Saha Pathanapibul Public Company Limited and its subsidiaries
Notes to interim consolidated financial statements
For the three-month period ended 31 March 2023

1. General information

1.1 Corporate information

Saha Pathanapibul Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in business of consumer goods distribution. The registered office of the Company is at 2156 New Petchburi Road, Bangkapi, Huaykwang, Bangkok.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.3 Basis of consolidation

The interim consolidated financial statements include the financial statements of Saha Pathanapibul Public Company Limited ("the Company") and its subsidiary companies ("the subsidiaries") (collectively as "the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2022.

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2022.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023, do not have any significant impact on the Group's financial statements.

2. Related party transactions

During the period, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

Summaries significant business transactions with related parties as follows.

(Unit: Thousand Baht)

	For the three-month period ended 31 March			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Transaction with subsidiaries				
(eliminated from the consolidated financial statements)				
Sales income	-	-	9,724	7,050
Other income	-	-	15,499	13,391
Purchase of goods	-	-	287,518	257,011
Other expense	-	-	35,638	34,269
Interest expense	-	-	1,640	1,975
Transaction with associate				
Sales income	50,817	30,857	50,817	30,857
Other income	2,622	2,669	1,340	1,382
Other expense	246,613	2,220	246,613	2,220
Transaction with related parties				
Sales income	10,464	9,661	10,464	9,661
Other income	8,417	4,834	8,417	4,834
Dividend income	10,520	7,890	10,520	7,890
Purchase of goods	6,284,646	6,047,341	6,284,646	6,047,341
Other expense	4,335	43,967	4,335	43,967

The balances of the accounts between the Group and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Trade and other accounts receivables - related parties				
Subsidiaries	-	-	28,708	28,956
Associates	39,857	44,614	39,857	44,614
Related parties	105,751	86,225	105,751	86,225
Total trade and other accounts receivables - related parties	145,608	130,839	174,316	159,795
Accrued transportation - related parties				
Subsidiaries	-	-	5,060	4,314
Total accrued transportation - related parties	-	-	5,060	4,314
Accrued rebates - related parties				
Related parties	1,488,343	1,787,314	1,488,343	1,787,314
Total accrued rebates - related parties	1,488,343	1,787,314	1,488,343	1,787,314
Right of use				
Subsidiaries	-	-	48,112	54,638
Total right of use - related party	-	-	48,112	54,638
Trade and other accounts payables - related parties				
Subsidiaries	-	-	184,230	181,992
Associates	648	14,263	648	14,263
Related parties	4,038,483	3,995,346	4,038,483	3,995,346
Total Trade and other accounts payables - related parties	4,039,131	4,009,609	4,223,361	4,191,601
Lease liabilities - related parties				
Subsidiaries	-	-	55,109	60,900
Total Lease liabilities - related parties	-	-	55,109	60,900

Loans to related parties

As at 31 March 2023, the balances of loans between the Group and those related companies and the movement in loans are as follows:

Short-term loan to related parties

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2023	6,000	-
Decrease during the period	(3,000)	-
Balance as at 31 March 2023	3,000	-

As at 31 March 2023, short-term loans to a related party is carried interest at the interest rate of 5.0% per annum (31 December 2022: 5.0% per annum). The loan is dued for repayment within one year from the borrowing date and or at call.

Directors and management's benefits

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Short-term employee benefits	13,202	14,279	13,093	13,844
Post-employment benefits	247	1,918	247	1,918
Total	13,449	16,197	13,340	15,762

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Trade receivables				
Aged on the basis of due dates				
Not yet due	3,745,800	3,956,246	3,670,632	3,895,633
Past due				
Up to 3 months	518,217	538,573	517,277	535,160
3 - 6 months	7,592	8,606	6,937	8,337
6 - 12 months	55,144	53,602	54,248	7,531
Over 12 months	-	-	17,262	45,067
Total	4,326,753	4,557,027	4,266,356	4,491,728
Less: Allowance for expected credit losses	(69,012)	(67,225)	(67,603)	(65,812)
Total trade receivable - net	4,257,741	4,489,802	4,198,753	4,425,916
Other receivables				
Other receivable	114,974	69,278	108,241	65,128
Prepaid expense	203,541	198,080	198,295	193,279
Accrued income	368,087	189,916	361,413	177,374
Total other receivables	686,602	457,274	667,949	435,781
Less: Allowance for expected credit losses	(12,097)	(12,097)	(12,097)	(12,097)
Total other receivables - net	674,505	445,177	655,852	423,684
Trade and other receivables - net	4,932,246	4,934,979	4,854,605	4,849,600

4. Trade notes receivable

The outstanding trade notes receivable as at 31 March 2023 and 31 December 2022 are classified by aging as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Aged on the basis of due dates				
Undue up to 3 months	375,460	374,546	375,460	374,514
Total trade notes receivable - net	375,460	374,546	375,460	374,514
Less: Allowance for expected credit losses	(3,157)	(3,157)	(3,157)	(3,157)
Total	372,303	371,389	372,303	371,357

5. Short-term loans

Short-term loans as at 31 March 2023 and 31 December 2022 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Short-term loans	748,000	751,000	745,000	745,000
Total	748,000	751,000	745,000	745,000

5.1 In 2022, the Company entered into a contract for sell with right of redemption of real estate, machinery, equipment, vehicles and trademarks with 3 companies, totaling Baht 745.00 million. The redemption period is 1 year from registration date, the maturity is on 29 December 2023. The interest rate is 10.00% per annum.

5.2 As at 31 March 2023, a subsidiary had short-term loans to a related party, a balance of Baht 3.00 million at the interest rate of 5.00 per annum (31 December 2022: rate of 5 per annum) as stated in notes 2 to the financial statements.

6. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Inventories - cost	875,371	1,058,542	746,671	942,202
Reduce cost to net realisable value	(16,903)	(17,483)	(16,400)	(16,400)
Total	858,468	1,041,059	730,271	925,802
Cost of real estate development project	42,819	42,773	42,819	42,773
Inventories - net	901,287	1,083,832	773,090	968,575

7. Other current financial assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Bank deposits at amortized cost				
Fixed deposit	1,755,896	1,704,172	1,060,842	1,062,931
Current investment (In private funds)	30,000	30,000	30,000	30,000
Less: Allowance for expected credit losses	(162)	(162)	(162)	(162)
Total other current financial assets	1,785,734	1,734,010	1,090,680	1,092,769

As at 31 March 2023, the Group had investment in 6 - 12 months fixed deposit at the interest rate of 0.50 - 1.80% per annum. (31 December 2022: 0.15 - 0.75% per annum).

8. Long-term loans

Long-term loans as at 31 March 2023 and 31 December 2022 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Long-term loans	681,050	681,050	681,050	681,050
Total	681,050	681,050	681,050	681,050

8.1 In 2022, the Company entered into a contract for sell with right of redemption of real estate with a company in the amount of Baht 177.50 million. The redemption period is 2 years and 6 months from the registration date which the maturity is on 17 May 2025, at the interest rate of 6.00% per annum.

8.2 In 2021, the Company entered into a contract for sell with right of redemption of real estate in the amount of Baht 2,000.00 million with 3 related companies. The redemption period is 3 years from the registration date which the maturity is on 29 June 2024, at the interest rate of 12.00% per annum.

8.3 The Company has long-term loan to a company amount of Baht 3.55 million at the interest rate of 3.37% per annum without any collaterals which is matured on 23 July 2024.

9. Other non-current financial assets

Movement in other non-current financial assets during the three-month period ended 31 March 2023 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Investments in equity instruments at fair value through OCI		
Listed equity instruments		
Balance as at 1 January 2023	7,955,476	7,955,476
Decrease during the period	(20,300)	(20,300)
Loss on change in value of investments	(270,159)	(270,159)
Balance as at 31 March 2023	7,665,017	7,665,017
Non-listed equity instruments		
Balance as at 1 January 2023	5,803,676	5,791,126
Increase during the period	130,500	130,500
Balance as at 31 March 2023	5,934,176	5,921,626
Total investments in equity instruments at fair value through OCI as at 31 March 2023	13,599,193	13,586,643
Investments in debt instruments at fair value through OCI		
Balance as at 1 January 2023	1,171,038	1,171,038
Decrease during the period	(19,530)	(19,530)
Gain on change in value of investments	1,490	1,490
Balance as at 31 March 2023	1,152,998	1,152,998
Other non-current financial assets at amortised cost		
Balance as at 1 January 2023	503	-
Balance as at 31 March 2023	503	-
Total other non-current financial assets as at 31 March 2023	14,752,694	14,739,641

During the three-month period ended 31 March 2023, the Company disposed investments in equity instruments at fair value through OCI. The surplus in fair value reserve of financial assets at OCI of Baht 7.33 million were transferred to retained earnings in the financial statements for the three-month period ended 31 March 2023.

10. Investments in associates

Movement of investments in associates during the period ended 31 March 2023 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2023	1,171,429	865,939
Less: Share of loss during the period	(19,223)	-
Share of other comprehensive income during the period	(2,814)	-
Balance as at 31 March 2023	1,149,392	865,939

During the three-month period ended 31 March 2023, the Company recorded the share of profit (loss) in associates under the equity method based on the unaudited/unreviewed consolidated financial statements. This is because the Company has no control over these associates to demand timely audit/review of financial statements.

10.1 In respect of investment in associate that is listed company on the Stock Exchange of Thailand, its fair values is as follow:

(Unit: Thousand Baht)

	31 March 2023	31 December 2022
Sun Vending Technology Plc.	312,462	285,831

11. Investments in subsidiaries

Details of investments in subsidiaries in the separate financial statements are as follows:

Company's name	Paid-up share capital (Million Baht)		Shareholding percentage		Cost (Thousand Baht)		Dividend received (Thousand Baht)	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Chokchaipibul Co., Ltd.	920	920	100	100	1,203,802	1,203,802	-	-
Bangkok Tower (1999) Co., Ltd.	519	519	100	100	518,994	518,994	-	-
Tipwarin - Watana Co., Ltd.	16	16	59	59	42,794	42,794	-	6,441
Saha Vietnam Co., Ltd.	5	5	100	100	4,903	4,903	-	-
Dairy Thai Co., Ltd.	67	67	64	64	68,111	68,111	-	-
Total					1,838,604	1,838,604	-	6,441
Less: Provisions for impairment loss					(159,103)	(159,103)		
Total investments in subsidiaries - net					1,679,501	1,679,501		

12. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Deposits and retention	95,624	95,497	92,614	92,600
Unbilled cheque return over 1 year	27,185	25,075	27,185	25,075
Loans to employees	1,021	849	264	-
Others	11,554	13,824	10,912	11,025
Total	135,384	135,245	130,975	128,700
Less: Provisions for impairment of deposits and retention	(18,226)	(18,226)	(18,226)	(18,226)
Allowance for doubtful of unbilled cheque return over 1 year	(27,185)	(25,075)	(27,185)	(25,075)
Total	(45,411)	(43,301)	(45,411)	(43,301)
Other non-current assets - net	89,973	91,944	85,564	85,399

The Company made agreement to buy and to sell of land in North - Park project and fully made payment, which was recorded as land deposits amount of Baht 60.75 million but the ownership has not been transferred to the Company caused by the Company still not proceed the building construction to be indicated in agreement which may incur a loss amount of Baht 18.23 million and then the Company, recorded provision for impairment by such amount.

13. Bank overdrafts and short-term borrowings

As at 31 March 2023, the Group obtained overdraft facilities from 10 commercial banks total credits line of Baht 105 million without any collaterals and obtained short-term loans from 7 commercial banks total credit lines of Baht 1,845 million.

14. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Trade accounts payables	4,955,624	4,881,222	5,017,830	4,964,549
Accrued expenses and other current payables	430,902	571,996	374,397	487,086
Unearned revenue	-	889	270	-
Total trade and other current payables	5,386,526	5,454,107	5,392,497	5,451,635

15. Treasury stock

15.1 According to the resolution of the Board of Directors' meeting No.8 held on 11 November 2021, approved the share repurchase in the second program for financial management purpose in the maximum amount not exceeding Baht 380 million or not exceed than 6.3 million shares at the par value of Baht 1.00 each which equal to not exceeding 1.92% of the total paid-up share capital less the number of treasury stock in the first program. The share repurchase was conducted through the Stock Exchange of Thailand. The repurchase period was from 1 December 2021 to 31 May 2022 with the condition to resale of such shares is beyond 6 months from the completion date of share repurchase.

15.2 On 12 May 2020, the Company's Board of Director meeting No.13 has approved the share repurchase program for financial management purpose in the maximum amount not exceeding Baht 500 million or approximately 9.9 million shares. The number of shares to be repurchased is approximately 3% of the total issued shares at the par value of Baht 1.00 per share. The share repurchase was conducted through the Stock Exchange of Thailand. The repurchase period was from 1 June 2020 to 30 November 2020 with the condition to resale of such shares is beyond 6 months from the completion date of share repurchase.

Details of treasury stocks are as follows:

	Number of shares	Average price per share	Repurchase
	(Share)	(Baht)	(Baht)
Treasury stocks			
As at 1 January 2023	3,511,300	66.29	232,747
As at 31 March 2023	3,511,300	66.29	232,747

The Company set aside an amount from retained earnings equal to the cost of the treasury shares to a separate reserve account with such reserve to remain outstanding until either the shares are sold or paid-up capital is reduced by the cancellation of any remaining unsold shares. As at 31 March 2023, the Company has set aside retained earnings approximately Baht 232.75 million (31 December 2022: Baht 232.75 million), as a reserve under caption "Appropriated retained earnings - treasury stock reserve" in the statement of financial position.

16. Segment information

The Group is organised into business units based on their products and services. During the current period, the Group has not changed the organisation of their reportable segments from the last annual financial statements.

The following tables present revenue and profit information regarding the Group's operating segments for the three-month periods ended 31 March 2023 and 2022.

(Unit: Million Baht)

	For the three-month period ended 31 March									
	Sales of consumer product		Office building for rent		Others		Elimination		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenues										
External income	9,292.3	8,385.6	9.0	9.2	59.4	48.6	-	-	9,360.7	8,443.4
Inter-segment income	297.2	264.1	23.0	21.3	13.4	4.3	(333.6)	(289.7)	-	-
Total revenues	9,589.5	8,649.7	32.0	30.5	72.8	52.9	(333.6)	(289.7)	9,360.7	8,443.4
Expenses										
Cost of segment	8,069.3	7,270.6	16.2	15.1	43.1	39.4	(303.7)	(269.0)	7,824.9	7,056.1
Selling and administrative expenses	1,095.8	1,001.9	10.8	32.2	-	-	(42.4)	(31.7)	1,064.2	1,002.4
Profit from operation	424.4	377.2	5.0	(16.8)	29.7	13.5	12.5	11.0	471.6	384.9
Other income									195.6	108.2
Other expenses									(23.1)	(11.2)
Income tax									(104.4)	(94.4)
Net profit									539.7	387.5

17. Commitments and contingent liabilities

17.1 Commitments

17.1.1 The Company has commitment and contingent liabilities as a guarantor for related companies based on the proportion of group of major shareholders with banks and financial institutions as at 31 March 2023 and 31 December 2022 as follows:

(Unit: Thousand Baht)

	31 March 2023	31 December 2022
Subsidiary		
- Tipwarin - Watana Co., Ltd.	5,000	5,000
Other		
- Mobile Logistics Co., Ltd.	14,000	14,000
Total	19,000	19,000

17.1.2 The Company has jointly guaranteed with Saha Patthana - Interholding Public Company Limited based on the proportion of investment for their related company as at 31 March 2023 and 31 December 2022 as follows:

(Unit: Thousand Baht)

	31 March 2023	31 December 2022
- Transcosmos (Thailand) Co., Ltd.	-	16,290
- Saha Tokyu Corporation Co., Ltd.	61,260	61,260
Total	61,260	77,550

17.1.3 The Company has commitment from bank issuance of letter of guarantee to government agencies and private company as at 31 March 2023 and 31 December 2022 as follows:

(Unit: Thousand Baht)

	31 March 2023	31 December 2022
Commitment from bank issuance of letter of guarantee		
For electricity usage	305	305
For government agencies	620	620
Total	925	925

17.2 Contingent liabilities

17.2.1 As at 31 March 2023 and 31 December 2022, the Company has commitment with bank from receiving advance deposit of collection cheques in the amount of Baht 74.78 million and Baht 103.17 million, respectively. Such commitment will no longer exist, if the bank is able to collect such cheques.

17.2.2 As 31 March 2023 and 31 December 2022, the Company has an obligation with a bank to supporting the construction of Ruamissara Development Co., Ltd. In the amount of Baht 60.00 million.

18. Financial Instrument

18.1 Fair value of financial instrument

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

18.2 Fair value hierarchy

As at 31 March 2023, the Group had the financial assets and financial liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	Level 1	Level 2	Level 3	**Total**
Assets measured at fair value through profit or loss				
Financial assets measured at fair value through other comprehensive income				
Investments in equity instruments of listed companies	7,261	404	-	**7,665**
Investments in debt instruments	-	1,153	-	**1,153**
Investments in equity instruments of non-listed companies	-	-	5,934	**5,934**

(Unit: Million Baht)

	Separate financial statements			
	Level 1	Level 2	Level 3	**Total**
Assets measured at fair value through profit or loss				
Financial assets measured at fair value through other comprehensive income				
Investments in equity instruments of listed companies	7,261	404	-	**7,665**
Investments in debt instruments	-	1,153	-	**1,153**
Investments in equity instruments of non-listed companies	-	-	5,922	**5,922**

During the current period, there were no changes in the methods and the assumptions used to estimate the fair value of financial instruments and there were no transfers between the levels of the fair value hierarchy.

18.3 Reconciliation of recurring fair value measurements categorised within Level 3 of the fair value hierarchy

(Unit: Thousand Baht)

	Investments in equity instruments measured at fair value through other comprehensive income	
	Consolidated Financial Statements	Separate Financial Statements
Balance as at 1 January 2023	5,803,676	5,791,126
Acquired during the year	130,500	130,500
Balance as of 31 March 2023	5,934,176	5,921,626

19. Events after the reporting period

According to the resolution of the Annual General Meeting of Shareholders for the year 2023 No.72 held on 24 April 2023, approved the dividend payment for the year 2022 to the shareholders at Baht 1.50 per share, totally Baht 489,733,050.00, of which the company has already paid the interim dividend at Baht 0.50 per share, totally Baht 163,244,350.00 on 9 December 2022, and remained dividend will be paid to the shareholders at Baht 1.00 per share, totally Baht 326,488,700.00 on 23 May 2023.

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 May 2023.