

## **REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**TO THE SHAREHOLDERS AND BOARD OF DIRECTORS  
NSL FOODS PUBLIC COMPANY LIMITED**

### **Opinion**

We have audited the consolidated financial statements of NSL Foods Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of NSL Foods Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2023, and the related consolidated and separate statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of NSL Foods Public Company Limited and its subsidiaries and of NSL Foods Public Company Limited as at December 31, 2023, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

### **Basis for Opinion**

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

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

Key Audit Matters	Audit Responses
<p><b>Revenue recognition near the end of the reporting period</b></p> <p>The revenue from sales represented significant amounts in the financial statements, and directly affect profit or loss of the Company. As a result, there is a risk with respect to the timing of transfer the control of goods that also impact to revenue recognition. We therefore give attention to the revenue recognition of the Company near the end of the reporting period.</p> <p>The accounting policy of revenue recognition of the Company are disclosed in notes to the financial statements no. 3.13.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> <li>• Gained understanding and performed test of design and implementation as well as operating effectiveness of the relevant controls over revenue recognition process near the end of the reporting period.</li> <li>• Tested sales transactions occurred before and after the end of the reporting period with sales order and delivery note/tax invoice to ensure whether the revenue is recognized in the appropriate period.</li> <li>• Performed the analysis of disaggregated data by type of product and compared the gross margin by type of product to detect possible irregularities in sales transactions throughout the reporting period.</li> </ul>
<p><b>Accounting for business acquisition</b></p> <p>During the year 2023, the Company completely acquired a subsidiary, which its business related to manufacture and distribution of bakery and franchise of Baht 46.87 million and accounted for business acquisition and recorded goodwill of Baht 2.30 million in the consolidated financial statements, accordingly.</p> <p>The accounting for business acquisition is complicated. The Company engaged specialists to evaluate the fair value of identified assets and liabilities and recorded goodwill arising from the business acquisition.</p> <p>The accounting policy of business acquisition and the detail of business acquisition are disclosed in notes to the financial statements no.3.1 and 4, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> <li>• Gained understanding and performed test of design and implementation of the controls over business acquisition.</li> <li>• Read the sale and purchase assets agreement and understood key terms and conditions which is considered as business acquisition.</li> <li>• Examined the payment documents and assets transferred documents.</li> <li>• Evaluated the appropriateness of the identification of assets and liabilities acquired at the acquisition date including understanding on the procedures on identification of fair value which was prepared by the management.</li> <li>• Evaluated the independence and competency of independent asset appraiser of the Group.</li> <li>• Involved the auditor's specialist in assessing the valuation methodology, parameters and assumptions applied to the identification of fair value.</li> <li>• Evaluated significant assumptions in determining fair values reference to internal and external information and tested the calculation as well as the management's key assumptions used in the estimation of fair value.</li> <li>• Evaluated the accuracy of accounting and the adequacy disclosure in accordance with the relevant Thai Financial Reporting Standards</li> </ul>

### **Other Information**

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

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to management and those charged with governance for correction of the misstatement.

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**BANGKOK**

February 28, 2024

Mongkol Somphol

Certified Public Accountant (Thailand)

Registration No. 8444

**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

**NSL FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**

**UNIT : BAHT**

	Notes	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS	
		2023	2023	2022
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	5	133,927,130	105,348,086	115,148,373
Trade and other current receivables	7	731,988,624	729,829,602	595,411,912
Short-term loans to a subsidiary	30	-	21,000,000	-
Inventories	8	274,376,609	262,698,186	267,104,666
Other current financial assets				
- temporary investments	9	214,112,892	214,112,892	301,045,495
Derivative assets	10	20,257	20,257	-
Other current assets		6,735,790	4,056,244	2,696,924
Total Current Assets		<u>1,361,161,302</u>	<u>1,337,065,267</u>	<u>1,281,407,370</u>
<b>NON-CURRENT ASSETS</b>				
Investment in subsidiaries	11	-	32,000,000	-
Investment in a joint venture	12	6,133,652	15,000,000	-
Property, plant and equipment	13	1,025,874,153	1,001,747,862	954,448,280
Right-of-use assets	14	24,000,682	12,899,212	15,248,014
Goodwill	4	2,295,599	-	-
Other intangible assets other than goodwill	15	44,446,471	5,022,552	6,069,756
Deferred tax assets	16	10,600,494	9,828,296	8,146,333
Other non-current assets	17	25,088,741	24,580,474	24,335,722
Total Non-current Assets		<u>1,138,439,792</u>	<u>1,101,078,396</u>	<u>1,008,248,105</u>
<b>TOTAL ASSETS</b>		<u><u>2,499,601,094</u></u>	<u><u>2,438,143,663</u></u>	<u><u>2,289,655,475</u></u>

Notes to the financial statements form an integral part of these statements

**NSL FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT DECEMBER 31, 2023**

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS	
		2023	2023	2022
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Bank overdrafts and short-term borrowings				
from a financial institution	18	60,206,124	60,206,124	58,791,591
Trade and other current payables	19	649,982,155	626,118,307	559,495,717
Current contract liabilities - advance received				
from franchise license		7,327,288	-	-
Current portion of long-term borrowings				
from a financial institution	20	73,211,983	73,211,983	103,339,853
Current portion of lease liabilities	21	7,810,943	4,812,310	5,329,613
Current income tax payable		46,692,608	46,692,608	34,216,090
Derivative liabilities	22	2,090,198	2,090,198	3,840,594
Other current liabilities		11,988,114	11,288,766	8,546,738
Total Current Liabilities		859,309,413	824,420,296	773,560,196
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings from a financial institution	20	-	-	72,164,348
Lease liabilities	21	14,411,906	6,218,895	7,365,055
Non-current contract liabilities - advance received				
from franchise license		9,883,507	-	-
Non-current provisions for employee benefit	23	39,597,701	36,054,568	30,474,865
Total Non-current Liabilities		63,893,114	42,273,463	110,004,268
<b>TOTAL LIABILITIES</b>		923,202,527	866,693,759	883,564,464
<b>SHAREHOLDERS' EQUITY</b>				
<b>SHARE CAPITAL</b>				
Authorized share capital				
300,000,000 ordinary shares of Baht 1 each		300,000,000	300,000,000	300,000,000
Issued and paid-up share capital				
300,000,000 ordinary shares of Baht 1 each,				
fully paid		300,000,000	300,000,000	300,000,000
<b>PREMIUM ON ORDINARY SHARES</b>	24	797,375,186	797,375,186	797,375,186
<b>RETAINED EARNINGS</b>				
Appropriated				
Legal reserve	25	30,000,000	30,000,000	30,000,000
Unappropriated		432,282,500	444,074,718	278,715,825
<b>TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		1,559,657,686	1,571,449,904	1,406,091,011
<b>NON-CONTROLLING INTERESTS</b>		16,740,881	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		1,576,398,567	1,571,449,904	1,406,091,011
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		2,499,601,094	2,438,143,663	2,289,655,475

Notes to the financial statements form an integral part of these statements

**NSL FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**UNIT : BAHT**

	Notes	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS	
		2023	2023	2022
<b>REVENUES</b>				
Revenue from sales		4,788,448,670	4,735,657,490	4,001,472,632
Revenue from franchise license		4,361,272	-	-
Other income		16,515,486	13,041,055	8,298,692
Total Revenues		4,809,325,428	4,748,698,545	4,009,771,324
<b>EXPENSES</b>				
Cost of sales		3,910,070,766	3,864,181,157	3,259,347,644
Distribution costs		334,811,966	324,924,739	267,125,341
Administrative expenses		127,335,225	117,451,738	101,378,174
Total Expenses		4,372,217,957	4,306,557,634	3,627,851,159
<b>PROFIT FROM OPERATING ACTIVITIES</b>		437,107,471	442,140,911	381,920,165
Finance costs		10,640,196	10,442,400	10,281,445
Share of loss of joint venture accounted for using equity method		8,866,348	-	-
<b>PROFIT BEFORE INCOME TAX</b>		417,600,927	431,698,511	371,638,720
INCOME TAX EXPENSES	16	85,382,861	86,429,108	74,041,436
<b>PROFIT FOR THE YEARS</b>		332,218,066	345,269,403	297,597,284
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Item that will not be reclassified subsequently to profit or loss				
Remeasurements of retirement benefit obligations	23.1	-	-	8,086,398
Income tax relating to remeasurements of retirement benefit obligations	16	-	-	(1,617,280)
<b>OTHER COMPREHENSIVE INCOME FOR THE YEARS</b>				
- NET OF TAX		-	-	6,469,118
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEARS</b>		332,218,066	345,269,403	304,066,402
<b>PROFIT ATTRIBUTABLE TO</b>				
Owners of the parent		333,477,185	345,269,403	297,597,284
Non-controlling interests		(1,259,119)	-	-
		332,218,066	345,269,403	297,597,284
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO</b>				
Owners of the parent		333,477,185	345,269,403	304,066,402
Non-controlling interests		(1,259,119)	-	-
		332,218,066	345,269,403	304,066,402
<b>Basic earnings per share (Baht)</b>	29	1.11	1.15	0.99
<b>Weighted average number of ordinary shares (shares)</b>	29	300,000,000	300,000,000	300,000,000

Notes to the financial statements form an integral part of these statements

NSL FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2023

UNIT : BAHT

Consolidated financial statements								
Note	Owners of the parent				Total Attributions to Owners of the Parent	Non- controlling Interests	Total Shareholders’ Equity	
	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Retained Earnings					
			Appropriated					
			Legal Reserve	Unappropriated				
Balance as at January 1, 2023	300,000,000	797,375,186	30,000,000	278,715,825	1,406,091,011	-	1,406,091,011	
Investment in newly established subsidiaries	-	-	-	-	-	18,000,000	18,000,000	
Dividends paid	26	-	-	-	(179,910,510)	(179,910,510)	-	(179,910,510)
Total comprehensive income for the year		-	-	-	333,477,185	333,477,185	(1,259,119)	332,218,066
Balance as at December 31, 2023		300,000,000	797,375,186	30,000,000	432,282,500	1,559,657,686	16,740,881	1,576,398,567

Notes to the financial statements form an integral part of these statements



NSL FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2023

UNIT : BAHT

		Separate financial statements			
		Issued and Paid-up Share Capital	Premium on Ordinary Shares	Retained Earnings Appropriated Legal Reserve	Total Shareholders' Equity
	Note			Unappropriated	
Balance as at January 1, 2022		300,000,000	797,375,186	30,000,000	124,648,823
Dividends paid	26	-	-	-	(149,999,400)
Total comprehensive income for the year		-	-	-	304,066,402
Balance as at December 31, 2022		300,000,000	797,375,186	30,000,000	278,715,825
Balance as at January 1, 2023		300,000,000	797,375,186	30,000,000	278,715,825
Dividends paid	26	-	-	-	(179,910,510)
Total comprehensive income for the year		-	-	-	345,269,403
Balance as at December 31, 2023		300,000,000	797,375,186	30,000,000	444,074,718

Notes to the financial statements form an integral part of these statements

**NSL FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**UNIT : BAHT**

	Notes	CONSOLIDATED	SEPARATE	
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	
		2023	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit for the year		332,218,066	345,269,403	297,597,284
Adjustments:				
Income tax expense		85,382,861	86,429,108	74,041,436
Depreciation		110,534,401	109,428,863	95,307,525
Amortization of rights-of-use assets		7,171,695	6,114,963	5,745,237
Amortization of intangible assets		2,175,585	1,159,204	1,150,328
Revenue from franchise license		(2,618,959)	-	-
Loss on write-off of fixed assets		575,839	575,839	14,875
Gain on disposal of fixed assets		(180,911)	(180,911)	(26,408)
Non-current provisions for employee benefit expense		8,475,258	8,323,921	4,792,560
Expected credit losses (reverse)		(533,659)	(533,659)	763,862
Loss on deterioration of inventories		4,713,902	4,713,902	2,489,815
Unrealized loss (gain) on exchange rate		1,193,473	1,193,473	(4,023,896)
Unrealized loss (gain) on derivative		(1,770,653)	(1,770,653)	3,807,725
Gain on revaluation of other current financial assets		(3,067,393)	(3,067,393)	(1,044,492)
Interest income		(805,550)	(828,204)	(582,029)
Finance cost		10,640,196	10,442,400	10,281,445
Share of loss from joint venture		8,866,348	-	-
Profit from operation before changes in operating assets and liabilities		562,970,499	567,270,256	490,315,267
Operating assets (increase) decrease				
Trade and other current receivables		(136,266,752)	(134,054,383)	(99,601,618)
Inventories		(3,924,356)	(307,422)	(80,755,434)
Other current assets		(3,944,028)	(1,359,320)	(403,388)
Other non-current assets		(1,797,667)	(1,289,400)	-
Operating liabilities increase (decrease)				
Trade and other current payables		86,653,513	62,789,665	112,092,329
Other current liabilities		3,441,376	2,742,028	616,234
Advance cash received from franchise license		300,000	-	-
Cash paid for employee benefit		(2,744,218)	(2,744,218)	(16,058,196)
Cash received from operation		504,688,367	493,047,206	406,205,194
Cash received from deposit interest		1,029,245	998,552	290,244
Cash paid for income tax expenses		(75,729,391)	(75,634,553)	(59,595,819)
Net cash provided by operating activities		429,988,221	418,411,205	346,899,619

**NSL FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**UNIT : BAHT**

	Notes	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS	
		2023	2023	2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Cash paid for short-term loan to a subsidiary		-	(21,000,000)	-
Cash paid for other current financial assets - temporary investments		-	-	(300,000,000)
Cash received from other current financial assets - temporary investments		90,000,000	90,000,000	-
Cash paid for purchases of fixed assets	6.1	(157,853,547)	(151,933,618)	(144,741,151)
Proceeds from sales of fixed assets		257,711	257,711	26,416
Cash paid for purchases of intangible assets		(152,300)	(112,000)	(368,000)
Cash paid for investing in subsidiaries		-	(32,000,000)	-
Cash paid for investing in joint venture		(15,000,000)	(15,000,000)	-
Cash paid for business acquisition	4	(46,873,389)	-	-
Net cash used in investing activities		(129,621,525)	(129,787,907)	(445,082,735)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Cash received from short-term borrowing from a financial institution	6.2	483,456	483,456	23,932,729
Cash repaid for long-term borrowings from a financial institution	6.2	(101,780,058)	(101,780,058)	(101,780,121)
Cash paid for lease liabilities	6.2	(7,870,476)	(6,706,122)	(7,603,053)
Interest paid	6.2	(10,510,351)	(10,510,351)	(10,547,913)
Dividend paid	26	(179,910,510)	(179,910,510)	(149,999,400)
Proceeds from non-controlling interest from investing in subsidiaries		18,000,000	-	-
Net cash used in financing activities		(281,587,939)	(298,423,585)	(245,997,758)
Net increase (decrease) in cash and cash equivalents		18,778,757	(9,800,287)	(344,180,874)
Cash and cash equivalents as at January 1,		115,148,373	115,148,373	459,329,247
<b>Cash and cash equivalents as at December 31,</b>	<b>5</b>	<b>133,927,130</b>	<b>105,348,086</b>	<b>115,148,373</b>

Notes to the financial statements form an integral part of these statements

**NSL FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**1. THE GROUP'S OPERATIONS AND GENERAL INFORMATION**

**1.1 General Information**

NSL Foods Public Company Limited (the “Company”) was incorporated as a limited company under the Thai Civil and Commercial Code on January 23, 2006. Subsequently, the Company registered the conversion of a private company into a public company on April 23, 2020 and registered with the Stock Exchange of Thailand on May 19, 2021 with its head office and branch offices located as follows:

Head office	: 55/22 Moo 3, Bangbuathong-Nonthaburi bridge (345) Road, Tambol Lam Pho, Ampher Bang Bua Thong, Nonthaburi
The first branch office	: 700/707 Moo 1, Tambol Phan Thong, Ampher Phan Thong, Chonburi
The second branch office	: 700/836 Moo 6, Tambol Nong Tamlueng, Ampher Phan Thong, Chonburi
The third branch office	: 29/52 Moo 2, Bangbuathong-Nonthaburi bridge (345) Road, Tambol Lam Pho, Ampher Bang Bua Thong, Nonthaburi
The fourth branch office	: 55/11 Moo 3, Bangbuathong-Nonthaburi bridge (345) Road, Tambol Lam Pho, Ampher Bang Bua Thong, Nonthaburi

The Company is engaged in manufacture and distribution of all kinds of bakery, wholesaler of frozen and processed fish, aquatic products, meat, seaweeds and vegetables and hold investment in other companies.

The Company, its subsidiaries and its joint venture together referred to as the “Group”. The principal businesses of its subsidiaries and its joint venture disclosed in Notes 1.2 and 1.3, respectively.

As at December 31, 2023 and 2022, the Company’s major shareholder is Mr. Somchai Asavapiyanond, holding 72.26% and 71.67% of the Company’s paid-up share capital, respectively.

The Company has extensive transactions and relationships with its related parties. Accordingly, the accompanying financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred had the Company operated without such affiliations.

## 1.2 Subsidiaries

The information of the subsidiaries as at December 31, 2023 (2022: Nil) are as follows:

<b>Company's name</b>	<b>Country of incorporation and principal place of business</b>	<b>Registered date</b>	<b>Main business objective</b>	<b>Registered office</b>
NSL Intertrade (2023) Co., Ltd.	Thailand	July 7, 2023	Exporting and importing products	589/161 Central City Tower Building, 32nd Floor, Room no.589/161-1 Thepbharat Road, Bang Na Nua Sub-district, Bang Na District, Bangkok
NSL Bake A Wish Co., Ltd.	Thailand	August 15, 2023	Manufacture and distribution of bakery, and franchise	116 Soi Suksawat 26, Bang Mod Sub-district, Jom Thong District, Bangkok

## 1.3 Joint venture

The information of joint venture as at December 31, 2023 (2022: Nil) is as follows:

<b>Company's name</b>	<b>Country of incorporation and principal place of business</b>	<b>Registered date</b>	<b>Main business objective</b>	<b>Registered office</b>
Pen 1 F&B Co., Ltd.	Thailand	January 16, 2023	Manufacture and distribute of beverages	1213/384 Soi Lad Phrao 94 (Punjamitr) Plab-Pla Sub-district, Wang Thong Lang District, Bangkok

## 2. BASIS FOR PREPARATION AND PRESENTATION OF THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

- 2.1 The Group maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Group's financial statements have been prepared in accordance with the Thai Accounting Standard No. 1 "Presentation of Financial Statements" and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statement (No.3) B.E. 2562" dated December 26, 2019.
- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies (see Note 3).
- 2.4 The separate statements of financial position as at December 31, 2022, presented herein for comparison, have been derived from the audited financial statements of the Company for the year then ended.
- 2.5 The management prepares the consolidated financial statements for the year ended December 31, 2023 for the first time as the Company has recently invested in the investment in subsidiaries, and a joint venture as disclosed in Note 11 and Note 12 respectively.
- 2.6 The consolidated financial statements included the accounts of the Company and its subsidiaries, after elimination of intercompany transactions for the year ended December 31, 2023 are as follows: (2022: Nil)

Company's name	Country of incorporation	Main business objective	2023 % holding
NSL Intertrade (2023) Co., Ltd.	Thailand	Exporting and importing products	79.99
NSL Bake A Wish Co., Ltd.	Thailand	Manufacture and distribution of bakery, and franchise	59.99

- 2.7 The consolidated financial statements for the year ended December 31, 2023 consist of the joint venture as follows: (2022: Nil)

Company's name	Country of incorporation	Main business objective	2023 % holding
Pen 1 F & B Co., Ltd.	Thailand	Manufacture and distribution of beverage	33.33

- 2.8 The preparation of the financial statements in conformity with Thai Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. The areas involve a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements (see Note 3).

2.9 The English version of the financial statements have been prepared from the interim financial statements that is in the Thai language under law. In the event of a conflict or a difference in interpretation between the two languages, the Thai version of financial information shall prevail.

2.10 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements.

During the period, the Group has adopted the revised financial reporting standards issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and clarification of accounting requirements. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

2.11 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

Thai Financial Reporting Standard which will be effective for the financial statements for the period beginning on or after January 1, 2024, onwards

The revised TFRSs are mostly the revision of wording and terminology and clarification of accounting requirements. TFRSs which have been amended and are relevant to the Group are as follows:

**Thai Accounting Standard No.1 “Presentation of Financial Statements”**

The amendments change the requirements regarding the disclosure of accounting policies from “significant accounting policies” to “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

**Thai Accounting Standard No.8 “Accounting Policies, Changes in Accounting Estimates and Errors”**

The amendments change the definition of accounting estimates to be “monetary amounts in financial statements that are subject to measurement uncertainty”, to help an entity to be able to segregate the difference of “change in accounting estimates” from “change in accounting policies”.

**Thai Accounting Standard No.12 “Income Taxes”**

The amendments add the requirements for the initial recognition of deferred tax, which give rise to equal taxable and deductible temporary differences such as right-of-use assets and lease liabilities and decommissioning obligation. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognizes a deferred tax asset, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, and a deferred tax liability for all deductible and taxable temporary differences associated with such transactions. The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of shareholders' equity, as appropriate).

In addition, such amendments also add the exemption for the International Tax Reform - Pillar Two Model. An entity should not recognize and not disclose the deferred tax assets and deferred tax liability which are relevant to Pillar Two income tax.

The Group's management will adopt such TFRSs in the preparation of the Group's financial statements when it becomes effective. The Group's management is in the process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

Thai Financial Reporting Standard which will be effective for the financial statements for the period beginning on or after January 1, 2025, onwards

### **Thai Financial Reporting Standard No.17 “Insurance Contracts”**

Thai Financial Reporting Standard No.17 “Insurance Contracts” establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes Thai Financial Reporting Standard No.4 “Insurance Contracts”. The Group does not have accounting transaction which should be adopted this Financial Reporting Standard.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

Significant accounting policies are as follows:

### **3.1 Basis of preparation of the consolidation financial statements**

The consolidated financial statements comprise the Company and its subsidiaries' financial statements and the Group's interest in and a joint venture.

#### **Business combinations**

The Group applies the acquisition method for all business combinations except for the business combination under common control.

The Group's control is achieved when the Group (1) has the power over the investee (2) is exposed, or has rights, to variable returns from its involvement with the investee and (3) has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Goodwill is measured at the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. If the net realized amount (fair value) of identifiable assets acquired and liability assumed is higher than the fair value of the consideration transfer, the Group will recognize the surplus as gain in statement of comprehensive income.



Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree or measures using the fair value.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are recognized as expenses when incur.

Transactions eliminated on consolidated financial statements

Significant intra-group balances and transactions have been eliminated in the preparation of the consolidated financial statements. The consolidated financial statements for the year ended December 31, 2023 were prepared by using the financial statements of its subsidiaries and joint venture as of the same date.

### 3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash and all types of deposits at financial institutions with original maturities of 3 months or less from the date of acquisition, excluding deposits at financial institutions used as collateral (if any).

### 3.3 Financial instruments

#### Initial recognition and measurement of financial assets and financial liabilities

- A financial asset measured at amortized cost and a financial asset measured at fair value through other comprehensive income are measured at their fair value, plus or less transaction costs that are directly attributable to the acquisition or issuance of the financial assets.
- A financial asset measured at fair value through profit or loss is measured at its fair value. Transaction costs are expensed in profit or loss.
- Financial liabilities, which are not measured at FVTPL is measured at fair value minus transaction costs that are directly attributable to the acquisition or issuance of the financial liabilities.

#### Subsequent measurement of financial assets

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

### Classification of financial assets

The financial assets that meet the following conditions are measured subsequently at amortized cost;

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI);

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortized cost. The Group applies simplified approach for allowance for expected credit losses consideration.

### Subsequent measurement of financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid and received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

### Derivative financial instruments

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

3.4 Trade and other receivables

Trade receivables, other receivables are stated at their invoice value less allowance for expected credit losses.

The allowance for expected credit losses has disclosed in Note 3.3.

3.5 Inventories

Inventories are stated at the lower of cost or net realizable value.

Cost is determined by the weighted average method.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Allowance for obsolescence and slow moving is recorded based on the consideration of future use of those inventories and the aging analysis at the end of each reporting period.

3.6 Investments in subsidiaries and a joint venture

Investments in subsidiaries and a joint venture in the separate financial statements of the Company are accounted for using the cost method. Investment in joint venture in the consolidated financial statements is accounted for using the equity method.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intra-group balances and transactions, and any unrealized income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Under the equity method, an investment in a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of joint venture. When the Group's share of losses of a joint venture equals or exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment is recognized immediately as profit or loss in the statement of comprehensive income in the period in which the investment is acquired.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held-for-sale.

When the Group reduces its ownership interest in a joint venture but the Company continues to use the equity method, the Group reclassifies to profit or loss for the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest in the statement of comprehensive income if that gain or loss would be reclassified to profit or loss upon the disposal of the related assets or liabilities.

When the Group transacts with a joint venture, profits and losses resulting from such transactions are recognized in the Group's financial statements in which the equity method is applied only to the extent of interests in the joint venture that are not related to the Company.

#### Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognized as profit or loss in the statement of comprehensive income.

If the Group disposes of a partial of its holding investment, the deemed cost of the sold investment is determined using the weighted-average method applied to the carrying value of the total holding of the investment.

### 3.7 Property, plant and equipment

Land is stated at cost less allowance for impairment, if any.

Plant and equipment are stated at cost less accumulated depreciation and allowance for impairment, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for separately by major components.

### Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized as an expense in statement of comprehensive income as incurred.

### Depreciation

Depreciation is calculated based on the depreciable amount of plant and equipment, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged as an expense to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings	20 years
Building improvement	20 years
Machinery	5 years and 10 years
Tools and equipment	3 years, 5 years and 10 years
Furniture	5 years
Office equipment	5 years
Vehicles	5 years

No depreciation is provided on land, machinery under installation and construction in progress.

In case impairment of property, plant and equipment has occurred, the resultant loss on impairment is recognized as expenses in the statement comprehensive income.

## 3.8 Leases

### The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes right-of-use assets and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases with a lease term of 12 months or less and leases of low value assets, in which the lease payments are recognized as operating expense on a straight-line basis over the lease term and presents as an expense in the statement of comprehensive income.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date, discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is subsequently measured using the effective interest method and by reducing the carrying amount to reflect the lease payments made. The Company recognizes interest from lease liability in the statement of comprehensive income.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Right-of-use assets are depreciated over the period of lease term starting from the commencement date of the lease and are assessed for impairment in accordance with TAS 36 “Impairment of assets”.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

### 3.9 Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in Note 3.1.

Subsequent to the initial recognition, goodwill is measured at cost less allowance for impairment. The Group assesses an impairment of goodwill annually, regardless of consideration of indication that such goodwill may be impaired.

Goodwill is allocated to each of the Group’s cash-generating units that is expected to benefit from the synergies of the business combination.

### 3.10 Other intangible assets other than goodwill

Other intangible assets other than goodwill represent computer software, customer relationship, brand and franchise agreements arising from business acquisition which is stated at cost, net of accumulated amortization and allowance for impairment of assets (if any).

Amortization is recognized as an expense in the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets other than goodwill from the date that they are available for use.

The estimated useful lives of intangible assets other than goodwill are as follows:

Computer software	5 years and 10 years
Customer relationship	5 years and 6 years
Franchise agreements	10 years

No amortization is provided on brand as there is indefinite useful lives. Impairment is tested annually or when there is an indicator that the asset may be impaired.

In case of impairment of intangible assets other than goodwill has occurred, the resultant loss on impairment is recognized by the Company as expense in the statement of comprehensive income.

### 3.11 Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

### 3.12 Employee benefits

#### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (provident fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of comprehensive income in the periods during which services are rendered by employees.

#### Defined benefit plans and other long-term employee benefits

The Group records employee benefit obligations under the Labor Protection Act and other long-term benefits obligation under the Company's employment policy for employees who work in defined periods which employees will receive additional benefits when they work for the Company for 3 years, and after that employees will receive it every 5 years, using the Projected Unit Credit Method calculated by an independent actuary based on actuarial assumptions as at the statement of financial position date, using various factors including assessment of the average age and employment life of its employees, employee turnover rate and assumption of future salary increases. The employee benefit obligations is discounted to the present value as at the statement of financial position date and under the assumption that the employees of various ages will work with the Company until retirement age.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions under the Labor Protection Act are charged to other comprehensive income in the period in which they arise.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions under other long-term benefits obligation are charged to statement of comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in the statement of comprehensive income.

Past-service costs related to plan amendment is recognized as an expense in the statement of comprehensive income when the plan amendment is effective.

### 3.13 Revenues and expenses recognition

#### Revenues from sales

Revenues from sales are recognized at point in time and recognized when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. Revenue from sales are measured at the amount of the consideration received or expect to be received for the delivered goods after deduction of trade discount given to the customer excluding value-added tax.

#### Revenue from franchise license

Revenue from franchise license is recognized over the period in which enter into the franchise agreements. Deferred revenue from franchise license is presented as contract liabilities - advance received from franchise license.

Other income are recognized in the statement of comprehensive income on an accrual basis.

Expenses are recognized on an accrual basis.

### 3.14 Finance costs

Finance costs is recognized using the effective interest method and comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration.

### 3.15 Income tax expenses

Income tax expenses comprise the sum of the current income tax and deferred tax.

#### 3.15.1 Current income tax

Current income tax is tax payable which is calculated from taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted at the statement of financial position date.



### 3.15.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized. The Group recognizes deferred tax liabilities for all taxable temporary differences in the financial statements.

### 3.16 Foreign currency transactions

Transactions denominated in foreign currencies during the year are converted into Baht at the rates of exchange prevailing at the transaction dates. All balances of monetary assets and liabilities in foreign currencies at the statement of financial position date are converted into Baht at the reference exchange rates established by the Bank of Thailand at that date.

Gains or losses on foreign exchange arising on settlements and conversion are recognized as income or expenses in the statement of comprehensive income.

### 3.17 Basic earnings per share

Basic earnings per share are calculated by dividing net profit for the year by the weighted average number of outstanding ordinary shares at the statement of financial position date. In case of a capital increase, the number of ordinary shares is weighted according to time of subscriptions received for the increase in issued and paid-up capital.

The Company does not have any potential ordinary shares to dilute the earnings per share.

### 3.18 Operating segments

The Group presented the operating segments on the basis of internal reports that are regularly reviewed by the chief operating decision maker for the purposes of making decisions about allocating resources to the segments and assessing the performance of the operating segments. The Group has three segments which are manufacturing and distribute all kind of bakery segment and wholesaler of frozen and processed fish, aquatic products, meat, seaweeds and vegetables segment, and exporting and importing product segment. The Group also operate in a single geographic area which is Thailand.

### 3.19 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, fair value measurements are categorized into Level 1, 2 and 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability.

### 3.20 Use of management's judgments

The preparation of financial statements in conformity with TFRS requires the Group's management to exercise judgments in order to determine the accounting policies, estimates and various assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

#### 4. BUSINESS ACQUISITION

On September 1, 2023, NSL Bake A Wish Co., Ltd. which is a subsidiary, has entered into sale and purchase assets agreement with Bake A Wish J.H.C. Co., Ltd. which is considered as business acquisition by transferring agreements, employee, identified net assets and liabilities in order to engage in bakery franchise of Baht 46.87 million. As at December 31, 2023, such subsidiary has paid in full amount.

Details of identified net assets and liabilities and goodwill are as follows:

	Notes	Unit : Baht
<b>Assets</b>		
Inventories		8,061,489
Equipment		
Machinery and equipment	13	14,806,800
Tools and office equipment	13	2,524,200
Vehicles	13	1,980,900
Total		<u>19,311,900</u>
Right-of-use assets	14	6,619,016
Other intangible assets other than goodwill		
Brand	15	10,000,000
Franchise agreements	15	30,400,000
Total		<u>40,400,000</u>
Deferred tax assets	16	<u>3,905,951</u>
Total assets		<u>78,298,356</u>
<b>Liabilities</b>		
Non-current provisions for employee benefit	23.1	(3,391,796)
Advance received from franchise license		(19,529,754)
Lease liabilities		(6,619,016)
Deferred tax liabilities	16	<u>(4,180,000)</u>
Total liabilities		<u>(33,720,566)</u>
<b>Identified net assets and liabilities</b>		<u>44,577,790</u>
<b>Consideration paid</b>		<u>46,873,389</u>
<b>Goodwill</b>		<u>2,295,599</u>

From the acquisition date to December 31, 2023, the above subsidiary has revenue in the amount of Baht 74.95 million and net loss in the amount of Baht 2.11 million which represent in a part of operation result in the consolidated financial statements.

During the year 2023, the Group engaged an independent appraiser to evaluate the fair value of identifiable assets acquired and allocation of fair value at the acquisition date. The Group received the purchase price allocation report dated January 11, 2024 from the independent appraiser. The Group has applied Thai Financial Reporting Standard No. 3 “Business combinations” to recognize the business combination transaction.

## 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, consist of:

	Consolidated financial statements 2023	Separate financial statements 2023	Unit : Baht 2022
Cash on hand	110,468	77,287	65,633
Cash at banks - current account	4,725,274	4,683,824	4,672,215
Cash at banks - savings account	129,090,382	100,585,969	110,409,524
Cash at banks - 3 months fixed account	1,006	1,006	1,001
	<u>133,927,130</u>	<u>105,348,086</u>	<u>115,148,373</u>

Cash at banks in the consolidated financial statements for year 2023 bear interest rate at 0.25% per annum to 0.85% per annum and cash at banks in the separate financial statements for year 2023 and 2022 bear interest rate 0.25% per annum to 0.85% per annum and 0.20% per annum to 0.40% per annum, respectively.

## 6. SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION

6.1 Purchases of fixed assets for the year ended December 31, are as follows:

	Notes	Consolidated financial statements 2023	Separate financial statements 2023	Unit : Baht 2022
Accounts payable - acquisition of fixed assets brought forward		7,362,240	7,362,240	12,723,392
Add Fixed assets purchased during the years	13	162,468,724	156,548,795	135,415,199
Add Advance payment for fixed assets				
Increase (decrease) <sup>(1)</sup>		(1,044,648)	(1,044,648)	3,964,800
Less Cash paid during the years		<u>(157,853,547)</u>	<u>(151,933,618)</u>	<u>(144,741,151)</u>
Accounts payable - acquisition of fixed assets carried forward	19	<u>10,932,769</u>	<u>10,932,769</u>	<u>7,362,240</u>

<sup>(1)</sup> Advance payment for fixed assets was recorded as a part of other non-current assets.

## 6.2 Reconciliation of liabilities arising from financing activities

The below table presents change in the liabilities arising from financing activities, including both change arising from cash flows and non-cash changes as follows:

	Balance as at January 1, 2023	Cash provided by financing activities	Consolidated financial statements Cash used in financing activities	Non-cash changes Adjust interest according to effective interest rate	Asset under lease agreement increase	Unrealized loss on exchange rate	Recognized interest expense	Unit : Baht Balance as at December 31, 2023
Short-term borrowings from a financial institution	58,791,591	483,456	-	-	-	931,077	-	60,206,124
Long-term borrowings from a financial institution	175,504,201	-	(101,780,058)	(512,160)	-	-	-	73,211,983
Lease liabilities	12,694,668	-	(7,870,476)	-	16,756,652	-	642,005	22,222,849
Accrued interest expense	-	-	(10,510,351)	512,160	-	-	9,998,191	-
<b>Total</b>	<u>246,990,460</u>	<u>483,456</u>	<u>(120,160,885)</u>	<u>-</u>	<u>16,756,652</u>	<u>931,077</u>	<u>10,640,196</u>	<u>155,640,956</u>

								Unit : Baht
Separate financial statements								
	Balance as at January 1, 2023	Cash provided by financing activities	Cash used in financing activities	Adjust interest according to effective interest rate	Asset under lease agreement increase	Unrealized loss on exchange rate	Recognized interest expense	Balance as at December 31, 2023
Short-term borrowings from a financial institution	58,791,591	483,456	-	-	-	931,077	-	60,206,124
Long-term borrowings from a financial institution	175,504,201	-	(101,780,058)	(512,160)	-	-	-	73,211,983
Lease liabilities	12,694,668	-	(6,706,122)	-	4,598,450	-	444,209	11,031,205
Accrued interest expense	-	-	(10,510,351)	512,160	-	-	9,998,191	-
<b>Total</b>	<b>246,990,460</b>	<b>483,456</b>	<b>(118,996,531)</b>	<b>-</b>	<b>4,598,450</b>	<b>931,077</b>	<b>10,442,400</b>	<b>144,449,312</b>

								Unit : Baht
Separate financial statements								
	Balance as at January 1, 2022	Cash provided by financing activities	Cash used in financing activities	Adjust interest according to effective interest rate	Asset under lease agreement increase	Unrealized gain on exchange rate	Recognized interest expense	Balance as at December 31, 2022
Short-term borrowings from a financial institution	38,656,217	23,932,729	-	-	-	(3,797,355)	-	58,791,591
Long-term borrowings from a financial institution	278,088,354	-	(101,780,121)	(804,032)	-	-	-	175,504,201
Lease liabilities	10,202,107	-	(7,603,053)	-	9,558,050	-	537,564	12,694,668
Accrued interest expense	-	-	(10,547,913)	804,032	-	-	9,743,881	-
<b>Total</b>	<b>326,946,678</b>	<b>23,932,729</b>	<b>(119,931,087)</b>	<b>-</b>	<b>9,558,050</b>	<b>(3,797,355)</b>	<b>10,281,445</b>	<b>246,990,460</b>

## 7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, consist of:

				Unit : Baht
	Note	Consolidated financial statements 2023	Separate financial statements 2023	2022
Trade receivables - other companies		712,846,497	704,924,660	577,211,685
<u>Less</u> Allowance for expected credit losses		(363,609)	(363,609)	(932,586)
Trade receivable - a related party	30	4,463,305	10,712,626	465,986
Other receivables - other companies		2,373,914	2,038,804	2,911,812
Accrued interest - a related company	30	-	53,347	-
Prepaid expenses		12,668,517	12,463,774	15,755,015
		<u>731,988,624</u>	<u>729,829,602</u>	<u>595,411,912</u>

Trade receivables as at December 31, are classified by aging as follows:

	Consolidated financial statements 2023	Separate financial statements 2023	Unit : Baht 2022
Other companies			
Within credit terms	468,112,483	466,754,310	381,123,392
Overdue			
Less than 30 days	240,758,945	235,145,588	190,159,553
Over 30 days but less than 60 days	2,418,112	1,997,230	3,328,813
Over 60 days but less than 90 days	706,458	382,901	567,411
Over 90 days but less than 120 days	618,902	413,034	268,403
Over 120 days but less than 180 days	37,804	37,804	299,250
Over 180 days but less than 365 days	32,458	32,458	1,064,555
Over 365 days	161,335	161,335	400,308
	<u>712,846,497</u>	<u>704,924,660</u>	<u>577,211,685</u>
A related party			
Within credit terms	251,928	3,778,034	233,123
Overdue			
Less than 30 days	4,211,377	6,934,592	232,863
	<u>4,463,305</u>	<u>10,712,626</u>	<u>465,986</u>

The normal credit term granted by the Group ranges for 30 days.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors. The Group has recognized a loss allowance of 50% against over 180 days but less than 365 days and a loss allowance of 100% against all receivables over 365 days past due because historical experience has indicated that these receivables are generally not recoverable.

The following table details the risk profile of trade receivables based on the Group's provision expected credit losses matrix as at December 31, 2023 and 2022.

	Consolidated financial statements						Unit : Baht
As at December 31, 2023	Trade receivables - days past due						Total
	Not past due	< 30 days	31 - 90 days	91 - 180 days	181 - 365 days	> 366 days	
Expected credit loss rate (%)	0.01	0.02	1.54	9.10	50	100	
Trade receivables	468,364,411	244,970,322	3,124,570	656,706	32,458	161,335	717,309,802
Lifetime ECL	36,962	41,150	48,143	59,790	16,229	161,335	363,609

	Separate financial statements						Unit : Baht
As at December 31, 2023	Trade receivables - days past due						Total
	Not past due	< 30 days	31 - 90 days	91 - 180 days	181 - 365 days	> 366 days	
Expected credit loss rate (%)	0.01	0.02	2.02	13.26	50	100	
Trade receivables	470,532,344	242,080,180	2,380,131	450,838	32,458	161,335	715,637,286
Lifetime ECL	36,962	41,150	48,143	59,790	16,229	161,335	363,609

	Separate financial statements						Unit : Baht
As at December 31, 2022	Trade receivables - days past due						Total
	Not past due	< 30 days	31 - 90 days	91 - 180 days	181 - 365 days	> 366 days	
Expected credit loss rate (%)	0	0	0	0	50	100	
Trade receivables	381,356,515	190,392,416	3,896,224	567,653	1,064,555	400,308	577,677,671
Lifetime ECL	-	-	-	-	532,278	400,308	932,586

## 8. INVENTORIES

Inventories as at December 31, consist of:

	Unit : Baht		
	Consolidated financial statements 2023	Separate financial statements 2023	2022
Raw materials	202,362,215	199,212,020	188,255,636
Supplies and packages	33,682,845	26,442,158	19,018,777
Work in process	6,736,255	6,736,255	3,883,856
Finished goods	35,531,454	34,243,913	33,995,932
Goods in transit	5,693,722	5,693,722	26,866,445
<u>Less</u> Allowance for deterioration	<u>(9,629,882)</u>	<u>(9,629,882)</u>	<u>(4,915,980)</u>
	<u>274,376,609</u>	<u>262,698,186</u>	<u>267,104,666</u>

During the years 2023 and 2022, the Company recorded the write-down of cost for allowance for obsolescence of inventories of Baht 4.71 million and Baht 2.49 million, respectively, as part of cost of sales.

Cost of inventories of Baht 3,033.79 million recognized as cost of sales in the consolidated financial statements for the year ended December 31, 2023 and cost of inventories of Baht 3,004.63 million and Baht 2,534.34 million recognized as cost of sales in the separate financial statements for the years ended December 31, 2023 and 2022, respectively.

## 9. OTHER CURRENT FINANCIAL ASSETS - TEMPORARY INVESTMENTS

Other current financial assets - temporary investments as at December 31, consist of:

	Unit : Baht		
	Consolidated financial statements 2023	Separate financial statements 2023	2022
Financial assets at amortization costs (see Note 27)			
- Fixed deposit at bank maturity within 12 months <sup>(1)</sup> (Interest rate 0.875% per annum, and 0.375% per annum)	10,001,007	10,001,007	100,001,003
Financial assets at fair value through profit or loss (see Note 27)			
- Opened-end fixed income funds	204,111,885	204,111,885	201,044,492
Total	<u>214,112,892</u>	<u>214,112,892</u>	<u>301,045,495</u>

<sup>(1)</sup> The Company's fixed deposit at bank maturity within 12 months is guaranteed for credit limit for bills of exchange and/or promissory notes and credit limit for letter of credit and/or trust receipt with a local financial institution (see Note 18). As at December 31, 2023 and 2022, the Company has not used such credit limit.

## 10. DERIVATIVE ASSETS

Derivative assets as at December 31, 2023 (2022: Nil) consist of:

Type of contract	Consolidated and separate financial statements As at December 31, 2023		
	Contract amount		Fair value contract
	Receiving	Delivering	Asset
	AUD	THB	THB
Forward foreign exchange contracts (see Note 27)	267,250	6,210,888	20,257
Total derivative	267,250	6,210,888	20,257

## 11. INVESTMENT IN SUBSIDIARIES

Investments in subsidiaries which recorded in separate financial statement by the cost method as at December 31, 2023 (2022: Nil) consist of:

Company's name	Separate financial statements			Cost method
	Share capital	Paid-up capital	Percentage of shareholding	
	Baht	Baht	%	Baht
NSL Intertrade (2023) Co., Ltd. <sup>(1)</sup>	20,000,000	10,000,000	79.99	8,000,000
NSL Bake A Wish Co., Ltd. <sup>(2)</sup>	50,000,000	40,000,000	59.99	24,000,000
				<u>32,000,000</u>

<sup>(1)</sup> On May 9, 2023, at the Board of Directors' Meeting No.3/2023 of the Company, the Board of Directors had passed a resolution to approve establishment NSL Intertrade (2023) Co., Ltd. to engage in exporting and importing products with share capital of 2,000,000 shares at Baht 10 per shares, totaling Baht 20 million. The Company has shareholding portion at 80%. As at December 31, 2023, the Company has paid for shares amounting to Baht 8 million.

<sup>(2)</sup> On August 9, 2023, at the Board of Directors' Meeting No.4/2023 of the Company, the Board of Directors had passed a resolution to approve establishment NSL Bake A Wish Co., Ltd. to engage in produce and distribute bakery and franchise with share capital of 5,000,000 shares at Baht 10 per share, totaling Baht 50 million. Subsequently, on August 10, 2023, the Company has entered into joint venture agreement with Bake A Wish J.H.C. Co., Ltd. in order to jointly establish such subsidiary which was registered on August 15, 2023. The Company has shareholding portion at 60%. As at December 31, 2023, the Company has paid for shares amounting to Baht 24 million.

For the year ended December 31, 2023, there was no dividend income from subsidiaries.



## 12. INVESTMENT IN A JOINT VENTURE

Investment in a joint venture as at December 31, 2023 (2022: Nil) consist of:

Company's name	Paid-up capital (Baht)	Investment portion (%)	Financial statements in which the equity method	Separate financial statements
			Equity method (Baht)	Cost method (Baht)
Pen 1 F & B Co., Ltd.	45,000,000	33.33	6,133,652	15,000,000
	45,000,000	33.33	6,133,652	15,000,000

For the year ended December 31, 2023, there was no dividend income from a joint venture.

On January 9, 2023, the Company entered into a shareholder's agreement to jointly establish a company with share capital of 6,000,000 shares at Baht 10 per share, totaling Baht 60 million. The Company has shareholding portion at 33.33%. For the year ended December 31, 2023, the Company has paid for share amounting to Baht 15 million.

Aggregate information of the joint venture consists of the following:

	Unit : Baht As at December 31, 2023
Total assets	28,577,552
Total liabilities	(9,998,931)
Net assets of the joint venture	18,578,621
	Unit : Baht For the period from January 16, 2023 to December 31, 2023
Net loss	(26,421,379)

Reconciliations of the above financial information to the carrying amount of the interest in the joint venture are as follows:

	Unit : Baht Consolidated financial statements As at December 31, 2023
Net assets of the joint venture	18,578,621
Elimination of intercompany profit	(177,666)
	18,400,955
Proportion of the Company's ownership interest in the joint venture (%)	33.33
Carrying amount of the joint venture under equity method	6,133,652

### 13. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, consist of:

As at December 31, 2023

	Consolidated financial statements						Unit : Baht
	Balance as at January 1, 2023	Addition	Transfer from business acquisition (See Note 4)	Transfer from right- of-use asset (see Note 14)	Decrease	Transfer in/ (out)	Balance as at December 31, 2023
<b>Cost:</b>							
Land	290,649,250	7,116,750	-	-	-	-	297,766,000
Buildings	672,183,082	22,670,332	-	-	-	-	694,853,414
Buildings improvement	30,237,608	11,403,405	-	-	-	-	41,641,013
Machinery	516,497,679	70,331,854	14,806,800	-	(15,421,500)	12,740,748	598,955,581
Tools and equipment	165,343,093	23,525,917	-	-	(5,667,279)	-	183,201,731
Fixtures	14,447,033	4,960,693	-	-	(71,142)	-	19,336,584
Office equipment	19,361,402	5,433,660	2,524,200	-	(644,596)	-	26,674,666
Vehicles	28,789,029	330,000	1,980,900	2,358,720	-	-	33,458,649
Total cost	<u>1,737,508,176</u>	<u>145,772,611</u>	<u>19,311,900</u>	<u>2,358,720</u>	<u>(21,804,517)</u>	<u>12,740,748</u>	<u>1,895,887,638</u>
<b>Accumulated depreciation:</b>							
Buildings	(261,149,880)	(33,804,975)	-	-	-	-	(294,954,855)
Buildings improvement	(3,733,489)	(1,714,344)	-	-	-	-	(5,447,833)
Machinery	(346,597,635)	(55,684,947)	-	-	14,948,111	-	(387,334,471)
Tools and equipment	(133,452,556)	(12,756,951)	-	-	5,535,816	-	(140,673,691)
Fixtures	(6,798,721)	(3,029,259)	-	-	48,476	-	(9,779,504)
Office equipment	(15,200,593)	(2,102,596)	-	-	619,475	-	(16,683,714)
Vehicles	(26,851,695)	(1,441,329)	-	(1,526,431)	-	-	(29,819,455)
Total accumulated depreciation	<u>(793,784,569)</u>	<u>(110,534,401)</u>	<u>-</u>	<u>(1,526,431)</u>	<u>21,151,878</u>	<u>-</u>	<u>(884,693,523)</u>
Machinery under installation	10,724,673	8,283,875	-	-	-	(12,740,748)	6,267,800
Construction in progress	-	8,412,238	-	-	-	-	8,412,238
<b>Property, plant and equipment</b>	<u>954,448,280</u>						<u>1,025,874,153</u>
<b>Depreciation for the year ended December 31,</b>							
2023							<b>Baht</b> <u>110,534,401</u>

As at December 31, 2023

			Separate financial statements			Unit : Baht
	Balance as at January 1, 2023	Addition	Transfer from right- of-use asset (see Note 14)	Decrease	Transfer in/ (out)	Balance as at December 31, 2023
<b>Cost:</b>						
Land	290,649,250	7,116,750	-	-	-	297,766,000
Buildings	672,183,082	22,670,332	-	-	-	694,853,414
Buildings improvement	30,237,608	9,479,138	-	-	-	39,716,746
Machinery	516,497,679	70,012,467	-	(15,421,500)	12,740,748	583,829,394
Tools and equipment	165,343,093	23,497,667	-	(5,667,279)	-	183,173,481
Fixtures	14,447,033	3,216,305	-	(71,142)	-	17,592,196
Office equipment	19,361,402	3,530,023	-	(644,596)	-	22,246,829
Vehicles	28,789,029	330,000	2,358,720	-	-	31,477,749
Total cost	<u>1,737,508,176</u>	<u>139,852,682</u>	<u>2,358,720</u>	<u>(21,804,517)</u>	<u>12,740,748</u>	<u>1,870,655,809</u>
<b>Accumulated depreciation:</b>						
Buildings	(261,149,880)	(33,804,975)	-	-	-	(294,954,855)
Buildings improvement	(3,733,489)	(1,597,759)	-	-	-	(5,331,248)
Machinery	(346,597,635)	(55,219,338)	-	14,948,111	-	(386,868,862)
Tools and equipment	(133,452,556)	(12,755,682)	-	5,535,816	-	(140,672,422)
Fixtures	(6,798,721)	(2,929,814)	-	48,476	-	(9,680,059)
Office equipment	(15,200,593)	(1,812,387)	-	619,475	-	(16,393,505)
Vehicles	(26,851,695)	(1,308,908)	(1,526,431)	-	-	(29,687,034)
Total accumulated depreciation	<u>(793,784,569)</u>	<u>(109,428,863)</u>	<u>(1,526,431)</u>	<u>21,151,878</u>	<u>-</u>	<u>(883,587,985)</u>
Machinery under installation	10,724,673	8,283,875	-	-	(12,740,748)	6,267,800
Construction in progress	-	8,412,238	-	-	-	8,412,238
<b>Property, plant and equipment</b>	<u>954,448,280</u>					<u>1,001,747,862</u>

As at December 31, 2022

					Unit : Baht
	Balance as at January 1, 2022	Separate financial statements			Balance as at December 31, 2022
		Addition	Decrease	Transfer in/ (out)	
<b>Cost:</b>					
Land	290,649,250	-	-	-	290,649,250
Buildings	672,183,082	-	-	-	672,183,082
Buildings improvement	21,629,151	6,245,157	-	2,363,300	30,237,608
Machinery	419,550,724	93,659,755	(672,800)	3,960,000	516,497,679
Tools and equipment	155,223,408	11,332,881	(1,213,196)	-	165,343,093
Fixtures	8,716,950	5,820,083	(90,000)	-	14,447,033
Office equipment	17,307,799	2,293,185	(239,582)	-	19,361,402
Vehicles	28,254,029	535,000	-	-	28,789,029
Total cost	<u>1,613,514,393</u>	<u>119,886,061</u>	<u>(2,215,578)</u>	<u>6,323,300</u>	<u>1,737,508,176</u>
<b>Accumulated depreciation:</b>					
Buildings	(227,557,909)	(33,591,971)	-	-	(261,149,880)
Buildings improvement	(2,490,187)	(1,243,302)	-	-	(3,733,489)
Machinery	(302,196,289)	(45,061,091)	659,745	-	(346,597,635)
Tools and equipment	(123,552,909)	(11,112,839)	1,213,192	-	(133,452,556)
Fixtures	(5,126,275)	(1,762,445)	89,999	-	(6,798,721)
Office equipment	(14,063,311)	(1,375,041)	237,759	-	(15,200,593)
Vehicles	(25,690,859)	(1,160,836)	-	-	(26,851,695)
Total accumulated depreciation	<u>(700,677,739)</u>	<u>(95,307,525)</u>	<u>2,200,695</u>	<u>-</u>	<u>(793,784,569)</u>
Machinery under installation	800,000	13,884,673	-	(3,960,000)	10,724,673
Construction in progress	718,835	1,644,465	-	(2,363,300)	-
<b>Property, plant and equipment</b>	<u>914,355,489</u>				<u>954,448,280</u>
<b>Depreciation for the years ended December 31,</b>					
2023				<b>Baht</b>	<u>109,428,863</u>
2022				<b>Baht</b>	<u>95,307,525</u>

As at December 31, 2023 and 2022, the Company had pledged all land and buildings with carrying value amounting to Baht 690.55 million and Baht 701.68 million, respectively, as collateral against credit facilities from a financial institution (see Note 18 and Note 20).

As at December 31, 2023 and 2022, costs of property, plant and equipment in the financial statements that were fully depreciated but still in use were Baht 287.26 million and Baht 223.67 million, respectively.

#### 14. RIGHT-OF-USE ASSETS

Right-of-use assets as at December 31, consist of:

As at December 31, 2023

Consolidated financial statements						Unit : Baht
	Balance as at January 1, 2023	Addition	Transfer from business acquisition (See Note 4)	Decrease	Transfer to plant and equipment (see Note 13)	Balance as at December 31, 2023
<b>Cost:</b>						
Rental buildings	-	5,539,186	6,619,016	-	-	12,158,202
Machinery	14,038,227	4,954,192	-	(3,820,910)	-	15,171,509
Tools and equipment	3,338,099	880,246	-	-	-	4,218,345
Vehicles	11,306,749	559,919	-	-	(2,358,720)	9,507,948
Total cost	<u>28,683,075</u>	<u>11,933,543</u>	<u>6,619,016</u>	<u>(3,820,910)</u>	<u>(2,358,720)</u>	<u>41,056,004</u>
<b>Accumulated amortization:</b>						
Rental buildings	-	(1,056,732)	-	-	-	(1,056,732)
Machinery	(8,465,362)	(3,439,992)	-	2,025,003	-	(9,880,351)
Tools and equipment	(1,556,916)	(713,741)	-	-	-	(2,270,657)
Vehicles	(3,412,783)	(1,961,230)	-	-	1,526,431	(3,847,582)
Total accumulated amortization	<u>(13,435,061)</u>	<u>(7,171,695)</u>	<u>-</u>	<u>2,025,003</u>	<u>1,526,431</u>	<u>(17,055,322)</u>
<b>Right-of-use assets</b>	<u>15,248,014</u>					<u>24,000,682</u>
<b>Amortization for the year ended December 31,</b>						
2023					<b>Baht</b>	<u>7,171,695</u>

As at December 31, 2023

Separate financial statements						Unit : Baht
	Balance as at January 1, 2023	Addition	Decrease	Transfer to plant and equipment (see Note 13)	Balance as at December 31, 2023	
<b>Cost:</b>						
Machinery	14,038,227	4,954,192	(3,820,910)	-	15,171,509	
Tools and equipment	3,338,099	880,246	-	-	4,218,345	
Vehicles	11,306,749	559,919	-	(2,358,720)	9,507,948	
Total cost	<u>28,683,075</u>	<u>6,394,357</u>	<u>(3,820,910)</u>	<u>(2,358,720)</u>	<u>28,897,802</u>	
<b>Accumulated amortization:</b>						
Machinery	(8,465,362)	(3,439,992)	2,025,003	-	(9,880,351)	
Tools and equipment	(1,556,916)	(713,741)	-	-	(2,270,657)	
Vehicles	(3,412,783)	(1,961,230)	-	1,526,431	(3,847,582)	
Total accumulated amortization	<u>(13,435,061)</u>	<u>(6,114,963)</u>	<u>2,025,003</u>	<u>1,526,431</u>	<u>(15,998,590)</u>	
<b>Right-of-use assets</b>	<u>15,248,014</u>				<u>12,899,212</u>	

As at December 31, 2022

	Separate financial statements			Unit : Baht
	Balance as at January 1, 2022	Addition	Decrease	Balance as at December 31, 2022
<b>Cost:</b>				
Machinery	11,082,705	3,449,279	(493,757)	14,038,227
Tools and equipment	2,123,472	1,214,627	-	3,338,099
Vehicles	6,001,141	5,305,608	-	11,306,749
Total cost	<u>19,207,318</u>	<u>9,969,514</u>	<u>(493,757)</u>	<u>28,683,075</u>
<b>Accumulated amortization:</b>				
Machinery	(5,484,266)	(3,063,389)	82,293	(8,465,362)
Tools and equipment	(873,595)	(683,321)	-	(1,556,916)
Vehicles	(1,414,256)	(1,998,527)	-	(3,412,783)
Total accumulated amortization	<u>(7,772,117)</u>	<u>(5,745,237)</u>	<u>82,293</u>	<u>(13,435,061)</u>
<b>Right-of-use assets</b>	<u>11,435,201</u>			<u>15,248,014</u>
<b>Amortization for the years ended December 31,</b>				
2023			<b>Baht</b>	<u>6,114,963</u>
2022			<b>Baht</b>	<u>5,745,237</u>

## 15. OTHER INTANGIBLE ASSETS OTHER THAN GOODWILL

Other intangible assets other than goodwill as at December 31, are as follows:

	Consolidated financial statements				Unit : Baht
	Balance as at January 1, 2023	Increase	Transfer from business acquisition (See Note 4)	Transfer in/ (out)	Balance as at December 31, 2023
<b>Cost</b>					
Computer software	8,432,690	152,300	-	-	8,584,990
Customer relationship	1,377,000	-	-	-	1,377,000
Brand	-	-	10,000,000	-	10,000,000
Franchise agreements	-	-	30,400,000	-	30,400,000
Total cost	<u>9,809,690</u>	<u>152,300</u>	<u>40,400,000</u>	<u>-</u>	<u>50,361,990</u>
<b>Accumulated amortization</b>					
Computer software	(2,897,849)	(902,888)	-	-	(3,800,737)
Customer relationship	(842,085)	(259,364)	-	-	(1,101,449)
Franchise agreements	-	(1,013,333)	-	-	(1,013,333)
Total accumulated amortization	<u>(3,739,934)</u>	<u>(2,175,585)</u>	<u>-</u>	<u>-</u>	<u>(5,915,519)</u>
<b>Intangible assets</b>	<u>6,069,756</u>				<u>44,446,471</u>
<b>Amortization for the years ended December 31,</b>					
2023				<b>Baht</b>	<u>2,175,585</u>

As at December 31, 2023, the remaining amortization period of franchise agreements is 9.67 years.

	Unit : Baht		
	Balance as at January 1, 2023	Separate financial statements Increase	Transfer in/ (out)
			Balance as at December 31, 2023
<b>Cost</b>			
Computer software	8,432,690	112,000	-
Customer relationship	1,377,000	-	-
Total cost	9,809,690	112,000	-
<b>Accumulated amortization</b>			
Computer software	(2,897,849)	(899,840)	-
Customer relationship	(842,085)	(259,364)	-
Total accumulated amortization	(3,739,934)	(1,159,204)	-
<b>Intangible assets</b>	6,069,756		5,022,552

	Unit : Baht		
	Balance as at January 1, 2022	Separate financial statements Increase	Transfer in/ (out)
			Balance as at December 31, 2022
<b>Cost</b>			
Computer software	8,320,690	112,000	-
Customer relationship	1,377,000	-	-
Total cost	9,697,690	112,000	-
<b>Accumulated amortization</b>			
Computer software	(2,006,885)	(890,964)	-
Customer relationship	(582,721)	(259,364)	-
Total accumulated amortization	(2,589,606)	(1,150,328)	-
<b>Intangible assets</b>	7,108,084		6,069,756

<b>Amortization for the years ended December 31,</b>			
2023		<b>Baht</b>	1,159,204
2022		<b>Baht</b>	1,150,328

## 16. DEFERRED TAX ASSETS AND INCOME TAX EXPENSE

Deferred tax assets as at December 31, consist of:

	Unit : Baht		
	Consolidated financial statements 2023	Separate financial statements 2023	2022
Deferred tax assets	10,600,494	9,828,296	8,146,333

The movements of deferred tax assets and liabilities for the years ended December 31, are as follows:

As at December 31, 2023

	Consolidated financial statements				Unit : Baht
	Balances as at January 1, 2023	Transfer from business acquisition (See Note 4)	Items as recognized in profit or loss revenue (expense) Increase Utilized		Balances as at December 31, 2023
<b>Deferred tax asset</b>					
Allowance for expected credit losses	186,517	-	-	(113,795)	72,722
Allowance for deterioration	983,196	-	942,780	-	1,925,976
Difference in useful lives of assets	157,436	-	30,659	-	188,095
Amortization of goodwill	106,520	-	-	(31,484)	75,036
Provision for employee benefit	6,094,973	-	1,695,052	(548,844)	7,241,181
Derivative liabilities	768,119	-	418,040	(768,119)	418,040
Advance received from franchise license	-	3,905,951	60,000	(523,792)	3,442,159
Unused tax loss	-	-	1,422,409	-	1,422,409
	<u>8,296,761</u>	<u>3,905,951</u>	<u>4,568,940</u>	<u>(1,986,034)</u>	<u>14,785,618</u>
<b>Deferred tax liabilities</b>					
Derivative assets	-	-	(4,051)	-	(4,051)
Customer relationship	(106,983)	-	-	51,873	(55,110)
Fair value adjustment of assets from business acquisition	(43,445)	-	-	24,816	(18,629)
Brand	-	-	(66,667)	-	(66,667)
Franchise agreements	-	(4,180,000)	-	139,333	(4,040,667)
	<u>(150,428)</u>	<u>(4,180,000)</u>	<u>(70,718)</u>	<u>216,022</u>	<u>(4,185,124)</u>
<b>Deferred tax asset - net</b>	<u>8,146,333</u>	<u>(274,049)</u>	<u>4,498,222</u>	<u>(1,770,012)</u>	<u>10,600,494</u>

As at December 31, 2023, subsidiaries have taxable cumulative losses carried forward of Baht 7.11 million, which will be expired in 2028. The Group recognize this transaction as deferred tax assets as there is certain possibility to utilize the tax benefit in the future.

As at December 31, 2023

	Separate financial statements			Unit : Baht
	Balances as at January 1, 2023	Items as recognized in profit or loss revenue (expense) Increase Utilized		Balances as at December 31, 2023
<b>Deferred tax asset</b>				
Allowance for expected credit losses	186,517	-	(113,795)	72,722
Allowance for deterioration	983,196	942,780	-	1,925,976
Difference in useful lives of assets	157,436	30,659	-	188,095
Amortization of goodwill	106,520	-	(16,180)	90,340
Provision for employee benefit	6,094,973	1,664,784	(548,844)	7,210,913
Derivative liabilities	768,119	418,040	(768,119)	418,040
	<u>8,296,761</u>	<u>3,056,263</u>	<u>(1,446,938)</u>	<u>9,906,086</u>
<b>Deferred tax liabilities</b>				
Derivative assets	-	(4,051)	-	(4,051)
Customer relationship	(106,983)	-	51,873	(55,110)
Fair value adjustment of assets from business acquisition	(43,445)	-	24,816	(18,629)
	<u>(150,428)</u>	<u>(4,051)</u>	<u>76,689</u>	<u>(77,790)</u>
<b>Deferred tax asset - net</b>	<u>8,146,333</u>	<u>3,052,212</u>	<u>(1,370,249)</u>	<u>9,828,296</u>



As at December 31, 2022

					Unit : Baht
Balances as at January 1, 2022	Separate financial statements			Balances as at December 31, 2022	
	Items as recognized in profit or loss revenue (expense) Increase	Utilized	Items as recognized in other comprehensive income		
<b>Deferred tax asset</b>					
Allowance for expected credit losses	44,520	141,997	-	-	186,517
Allowance for deterioration	485,233	497,963	-	-	983,196
Difference in useful lives of assets	314,844	-	(157,408)	-	157,436
Amortization of goodwill	122,700	-	(16,180)	-	106,520
Provision for employee benefit	9,965,380	958,512	(3,211,639)	(1,617,280)	6,094,973
Derivative liabilities	39,820	768,119	(39,820)	-	768,119
	<u>10,972,497</u>	<u>2,366,591</u>	<u>(3,425,047)</u>	<u>(1,617,280)</u>	<u>8,296,761</u>
<b>Deferred tax liabilities</b>					
Derivative assets	(33,246)	-	33,246	-	-
Customer relationship	(158,856)	-	51,873	-	(106,983)
Fair value adjustment of assets from business acquisition	(68,261)	-	24,816	-	(43,445)
	<u>(260,363)</u>	<u>-</u>	<u>109,935</u>	<u>-</u>	<u>(150,428)</u>
<b>Deferred tax asset - net</b>	<u>10,712,134</u>	<u>2,366,591</u>	<u>(3,315,112)</u>	<u>(1,617,280)</u>	<u>8,146,333</u>

Income tax expenses for the years ended December 31, consist of:

				Unit : Baht
	Consolidated financial statements 2023	Separate financial statements 2023	2022	
Current income tax expense	88,111,071	88,111,071	73,092,915	
Deferred tax in respect of temporary difference	(2,728,210)	(1,681,963)	948,521	
Income tax expense	<u>85,382,861</u>	<u>86,429,108</u>	<u>74,041,436</u>	

Income tax expense for the years ended December 31, can be reconciled to the accounting profit are as follows:

				Unit : Baht
	Consolidated financial statements 2023	Separate financial statements 2023	2022	
Profit before income tax expense	417,600,927	431,698,511	371,638,720	
Corporate income tax rate (%)	20	20	20	
Income tax at the tax rate	83,520,185	86,339,702	74,327,744	
Effect of the non-taxable income and non-deductible expense	1,862,676	89,406	(286,308)	
Income tax expense	<u>85,382,861</u>	<u>86,429,108</u>	<u>74,041,436</u>	
Effective tax rate (%)	20.45	20.02	19.92	

## 17. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, consist of:

	Consolidated financial statements 2023	Separate financial statements 2023	Unit : Baht 2022
Deposit for electrical and building usage	7,720,767	7,212,500	5,923,100
Advance payment for fixed assets <sup>(1)</sup>	17,367,974	17,367,974	18,412,622
	<u>25,088,741</u>	<u>24,580,474</u>	<u>24,335,722</u>

<sup>(1)</sup> As at December 31, 2023 and 2022, the Company had capital commitments of approximately Baht 23.43 million and Baht 13.75 million, respectively, relating to the acquisition of land, building improvement, machinery and equipment.

## 18. BANK OVERDRAFTS AND SHORT-TERM BORROWINGS FROM A FINANCIAL INSTITUTION

Bank overdrafts and short-term borrowings from a financial institution as at December 31, consist of the following:

	Credit facilities (Baht)			Outstanding balance (Baht)			Interest rate % per annum	
	Consolidated financial statements 2023	Separate financial statements 2023	2022	Consolidated financial statements 2023	Separate financial statements 2023	2022	Consolidated and Separate financial statements 2023	2022
Bank overdrafts	30,000,000	30,000,000	30,000,000	-	-	-	MOR	MOR
Letter of credit and/or trust receipt	250,000,000	250,000,000	150,000,000	60,206,124 <sup>(1)</sup>	60,206,124 <sup>(1)</sup>	58,791,591 <sup>(2)</sup>	Rate as mutually agreed	Rate as mutually agreed
Bills of exchange and/or promissory notes	210,000,000	210,000,000	210,000,000	-	-	-	Rate as mutually agreed	Rate as mutually agreed
	<u>490,000,000</u>	<u>490,000,000</u>	<u>390,000,000</u>	<u>60,206,124</u>	<u>60,206,124</u>	<u>58,791,591</u>		

<sup>(1)</sup> As at December 31, 2023, the Company has trust receipt from a local commercial bank of USD 1,565,286 and AUD 267,250 or equivalent to Baht 60,206,124.

<sup>(2)</sup> As at December 31, 2022, the Company has trust receipt from a local commercial bank of USD 1,320,511 and AUD 543,240 or equivalent to Baht 58,791,591.

Bank overdrafts and short-term borrowings from a financial institution are guaranteed by land and buildings (see Note 13) of the Company. Such facility agreement contains normal covenants related to various matters which are the maintenance of certain debt to equity ratio and the maintenance of certain debt service coverage ratio as specified in the agreement. However, on February 10, 2023, such financial institution cancelled the maintenance of certain debt to equity ratio and the debt service coverage ratio.

Credit limit for bills of exchange and/or promissory notes and credit limit for letter of credit and/or trust receipt with a local financial institution are guaranteed by the Company's fixed deposit at bank maturity within 12 months (see Note 9).

## 19. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, consist of:

			Unit : Baht	
	Notes	Consolidated financial statements 2023	Separate financial statements 2023	2022
Trade payables - other companies		523,707,944	501,159,871	458,746,110
Trade payable - a related party	30	-	2,834,266	-
Other payables - other companies		49,249,567	46,716,518	47,730,750
Accounts payable - acquisition of fixed assets	6.1	10,932,769	10,932,769	7,362,240
Accrued expenses		66,091,875	64,288,049	45,656,617
Accrued expenses - a related party	30	-	186,834	-
		<u>649,982,155</u>	<u>626,118,307</u>	<u>559,495,717</u>

## 20. LONG-TERM BORROWINGS FROM A FINANCIAL INSTITUTION

Long-term borrowings from a financial institution as at December 31, consist of:

			Unit : Baht	
		Consolidated financial statements 2023	Separate financial statements 2023	2022
Opening balance		175,504,201	175,504,201	278,088,354
Repayment during the year		(101,780,058)	(101,780,058)	(101,780,121)
Adjust interest according to effective interest rate		(512,160)	(512,160)	(804,032)
Ending balance		<u>73,211,983</u>	<u>73,211,983</u>	<u>175,504,201</u>
<u>Less</u> Current portion		<u>(73,211,983)</u>	<u>(73,211,983)</u>	<u>(103,339,853)</u>
		<u>-</u>	<u>-</u>	<u>72,164,348</u>

On March 23, 2018, the Company entered into a loan agreement with a local financial institution in the amount of Baht 604 million. The principal and interest are monthly repayable within 7 years from the drawdown date. The interest rate per annum for the first year to the third year is Minimum Loan Rate (MLR) minus 1.75 percent per annum. Then, the interest rate is MLR minus 1 percent per annum. The borrowings are guaranteed by certain land and buildings (see Note 13). Such loan agreement contains normal covenants related to the maintenance of certain debt to equity ratio and the maintenance of certain debt service coverage ratio as specified in the agreement. Subsequently, on June 1, 2021, the condition of the long-term loan agreement from a financial institution was amended by change interest rate for the loan amount of Baht 604 million from MLR minus 1 percent per annum to be MLR minus 2 percent per annum.

On August 8, 2019, the Company entered into an additional loan agreement with the same local financial institution, totaling Baht 50 million. The principal and interest are monthly repayable within 5 years from the drawdown date. The interest rate per annum for the first year to the third year is Minimum Loan Rate (MLR) minus 1.75 percent per annum. Then, the interest rate is MLR minus 1 percent per annum. The borrowings are guaranteed by land and buildings, machinery, tools and equipment (see Note 13). The Company received the first installment on the same day in the amount of Baht 3,000,000. Subsequently, on September 19, 2019, the Company received the second installment of Baht 25,212,062. During the year 2022, the Company fully paid borrowings from a financial institution for such credit facilities.

On February 10, 2023, such financial institution cancelled the maintenance of certain debt to equity ratio and the debt service coverage ratio.

The interest rates of long-term borrowings from a financial institution as at December 31, 2023 and 2022 are 4.08 - 5.28 percent per annum and are 3.58 - 4.08 percent per annum, respectively, and the periods in which the borrowings mature were as follows:

	Unit : Baht		
	Consolidated financial statements	Separate financial statements	
	2023	2023	2022
Within 1 year	73,211,983	73,211,983	103,339,853
Over 1 year but within 5 years	-	-	72,164,348
Total	<u>73,211,983</u>	<u>73,211,983</u>	<u>175,504,201</u>

## 21. LEASE LIABILITIES

Lease liabilities as at December 31, consist of:

	Unit : Baht					
	Minimum lease payments			Present value of minimum lease payments		
	Consolidated financial statements	Separate financial statements		Consolidated financial statements	Separate financial statements	
	2023	2023	2022	2023	2023	2022
Within 1 year	9,316,593	5,579,010	6,149,104	7,810,943	4,812,310	5,329,613
Over 1 year but within 5 years	16,519,091	7,079,786	8,300,287	14,411,906	6,218,895	7,365,055
	25,835,684	12,658,796	14,449,391	22,222,849	11,031,205	12,694,668
Less Deferred interest expense	(1,922,649)	(799,444)	(809,434)	-	-	-
Less Deferred value-added tax	(1,690,186)	(828,147)	(945,289)	-	-	-
	<u>22,222,849</u>	<u>11,031,205</u>	<u>12,694,668</u>	<u>22,222,849</u>	<u>11,031,205</u>	<u>12,694,668</u>

	Unit : Baht		
	Consolidated financial statements	Separate financial statements	
	2023	2023	2022
Classification			
- Current portion of lease liabilities	7,810,943	4,812,310	5,329,613
- Lease liabilities	14,411,906	6,218,895	7,365,055
	<u>22,222,849</u>	<u>11,031,205</u>	<u>12,694,668</u>

## 22. DERIVATIVE LIABILITIES

Derivative liabilities as at December 31, 2023 and 2022 consist of:

Type of contract	Consolidated and Separate financial statements As at December 31, 2023		
	Contract amount		Fair value contract
	Receiving	Delivering	Liability
	USD	THB	THB
Forward foreign exchange contracts (see Note 27)	1,567,463	55,154,686	2,090,198
Total derivative	1,567,463	55,154,686	2,090,198

  

Type of contract	Separate financial statements As at December 31, 2022		
	Contract amount		Fair value contract
	Receiving	Delivering	Liability
	USD	AUD	THB
Forward foreign exchange contracts (see Note 27)	1,395,949	555,218	64,425,439
Total derivative	1,395,949	555,218	64,425,439

## 23. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

Non-current provisions for employee benefit as at December 31, consist of:

	Unit : Baht	
	Consolidated financial statements	Separate financial statements
	2023	2023
Retirement employee benefit obligations according to the Labor Protection Act	25,866,673	22,323,540
Other long-term employee benefits according to long service award	13,731,028	11,168,463
	39,597,701	30,474,865

23.1 The Group has retirement benefit plan in accordance with Labor Protection Act, which is the unfunded defined benefit plan.

Movements in the present value of the retirement employee benefit obligations for the years ended December 31, are as follows:

	Note	Unit : Baht	
		Consolidated financial statements	Separate financial statements
		2023	2023
Opening balance of the present value of non-current provisions for employee benefit		19,306,402	23,927,638
Transfer from business acquisition	4	3,391,796	-
Current service costs		2,695,093	3,756,727
Interest costs		473,382	397,659
Gain on remeasurement of retirement benefit obligations		-	(8,086,398)
Paid during the year		-	(689,224)
Ending balance of the present value of non-current provisions for employee benefit		25,866,673	19,306,402

The principal actuarial assumptions used to calculate non-current provisions for employee benefit as at December 31, consist of:

	Unit : Baht		
	Consolidated financial statements	Separate financial statements	
	2023	2023	2022
Discount rate	2.81 - 3.27 percent per annum	2.81 percent per annum	2.81 percent per annum
Expected rate of salary increase	3.00 to 7.00 percent per annum depend on age range of employees	3.50 to 7.00 percent per annum depend on age range of employees	3.50 to 7.00 percent per annum depend on age range of employees
Employee turnover rate	9.00 to 30.00 percent per annum depend on age range of employees	9.00 to 30.00 percent per annum depend on age range of employees	9.00 to 30.00 percent per annum depend on age range of employees

As at December 31, 2023, the weighted-average duration of the defined benefit obligation in consolidated financial statements was 11.8 years to 19.5 years.

As at December 31, 2023 and 2022, the weighted-average duration of the defined benefit obligation in separate financial statements was 11.8 years.

The sensitivity analysis of the above actuarial assumptions impacted on increase (decrease) in present value of non-current provisions for employee benefit as at December 31, as follows:

	Unit : Baht		
	Consolidated financial statements	Separate financial statements	
	2023	2023	2022
<u>Discount rate</u>			
Discount rate - 1% decrease	2,298,400	1,595,824	1,517,375
Discount rate - 1% increase	(1,971,831)	(1,393,655)	(1,328,102)
<u>Salary increase rate</u>			
Salary increase rate - 1% decrease	(2,180,310)	(1,595,640)	(1,327,613)
Salary increase rate - 1% increase	2,491,917	1,794,742	1,486,883
<u>Employee turnover rate</u>			
Employee turnover rate - 20% decrease of assumption	2,279,087	2,085,706	1,666,936
Employee turnover rate - 20% increase decrease of assumption	(1,707,182)	(1,549,976)	(1,248,561)

## 23.2 Other long-term employee benefit obligation according to long service award

Movements in the long service award plan for the years ended December 31, are as follows:

	Consolidated financial statements 2023	Separate financial statements 2023	Unit : Baht 2022
Opening balance of the present value of non-current provisions for employee benefit	11,168,463	11,168,463	25,899,261
Current service costs	5,170,150	5,170,150	4,185,563
Interest costs	136,633	136,633	118,679
Remeasurement recognized in profit or loss	-	-	(3,666,068)
Paid during the year	(2,744,218)	(2,744,218)	(15,368,972)
Ending balance of the present value of non-current provisions for employee benefit	13,731,028	13,731,028	11,168,463

Such expense was recognized in the statement of comprehensive income for the years ended December 31, as follows:

	Consolidated financial statements 2023	Separate financial statements 2023	Unit : Baht 2022
Cost of sales	4,197,273	4,149,621	2,852,672
Distribution costs	1,671,032	1,625,514	766,132
Administrative expenses	2,606,953	2,548,786	1,173,756
Total	8,475,258	8,323,921	4,792,560

## 24. PREMIUM ON ORDINARY SHARES

On May 14, 2021, the Company received the share subscription of 75,000,000 ordinary shares at Baht 12 per share, totaling Baht 900,000,000 from initial public offering. The Company registered the increased paid-up share capital with the Department of Business Development on the same day. The Company recorded the cost of distribution of shares at the amount of Baht 27,624,814 which deducted in the account of premium on ordinary shares. As at December 31, 2021, the Company has premium on ordinary shares at the amount of Baht 797,375,186. The Company's ordinary shares has started trading on the Stock Exchange of Thailand since May 19, 2021.

## 25. LEGAL RESERVE

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

As at December 31, 2023 and 2022, the Company's legal reserve equaled to one-tenth of the registered share capital.

## **26. DIVIDENDS PAID**

- 26.1 On April 22, 2022, the Annual General Meeting of the shareholders 2022 of the Company passed a resolution to approve the dividend payment for the 2021 operating result at Baht 0.50 per share. The Company already paid the interim dividend since September 10, 2021 at Baht 0.25 per share resulting in the remaining dividend will be paid at Baht 0.25 per share, amounting to Baht 75 million. Such dividend was paid to shareholders in May 2022.
- 26.2 On August 9, 2022, at the Board of Directors' Meeting No. 4/2022 of the Company, the Board of Directors had passed a resolution to approve the appropriation of interim dividend from the net profit for the six-month period ended June 30, 2022 at Baht 0.25 per share, amounting to Baht 75 million. Such interim dividend was paid to the shareholders in September 2022.
- 26.3 On April 21, 2023, the Annual General Meeting of the shareholders 2023 of the Company passed a resolution to approve the dividend payment for the 2022 operating result at Baht 0.55 per share. The Company already paid the interim dividend since September 8, 2022 at Baht 0.25 per share resulting in the remaining dividend will be paid at Baht 0.30 per share, amounting to Baht 90 million. Such dividend was paid to shareholders in May 2023.
- 26.4 On August 9, 2023, at the Board of Directors' Meeting No. 4/2023 of the Company, the Board of Directors had passed a resolution to approve the appropriation of interim dividend from the net profit for the six-month period ended June 30, 2023 at Baht 0.30 per share, amounting to Baht 90 million. Such interim dividend was paid to the shareholders in September 2023.

## **27. FINANCIAL INSTRUMENTS**

### **Financial risk management policies**

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

### **Capital management**

The primary objective of the Company's capital management is to provide good returns to shareholders and benefits to other stakeholders, also to maintain an optimal capital structure in order to support asset management plan or investment opportunities which will create value and strengthen financial position for the Company. The Company has to maintain debt to equity ratio and certain debt service coverage ratio as specified in the agreements (see Note 18 and Note 20).

### **Interest rate risk**

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows. The Company has interest rate risk from its borrowings (see Note 18 and Note 20).



### Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for financial liabilities at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year and using an increase or decrease rate by considering the reasonably possible change in interest rates.

	Consolidated		Unit : Million Baht			
	financial statements		Separate		financial statements	
	2023		2023		2022	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
<b>As at December 31,</b>						
<b>Interest rates change by 1%</b>						
Finance costs	1.33	(1.33)	1.33	(1.33)	2.34	(2.34)

### Foreign currency risk

The Company has foreign exchange risk arisen from the fluctuation of foreign exchange rate from purchases of inventories for operation, which are denominated in foreign currencies, USD and AUD. The Company manages that risk by entering into forward foreign exchange contracts to hedge such financial liabilities denominated in foreign currencies that are recorded in the statement of financial position.

As at December 31, 2023 and 2022, the Company was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated		Unit : Baht	
	financial statements		Separate	
	2023		financial statements	
			2023	2022
<b>USD</b>				
Financial liabilities	(53,826,414)		(53,826,414)	(58,626,922)
<b>Gross statement of financial position exposure</b>	<b>(53,826,414)</b>		<b>(53,826,414)</b>	<b>(58,626,922)</b>
<b>Net foreign currency exchange contracts</b>	<b>55,154,686</b>		<b>55,154,686</b>	<b>51,111,319</b>

	Consolidated		Unit : Baht	
	financial statements		Separate	
	2023		financial statements	
			2023	2022
<b>AUD</b>				
Financial liabilities	(6,379,710)		(6,379,710)	(26,768,718)
<b>Gross statement of financial position exposure</b>	<b>(6,379,710)</b>		<b>(6,379,710)</b>	<b>(26,768,718)</b>
<b>Net foreign currency exchange contracts</b>	<b>6,210,888</b>		<b>6,210,888</b>	<b>13,314,120</b>

### Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 10% increase and decrease in THB currency against USD currency. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, which were not hedged by forward exchange contracts and adjusts their translation at the year-end for a 10% change in foreign currency rates.

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	Strengthens	Weakens	Strengthens	Weakens
<b>As at December 31, 2023</b>				
<b>Exchange rate change by 10%</b>				
Net gain (loss) on foreign exchange rate	7,488	(7,488)	7,488	(7,488)

	Unit : Baht	
	Separate financial statements	
	Strengthens	Weakens
<b>As at December 31, 2022</b>		
<b>Exchange rate change by 10%</b>		
Net gain (loss) on foreign exchange rate	2,369,881	(2,369,881)

### Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the end of the reporting period, there were no significant concentrations of credit risk.

### Liquidity risk

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

The following tables detail the Company's remaining contractual maturity as at December 31, 2023 and 2022 for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Consolidated financial statements				Unit : Baht
	Within 1 year	After 1 year but within 5 years	Over 5 years	Total
<b>As at December 31, 2023</b>				
Bank overdrafts and short-term borrowings				
from a financial institution	60,206,124	-	-	60,206,124
Trade and other current payables	649,982,155	-	-	649,982,155
Long-term borrowings	73,027,072	-	-	73,027,072
Lease liabilities	9,316,593	16,519,091	-	25,835,684
Other current liabilities	536,715	-	-	536,715

Separate financial statements				Unit : Baht
	Within 1 year	After 1 year but within 5 years	Over 5 years	Total
<b>As at December 31, 2023</b>				
Bank overdrafts and short-term borrowings				
from a financial institution	60,206,124	-	-	60,206,124
Trade and other current payables	626,118,307	-	-	626,118,307
Long-term borrowings	73,027,072	-	-	73,027,072
Lease liabilities	5,579,010	7,079,786	-	12,658,796
Other current liabilities	536,715	-	-	536,715

Separate financial statements				Unit : Baht
	Within 1 year	After 1 year but within 5 years	Over 5 years	Total
<b>As at December 31, 2022</b>				
Bank overdrafts and short-term borrowings				
from a financial institution	58,791,591	-	-	58,791,591
Trade and other current payables	559,495,717	-	-	559,495,717
Long-term borrowings	102,765,106	72,042,023	-	174,807,129
Lease liabilities	6,149,104	8,300,287	-	14,449,391
Other current liabilities	541,764	-	-	541,764

### Determination of fair values of financial asset and financial liabilities

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset and liability.

### **Financial assets and financial liabilities measured at fair value**

Forward foreign exchange contracts are categorized into fair value measurements Level 2 based on the estimated discounted cash flow. The future cash flow is based on forward foreign exchange rate (from observable forward foreign exchange rate as of the reporting period) and forward foreign exchange rate contract discounted by the relevant market rate (see Note 10 and Note 22).

Financial assets at fair value through profit or loss - opened-end fixed income funds (see Note 9) are categorized into fair value measurements Level 2 based on use of other observable inputs for such assets or liabilities, whether directly or indirectly.

### **Financial assets and financial liabilities not measured at fair value**

Valuation technique for financial assets and financial liabilities not measured at fair value of the Company are as follows:

Cash and cash equivalents, trade and other receivables, short-term loans to a subsidiary, financial assets at amortization costs - fixed deposit at bank maturity within 12 months (see Note 9) and other current assets that are measured at amortized cost, the carrying amounts approximate their fair values due to the relatively short-term maturity of these financial instruments.

Bank overdrafts and short-term borrowings from a financial institution, trade and other current payables and other current liabilities that are measured at amortized cost, the carrying amounts approximate their fair values because of the short-term period to maturity of these financial instruments.

Long-term borrowings from a financial institution with floating interest rate and lease liabilities that are measured at amortized cost, the carrying amounts approximate their fair value.

## **28. EXPENSES BY NATURE**

Expenses by nature for the years ended December 31, consists of

	<b>Consolidated financial statements 2023</b>	<b>Separate financial statements 2023</b>	<b>Unit : Baht 2022</b>
Raw materials, supplies and packages used	3,080,434,018	3,050,495,924	2,619,148,122
Salaries and other benefits	636,417,378	627,394,019	512,098,453
Depreciation and amortization	119,881,681	116,703,030	102,203,090
Utilities and transportations expenses	319,122,987	314,450,740	259,205,177
Remuneration of directors and key management	31,899,914	30,637,542	25,972,241

## 29. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to shareholders by the weighted average number of ordinary shares issued during the years.

	Consolidated financial statements 2023	Separate financial statements 2023	2022
<b>Basic earnings per share</b>			
Profit attributable to equity holders of the Company (Baht)	333,477,185	345,269,403	297,597,284
Weighted average number of ordinary shares (shares)	300,000,000	300,000,000	300,000,000
<b>Basic earnings per share (Baht)</b>	<u>1.11</u>	<u>1.15</u>	<u>0.99</u>

## 30. RELATED PARTY TRANSACTIONS

Related parties are enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Joint venture and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Relationships between the Company and related parties are as follows:

Company and related parties' name	Relationships
Key management personnel	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly
Thung Thong Prasobchoke Co., Ltd.	Director is key management personnel's close member of family
NSL Intertrade (2023) Co., Ltd.	Subsidiary company since July 7, 2023
NSL Bake A Wish Co., Ltd.	Subsidiary company since August 15, 2023
Pen 1 F & B Co., Ltd.	Joint venture since January 16, 2023

The pricing policies for transactions are explained further below:

Transactions	Pricing policies
Revenue from sales	Contractually agreed prices
Interest income	Contractually agreed rates
Purchases	Contractually agreed prices
License fee	Contractually agreed prices
Directors' remunerations	The rate approved by the Board of Directors and shareholders

Significant balances between the Group and its related parties as at December 31, are as follows:

Account name/Company's name	Unit : Baht		
	Consolidated financial statements 2023	Separate financial statements 2023	2022
<b>Trade receivable - related parties</b> (see Note 7)			
Thung Thong Prasobchoke Co., Ltd.	251,928	251,928	465,986
NSL Bake A Wish Co., Ltd.	-	5,701,952	-
NSL Intertrade (2023) Co., Ltd.	-	547,369	-
Pen 1 F & B Co., Ltd.	4,211,377	4,211,377	-
	<u>4,463,305</u>	<u>10,712,626</u>	<u>465,986</u>
<b>Accrued interest - a related party</b> (see Note 7)			
NSL Bake A Wish Co., Ltd.	-	53,347	-
<b>Short-term loans to a subsidiary</b>			
NSL Bake A Wish Co., Ltd. <sup>(1)</sup>	-	21,000,000	-
<b>Trade payable - a related party</b> (see Note 19)			
NSL Bake A Wish Co., Ltd.	-	2,834,266	-
<b>Accrued expense</b> (see Note 19)			
NSL Bake A Wish Co., Ltd.	-	186,834	-

<sup>(1)</sup> As at December 31, 2023, the Company had short-term loans to a subsidiary without collateral that bear average interest rate at 5.45 percent per annum and are repayable within June 30, 2024.

Significant transactions between the Group and its related parties for the years ended December 31, are as follows:

Account name/Company's name	Unit : Baht		
	Consolidated financial statements 2023	Separate financial statements 2023	2022
<b>Revenue from sales</b>			
Thung Thong Prasobchoke Co., Ltd.	2,381,342	2,381,342	4,073,828
NSL Bake A Wish Co., Ltd.	-	10,427,062	-
NSL Intertrade (2023) Co., Ltd.	-	511,560	-
	<u>2,381,342</u>	<u>13,319,964</u>	<u>4,073,828</u>
<b>Interest income</b>			
NSL Bake A Wish Co., Ltd.	-	53,347	-
<b>Purchases</b>			
Pen 1 F & B Co., Ltd.	17,761,194	17,761,194	-
NSL Bake A Wish Co., Ltd.	-	3,478,555	-
	<u>17,761,194</u>	<u>21,239,749</u>	<u>-</u>
<b>License fee</b> (see Note 33.3)			
NSL Bake A Wish Co., Ltd.	-	1,177,733	-
<b>Remuneration of directors and executives</b>			
Directors' remunerations	2,480,000	2,480,000	2,240,000
Management's remuneration - short-term benefits	27,483,500	26,250,000	22,680,000
Management's remuneration - long-term benefits	1,936,414	1,907,542	1,052,241
	<u>31,899,914</u>	<u>30,637,542</u>	<u>25,972,241</u>

### 31. FINANCIAL INFORMATION BY SEGMENT AND DISAGGREGATION OF REVENUES

The Group presented the segment financial information in respect of the Company under management approach. Operating segment is based on the Company's management, the management structure and internal reporting. The Group has three segments which are manufacture and distribution all kinds of bakery segment and franchise, wholesaler of frozen and processed fish, aquatic products, meat, seaweeds and vegetables, and exporting and importing product. However, wholesaler of frozen and processed fish, aquatic products, meat, seaweeds and vegetables, and exporting and importing product segment do not meet the quantitative thresholds to present the operating segment. The Group operates in one geographical area which is Thailand. Therefore, revenue, profit from operation and assets disclosed in the financial statements presented as operating segment.

#### Disaggregation of revenues

The Group disaggregated revenue from sales at a point in time and disaggregated revenue from franchise license at over time. This is consistent with the revenue information that is disclosed for each reportable segment under TFRS 8 Operating Segment.

	Unit : Baht
	Consolidated financial statements
	For the year ended
	December 31, 2023
<b>Timing of revenue recognition</b>	
<u>Point in time</u>	
Revenue from sales	4,788,448,670
<u>Over time</u>	
Revenue from franchise license	4,361,272

#### Major customer information

For the years ended December 31, 2023 and 2022, the Group earns revenue from sales from a major customer totalling approximately 91% of the Group's total revenue from sales.

### 32. PROVIDENT FUNDS

The Company established the provident fund in compliance with the Provident Fund Act B.E. 2530 on April 1, 2020. The fund is voluntarily joined by employees. Under the fund's regulations, the members contribute 2% to 10% of their monthly salary to the fund and the Company contribute 2% of such monthly salary. Such fund will be paid to the employees upon termination in accordance with the rules of the provident fund. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

For the year ended December 31, 2023 the Group's contributions to the provident fund which were recorded as expenses in the consolidated statements of comprehensive income were Baht 1.60 million (2022: Nil).

For the years ended December 31, 2023 and 2022, the Company's contributions to the provident fund which were recorded as expenses in the statements of comprehensive income were Baht 1.60 million and Baht 1.29 million, respectively.

### **33. SIGNIFICANT AGREEMENT, COMMITMENTS AND CONTINGENT LIABILITIES**

- 33.1 As at December 31, 2023 and 2022, the Company has credit limit for forward foreign exchange contracts that have not been used with local financial institutions in the amount of USD 4.25 million and Baht 50 million and in the amount of USD 1.42 million and Baht 50 million, respectively.
- 33.2 The Company entered into a trade agreement with a customer. The Company must comply with trade agreement as specified in the agreement within the specified period.
- 33.3 The Company entered into a joint production agreement with a subsidiary. The Company must pay fee as specified in the agreement within the specified period.

### **34. EVENT AFTER THE REPORTING PERIOD**

- 34.1 On January 18, 2024, a subsidiary entered into credit facilities agreement with a local financial institution totaling Baht 35 million and USD 1 million. Such credit facilities are guaranteed by the Company.
- 34.2 On February 28, 2024, the Board of Directors' Meeting No. 1/2024 of the Company passed a resolution to propose to the Annual General Meeting for approving the dividend payment for the 2023 operating result at Baht 0.65 per share. The Company has already paid the interim dividend since September 8, 2023 at Baht 0.30 per share resulting in the remaining dividend will be paid at Baht 0.35 per share, amounting to Baht 105 million.
- 34.3 On February 28, 2024, at the Board of Directors' Meeting No. 1/2024 of the Company, passed a resolution to approve entering into an investment in a company to engage in production, wholesale, retail, export foods and ingredients with share capital after share capital increment of 5,000,000 shares at Baht 10 per share, totaling Baht 50 million. The Company has shareholding portion at 79%.

### **35. APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements have been approved for issuance by the Board of Directors of the Company on February 28, 2024.