2022	2021	2022	2021
		<i>(in thousand Baht)</i>		
Total	46,426	46,367	(2,118)	(3,700)
Set off of tax	(2,118)	(3,290)	2,118	3,290
<b>Net deferred tax assets (liabilities)</b>	<b>44,308</b>	<b>43,077</b>	<b>-</b>	<b>(410)</b>

<i>Deferred tax</i> <i>At 31 December</i>	<b>Separate financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2022	2021	2022	2021
		<i>(in thousand Baht)</i>		
Total	31,387	31,813	-	-
<b>Net deferred tax assets</b>	<b>31,387</b>	<b>31,813</b>	<b>-</b>	<b>-</b>

	Consolidated financial statements (Charged) / credited to:			
	At 1 January	Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	At 31 December
<b>2022</b>				
<b>Deferred tax assets</b>				
Inventories and other current assets	6,736	(247)	-	6,489
Assets under construction and installation	3,585	(570)	-	3,015
Right-of-use assets	377	167	-	544
Current contract liabilities	13,581	(766)	-	12,815
Non-current provisions for employee benefits	17,262	1,033	(103)	18,192
Others	4,826	545	-	5,371
<b>Total</b>	<b>46,367</b>	<b>162</b>	<b>(103)</b>	<b>46,426</b>
<b>Deferred tax liabilities</b>				
Equipment	(3,700)	1,687	-	(2,013)
Other assets	-	(105)	-	(105)
<b>Total</b>	<b>(3,700)</b>	<b>1,582</b>	<b>-</b>	<b>(2,118)</b>
<b>Net</b>	<b>42,667</b>	<b>1,744</b>	<b>(103)</b>	<b>44,308</b>

**Siam Pan Group Public Company Limited and its Subsidiaries**  
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	Consolidated financial statements (Charged) / credited to:			
	At 1 January	Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	At 31 December
<b>2021</b>				
<b>Deferred tax assets</b>				
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
Current contract liabilities	10,260	3,321	-	13,581
Non-current provisions for employee benefits	18,360	(972)	(126)	17,262
Others	4,745	81	-	4,826
<b>Total</b>	<b>41,977</b>	<b>4,516</b>	<b>(126)</b>	<b>46,367</b>
<b>Deferred tax liabilities</b>				
Equipment	(5,479)	1,779	-	(3,700)
Other assets	(58)	58	-	-
<b>Total</b>	<b>(5,537)</b>	<b>1,837</b>	<b>-</b>	<b>(3,700)</b>
<b>Net</b>	<b>36,440</b>	<b>6,353</b>	<b>(126)</b>	<b>42,667</b>
<b>Separate financial statements (Charged) / credited to:</b>				
	At 1 January	Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	At 31 December
<b>2022</b>				
<b>Deferred tax assets</b>				
Inventories and other current assets	74	43	-	117
Right-of-use assets	317	140	-	457
Current contract liabilities	13,581	(766)	-	12,815
Non-current provisions for employee benefits	13,070	439	(151)	13,358
Others	4,771	(131)	-	4,640
<b>Total</b>	<b>31,813</b>	<b>(275)</b>	<b>(151)</b>	<b>31,387</b>

**Siam Pan Group Public Company Limited and its Subsidiaries**  
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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	
<b>2021</b>				
<b>Deferred tax assets</b>				
Inventories and other current assets	88	(14)	-	74
Right-of-use assets	161	156	-	317
Current contract liabilities	10,260	3,321	-	13,581
Non-current provisions for employee benefits	13,710	(487)	(153)	13,070
Others	4,721	50	-	4,771
<b>Total</b>	<b>28,940</b>	<b>3,026</b>	<b>(153)</b>	<b>31,813</b>

**22 Basic earnings per share**

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht / thousand shares)			
Profit attributable to ordinary shareholders of the Company (basic)	344,090	460,034	247,522	340,502
Number of ordinary shares outstanding	345,000	345,000	345,000	345,000
<b>Basic earnings per share (in Baht)</b>	<b>1.00</b>	<b>1.33</b>	<b>0.72</b>	<b>0.99</b>

**23 Dividends**

	Approval date	Payment schedule	Dividend rate per share (in Baht)	Amount (in thousand Baht)
<b>2022</b>				
Annual dividend	25 April 2022	24 May 2022	0.45	155,250
			<b>0.45</b>	<b>155,250</b>
<b>2021</b>				
Interim dividend	9 November 2021	7 December 2021	0.45	155,250
Interim dividend	26 April 2021	24 May 2021	0.45	155,250
			<b>0.90</b>	<b>310,500</b>

**Siam Pan Group Public Company Limited and its Subsidiaries**  
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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, but 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.

<b>Consolidated financial statements</b>			
	Carrying amount		Fair value
	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost (in thousand Baht)	Level 2
<b>At 31 December 2022</b>			
<b>Financial assets</b>			
Short-term deposits at financial institutions	-	2,593,007	2,598,623
Government bonds	-	10,847	10,713
Derivative assets	526	-	526
<b>Financial liability</b>			
Derivative liabilities	(3,128)	-	(3,128)
<b>At 31 December 2021</b>			
<b>Financial assets</b>			
Short-term deposits at financial institutions	-	2,310,660	2,315,426
Government bonds	-	10,974	11,076
<b>Financial liability</b>			
Derivative liabilities	(281)	-	(281)
<b>Separate financial statements</b>			
	Carrying amount		Fair value
	Financial instruments measured at amortised cost (in thousand Baht)		Level 2
<b>At 31 December 2022</b>			
<b>Financial assets</b>			
Short-term deposits at financial institutions		1,039,688	1,041,956
Government bonds		402	402
<b>At 31 December 2021</b>			
<b>Financial assets</b>			
Short-term deposits at financial institutions		982,529	984,419
Government bonds		405	410

**Siam Pan Group Public Company Limited and its Subsidiaries**  
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The following tables present valuation technique of financial instruments measured at fair value in the statements of financial position:

<b>Type</b>	<b>Valuation technique</b>
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 as at the reporting date.

The fair value of investment in debt instruments and financial liabilities measured at amortised cost 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 shows 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					
		1 year	More than 1 year but less than 5 years	More than 5 years	Total
<i>At 31 December</i>	Carrying amount	or less			
<i>(in thousand Baht)</i>					
<b>2022</b>					
<b>Financial liabilities</b>					
Trade payables	104,092	104,092	-	-	104,092
Other current payables	42,579	42,579	-	-	42,579
Current contract liabilities	115,719	115,719	-	-	115,719
Lease liabilities	68,817	5,162	20,648	62,180	87,990
	<b>331,207</b>	<b>267,552</b>	<b>20,648</b>	<b>62,180</b>	<b>350,380</b>

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Consolidated financial statements					
Contractual cash flows					
More than					
1 year but					
1 year or less					
less than 5 years					
More than 5 years					
Total					
At 31 December	Carrying amount	1 year or less	1 year but less than 5 years	More than 5 years	Total
(in thousand Baht)					
2021					
Financial liabilities					
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

Separate financial statements					
Contractual cash flows					
More than					
1 year but					
More than					
<i>At 31 December</i>	Carrying amount	1 year or less	less than 5 years	5 years	Total
<i>(in thousand Baht)</i>					
<b>2022</b>					
<b>Financial liabilities</b>					
Trade payables	107,820	107,820	-	-	107,820
Other current payables	21,842	21,842	-	-	21,842
Current contract liabilities	69,953	69,953	-	-	69,953
Lease liabilities	58,174	4,362	17,448	52,580	74,390
	<b>257,789</b>	<b>203,977</b>	<b>17,448</b>	<b>52,580</b>	<b>274,005</b>

		Separate financial statements			
			Contractual cash flows		
			More than		
			1 year but		
		Carrying	1 year	less than	More than
		amount	or less	5 years	5 years
<i>At 31 December</i>			<i>(in thousand Baht)</i>		
<i>2021</i>					
<i>Financial liabilities</i>					
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
	<b>298,083</b>	<b>241,696</b>	<b>17,448</b>	<b>56,942</b>	<b>316,086</b>

**(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.

	<b>Consolidated financial statements</b>	
	2022	2021
	<i>(in thousand Baht)</i>	
<b><i>United States Dollars</i></b>		
Cash and cash equivalents	47,038	15,705
Trade and note receivables	10,644	30,665
Trade payables	(36,344)	(48,328)
<b>Net statement of financial position exposure</b>	<b>21,338</b>	<b>(1,958)</b>
Forward exchange buying contracts	59,717	-
Forward exchange selling contracts	(12,110)	(78,875)
<b>Net exposure</b>	<b>68,945</b>	<b>(80,833)</b>
<b><i>Euro</i></b>		
Cash and cash equivalents	15	16
Trade payables	-	(997)
<b>Net exposure</b>	<b>15</b>	<b>(981)</b>

*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.

<b><i>Impact to profit or loss</i></b>	<b>Movement (%)</b>	<b>Consolidated financial statements</b>	
		<b>Strengthening</b>	<b>Weakening</b>
		<i>(in thousand Baht)</i>	
<b>2022</b>			
USD	10	(6,644)	6,644
EUR	10	(2)	2
<b>2021</b>			
USD	10	(8,044)	8,044
EUR	10	(97)	97

(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**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b><i>Capital commitments</i></b>				
Machinery and equipment	1,688	5,658	-	-
Intangible assets	1,350	1,350	1,350	1,350
<b>Total</b>	<b>3,038</b>	<b>7,008</b>	<b>1,350</b>	<b>1,350</b>
<b><i>Other commitments</i></b>				
Letters of credit for purchasing				
raw materials	21,708	68,481	-	-
Purchase orders for raw materials	5,579	7,378	-	-
Guarantee for the usage of electricity	10,360	10,360	400	400
Others	30	30	20	20
<b>Total</b>	<b>37,677</b>	<b>86,249</b>	<b>420</b>	<b>420</b>

**27 Event after the reporting period**

On 27 February 2023, the Board of Directors' meeting, passed a resolution to approve a dividend payment for the year 2022 of Baht 0.80 per share amounting to Baht 276.0 million. The resolution will be proposed to the annual general meeting of shareholders on 12 April 2023.