

**PAKFOOD PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2022**



## **Independent auditor's report**

To the shareholders of Pakfood Public Company Limited

### **My opinion**

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Pakfood Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2022, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

### **What I have audited**

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2022;
- the consolidated and separate statements of income for the year then ended;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

### **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 (TFAC Code) that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. I believe that the audit evidence, I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Responsibilities of management 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 TFRS, 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.



### **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 judgement and maintain professional scepticism throughout the audit. I also:

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

I communicate with management 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.

PricewaterhouseCoopers ABAS Ltd.

**Pongthavee Ratanakoses**  
Certified Public Accountant (Thailand) No. 7795  
Bangkok  
10 March 2023

**Pakfood Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2022**

	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	9	1,878	35,682	1,424	7,048
Trade and other receivables, net	10	342,795	835,635	111,210	165,287
Short-term loans to parent company	27.3	245,679	341,853	-	341,853
Inventories, net	11	943,803	1,090,934	152,025	118,268
Derivative assets	6, 30.1	76,113	6,257	18,639	929
Other current assets	12	55,951	91,027	35,685	17,592
<b>Total current assets</b>		<b>1,666,219</b>	<b>2,401,388</b>	<b>318,983</b>	<b>650,977</b>
<b>Non-current assets</b>					
Investment in subsidiaries using cost method	13	-	-	379,999	394,804
Investment properties, net	14	115,360	124,242	134,486	142,680
Property, plant and equipment, net	15	2,188,928	1,562,855	1,378,594	715,065
Right-of-use assets, net		7,530	5,814	4,714	2,810
Intangible assets, net		1,162	2,103	439	552
Deferred tax assets, net	18	109	2,687	109	2,687
Other non-current assets		29,236	36,505	18,524	26,395
<b>Total non-current assets</b>		<b>2,342,325</b>	<b>1,734,206</b>	<b>1,916,865</b>	<b>1,284,993</b>
<b>Total assets</b>		<b>4,008,544</b>	<b>4,135,594</b>	<b>2,235,848</b>	<b>1,935,970</b>



Director \_\_\_\_\_

Director \_\_\_\_\_

The accompanying notes are an integral part of these consolidated and separate financial statements.

**Pakfood Public Company Limited**  
**Statement of Financial Position (continued)**  
**As at 31 December 2022**

	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade and other payables	16	786,179	844,299	278,504	218,209
Short-term loans from parent company	27.4	179,659	403,372	179,659	-
Current portion of lease liabilities, net		4,281	4,487	2,585	2,485
Income tax payable		2,241	-	-	-
Derivative liabilities	6, 30.1	2,178	15,508	1,084	5,801
Other current liabilities		2,553	4,523	1,797	2,392
<b>Total current liabilities</b>		<b>977,091</b>	<b>1,272,189</b>	<b>463,629</b>	<b>228,887</b>
<b>Non-current liabilities</b>					
Lease liabilities, net		3,361	1,544	2,199	462
Employee benefit obligations	17	153,185	150,615	78,477	77,465
Deferred tax liabilities, net	18	2,679	45,720	-	-
Other non-current liabilities		7,063	-	8,383	-
<b>Total non-current liabilities</b>		<b>166,288</b>	<b>197,879</b>	<b>89,059</b>	<b>77,927</b>
<b>Total liabilities</b>		<b>1,143,379</b>	<b>1,470,068</b>	<b>552,688</b>	<b>306,814</b>

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The accompanying notes are an integral part of these consolidated and separate financial statements.

**Pakfood Public Company Limited**  
**Statement of Financial Position (continued)**  
**As at 31 December 2022**

	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Liabilities and equity (continued)</b>					
<b>Equity</b>					
Share capital	19				
Authorised share capital					
33,000,000 ordinary shares at a par value of Baht 10 per share		330,000	330,000	330,000	330,000
Issued and paid-up share capital					
32,999,979 ordinary shares paid-up at Baht 10 per share		330,000	330,000	330,000	330,000
Premium on share capital		119,999	119,999	119,999	119,999
Retained earnings					
Appropriated - legal reserve	21	33,000	33,000	33,000	33,000
Unappropriated		2,308,782	2,190,065	1,181,734	1,149,272
Hedging reserves		73,384	(7,538)	18,427	(3,115)
<b>Total equity</b>		<b>2,865,165</b>	<b>2,665,526</b>	<b>1,683,160</b>	<b>1,629,156</b>
<b>Total liabilities and equity</b>		<b>4,008,544</b>	<b>4,135,594</b>	<b>2,235,848</b>	<b>1,935,970</b>

The accompanying notes are an integral part of these consolidated and separate financial statements.

**Pakfood Public Company Limited**  
**Statement of income**  
**For the year ended 31 December 2022**

	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Revenue from sales and services	8, 31	6,168,908	6,523,641	1,407,382	1,372,645
Cost of sales and services		(5,152,605)	(5,422,897)	(1,146,527)	(1,117,902)
<b>Gross profit</b>		<b>1,016,303</b>	<b>1,100,744</b>	<b>260,855</b>	<b>254,743</b>
Other incomes	22	101,100	87,385	432,271	179,438
<b>Profit before expenses</b>		<b>1,117,403</b>	<b>1,188,129</b>	<b>693,126</b>	<b>434,181</b>
Selling expenses		(415,179)	(412,207)	(130,382)	(109,245)
Administrative expenses		(203,958)	(228,180)	(99,707)	(125,644)
Other gain (loss), net	24	26,856	59,518	17,056	15,962
<b>Profit before finance costs and income taxes</b>		<b>525,122</b>	<b>607,260</b>	<b>480,093</b>	<b>215,254</b>
Finance costs		(1,256)	(9,426)	(946)	(1,009)
<b>Profit before income taxes</b>		<b>523,866</b>	<b>597,834</b>	<b>479,147</b>	<b>214,245</b>
Income taxes expense	25	36,163	4,535	(2,121)	2,905
<b>Profit for the year</b>		<b>560,029</b>	<b>602,369</b>	<b>477,026</b>	<b>217,150</b>
<b>Earnings per share</b>	26				
Basic earnings per share (Baht)		16.97	18.25	14.46	6.58

The accompanying notes are an integral part of these consolidated and separate financial statements.

**Pakfood Public Company Limited**  
**Statement of comprehensive income**  
**For the year ended 31 December 2022**

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Profit for the year</b>		<u>560,029</u>	<u>602,369</u>	<u>477,026</u>	<u>217,150</u>
<b>Other comprehensive income (expenses):</b>					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements gain (loss) of employee benefit obligations, net of income tax	25	<u>4,187</u>	<u>(9,901)</u>	<u>935</u>	<u>(6,522)</u>
<b>Total items that will not be reclassified     subsequently to profit or loss</b>		<u>4,187</u>	<u>(9,901)</u>	<u>935</u>	<u>(6,522)</u>
Items that will be reclassified subsequently to profit or loss					
Hedging reserves reclassified to profit or loss, net of income tax		<u>177,640</u>	<u>69,588</u>	<u>43,021</u>	<u>(20,830)</u>
Change in fair value of hedging derivatives, net of income tax		<u>(96,718)</u>	<u>(86,426)</u>	<u>(21,479)</u>	<u>17,693</u>
<b>Total items that will be reclassified     subsequently to profit or loss</b>		<u>80,922</u>	<u>(16,838)</u>	<u>21,542</u>	<u>(3,137)</u>
<b>Other comprehensive income (expenses) for the year, net of income tax</b>		<u>85,109</u>	<u>(26,739)</u>	<u>22,477</u>	<u>(9,659)</u>
<b>Total comprehensive income for the year</b>		<u><u>645,138</u></u>	<u><u>575,630</u></u>	<u><u>499,503</u></u>	<u><u>207,491</u></u>


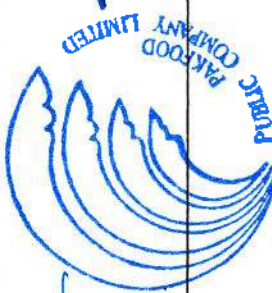

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The accompanying notes are an integral part of these consolidated and separate financial statements.



**Pakfood Public Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2022**

		Consolidated financial statements											
		Retained earnings					Other component						
Note		Issued and	Premium	Appropriated	Unappropriated	Hedging	Total	Issued and	Premium	Appropriated	Unappropriated	Hedging	Total
		share capital	on share	- Legal	reserve	- Hedging	Equity	share capital	on share	- Legal	reserve	- Hedging	Equity
		Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
	<b>Opening balance as at 1 January 2021</b>	330,000	119,999	33,000	1,729,597	9,300	2,221,896						
20	Dividend payments	-	-	-	(132,000)	-	(132,000)						
	Profit for the year	-	-	-	602,369	-	602,369						602,369
	Other comprehensive income (expense) for the year	-	-	-	(9,901)	(16,838)	(26,739)						(26,739)
	<b>Closing balance as at 31 December 2021</b>	<b>330,000</b>	<b>119,999</b>	<b>33,000</b>	<b>2,190,065</b>	<b>(7,538)</b>	<b>2,665,526</b>						
	<b>Opening balance as at 1 January 2022</b>	330,000	119,999	33,000	2,190,065	(7,538)	2,665,526						
20	Dividend payments	-	-	-	(445,499)	-	(445,499)						(445,499)
	Profit for the year	-	-	-	560,029	-	560,029						560,029
	Other comprehensive income (expense) for the year	-	-	-	4,187	80,922	85,109						85,109
	<b>Closing balance as at 31 December 2022</b>	<b>330,000</b>	<b>119,999</b>	<b>33,000</b>	<b>2,308,782</b>	<b>73,384</b>	<b>2,865,165</b>						

The accompanying notes are an integral part of these consolidated and separate financial statements.

Pakfood Public Company Limited  
Statement of Changes in Equity  
For the year ended 31 December 2022

		Separate financial statements											
		Retained earnings					Other component						
Notes		Issued and paid-up share capital		Premium on share capital		Appropriated reserve		Unappropriated reserve		- Hedging reserves		Total Equity	
		Thousand	Baht	Thousand	Baht	Thousand	Baht	Thousand	Baht	Thousand	Baht	Thousand	Baht
	Opening balance as at 1 January 2021	330,000	330,000	119,999	119,999	33,000	33,000	1,070,644	1,070,644	22	22	1,553,665	1,553,665
20	Dividend payments	-	-	-	-	-	-	(132,000)	(132,000)	-	-	(132,000)	(132,000)
	Profit for the year	-	-	-	-	-	-	217,150	217,150	-	-	217,150	217,150
	Other comprehensive income (expense) for the year	-	-	-	-	-	-	(6,522)	(6,522)	(3,137)	(3,137)	(9,659)	(9,659)
	Closing balance as at 31 December 2021	330,000	330,000	119,999	119,999	33,000	33,000	1,149,272	1,149,272	(3,115)	(3,115)	1,629,156	1,629,156
	Opening balance as at 1 January 2022	330,000	330,000	119,999	119,999	33,000	33,000	1,149,272	1,149,272	(3,115)	(3,115)	1,629,156	1,629,156
20	Dividend payments	-	-	-	-	-	-	(445,499)	(445,499)	-	-	(445,499)	(445,499)
	Profit for the year	-	-	-	-	-	-	477,026	477,026	-	-	477,026	477,026
	Other comprehensive income (expense) for the year	-	-	-	-	-	-	935	935	21,542	21,542	22,477	22,477
	Closing balance as at 31 December 2022	330,000	330,000	119,999	119,999	33,000	33,000	1,181,734	1,181,734	18,427	18,427	1,683,160	1,683,160

The accompanying notes are an integral part of these consolidated and separate financial statements.

**Pakfood Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2022**

	Notes	Consolidated financial statements		Separate financial statements	
		2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
<b>Cash flows from operating activities</b>					
Profit before income tax		523,886	597,834	479,147	214,245
Adjustment items:					
Depreciation expenses and amortisation expenses	23	131,909	139,414	37,472	43,669
(Reversal of) Allowance for doubtful accounts	5.1.2	(409)	686	(502)	686
(Reversal of) Allowance for diminution in value of inventories		10,873	(24,973)	5,125	(990)
Employee benefit obligations	17	14,837	23,460	9,125	12,096
Gain on disposals and write-offs of investment property, property, plant and equipment, right-of-use assets, and intangible assets, net		(1,862)	(836)	(1,540)	(858)
Gain on dissolution of investments in subsidiaries		(2,305)	-	(7,609)	-
Fair value adjustments to financial instruments, net		351	8,919	(476)	3,187
Gain on exchange rates		(22,488)	(11,164)	(9,628)	(4,265)
Dividend income	22	-	-	(357,200)	(104,500)
Finance costs		1,256	9,426	946	1,009
Interest income	22	(3,147)	(2,531)	(675)	(3,426)
<b>Total</b>		<b>129,015</b>	<b>142,401</b>	<b>(324,962)</b>	<b>(53,392)</b>
<b>Changes in operating assets and liabilities:</b>					
(Increase) Decrease in trade and other receivables		516,709	(291,226)	61,401	(22,348)
(Increase) Decrease in inventories		136,258	(132,955)	(38,882)	(3,118)
(Increase) Decrease in other current assets		35,076	(64,289)	(18,093)	(9,878)
(Increase) Decrease in other non-current assets		8,344	(23,704)	8,263	(21,731)
Increase (Decrease) in trade and other payables		(171,206)	63,790	(53,486)	29,612
Increase (Decrease) in other current liabilities		(1,970)	2,255	(595)	809
Increase in other non-current liabilities		5,715	-	7,046	-
Cash paid for employee benefit obligations	17	(8,110)	(8,732)	(6,185)	(3,958)
<b>Total</b>		<b>520,816</b>	<b>(454,861)</b>	<b>(40,531)</b>	<b>(30,612)</b>
Cash flows receipts from operations					
Income tax (paid) received		(2,165)	2,826	-	1,549
<b>Net cash receipts from operating activities</b>		<b>1,171,532</b>	<b>288,200</b>	<b>113,654</b>	<b>131,790</b>

The accompanying notes are an integral part of these consolidated and separate financial statements.

**Pakfood Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2022**

	Notes	Consolidated financial statements		Separate financial statements	
		2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
<b>Cash flows from investing activities</b>					
Cash receipts from short-term loans to parent company	27.3	2,686,835	1,016,922	747,355	1,664,937
Cash payments for short-term loans to parent company	27.3	(2,590,661)	(1,322,315)	(405,502)	(1,559,970)
Payment for purchase of property, plant and equipment		(638,541)	(237,664)	(584,724)	(218,115)
Payment for purchase of intangible assets		(131)	(70)	(131)	(7)
Proceeds from disposals of property, plant and equipment		11,109	6,875	10,550	5,224
Proceeds from dissolution of investment in subsidiaries		99	-	22,414	-
Interest received	22	3,089	571	2,154	1,466
Dividend received	22	-	-	357,200	104,500
<b>Net cash receipt from (payments for) investing activities</b>		<b>(528,201)</b>	<b>(535,681)</b>	<b>149,316</b>	<b>(1,965)</b>
<b>Cash flows from financing activities</b>					
Net cash payments for short-term loans from financial institutions		-	(12,220)	-	-
Cash receipts for short-term loans from parent company	27.4	720,814	2,263,263	611,175	-
Cash payments for short-term loans from parent company	27.4	(944,527)	(1,859,891)	(431,516)	-
Dividends paid	20	(445,499)	(132,000)	(445,499)	(132,000)
Interest paid	28	(2,793)	(6,472)	-	(838)
Cash payments for lease liabilities	28	(5,141)	(6,173)	(2,762)	(2,683)
<b>Net cash receipt from (payments for) financing activities</b>		<b>(677,146)</b>	<b>246,507</b>	<b>(268,602)</b>	<b>(135,521)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(33,815)</b>	<b>(974)</b>	<b>(5,632)</b>	<b>(5,696)</b>
Cash and cash equivalents - opening balance		35,682	36,616	7,048	12,709
Exchange differences on cash and cash equivalents		11	40	8	35
<b>Cash and cash equivalents - closing balance</b>	9	<b>1,878</b>	<b>35,682</b>	<b>1,424</b>	<b>7,048</b>
<b>Non-cash items</b>					
Payable balances from purchase of property, plant and equipment	16	151,334	37,372	142,939	28,626
Acquisition of right-of-use assets under lease agreements	28	7,575	2,762	5,527	892

The accompanying notes are an integral part of these consolidated and separate financial statements.

## 1 General information

Pakfood Public Company Limited ("the Company") is a public limited company, which is incorporated and domiciled in Thailand. The address of the Company's registered office is 979/72-74 SM Tower Building, 25th Floor, Phaholyothin Road, Phayathai, Bangkok 10400. The Company has 5 branches in Bangkok, Nakhon Si Thammarat, and Samutsakorn.

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

The Company is controlled by Thai Union Group Public Company Limited ("the Parent Company"), which owns, which owns 99.74% of the Company's shares. The Parent Company is incorporated in Thailand and listed on the Stock Exchange of Thailand.

The principal business operations of the Group are the manufacture and distribution of frozen foods and aquatic animals.

These consolidated and separate financial statements were authorised for issuance by the Company's authorised directors on 10 March 2022.

## 2 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS").

The consolidated and separate financial statements have been prepared under the historical cost convention except derivatives as explained in relevant accounting policies.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 7.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

### Reclassification

The Group has changed the presentation of rental income and service income in the consolidated and separate statement of income that was previously included in other incomes to revenue from sales and services. Comparative figures have been reclassified to conform to the presentation in the current year amounting to Baht 22.87 million.

## 3 New and amended financial reporting standards

### 3.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2022

- a) **Revised Conceptual Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4, and accounting guidance, financial instruments and disclosures for insurance business** provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

- b) Key relief measures of the phase 2 amendments are as follows.

- When changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

TFRS 7 requires additional disclosure about:

- the nature and extent of risks arising from the IBOR reform to which the entity is exposed to
- how the entity manages those risks
- the entity's progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

The Group's management assessed and considered that the above new and amended standards do not have a significant impact on the Group.

### 3.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2023

Certain amended TFRSs have been issued that are not mandatory for the current reporting period and have not been early adopted by the Group and the Company.

- Amendment to TAS 16 - Property, plant and equipment** clarified to prohibit entities from deducting from the cost of an item of PP&E any proceeds received from selling any items produced while the entity is preparing that asset for its intended use.
- Amendment to TAS 37 - Provisions, contingent liabilities and contingent assets** clarified that, in considering whether a contract is onerous, the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract. Before recognising a separate provision for an onerous contract, the entity must recognise any impairment losses that have occurred on the assets used in fulfilling the contract.
- Amendment to TAS 41 Agriculture** clarified about removal of the requirement for entities to exclude cash flows for taxation when measuring fair value of biological asset.
- Amendment to TFRS 3 - Business combinations** clarified some minor amendments to update its references to the Conceptual Framework for Financial Reporting and added a consideration for the recognition of liabilities and contingent liabilities acquired from business combinations. The amendments also confirmed that contingent assets shouldn't be recognised at the acquisition date.
- Amendment to TFRS 9 - Financial Instruments** clarified which fees should be included in the 10% test for the derecognition of financial liabilities. It should only include fees between the borrower and lender.

## 4 Accounting policies

### 4.1 Principles of consolidation

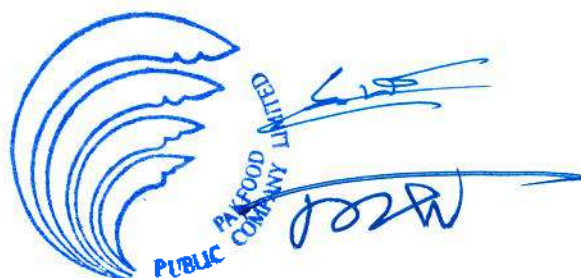
#### a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

#### b) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains and losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.



The image shows a blue ink signature and a circular stamp. The stamp contains the text "PUBLIC COMPANY LIMITED" around the perimeter. The signature is written across the stamp and extends to the right.

#### 4.2 Foreign currency translation

##### a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's and the Group's functional and presentation currency.

##### b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the date of revaluation where items are re-measured.

Foreign exchange gains and losses resulting from foreign currency transactions of monetary assets and liabilities are recognised in the profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

#### 4.3 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, short-term highly liquid investments with maturities of three months or less from acquisition date and bank overdrafts.

In the statement of financial position, bank overdrafts are shown in current liabilities.

#### 4.4 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement not over 90 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration, which is unconditional unless they contain significant financing components in which case they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables is disclosed in Note 4.6

#### 4.5 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

#### 4.6 Financial assets

##### Classification and measurement of financial assets

The classification of financial assets depends on the entity's business model for managing them and the contractual terms of the cash flows whether they represent solely payments of principal and interest (SPPI). The Group classifies its debt instruments in the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

#### Recognition and derecognition

The Group shall recognise a financial asset in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on the trade date, or the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from them have expired or have been transferred and the Group has transferred substantially all the risks and rewards of their ownership.

#### Measurement

At initial recognition, the Group measures a financial asset at its fair value plus or minus, in the case of a financial asset not at FVPL, transaction costs directly attributable to its acquisition. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### Debt instruments

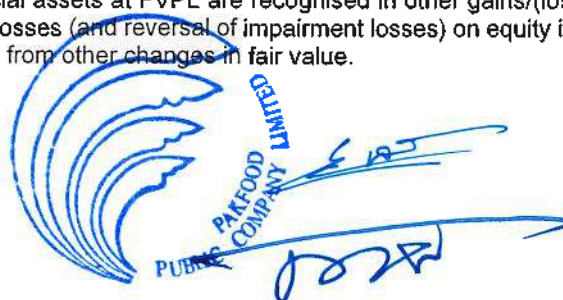
Subsequent measurements of debt instruments depend on the Group's business model for managing the financial assets and their cash flow characteristics. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** A financial asset will be measured at amortised cost when holding it to collect contractual cash flows is the objective of its business model. In addition, the contractual terms of the financial asset will give rise to cash flows on specified dates, which are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.
- **FVOCI:** A financial assets will be measured at FVOCI when it is held for both collecting contractual cash flows and selling financial assets to achieve its business model objective. In addition, the contractual terms of the financial asset will give rise to cash flows on specified dates, which are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised on other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as a separate line item in the statement of comprehensive income.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

#### Equity instruments

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.





#### Impairment

The Group applies the TFRS 9 simplified approach in measuring the impairment of trade receivables, which applies lifetime expected credit loss, from initial recognition for all trade receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

For other financial assets carried at amortised cost and FVOCI, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Group reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment losses are presented as net impairment losses in the statement of income. Subsequent recoveries of amounts previously written off are credited against the same line item.

#### **4.7 Investment property**

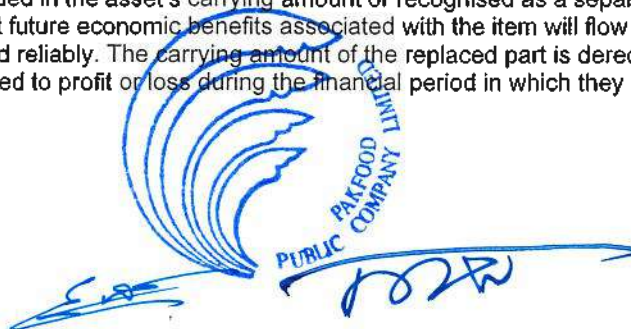
Investment property is measured initially at cost, including directly attributable costs and borrowing costs. Subsequently, the investment property is carried at cost less accumulated depreciation and impairment. Land is not depreciated.

Land is not depreciated. Depreciation on other investment properties are building and building improvements calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives of 5 - 40 years.

#### **4.8 Property, plant and equipment**

Land is stated at historical cost less allowance for impairment. Other property, plant and equipment are stated at historical cost less accumulated depreciation and allowance for impairment. Historical costs include expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.



Land is not depreciated. Depreciation on other assets is calculated on the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Land improvement	5 years
Buildings and building improvements	5 - 40 years
Machinery and factory equipment	5 - 20 years
Furniture, fixtures and office equipment	3 - 5 years
Vehicles	5 years

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

Gains or losses on disposals are determined by comparing the proceeds with the carrying amounts and are recognised within other gains or (losses) in the statement of income.

#### **4.9 Intangible assets**

Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight-line basis over their estimated useful lives 10 years.

Costs associated with maintaining computer software programs are recognised as an expense as incurred.

#### **4.10 Impairment of assets**

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

#### **4.11 Leases**

Leases - where the Group is the lessee

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

The Group recognises a right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The lease liability is initially measured at the present value of the lease payments not paid at the commencement date and discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Lease payments can include fixed payments; variable payments that depend on an index or rate known at the commencement date; and extension option payments or purchase options which the Group is reasonably certain to exercise.

To apply a cost model, the Group measures the ROU asset at cost, less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liability. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the ROU asset reflects that the Group will exercise a purchase option, the Group depreciates the ROU asset from the commencement date to the end of the useful life of the underlying asset. The useful life of the ROU asset is determined on the same basis as those of property, plant and equipment.

The lease liability is measured in subsequent periods using the effective interest rate method and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of negotiation, changes of an index or rate or in case of reassessment of options.

When the lease liability is re-measured to reflect changes to the lease payments, the Group recognises the remeasurement amount of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**Leases - where the Group is the lessor**

The Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease substantially transfers all risks and rewards incidental to the underlying asset's ownership. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in the initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in investment property and property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar investment property and property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

#### **4.12 Financial liabilities**

**Classification**

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer the liability settlement for at least 12 months after the reporting date.

**Measurement**

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

**Recognition, Derecognition and modification**

The Group shall recognise a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

#### **4.13 Current and deferred income taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

##### **Current income tax**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### **Deferred income tax**

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognized
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **4.14 Employee benefits**

##### **Short-term employee benefits**

Liabilities for short-term employee benefits such as wages, salaries and bonuses that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

##### **Defined contribution plan**

A defined contribution plan or provident fund is a post-retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

##### **Defined benefit plan**

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounted the estimated future cash outflows using the market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are charged or credited to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

#### Termination benefits

The Group recognises termination benefits at the earlier of (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

#### 4.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

#### 4.16 Share Capital

Ordinary shares with discretionary dividends are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

#### 4.17 Revenue recognition

The Group recognises revenue in the period when control of goods or services transferred to customers in an amount that reflect the net consideration the Group expects to receive. Depending on the terms of the underlying contract, the Group generally meets the above requirements when it either ships or delivers finished goods and control of the goods transfers to the customer. At contract inception, the Group assesses the goods promised in the contract to identify the performance obligations. Each performance obligation is a promise to transfer to the customer a good or service that is distinct. The transaction price will need to be allocated to the distinct performance obligations based on the relative standalone selling price of the goods and other performance obligations to ensure that revenue is recognised at the appropriate time and for the correct amount.

The Group recognises revenue when it satisfies a performance obligation by transferring a promised goods to a customer, which is when the customer obtains control of those goods. A performance obligation may be satisfied at a point in time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Interest income is recognised on an accrual basis, using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

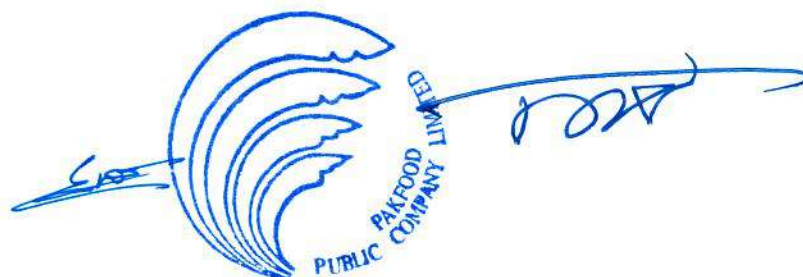
#### 4.18 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividend is recognised when the interim dividends are approved by the Company's Board of Directors.

#### 4.19 Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument in hedge accounting, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or unrecognised firm commitments (fair value hedges); or
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).



At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Derivatives that is not applied hedge accounting is classified as an asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains (losses).

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the Group may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains (losses).

## **5 Financial risk management**

### **5.1 Financial risk factor**

The Group exposes to a variety of financial risk: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

Financial risk management is carried out by the Group's Treasury Function. The Group's policy includes areas such as foreign exchange risk, interest rate risk, credit risk and liquidity risk. The framework parameters are approved by the Board of Directors and uses as the key communication and control tools for Treasury team globally.

#### **5.1.1 Market risk**

##### **a) Foreign exchange risk**

The Group operates internationally and is exposed to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Group seek to reduce this risk by entering into forward exchange contracts when it considers appropriate. The Group uses forward contracts, transacted with the financial institutions, to hedge their exposure to foreign currency risk in connection with measurement currency.

The Group uses a combination of foreign currency options and foreign currency forwards to hedge its exposure to foreign currency risk. Under the group's policy, the critical terms of the forwards and options must align with the hedged items.

The Group designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. Gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedge reserve within equity.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains (losses).

The Group also entered foreign currency forwards in relation to projected purchases and sales for the next 12 months that do not qualify as 'highly probable' forecast transactions and hence do not satisfy the requirements for hedge accounting (economic hedges). The foreign currency forwards are subject to the same risk management policies as all other derivative contracts. However, they are accounted for as held for trading, with gains (losses) recognised in profit or loss.

Exposure

The balances of financial assets and liabilities denominated in foreign currencies of the Group and the Company are summarised below.

	Consolidated financial statements			
	Financial assets		Financial liabilities	
	2022	2021	2022	2021
As at 31 December	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Foreign currency				
USD	258,174	675,909	28,210	8,766
EUR	-	-	107,607	-
JPY	1,480	-	290	-
	Separate financial statements			
	Financial assets		Financial liabilities	
	2022	2021	2022	2021
As at 31 December	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Foreign currency				
USD	76,994	109,320	5,463	208
EUR	-	-	107,607	-

Effects of hedge accounting on the financial position and performance

The effects of the foreign currency-related hedging instruments on the Group and the Company's financial position and performance are as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
As at 31 December				
<b>Cash flow hedge</b>				
<u>Foreign currency forward contracts</u>				
Net carrying amount of hedging instruments (Thousand Baht)				
Derivative assets	76,113	6,257	18,639	929
Derivative liabilities	(2,178)	(15,508)	(1,084)	(5,801)
Notional amount (Thousand)				
USD	42,907	64,894	10,600	13,984
Maturity date	January to July 2023	January to August 2022	January to July 2023	January to July 2022
Hedge ratio	1:1	1:1	1:1	1:1
Change in value of outstanding hedging instruments used for measuring ineffectiveness for the year (Thousand Baht)	(96,718)	(86,426)	(21,479)	17,693
Change in value of hedged item used to determine hedge ineffectiveness for the year (Thousand Baht)	96,718	86,426	21,479	(17,693)
Weighted average strike rate for outstanding hedging instruments				
USD:THB	35.86	33.15	35.91	33.11

Sensitivity

As shown in the table above, the Group is primarily exposed to changes between Baht and US Dollar or Euro exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from financial assets and financial liabilities denominated in US Dollar.

	Consolidated financial statements		Separate financial statements	
	Impact to net profit Thousand Baht	Impact to other components of equity Thousand Baht	Impact to net profit Thousand Baht	Impact to other components of equity Thousand Baht
<b>As at 31 December 2022</b>				
Exchange rate THB to USD Increase / Decrease 1%	Increase / Decrease 1,415	Decrease / Increase 14,623	Increase / Decrease 526	Decrease / Increase 3,648
Exchange rate THB to EUR Increase / Decrease 1%	Increase / Decrease 1,087	-	Increase / Decrease 1,087	-
<b>As at 31 December 2021</b>				
Exchange rate THB to USD Increase / Decrease 1%	Increase / Decrease 6,596	Decrease / Increase 21,647	Increase / Decrease 1,078	Decrease / Increase 4,666

(b) **Interest rate risk**

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risk relates primarily to its deposits at financial institutions, short-term loans to related parties and short-term borrowings from related parties.

For interest rate risk, the Company's financial assets and liabilities mostly carried fixed interest rates. Therefore, the Company considers that interest rate risk is not a key business risk.

Significant financial assets and liabilities classified by interest rates and due date type are summarised in the table below,

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Pakfood Public Company Limited  
Notes to the Consolidated and Separate Financial Statements  
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	Consolidated financial statements										Interest rate (% p.a.)		
	Fixed interest rates					Floating interest rates						Non-interest bearing Thousand Baht	Total Thousand Baht
	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht					
<b>As at 31 December 2022</b>													
<b>Financial assets</b>													
Cash and cash equivalents	-	-	-	1,575	-	-	-	-	-	-	303	1,878	0.04 - 0.35
Short-term loans to parent company	-	-	-	245,679	-	-	-	-	-	-	-	245,679	0.68 - 1.45
	-	-	-	247,254	-	-	-	-	-	-	303	247,557	
<b>Financial liabilities</b>													
Short-term loans from parent company	4,281	-	-	179,659	-	-	-	-	-	-	-	179,659	0.88 - 1.65
Lease liabilities	4,281	3,361	-	-	-	-	-	-	-	-	-	7,642	3.50 - 4.00
	4,281	3,361	-	179,659	-	-	-	-	-	-	-	187,301	
<b>As at 31 December 2021</b>													
<b>Financial assets</b>													
Cash and cash equivalents	-	-	-	35,319	-	-	-	-	-	-	363	35,682	0.13
Short-term loans to parent company	-	-	-	341,853	-	-	-	-	-	-	-	341,853	0.68 - 1.30
	-	-	-	377,172	-	-	-	-	-	-	363	377,535	
<b>Financial liabilities</b>													
Short-term loans from parent company	-	-	-	403,372	-	-	-	-	-	-	-	403,372	0.88 - 1.65
Lease liabilities	4,487	1,544	-	-	-	-	-	-	-	-	-	6,031	4.00
	4,487	1,544	-	403,372	-	-	-	-	-	-	-	409,403	

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**Pakfood Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2022**

	Separate financial statements										Interest rate (% p.a.)			
	Fixed interest rates					Floating interest rates						Non-interest bearing Thousand Baht	Total Thousand Baht	
	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht						
<b>As at 31 December 2022</b>														
<b>Financial assets</b>														
Cash and cash equivalents	-	-	-	1,205	-	-	-	-	-	-	219	1,424	0.04 - 0.35	
<b>Financial liabilities</b>														
Short-term loans from parent company	-	-	-	179,659	-	-	-	-	-	-	-	179,659	0.88 - 1.65	
Lease liabilities	2,585	2,199	-	-	-	-	-	-	-	-	-	4,784	3.50 - 4.00	
	2,585	2,199	-	179,659	-	-	-	-	-	-	-	184,443		
<b>As at 31 December 2021</b>														
<b>Financial assets</b>														
Cash and cash equivalents	-	-	-	6,781	-	-	-	-	-	-	267	7,048	0.13	
Short-term loans to parent company	-	-	-	341,853	-	-	-	-	-	-	-	341,853	0.68 - 1.30	
	-	-	-	348,634	-	-	-	-	-	-	267	348,901		
<b>Financial liabilities</b>														
Lease liabilities	2,485	462	-	-	-	-	-	-	-	-	-	2,947	4.00	
	2,485	462	-	-	-	-	-	-	-	-	-	2,947		

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5.1.2 Credit risk

The Group has no significant concentrations of credit risk.

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties are accepted. The Company has policies in place to ensure that sales of products are made to customers with an appropriate credit history by considering its financial position, past experiences and other relevant factors. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of receivables and loans as stated in the statement of financial position.

**Impairment of financial assets**

The Group and the Company's financial assets are subject to the expected credit loss model i.e., trade and other receivables and loans to related parties. While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

The expected loss rates are based on the payment profiles of sales over a period of the last 5 years and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group write-off trade receivables when there is no reasonable expectation of recovery. Impairment losses are presented as losses in the statement of income. Subsequent recoveries of amounts previously written off are credited against the same line item.

The loss allowance for trade receivables was determined as follows:

	Consolidated financial statements					
	Not yet due	Up to 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	(Note 10) Thousand Baht
<b>As at 31 December 2022</b>						
Gross carrying amount	302,859	35,552	202	145	938	339,696
Loss allowance	-	(44)	(10)	(55)	(444)	(553)
<b>As at 31 December 2021</b>						
Gross carrying amount	631,657	192,862	12	85	1,091	825,707
Loss allowance	-	(151)	(2)	(32)	(777)	(962)
	Separate financial statements					
	Not yet due	Up to 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	(Note 10) Thousand Baht
<b>As at 31 December 2022</b>						
Gross carrying amount	100,975	9,231	99	107	643	111,055
Loss allowance	-	(44)	(10)	(55)	(351)	(460)
<b>As at 31 December 2021</b>						
Gross carrying amount	128,294	34,626	10	85	777	163,792
Loss allowance	-	(151)	(2)	(32)	(777)	(962)

The loss allowance for trade receivables can be reconciled as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
As at 1 January	(962)	(276)	(962)	(276)
Loss allowance recognised in profit or loss	(6,498)	(2,072)	(6,405)	(2,072)
Unused amount reversed	6,907	1,386	6,907	1,386
As at 31 December	(553)	(962)	(460)	(962)

### 5.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and funding availability through an adequate amount of committed credit facilities. Due to the nature of the underlying business, the Group Treasury aims at maintaining funding flexibility by keeping committed credit lines available.

The analysis of the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities is presented in Note 5.1.1b), mostly will be matured within one year. All derivatives of the Group as at 31 December 2022 and 2021 will be matured within one year.

## 5.2 Capital risk management

The Group's objectives of capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

## 6 Fair value

The following table presents financial assets and liabilities measured at fair value, excluding where its fair value is approximating the carrying amount.

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
<b>Derivatives assets</b>				
Foreign currency forward contracts	76,113	6,257	18,639	929
<b>Derivatives liabilities</b>				
Foreign currency forward contracts	2,178	15,508	1,084	5,801

The fair value of derivatives is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Group's specific estimates. If all significant inputs required to assess the fair value of an instrument are observable, the instrument is included in level 2.

Fair values are categorised into hierarchy based on inputs used as follows:

Level 1: The fair value of financial instruments is based on the price at the financial statement date by reference to market with liquidity.

Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.

Level 3: The fair value of financial instruments is not based on observable market data

There were no transfers between these levels during the year.

Financial assets and financial liabilities are approximately to the carrying amounts as follows:

- Cash and cash equivalents, including restricted deposits with financial institutions
- Trade and other receivables, net
- Other non-current assets
- Short-term loans to related parties and short-term loans from related parties
- Trade and other payables
- Other non-current liabilities

## 7 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Defined retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note 17.

(b) Fair valuation of financial assets and derivatives

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

## 8 Segment information

Operating segment information is reported in a manner consistent with the internal reports, and they're regularly reviewed by the chief operating decision-maker (CODM). The CODM is the chief executive officer who makes decisions about resource allocation to the segment and assess its performance.

The Group has only a operating segment which is the manufacture and distribution of frozen foods and aquatic animals and related business and operated in Thailand. The Group measures segment performance based on gross profit on a consistent basis with that uses to measure gross profit in the financial statements. Therefore, revenue, gross profit and assets information regarding operating segment have been presented in Financial statements.

Timing of revenue recognition of consolidated and separate financial statement are as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Total revenue - recognition at point in time</b>				
Frozen and chilled seafood and related businesses	6,168,908	6,523,641	1,407,382	1,372,645

**Geographic information**

Revenue from customers is based on the location of the customers presented in the consolidated and separate financial statements are as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Revenue from customers</b>				
Thailand	1,150,110	990,044	337,864	293,519
US	2,489,033	3,204,479	480,225	450,602
France	400,274	514,070	400,274	514,070
Japan	1,454,139	1,089,610	41,061	46,158
Others	675,352	725,438	147,958	68,296
<b>Total revenue from customers</b>	<b>6,168,908</b>	<b>6,523,641</b>	<b>1,407,382</b>	<b>1,372,645</b>

**Major customers**

For the year ended 31 December 2022, the Group had no customers with revenues of 10 percent or more of the Group's revenue (For the year ended 31 December 2021, the Group had the revenues from 2 major customers, are amounting to Baht 1,363.05 million, representing 21% of total revenues).

**10 Cash and cash equivalents**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash on hand	303	363	219	267
Current and savings accounts	1,575	35,319	1,205	6,781
<b>Total cash and cash equivalents</b>	<b>1,878</b>	<b>35,682</b>	<b>1,424</b>	<b>7,048</b>

**11 Trade and other receivables, net**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Trade receivables - third parties	306,106	538,357	100,238	146,388
Trade receivables - related parties (Note 27.2)	33,590	287,350	10,817	17,404
	<b>339,696</b>	<b>825,707</b>	<b>111,055</b>	<b>163,792</b>
<b>Less: Loss allowance for trade receivables</b> (Note 5.1.2)	<b>(553)</b>	<b>(962)</b>	<b>(460)</b>	<b>(962)</b>
Trade receivables, net	339,143	824,745	110,595	162,830
Accrued interest income - related party (Note 27.2)	1,537	1,479	-	1,479
Accrued income	1,697	1,142	518	518
Advance payments	418	8,269	97	460
<b>Total trade and other receivables, net</b>	<b>342,795</b>	<b>835,635</b>	<b>111,210</b>	<b>165,287</b>

**Pakfood Public Company Limited**  
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**11 Inventories, net**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Raw materials	185,267	191,133	53,278	33,286
Finished goods	709,851	860,151	88,629	66,781
Ingredients and packaging	45,745	42,501	12,386	12,539
Spare parts and supplies	6,240	6,534	3,211	2,653
Raw materials in transit	26,407	9,449	6,086	9,449
	973,510	1,109,768	163,590	124,708
<u>Less</u> Allowance for net realisable value	(29,707)	(18,834)	(11,565)	(6,440)
Total inventories, net	943,803	1,090,934	152,025	118,268

**12 Other current assets**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Undue input vat	3,886	4,817	2,367	2,401
Vat refundable	36,879	40,550	28,407	13,008
Prepaid expenses - third parties	8,544	39,836	3,064	717
Prepaid expenses - related parties (Note 27.2)	4,989	4,192	1,594	1,336
Others	1,653	1,632	253	130
Total other current assets	55,951	91,027	35,685	17,592

**13 Investments in subsidiaries using cost method**

The movement in investment in subsidiaries can be analysed as follow:

As at 31 December	Separate financial statements	
	2022	2021
	Thousand Baht	Thousand Baht
Opening net book value	394,804	394,804
Decrease	(14,805)	-
Closing net book value	379,999	394,804

As at 22 December 2022, Chaopraya Coldstorage Co., Ltd. has completed the liquidation for dissolution and returned the investment to the Company for Baht 5.41 million. The dissolution resulted in profit from the dissolution of the subsidiary in the consolidated and separate financial statements of Baht 1.91 million and Baht 0.41 million, respectively. The Group has presented such item in other gain/loss.

As at 22 December 2022, Takzin Samut Co. Ltd. has completed the liquidation for dissolution and returned the investment to the Company for Baht 17.01 million. The dissolution resulted in profit from the dissolution of the subsidiary in the consolidated and separate financial statements of Baht 0.40 million and Baht 7.20 million, respectively. The Group has presented such item in other gain/loss.

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Details of investments in subsidiaries as at 31 December 2022 and 2021 are as follows:

Company's name	Nature of business	Country of incorporation	Registered share capital		Proportion of shares held by the Group		Cost method		Dividend received	
			2022	2021	2022	2021	2022	2021	2022	2021
			Million Baht	Million Baht	%	%	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Chaophraya Coldstorage Co., Ltd.	No operating activities	Thailand	-	5	-	100	-	-	4,993	-
Takzin Samut Co., Ltd.	No operating activities	Thailand	-	15	-	100	-	-	9,812	-
Okeanos Food Co., Ltd.	Manufacturer and distributor of frozen foods & aquatic animal	Thailand	380	380	380	100	379,999	379,999	357,200	104,500
<b>Total</b>							379,999	394,804	357,200	104,500

All subsidiaries undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.





14 Investment properties, net

	Consolidated financial statements		
	Land and land improvement Thousand Baht	Buildings and building improvements Thousand Baht	Total Thousand Baht
<b>As at 1 January 2021</b>			
Cost	55,610	199,907	255,517
<u>Less</u> Accumulated depreciation	-	(122,209)	(122,209)
Net book amount	55,610	77,698	133,308
<b>For the year ended 31 December 2021</b>			
Opening net book amount	55,610	77,698	133,308
Depreciation	-	(9,066)	(9,066)
Closing net book amount	55,610	68,632	255,517
<b>As at 31 December 2021</b>			
Cost	55,610	199,907	255,517
<u>Less</u> Accumulated depreciation	-	(131,275)	(131,275)
Net book amount	55,610	68,632	124,242
<b>For the year ended 31 December 2022</b>			
Opening net book amount	55,610	68,632	124,242
Disposal - cost	-	(10)	(10)
- accumulate depreciation	-	8	8
Depreciation	-	(8,880)	(8,880)
Closing net book amount	55,610	59,750	115,360
<b>As at 31 December 2022</b>			
Cost	55,610	199,897	255,507
<u>Less</u> Accumulated depreciation	-	(140,147)	(140,147)
Net book amount	55,610	59,750	115,360

As at 31 December 2022 Fair value of investment properties amounting to Baht 490.10 million (2021: Baht 410.12 million).

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	Separate financial statements		
	Land and land improvement Thousand Baht	Building and building improvements Thousand Baht	Total Thousand Baht
<b>As at 1 January 2021</b>			
Cost	105,464	97,533	202,997
<u>Less</u> Accumulated depreciation	-	(51,997)	(51,997)
Net book amount	105,464	45,536	151,000
<b>For the year ended 31 December 2021</b>			
Opening net book amount	105,464	45,536	151,000
Depreciation	-	(8,320)	(8,320)
Closing net book amount	105,464	37,216	142,680
<b>As at 31 December 2021</b>			
Cost	105,464	97,533	202,997
<u>Less</u> Accumulated depreciation	-	(60,317)	(60,317)
Net book amount	105,464	37,216	142,680
<b>For the year ended 31 December 2022</b>			
Opening net book amount	105,464	37,216	142,680
Depreciation	-	(8,194)	(8,194)
Closing net book amount	105,464	29,022	134,486
<b>As at 31 December 2022</b>			
Cost	105,464	97,533	202,997
<u>Less</u> Accumulated depreciation	-	(68,511)	(68,511)
Net book amount	105,464	29,022	134,486

As at 31 December 2022 Fair value of investment properties amounting to Baht 287.81 million (2021: Baht 221.58 million).

The fair value of investment properties are based on income approach using that consideration of 2 factor as a present value of rental income through the agreement period and present value of land and building at the end of an agreement and based on market approach. The fair values are within level 2 of the fair value hierarchy.

Amounts recognised in profit and loss that are related to investment property are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Rental income	42,960	42,960	18,960	18,960
Direct operating expense arise from investment property that generates rental income	8,880	9,066	8,194	8,320

**Pakfood Public Company Limited**  
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Minimum lease payments receivable on lease of investment properties are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Within 1 year	42,960	42,960	18,960	18,960
Between 1 and 2 years	42,960	42,960	18,960	18,960
Between 2 and 3 years	42,960	42,960	18,960	18,960
Between 3 and 4 years	17,900	42,960	7,900	18,960
Between 4 and 5 years	-	17,900	-	7,900
	146,780	189,740	64,780	83,740

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**15 Property, plant and equipment, net**

		Consolidated financial statements							
		Land and land improvement	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction	Total	
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
<b>As at 1 January 2021</b>									
Cost		297,868	918,693	1,363,732	75,818	32,240	11,830	2,700,181	
Less Accumulated depreciation		(554)	(380,612)	(792,855)	(68,714)	(30,325)	-	(1,273,060)	
Allowance for impairment		(259)	-	-	-	-	-	(259)	
<b>Net book amount</b>		<b>297,055</b>	<b>538,081</b>	<b>570,877</b>	<b>7,104</b>	<b>1,915</b>	<b>11,830</b>	<b>1,426,862</b>	
<b>For the year ended 31 December 2021</b>									
Opening net book amount		297,055	538,081	570,877	7,104	1,915	11,830	1,426,862	
Additions		-	452	10,470	3,674	-	251,364	265,960	
Disposals/Write-offs - cost		-	(28,976)	(80,175)	(3,975)	(3,024)	-	(116,150)	
- accumulate depreciation		-	27,636	75,759	3,709	3,024	-	110,128	
Transfer in (out)		-	4,907	5,115	523	-	(10,545)	-	
Depreciation		(288)	(33,025)	(84,949)	(4,400)	(1,283)	-	(123,945)	
<b>Closing net book amount</b>		<b>296,767</b>	<b>509,075</b>	<b>497,097</b>	<b>6,635</b>	<b>632</b>	<b>252,649</b>	<b>1,562,855</b>	
<b>As at 31 December 2021</b>									
Cost		297,868	895,076	1,299,142	76,040	29,216	252,649	2,849,991	
Less Accumulated depreciation		(842)	(386,001)	(802,045)	(69,405)	(28,584)	-	(1,286,877)	
Allowance for impairment		(259)	-	-	-	-	-	(259)	
<b>Net book amount</b>		<b>296,767</b>	<b>509,075</b>	<b>497,097</b>	<b>6,635</b>	<b>632</b>	<b>252,649</b>	<b>1,562,855</b>	

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**Pakfood Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2022**

		Consolidated financial statements						
		Land and land improvement	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction	Total
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>As at 1 January 2022</b>								
Cost		297,868	895,076	1,299,142	76,040	29,216	252,649	2,849,991
Less	Accumulated depreciation	(842)	(386,001)	(802,045)	(69,405)	(28,584)	-	(1,286,877)
	Allowance for impairment	(259)	-	-	-	-	-	(259)
	<b>Net book amount</b>	296,767	509,075	497,097	6,635	632	252,649	1,562,855
<b>For the year ended 31 December 2022</b>								
Opening net book amount		296,767	509,075	497,097	6,635	632	252,649	1,562,855
Additions		-	4,863	5,381	4,243	-	738,016	752,503
Disposals/Write-offs - cost		-	(10,162)	(26,760)	(15,750)	(1,319)	-	(53,991)
	- accumulate depreciation	-	3,248	25,908	14,211	1,319	-	44,686
Transfer in (out)		-	17,980	32,533	3,247	-	(53,760)	-
Depreciation		(288)	(31,657)	(81,096)	(3,567)	(517)	-	(117,125)
	<b>Closing net book amount</b>	296,479	493,347	453,063	9,019	115	936,905	2,188,928
<b>As at 31 December 2022</b>								
Cost		297,868	907,757	1,310,296	67,780	27,897	936,905	3,548,503
Less	Accumulated depreciation	(1,130)	(414,410)	(857,233)	(58,761)	(27,782)	-	(1,359,316)
	Allowance for impairment	(259)	-	-	-	-	-	(259)
	<b>Net book amount</b>	296,479	493,347	453,063	9,019	115	936,905	2,188,928





**Pakfood Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2022**

	Separate financial statements							Total Thousand Baht
	Land and land improvement Thousand Baht	Buildings and building improvements Thousand Baht	Machinery and equipment Thousand Baht	Furniture, fixtures and office equipment Thousand Baht	Vehicles Thousand Baht	Assets under construction Thousand Baht		
<b>As at 1 January 2021</b>								
Cost	304,982	230,863	452,546	45,090	25,299	11,830	1,070,610	
Less Accumulated depreciation	(208)	(137,333)	(354,780)	(40,515)	(24,030)	-	(556,866)	
Allowance for impairment	(259)	-	-	-	-	-	(259)	
<b>Net book amount</b>	<b>304,515</b>	<b>93,530</b>	<b>97,766</b>	<b>4,575</b>	<b>1,269</b>	<b>11,830</b>	<b>513,485</b>	
<b>For the year ended 31 December 2021</b>								
Opening net book amount	304,515	93,530	97,766	4,575	1,269	11,830	513,485	
Additions	-	-	4,060	2,578	-	231,759	238,397	
Disposals/Write-offs - cost	-	(28,934)	(48,160)	(3,015)	(3,024)	-	(83,133)	
- accumulate depreciation	-	27,635	45,360	2,759	3,024	-	78,778	
Transfer in (out)	-	4,907	5,115	523	-	(10,545)	-	
Depreciation	(89)	(8,855)	(20,269)	(2,437)	(812)	-	(32,462)	
<b>Closing net book amount</b>	<b>304,426</b>	<b>88,283</b>	<b>83,872</b>	<b>4,983</b>	<b>457</b>	<b>233,044</b>	<b>715,065</b>	
<b>As at 31 December 2021</b>								
Cost	304,982	206,836	413,561	45,176	22,275	233,044	1,225,874	
Less Accumulated depreciation	(297)	(118,553)	(329,689)	(40,193)	(21,818)	-	(510,550)	
Allowance for impairment	(259)	-	-	-	-	-	(259)	
<b>Net book amount</b>	<b>304,426</b>	<b>88,283</b>	<b>83,872</b>	<b>4,983</b>	<b>457</b>	<b>233,044</b>	<b>715,065</b>	



**Pakfood Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2022**

		Separate financial statements										
		Buildings and building improvements		Machinery and equipment		Furniture, fixtures and office equipment		Vehicles		Assets under construction		Total
		Thousand Baht		Thousand Baht		Thousand Baht		Thousand Baht		Thousand Baht		Thousand Baht
<b>As at 1 January 2022</b>												
Cost		304,982	206,836	413,561	45,176	22,275	233,044	1,225,874				
Less Accumulated depreciation		(297)	(118,553)	(329,689)	(40,193)	(21,818)	-	(510,550)				
Allowance for impairment		(259)	-	-	-	-	-	(259)				
<b>Net book amount</b>		<b>304,426</b>	<b>88,283</b>	<b>83,872</b>	<b>4,983</b>	<b>457</b>	<b>233,044</b>	<b>715,065</b>				
<b>For the year ended 31 December 2022</b>												
Opening net book amount		304,426	88,283	83,872	4,983	457	233,044	715,065				
Additions		-	-	731	1,839	-	696,467	699,037				
Disposals/Write-offs - cost		-	(10,126)	(21,127)	(14,682)	(1,319)	-	(47,254)				
- accumulate depreciation		-	3,216	20,505	13,144	1,319	-	38,184				
Transfer in (out)		-	9,814	1,818	2,689	-	(14,321)	-				
Depreciation		(89)	(6,223)	(17,200)	(2,475)	(451)	-	(26,438)				
<b>Closing net book amount</b>		<b>304,337</b>	<b>84,964</b>	<b>68,599</b>	<b>5,498</b>	<b>6</b>	<b>915,190</b>	<b>1,378,594</b>				
<b>As at 31 December 2022</b>												
Cost		304,982	206,524	394,983	35,022	20,956	915,190	1,877,657				
Less Accumulated depreciation		(386)	(121,560)	(326,384)	(29,524)	(20,950)	-	(498,804)				
Allowance for impairment		(259)	-	-	-	-	-	(259)				
<b>Net book amount</b>		<b>304,337</b>	<b>84,964</b>	<b>68,599</b>	<b>5,498</b>	<b>6</b>	<b>915,190</b>	<b>1,378,594</b>				





**Pakfood Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2022**

**16 Trade and other receivables**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Trade payables - third parties	486,597	487,431	64,044	77,155
Trade payables - related parties (Note 27.2)	18,954	117,242	12,261	28,091
Other payables	44,682	70,411	24,002	32,780
Payable balances from purchase of property, plant and equipment	151,334	37,372	142,939	28,626
Unearned revenue	7,989	15,998	1,504	1,006
Accrued expenses - third parties	74,968	111,845	34,967	50,551
Accrued expenses - related parties (Note 27.2)	1,655	4,000	787	-
<b>Total trade and other payables</b>	<b>786,179</b>	<b>844,299</b>	<b>278,504</b>	<b>218,209</b>

**17 Employee benefit obligations**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Liability in the statement of financial position - Retirement benefits	153,185	150,615	78,477	77,465
Profit or loss charge included in the statement of income - Retirement benefits	14,837	23,460	9,125	12,096
Remeasurement for retirement benefits	(4,547)	9,901	(983)	6,522

**Retirement benefit plans**

The plans are final salary retirement plans, which provide benefits to members in the form of a guaranteed level of pension payable. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

PAKFOOD  
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**Pakfood Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2022**

The movement in the defined benefit obligations during the year is as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
As at 1 January	150,615	125,986	77,465	62,805
Current service cost	12,709	14,673	8,047	7,541
Past service cost	-	4,274	-	3,329
Interest cost	2,128	4,513	1,078	1,226
	14,837	23,460	9,125	12,096
Remeasurements:				
Loss from change in demographic assumptions	-	89	-	47
Gain from change in financial assumptions	(15,576)	(4,820)	(7,206)	(1,455)
Experience loss	11,029	14,632	6,223	7,930
	(4,547)	9,901	(983)	6,522
Benefit payments	(8,110)	(8,732)	(6,185)	(3,958)
Reclassification	390	-	(945)	-
As at 31 December	153,185	150,615	78,477	77,465

The principal actuarial assumptions used are as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Discount rate (%)	1.1 - 5.91	0.49 - 3.55	1.1 - 5.91	0.49 - 3.55
Salary growth rate (%)	2.0 - 5.0	2.0 - 5.0	2.0 - 5.0	2.0 - 5.0
Turnover rate (%)	2.0 - 30.0	2.0 - 30.0	2.0 - 30.0	2.0 - 30.0

	% Change	Consolidated financial statements Impact on defined benefit obligation			
		Increase		Decrease	
		2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
As at 31 December					
Discount rate	1	(10,667)	(11,724)	12,051	12,840
Salary growth rate	1	11,746	12,854	(10,612)	(11,535)
Turnover	20	(11,535)	(12,773)	13,743	15,465

	% Change	Separate financial statements Impact on defined benefit obligation			
		Increase		Decrease	
		2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
As at 31 December					
Discount rate	1	(4,951)	(5,665)	5,564	6,091
Salary growth rate	1	5,419	6,170	(4,921)	(5,568)
Turnover	20	(5,186)	(5,894)	6,109	7,036

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the employee benefit obligation recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

For the Group and the Company, the weighted average duration of the liabilities for employee benefit obligations is 12 years (2021: 12 years).

The Group and the Company expect to pay Baht 25 million and Baht 17 million, respectively, of retirement benefits during the next year (2021: Baht 18 million and Baht 7 million, respectively).

### 18 Deferred taxes

Deferred tax assets and liabilities is presented net according to the tax authority include the following:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
As at 31 December				
Deferred tax assets, net	109	2,687	109	2,687
Deferred tax liabilities, net	(2,679)	(45,720)	-	-
Deferred taxes assets (liabilities), net	(2,570)	(43,033)	109	2,687

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
As at 31 December				
Deferred tax assets	26,331	25,012	12,888	18,019
Deferred tax liabilities	(28,901)	(68,045)	(12,779)	(15,332)
Deferred taxes assets (liabilities), net	(2,570)	(43,033)	109	2,687

The gross movement of deferred income taxes is as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
As at 1 January	(43,033)	(47,764)	2,687	(414)
Charged / (Credited) to profit or loss	41,232	4,535	(2,121)	2,905
Charged / (Credited) to other comprehensive income	(769)	196	(457)	196
As at 31 December	(2,570)	(43,033)	109	2,687

**Pakfood Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2022**

The movement in the deferred income taxes during the year is as follows:

	Consolidated financial statements							
	As at		Charged / (Credited) to		As at		Charged / (Credited) to	
	1 January	Other	Profit and	comprehensive	31 December	Other	Profit and	comprehensive
Thousand	comprehensive	loss	income	Thousand	income	loss	income	
Baht	income	Thousand	Thousand	Baht	Thousand	Thousand	Thousand	Baht
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>Deferred tax assets</b>								
Allowance for diminution in value of inventories	1,051	-	195	-	1,246	(761)	-	485
Allowance for impairment assets	52	-	-	-	52	-	-	52
Loss allowance for trade receivables	480	-	(288)	-	192	(168)	-	24
Employee benefit obligations	16,605	-	6,721	-	23,326	2,804	(360)	25,770
Tax loss carried forward	1,096	-	(1,096)	-	-	-	-	-
Hedging reserves	-	196	-	196	-	-	(196)	-
	19,284	196	5,532	196	25,012	1,875	(556)	26,331
<b>Deferred tax liabilities</b>								
Accumulated depreciation	(66,973)	-	(1,072)	-	(68,045)	39,357	-	(28,688)
Hedging reserves	(75)	-	75	-	-	-	(213)	(213)
	(67,048)	-	(997)	-	(68,045)	39,357	(213)	(28,901)
<b>Deferred tax assets (liabilities), net</b>	(47,764)	196	4,535	196	(43,033)	41,232	(769)	(2,570)



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**Pakfood Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2022**

	Separate financial statements							
	Charged/(Credited) to		Charged/(Credited) to		As at		As at	
	As at 1 January 2021 Thousand Baht	Profit and comprehensive loss Thousand Baht	Other income Thousand Baht	As at 31 December 2021 Thousand Baht	Profit and comprehensive loss Thousand Baht	Other income Thousand Baht	31 December 2022 Thousand Baht	As at 31 December 2022 Thousand Baht
<b>Deferred tax assets</b>								
Allowance for diminution in value of inventories	1,051	187	-	1,238	(776)	-	462	
Allowance for impairment assets	52	-	-	52	-	-	52	
Loss allowance for trade receivables	480	(288)	-	192	(169)	-	23	
Employee benefit obligations	12,772	3,765	-	16,537	(4,138)	(48)	12,351	
Hedging reserves	-	-	196	196	-	(196)	-	
	<b>14,355</b>	<b>3,664</b>	<b>196</b>	<b>18,215</b>	<b>(5,083)</b>	<b>(244)</b>	<b>12,888</b>	
<b>Deferred tax liabilities</b>								
Accumulated depreciation	(14,694)	(834)	-	(15,528)	2,962	-	(12,566)	
Hedging reserves	(75)	75	-	-	-	(213)	(213)	
	<b>(14,769)</b>	<b>(759)</b>	<b>-</b>	<b>(15,528)</b>	<b>2,962</b>	<b>(213)</b>	<b>(12,779)</b>	
<b>Deferred tax liabilities</b>								
<b>Deferred tax assets (liabilities), net</b>	<b>(414)</b>	<b>2,905</b>	<b>196</b>	<b>2,687</b>	<b>(2,121)</b>	<b>(457)</b>	<b>109</b>	



The image shows a blue ink signature and a circular stamp. The stamp contains the text 'PAKFOOD PUBLIC COMPANY LIMITED' around the perimeter. The signature is written in a cursive style over the stamp.

**Pakfood Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2022**

**19 Share capital**

As at 31 December 2022, the total number of authorised ordinary shares is 33,000,000 shares with a par value of Baht 10 per share. There are 32,999,979 shares which are fully paid. (2021: 32,999,979 ordinary shares which are fully paid.)

**20 Dividend**

On 31 March 2022, the Annual General Meeting of the Company approved a resolution to pay a dividend of Baht 9.20 per share, totaling Baht 303.60 million, from its net operating profit for the year ended 31 December 2021. The dividend was paid on 18 April 2022.

On 29 July 2022, the Company's Board of Directors passed a resolution to approve an interim dividend payment of Baht 4.30 per share, totaling Baht 141.90 million to the Company's shareholder. The interim dividend was paid on 29 August 2022.

On 31 March 2021, the Annual General Meeting of the Company approved a resolution to pay a dividend of Baht 4 per share, totaling Baht 132 million, from its net operating profit for the year ended 31 December 2020. The dividend was paid on 16 April 2021.

**21 Legal reserve**

According to the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

**22 Other income**

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Rental income	24,960	24,960	960	960
Service income	17,047	28,879	3,268	10,841
Management income	2,492	-	52,950	45,900
Interest income	3,147	2,531	675	3,426
Sales scrap	11,847	8,585	1,170	4,248
Tax coupon	10,158	5,693	3,702	1,410
Anti-dumping tax refundable	13,024	-	-	-
Dividend income	-	-	357,200	104,500
Others	18,524	16,737	12,346	8,153
<b>Total other income</b>	<b>101,100</b>	<b>87,385</b>	<b>432,271</b>	<b>179,438</b>

**Pakfood Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2022**

**23 Expense by nature**

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Raw material and consumables used	4,117,607	4,530,675	742,700	722,599
Changes in finished goods	(150,300)	130,253	21,848	7,541
Depreciation and amortisation expenses	131,909	139,414	37,472	43,669
Employee expenses	778,901	765,571	327,344	323,801
Utilities expense	152,348	147,043	73,634	66,427
Repair and maintenance expenses	38,602	30,935	9,134	11,091
Research and development expenses	16,450	16,450	-	-

**24 Other gain (loss) net**

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Gain from exchange rate, net	23,207	59,385	7,431	15,962
Gain from financial instruments, net	1,688	133	476	-
Others	1,961	-	9,149	-
<b>Total other gain (loss) net</b>	<b>26,856</b>	<b>59,518</b>	<b>17,056</b>	<b>15,962</b>

**25 Income tax**

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Current tax</b>				
Current tax on profit for the year	5,069	-	-	-
<b>Deferred income tax (Note 18)</b>				
(Increase) Decrease in deferred tax assets	(1,875)	(5,532)	5,083	(3,664)
Increase (Decrease) in deferred tax liabilities	(39,357)	997	(2,962)	759
Total deferred income tax	(41,232)	(4,535)	2,121	(2,905)
<b>Total income tax expenses (income)</b>	<b>(36,163)</b>	<b>(4,535)</b>	<b>2,121</b>	<b>(2,905)</b>

Handwritten signature and blue ink stamp of Pakfood Public Company Limited. The stamp is circular with the company name around the perimeter and a stylized logo in the center.

**Pakfood Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2022**

The taxes on the Group's and the Company's profits before tax differ from the theoretical amounts that would arise using the basic tax rates of the Group and the Company as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Profit before income tax	523,866	597,834	479,147	214,245
Tax calculated at tax rates of 20% (2021: 20%)	104,773	119,567	95,829	42,849
Tax effect of:				
Income not subject to tax	(142,683)	(123,997)	(96,071)	(47,354)
Additional expenses deductible for tax purpose	-	(994)	-	(954)
Expense not deductible for tax purpose	1,548	759	1,540	647
Utilisation of previously unrecognised tax losses	(624)	(1,777)	-	-
Tax losses for which no deferred tax asset was recognised	823	1,907	823	1,907
Total income tax expenses (income)	(36,163)	(4,535)	2,121	(2,905)
Average effective tax rate (%)	(6.90)	(0.76)	0.44	(1.36)

The tax charge relating to components of other comprehensive income is as follows:

For the year ended	Consolidated financial statements					
	31 December 2022			31 December 2021		
	Before tax Thousand Baht	Tax charged/ (credited) Thousand Baht	After tax Thousand Baht	Before tax Thousand Baht	Tax charged/ (credited) Thousand Baht	After tax Thousand Baht
Actuarial gain(loss) on employee benefit obligations	4,547	(360)	4,187	(9,901)	-	(9,901)
Hedging reserve	81,331	(409)	80,922	(17,034)	196	(16,838)
Other comprehensive income (expenses)	85,878	(769)	85,109	(26,935)	196	(26,739)

For the year ended	Separate financial statements					
	31 December 2022			31 December 2021		
	Before tax Thousand Baht	Tax charged/ (credited) Thousand Baht	After tax Thousand Baht	Before tax Thousand Baht	Tax charged/ (credited) Thousand Baht	After tax Thousand Baht
Actuarial gain(loss) on employee benefit obligations	983	(43)	935	(6,522)	-	(6,522)
Hedging reserve	21,951	(409)	21,542	(3,333)	196	(3,137)
Other comprehensive income (expenses)	22,934	(457)	22,477	(9,855)	196	(9,659)



PAKFOOD COMPANY LIMITED  
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**26 Earnings per share**

Basic earnings per share is calculated by dividing profit for the year attributable to owners of the parent by the weighted average number of ordinary shares.

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>For the year ended 31 December</b>				
Net profit (Thousand Baht)	560,029	602,369	477,026	217,150
Weighted average number of ordinary shares outstanding (Shares)	32,999,979	32,999,979	32,999,979	32,999,979
Basic earnings per share (Baht)	16.97	18.25	14.46	6.58

There are no dilutive potential ordinary shares in issue during the year presented, so no diluted earnings per share is presented.

**27 Related party transactions**

The Company's parent company is Thai Union Group Public Company Limited, which is located in Thailand. The parent company holds 99.74% of total registered shares of the Company. The remaining 0.26% of the shares are widely held. The ultimate parent company of the Group is Thai Union Group Public Company Limited.

The following significant transactions and balances were carried out with related parties:

**27.1 Transactions with related parties**

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
<b>For the year ended 31 December</b>				
<b>Revenue from sales of goods</b>				
Parent company	68,081	91,121	21,309	21,949
Subsidiaries	-	-	7,006	16,451
Other related companies	480,481	802,173	1,282	582
	548,562	893,294	29,597	38,982
<b>Dividend income</b>				
Subsidiary	-	-	357,200	104,500
<b>Interest income and other income</b>				
Parent company	50,361	49,015	1,847	3,840
Subsidiaries	-	-	61,664	50,594
Other related companies	1,235	2,560	25	1
	51,596	51,575	63,536	54,235
<b>Purchase of goods</b>				
Parent company	3,257	4,935	1,038	2,736
Subsidiaries	-	-	50,910	126,741
Other related companies	250,704	462,405	25,258	46,780
	253,961	467,340	77,206	176,257
<b>Purchase of services and interest</b>				
Parent company	52,138	55,845	13,584	19,375
Subsidiaries	-	-	39,115	14,781
Other related companies	33,430	31,376	7,626	6,730
	85,568	87,221	60,325	40,886



27.2 Outstanding balances arising from sales and purchases of goods and services

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
<b>Trade receivables</b>				
Parent company	23,624	37,515	5,425	4,925
Subsidiaries	-	-	5,359	12,429
Other related companies	9,966	249,835	33	50
	33,590	287,350	10,817	17,404
<b>Accrued interest income</b>				
Parent company	1,537	1,479	-	1,479
<b>Prepaid expense</b>				
Other related companies	4,989	4,192	1,594	1,336
<b>Other non-current assets - Employee benefit obligations transfer staff</b>				
Parent company	407	-	392	-
<b>Trade payables</b>				
Parent company	14,372	14,712	-	14,712
Subsidiaries	-	-	10,060	9,724
Other related companies	4,582	102,530	2,201	3,655
	18,954	117,242	12,261	28,091
<b>Accrued expenses</b>				
Parent company	1,651	4,000	787	-
Other related companies	4	-	-	-
	1,655	4,000	787	-
<b>Other non-current liabilities - Employee benefit obligations transfer staff</b>				
Parent company	11	-	-	-
Subsidiaries	-	-	1,331	-
Other related companies	6	-	6	-
	17	-	1,337	-

27.3 Short - term loans to parent company

As at 31 December 2022, the Company had loans to Thai Union Group Public Company Limited which is a parent company amounting to Baht 245.68 million with bear interest rates at the range of 0.68% per annum to 1.45% per annum and due at call (2021: Baht 341.85 million, bear interest rates at the range of 0.68% per annum to 1.30% per annum due at call).

The movements of short-term loans to parent company during the year are shown below:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Opening balance	341,853	36,460	341,853	446,820
Additions	2,590,661	1,322,315	405,502	1,559,970
Repayments	(2,686,835)	(1,016,922)	(747,355)	(1,664,937)
Closing balance	245,679	341,853	-	341,853

#### 27.4 Short - term loans from parent company

As at 31 December 2022, the Company had loans from Thai Union Group Public Company Limited which is a parent company amounting to Baht 179.66 million bear interest rates at the range of 0.68% per annum to 1.65% per annum due at call (2021: Baht 403.37 million, bear interest rates at the range of 0.88% per annum to 1.30% per annum due at call).

The movements of short-term loans from parent company during the year are shown below:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Opening balance	403,372	-	-	-
Additions	720,814	2,263,263	611,175	-
Repayments	(944,527)	(1,859,891)	(431,516)	-
Closing balance	179,659	403,372	179,659	-

#### 27.5 Directors and key management remuneration

The compensation paid or payable to key management for employee services is shown below.

For year ended 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Short-term employee benefits	6,753	8,272	6,753	8,272
Post-employment benefits	1,535	4,547	1,535	4,547
	8,288	12,819	8,288	12,819

#### 28 Change in liabilities arising from financing activities

	Consolidated financial statements			
	Short-term loans from financial institutions Thousand Baht	Short-term loans from a parent company Thousand Baht	Accrued interest expenses Thousand Baht	Lease liabilities Thousand Baht
As at 1 January 2021	12,220	-	-	9,076
Cash flows	(12,220)	403,372	(6,472)	(6,173)
<b>Non-cash changes:</b>				
Additions	-	-	9,060	2,762
Amortisation of financing fees	-	-	-	366
As at 31 December 2021	-	403,372	2,588	6,031
Cash flows	-	(223,713)	(2,793)	(5,141)
<b>Non-cash changes:</b>				
Additions	-	-	992	7,575
Termination of lease agreement	-	-	-	(1,087)
Amortisation of financing fees	-	-	-	264
As at 31 December 2022	-	179,659	787	7,642

**Pakfood Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2022**

	Separate financial statements		
	Short-term loans to a parent company Thousand Baht	Accrued interest expenses Thousand Baht	Lease liabilities Thousand Baht
As at 1 January 2021	-	-	4,567
Cash flows	-	(838)	(2,683)
<b>Non-cash changes:</b>			
Additions	-	838	892
Amortisation of financing fees	-	-	171
As at 31 December 2021	-	-	2,947
Cash flows	179,659	-	(2,762)
<b>Non-cash changes:</b>			
Additions	-	787	5,527
Termination of lease agreement	-	-	(1,087)
Amortisation of financing fees	-	-	159
As at 31 December 2022	179,659	787	4,784

**29 Commitments and contingent liabilities**

**29.1 Capital commitments**

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Factory and warehouse construction	209,773	279,678	209,020	279,678
Purchase of machinery and equipment	235,212	272,292	227,851	270,644
Purchase of factory equipment agreements	18,667	938	15,295	-
	463,652	552,908	452,166	550,322

**29.2 Bank guarantee**

As at 31 December 2022, the Group and the Company were outstanding bank guarantee of Baht 21.64 million and Baht 11.85 MB, respectively (2021: Baht 20.57 million and Baht 10.89 MB, respectively) to guarantee the electricity usage of their factories.

As at 31 December 2022, the Group and the Company had to place a letter of guarantee amounting to USD 2.50 million and USD 1.30 million, respectively (2021: USD 5.6 million and USD 2.10 million, respectively) with local banks to secure a letter of credit issued by banks in the United States of America to the surety which has placed a customs bond with US Customs for imports of the Company's goods into the United States of America, relating to the Company's normal course of business.

As at 31 December 2022, the Group had to place a letter of guarantee amounting to EUR 2.86 million (2021: None) with local banks to secure a letter of credit issued by banks in Denmark to guarantee for importing of machines from Denmark.

30 Financial instruments

30.1 Derivatives

The Group and Company has the following derivative financial instruments:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
<b>Current assets</b>				
Foreign currency forwards - held for trading	1,480	1,270	-	915
Foreign currency forwards - cash flow hedges	74,633	4,987	18,639	14
<b>Total current derivatives assets</b>	<b>76,113</b>	<b>6,257</b>	<b>18,639</b>	<b>929</b>
<b>Current liabilities</b>				
Foreign currency forwards - held for trading	1,385	4,537	1,084	4,227
Foreign currency forwards - cash flow hedges	793	10,971	-	1,574
<b>Total current derivatives liabilities</b>	<b>2,178</b>	<b>15,508</b>	<b>1,084</b>	<b>5,801</b>

Derivatives are used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be realised within 12 months after the end of the reporting period.

30.2 Foreign currency risk

The balances of financial assets and liabilities denominated in foreign currencies of the Group are disclosed in Note 5.1.1

30.3 Hedging reserve

The Group's hedging reserves relate to the following hedging instruments:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
As at 1 January	(7,538)	9,104	(3,115)	(174)
Change of fair value recognised in OCI	(96,718)	(86,426)	(21,479)	17,693
Reclassified from OCI to profit or loss	178,049	69,588	43,430	(20,830)
Deferred taxes	(409)	196	(409)	196
<b>As at 31 December</b>	<b>73,384</b>	<b>(7,538)</b>	<b>18,427</b>	<b>(3,115)</b>

**31 Promotional privileges**

Pakfood Public Company Limited has received promotional privileges from the Board of Investment for the manufacture of frozen aquatic animals, semi-prepared foods and service for cold storage, pursuant to the promotion certificate No. 60-0565-0-0-3-0 issued on 19 May 2017. Subject to certain imposed conditions, the privileges include an exemption from corporate tax on net profit derived from the promoted operations for a period of 8 years from the date the promoted operations commenced generating revenues on 15 August 2017. The exemption of corporate income tax on net profit from the promoted operations is limited to the actual investment excluding land cost and working capital as of the opening date of the promoted operations.

Revenue classified by BOI and Non-BOI promoted activities (revenue from Non-BOI business included non-exemption from the privilege on corporate income tax and revenue after the exemption period) are as follows:

	BOI promoted activities		Non-BOI promoted activities		Total	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Domestic sales	13,590	13,127	324,274	280,392	337,864	293,519
Export sales	1,042,296	1,021,340	27,222	57,786	1,069,518	1,079,126
<b>Total revenue from sales</b>	<b>1,055,886</b>	<b>1,034,467</b>	<b>351,496</b>	<b>338,178</b>	<b>1,407,382</b>	<b>1,372,645</b>

**32 Events occurring after the reporting period**

On 15 February 2023, the Board of Directors' meeting of the Company passed the resolution to propose to the Annual General Meeting of the Company that will be held on 31 March 2023, to pay a dividend of Baht 280.50 million from its net operating profit for the year 2022. However, by the resolution of the Company's Board of Directors held on 29 July 2022, the Company paid out the interim dividend of Baht 4.30 per share from operating profit for the six-month period ended 30 June 2022, to the Company's shareholders totalling Baht 141.90 million on 29 August 2022. The remaining dividend of Baht 4.20 per share or totalling Baht 138.60 million will be paid on 18 April 2023.