

Miss Grand International Company Limited
Report and financial statements
31 December 2021



EY Office Limited
33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadapisek Road
Klongtoey, Bangkok 10110
G.P.O.Box 1047, Bangkok 10501, Thailand
Tel: +66 2264 9090
Fax: +66 2264 0789-90
ey.com

บริษัท สำนักงาน อีวาย จำกัด
ชั้น 33 อาคารเลครัชดา
193/136-137 ถนนรัชดาภิเษก
คลองเตย กรุงเทพฯ 10110
ต.ป.ฉ. 1047 กรุงเทพฯ 10501
โทรศัพท์: +66 2264 9090
โทรสาร: +66 2264 0789-90
ey.com

Independent Auditor's Report

To the Shareholders of Miss Grand International Company Limited

Opinion

I have audited the accompanying financial statements of Miss Grand International Company Limited (the Company), which comprise the statement of financial position as at 31 December 2021, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Miss Grand International Company Limited as at 31 December 2021, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Emphasis of Matter

- a) I draw attention to Note 3 to the financial statements regarding the change in the basis of preparation of financial statements. In the current year, the Company changed the basis of preparation of financial statements from Thai Financial Reporting Standards for Non-Publicly Accountable Entities to Thai Financial Reporting Standards. Such change required the Company to present the financial statements and make additional disclosures stipulated under Thai Financial Reporting Standards and change certain accounting policies. The Company has restated the financial statements for the year ended 31 December 2020, presented herein as comparative information, to reflect the adjustments resulting from such change. The Company has also presented the financial position as at 1 January 2020 as comparative information, using the newly adopted Thai Financial Reporting Standards.

- b) I draw attention to Note 5 to the financial statements regarding the prior year adjustments. The Company has restated the financial statements for the year ended 31 December 2020 presented herein as comparative information and the Company has also presented the financial position as at 1 January 2020 as comparative information, to reflect those adjustments.

My opinion is not qualified in respect of these matters.

Other Matter

The financial statements of Miss Grand International Company Limited for the year ended 31 December 2020 (before restatement) were audited by another auditor who, under his report dated 20 April 2021, expressed an unqualified opinion on these financial statements. The financial statements of Miss Grand International Company Limited for the year ended 31 December 2019 (before restatement, which have been used for preparing the financial position as at 1 January 2020) were audited by another auditor who, under her report dated 15 April 2020, expressed an unqualified opinion on these financial statements.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

I am responsible for the audit resulting in this independent auditor's report.

S. Ratanamrak .


Satida Ratananurak
Certified Public Accountant (Thailand) No. 4753


EY Office Limited
Bangkok: 22 February 2022

Miss Grand International Company Limited**Statement of financial position****As at 31 December 2021**

			(Unit: Baht)	
	<u>Note</u>	<u>31 December 2021</u>	<u>31 December 2020</u> (Restated)	<u>1 January 2020</u>
Assets				
Current assets				
Cash and cash equivalents	9	67,952,450	47,679,551	3,049,328
Trade and other receivables	10	10,968,690	44,497,634	1,750,549
Inventories - finished goods		11,658,598	9,562,772	35,085,847
Advance payment for goods		3,954,245	5,847,565	275,000
Other current financial assets		40,000	-	-
Other current assets		585,207	1,368,626	50,627
Total current assets		<u>95,159,190</u>	<u>108,956,148</u>	<u>40,211,351</u>
Non-current assets				
Other non-current financial assets		240,679	135,101	-
Building improvement and equipment	11	4,477,190	1,491,485	235,108
Right-of-use assets	12	1,092,110	1,106,038	-
Intangible assets	13	2,152,789	1,765,158	829,885
Deferred tax assets	20	1,936,243	1,856,581	-
Other non-current assets		1,617,758	973,805	12,270
Total non-current assets		<u>11,516,769</u>	<u>7,328,168</u>	<u>1,077,263</u>
Total assets		<u>106,675,959</u>	<u>116,284,316</u>	<u>41,288,614</u>

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


นายวัฒน์ อิศรไกรศีล


MISS GRAND
INTERNATIONAL
Miss Grand International Co., Ltd.
บริษัท มิสแกรนด์ อินเตอร์เนชั่นแนล จำกัด

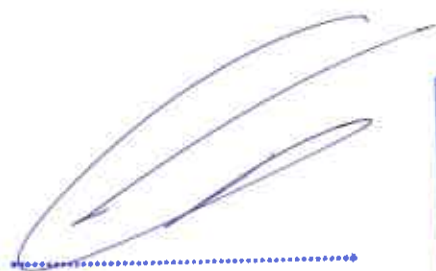

นายศักดิ์สิทธิ์ บุญวานิช

Miss Grand International Company Limited
Statement of financial position (continued)
As at 31 December 2021

(Unit: Baht)

	<u>Note</u>	<u>31 December 2021</u>	<u>31 December 2020</u> (Restated)	<u>1 January 2020</u>
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	14	17,255,788	24,595,611	2,117,597
Current portion of lease liabilities	12	771,250	384,951	-
Short-term loans from related parties		-	-	19,935,492
Income tax payable		3,632,872	11,720,330	1,625,260
Deferred revenue		10,781,234	2,915,744	-
Other current liabilities		1,353,734	2,864,987	-
Total current liabilities		33,794,878	42,481,623	23,678,349
Non-current liabilities				
Lease liabilities, net of current portion	12	353,431	724,151	-
Provision for long-term employee benefits	15	1,153,661	210,127	29,319
Deferred tax liabilities		-	-	24,091
Total non-current liabilities		1,507,092	934,278	53,410
Total liabilities		35,301,970	43,415,901	23,731,759

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



นายณวัฒน์ อิศรไกรคีต



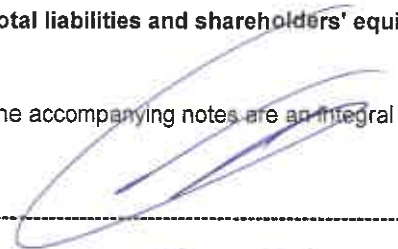

นายศักดิ์สิทธิ์ บุญวานิช


Miss Grand International Company Limited
Statement of financial position (continued)
As at 31 December 2021

(Unit: Baht)


	Note	31 December 2021	31 December 2020 (Restated)	1 January 2020
Liabilities and shareholders' equity (continued)				
Share capital	16			
Registered				
500,000 ordinary shares of Baht 100 each (1 January 2020: 10,000 ordinary shares of Baht 100 each)		50,000,000	50,000,000	1,000,000
Issued and fully paid up				
10,000 ordinary shares of Baht 100 each fully paid-up		1,000,000	1,000,000	1,000,000
490,000 ordinary shares of Baht 100 each paid-up 50 percent		-	24,500,000	-
490,000 ordinary shares of Baht 100 each fully paid-up		49,000,000	-	-
Retained earnings				
Appropriated - statutory reserve	17	3,051,129	100,000	-
Unappropriated		18,322,860	47,268,415	16,556,855
Total shareholders' equity		71,373,989	72,868,415	17,556,855
Total liabilities and shareholders' equity		106,675,959	116,284,316	41,288,614

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

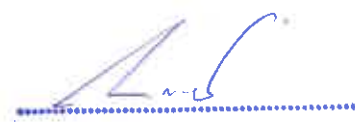




Directors


 นายณวัฒน์ อิศรไกรศิลป์




 นายศกต์สิทธิ์ บุญวานิช

Miss Grand International Company Limited
Statement of comprehensive income
For the year ended 31 December 2021

	<u>Note</u>	<u>2021</u>	<u>2020</u> (Restated)
(Unit: Baht)			
Profit or loss:			
Revenues			
Sales and service income	18	342,165,038	336,806,722
Other income		2,763,167	1,948,583
Total revenues		<u>344,928,205</u>	<u>338,755,305</u>
Expenses	19		
Cost of sales		158,315,289	148,364,580
Cost of services		48,914,542	17,792,967
Selling and distribution expenses		68,459,106	96,774,053
Administrative expenses		32,847,548	18,422,192
Total expenses		<u>308,536,485</u>	<u>281,353,792</u>
Operating profit		36,391,720	57,401,513
Finance income		166,917	48,052
Finance cost		(79,371)	(10,113)
Profit before income tax expenses		36,479,266	57,439,452
Income tax expenses	20	(7,473,692)	(12,627,892)
Profit for the year		<u>29,005,574</u>	<u>44,811,560</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>29,005,574</u>	<u>44,811,560</u>
Basic earnings per share	21		
Profit for the year		98.46	1,423.54
Weighted average number of ordinary shares (shares)		<u>294,603</u>	<u>31,479</u>

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


 นายณวัฒน์ อิศรไกรคีล




 นายศักดิ์สิทธิ์ บุญวานิช

Miss Grand International Company Limited
Statement of changes in shareholders' equity
For the year ended 31 December 2021

(Unit: Baht)

	Note	Issued and	Retained earnings		Total
		paid up share capital	Appropriated - statutory reserve	Unappropriated	
Balance as at 31 December 2019					
- as previously reported		1,000,000	-	17,575,630	18,575,630
Cumulative effect of the prior year adjustment	3, 5	-	-	(1,018,775)	(1,018,775)
Balance as at 31 December 2019					
- as restated		1,000,000	-	16,556,855	17,556,855
Profit for the year - as restated		-	-	44,811,560	44,811,560
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	44,811,560	44,811,560
Dividend paid	22	-	-	(14,000,000)	(14,000,000)
Unappropriated retained earnings	17	-	100,000	(100,000)	-
Increase in share capital during the year	16	24,500,000	-	-	24,500,000
Balance as at 31 December 2020		25,500,000	100,000	47,268,415	72,868,415
Balance as at 31 December 2020					
- as previously reported		25,500,000	100,000	47,771,319	73,371,319
Cumulative effect of the prior year adjustment	3, 5	-	-	(502,904)	(502,904)
Balance as at 31 December 2020					
- as restated		25,500,000	100,000	47,268,415	72,868,415
Profit for the year		-	-	29,005,574	29,005,574
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	29,005,574	29,005,574
Dividend paid	22	-	-	(55,000,000)	(55,000,000)
Unappropriated retained earnings	17	-	2,951,129	(2,951,129)	-
Increase in share capital during the year	16	24,500,000	-	-	24,500,000
Balance as at 31 December 2021		50,000,000	3,051,129	18,322,860	71,373,989

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


นายฉวีวัฒน์ อิศรไกรศีล




นายศักดิ์สิทธิ์ บุญวานิช

Miss Grand International Company Limited**Cash flow statement****For the year ended 31 December 2021**


(Unit: Baht)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Profit before tax	36,479,266	57,439,452
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	1,439,318	840,061
Impairment loss on intangible assets	585,052	9,315,888
Provision for long-term employee benefits	943,534	180,808
Interest income	(166,917)	(48,052)
Interest expense	79,371	10,113
Profit from operating activities before changes in operating assets and liabilities	39,359,624	67,738,270
Operating assets (increase) decrease:		
Trade and other receivables	33,528,944	(42,747,085)
Inventories	(2,095,826)	25,523,075
Advance payment for goods	1,893,320	(5,572,565)
Other current assets	783,419	(1,317,999)
Other current financial assets	(40,000)	-
Operating liabilities increase (decrease):		
Trade and other payables	(7,339,823)	22,478,014
Deferred revenue	7,865,490	2,915,744
Other current liabilities	(1,511,253)	2,864,987
Cash from operating activities	72,443,895	71,882,441
Cash received from interest income	166,917	48,052
Cash paid for interest expenses	(79,371)	(10,113)
Cash paid for corporate income tax	(15,640,813)	(4,413,493)
Net cash from operating activities	<u>56,890,628</u>	<u>67,506,887</u>

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



นายฉวีวัฒน์ อิศรไกรศิลป์



นายศักดิ์สิทธิ์ บุญวานิช

Miss Grand International Company Limited

Cash flow statement (continued)

For the year ended 31 December 2021

	(Unit: Baht)	
	<u>2021</u>	<u>2020</u>
Cash flows from investing activities		
Acquisitions of equipment	(3,613,844)	(1,306,657)
Acquisitions of intangible assets	(1,052,352)	(10,939,491)
Increase in other non-current assets	(643,953)	(961,535)
Increase in other non-current assets financial assets	(105,579)	(135,101)
Net cash used in investing activities	<u>(5,415,728)</u>	<u>(13,342,784)</u>
Cash flows from financing activities		
Cash paid for lease liabilities	(702,001)	(98,388)
Rapayment of short-term loan	-	(19,935,492)
Cash received from increase in share capital	24,500,000	24,500,000
Dividend paid	(55,000,000)	(14,000,000)
Net cash used in financing activities	<u>(31,202,001)</u>	<u>(9,533,880)</u>
Net increase in cash and cash equivalents	20,272,899	44,630,223
Cash and cash equivalents at beginning of year	47,679,551	3,049,328
Cash and cash equivalents at end of year (Note 9)	<u>67,952,450</u>	<u>47,679,551</u>

Supplemental cash flows information

Non-cash transactions

Addition to lease liabilities	717,581	1,207,489
-------------------------------	---------	-----------

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


นายฉวีวัฒน์ อิศรไกรศีล




นายศักดิ์สิทธิ์ บุญวานิช

Miss Grand International Company Limited

Notes to financial statements

For the year ended 31 December 2021

1. General information

1.1 Corporate information

Miss Grand International Company Limited (“the Company”) is a limited company incorporated and domiciled in Thailand. The Company is principally engaged in the wholesale and retail for beauty product, cosmetics product, skincare product, food dietary supplement, and food products under branding name “Miss Grand” and “Nangngam”. Moreover, the Company is contest organiser for the stage “Miss Grand Thailand” and “Miss Grand International” also artist management agency. The registered office of the Company is at 1213/414 Lat Phrao 94, Lat Phrao Rd., Phlapphla, Wang Thong Lang, Bangkok. There are two branches located at Bangkok.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. Change of basis of preparation

In the current year, the Company changed the basis of preparation of financial statements from Thai Financial Reporting Standards for Non-Publicly Accountable Entities to Thai Financial Reporting Standards, so that the financial statements provide beneficial information and reflect the Company's financial position, financial performance, and cash flows.

Such change required the Company to present the financial statement and make additional disclosures stipulated under Thai Financial Reporting Standards and change certain accounting policies. The Company has restated the financial statements for the year ended 31 December 2020, presented herein as comparative information, to reflect the adjustments resulting from such change. The Company has also presented the financial position as at 1 January 2020 as comparative information, using the newly adopted Thai Financial Reporting Standards. Applying Thai Financial Reporting Standards do not have any significant impact on the financial statements, except for the change in accounting policies, as a result of the adoption of Thai Accounting Standard 12 Income Taxes, Thai Accounting Standard 19 Employee Benefit, Financial reporting standards related to financial instruments, and Thai Financial Reporting Standard 16 Leases.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company has changed this accounting policy in this current year and restated the financial statements for the year ended 31 December 2020, presented as comparative information, as though the Company had initially recognised the tax effects as deferred tax assets or liabilities. The Company has also presented the separate statement of financial position as at 1 January 2020 as comparative information. The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of the adjustments affecting the statement of financial position and the statement of comprehensive income are summarised below.

	(Unit: Thousand Baht)		
	<u>31 December 2021</u>	<u>31 December 2020</u>	<u>1 January 2020</u>
Statements of financial position			
Increase in deferred tax assets	79	2,829	-
Increase in deferred tax liabilities	-	-	24
Increase (decrease) in unappropriated retained earnings	79	2,829	(24)

(Unit: Thousand Baht)

	<u>2021</u>	<u>2020</u>
Statements of comprehensive income		
Profit or loss:		
Decrease in income tax expenses	(79)	(2,829)
Increase in profit for the year	79	2,853
Increase in basic earnings per share (Baht)	0.27	90.63

TAS 19 Employee Benefits

This accounting standard requires the entity to recognise actuarial gains and losses immediately through other comprehensive income, while the previous standard allows the entity to recognise such transaction immediately through profit or loss. The Company changed its accounting policy in the current year and restated prior year's financial statements, presented herein as comparative information, as though the Company had always recognised these employee benefit expenses in accordance with this accounting standard.

Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial liabilities are classified and measured at amortised cost.

Impairment of financial assets

The Company recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Company accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Company applies a simplified approach to determine the lifetime expected credit losses.

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020 and 31 December 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	3,049	-	3,049	3,049
Trade and other receivables	1,751	-	1,751	1,751
Total financial assets	4,800	-	4,800	4,800
Financial assets as at 31 December 2020				
Cash and cash equivalents	47,680	-	47,680	47,680
Trade and other receivables	44,583	-	44,583	44,583
Other current financial assets	135	-	135	135
Total financial assets	92,398	-	92,398	92,398

As at 1 January 2020 and 31 December 2020, the Company has not designated any financial liabilities at fair value through profit or loss.

Leases

On adoption of TFRS 16, the Company recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as of 1 January 2020. For leases that previously classified as finance leases, the Company recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the date of initial application.

The cumulative effect of initially applying the standards is recognised as an adjustment to retained earnings as at 1 January 2020. The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of the adjustments affecting the statement of financial position and the statement of comprehensive income are summarised below.

(Unit: Thousand Baht)

	<u>31 December 2021</u>	<u>31 December 2020</u>	<u>1 January 2020</u>
Statements of financial position			
Increase (decrease) in right-of-use			
assets	(14)	1,106	-
Increase in lease liabilities	16	1,109	-
Increase in unappropriated retained			
earnings	30	3	-

(Unit: Thousand Baht)

	<u>2021</u>	<u>2020</u>
Statements of comprehensive income		
Profit or loss:		
Decrease in lease expenses	(781)	(109)
Increase (decrease) in depreciation expense	(732)	102
Increase in financial cost	79	10
Increase in profit for the year	30	3
Increase in basic earnings per share (Baht)	0.10	0.10

4. New financial reporting standards

a) Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Company believes that adoption of these amendments will not have any significant impact on the Company's financial statements.

5. Adjustment of prior year financial statement

During 2021, the management of the Company has found the following errors in recording transactions for 2020.

- 5.1 The Company has under recorded provision for long-term employee benefits which resulted in the understatement of provision for long-term employee benefits in the statement of financial position as at 31 December 2020 of Baht 0.1 million and understatement of administrative expenses in the comprehensive income statement for the year ended 31 December 2020 of Baht 0.1 million.
- 5.2 The Company has recorded financial advisory fee as other assets which resulted in the overstatement of other assets in the statement of financial position as at 31 December 2020 of Baht 1.1 million and understatement of administrative expenses in the comprehensive income statement for the year ended 31 December 2020 of Baht 1.1 million.
- 5.3 The Company has over recorded prepaid expense - trademark which resulted in the overstatement of trade and other receivables in the statement of financial position as at 31 December 2020 of Baht 0.8 million, overstatement of retained earning as at 1 January 2020 of Baht 0.9 million, and overstatement of selling and distribution expenses in the comprehensive income statement for the year ended 31 December 2020 of of Baht 0.1 million.
- 5.4 The Company has over recorded accrued income - sponsor which resulted in the overstatement of trade and other receivables in the statement of financial position as at 31 December 2020 of Baht 0.9 million and overstatement of service income in the comprehensive income statement for the year ended 31 December 2020 of Baht 0.9 million.

- 5.5 The Company has over recorded cost of movie which resulted in the overstatement of net book value of movie in the statement of financial position as at 31 December 2020 of Baht 4.6 million, allowance of impairment loss of Baht 4.6 million, deferred tax asset of Baht 0.9 million, and understatement of income tax expense in the comprehensive income statement for the year ended 31 December 2020 of Baht 0.9 million.
- 5.6 The Company has over recorded contest expense which resulted in the overstatement of trade and other payables in the statement of financial position as at 31 December 2020 of Baht 2.4 million and overstatement of cost of service in the comprehensive income statement for the year ended 31 December 2020 of Baht 2.4 million.
- 5.7 The Company has over recorded cost of service which resulted in the understatement of asset under construction in the statement of financial position as at 31 December 2020 of Baht 0.2 million and overstatement of cost of service in the comprehensive income statement for the year ended 31 December 2020 of Baht 0.2 million.
- 5.8 The Company has over recorded service income which resulted in the understatement of trade and other payables and deferred revenue in the statement of financial position as at 31 December 2020 of Baht 1.9 million and Baht 0.1 million, and overstatement of service income in the comprehensive income statement for the year ended 31 December 2020 of Baht 2.0 million.
- 5.9 The Company has over recorded input value added tax which resulted in the overstatement of other current asset in the statement of financial position as at 31 December 2020 of Baht 0.2 million and understatement of administrative expense in the comprehensive income statement for the year ended 31 December 2020 of Baht 0.2 million.
- 5.10 The Company has over recorded income tax expense which resulted in the overstatement of income tax payable in the statement of financial position as at 31 December 2020 of Baht 0.1 million and overstatement of income tax expense in the comprehensive income statement for the year ended 31 December 2020 of Baht 0.1 million.

From the above errors, the Company had restated the financial statements for the year ended 31 December 2020, presented as comparative information, to reflect the effect of the adjustments. The effect of the prior year's adjustments had been separately presented in the statement of changes in shareholders' equity.

The amounts of adjustments affecting the statement of financial position as at 31 December 2020 and the comprehensive income statement for the year then ended are summarised below.

	(Unit: Thousand Baht)	
	As at	As at
	<u>31 December 2020</u>	<u>1 January 2020</u>
Statement of Financial position		
Decrease in trade and other receivables	(1,730)	(965)
Decrease in other current assets	(179)	-
Decrease in deferred tax assets	(948)	-
Increase in building improvement and equipment	237	-
Decrease in other assets	(1,100)	-
Decrease in trade and other payables	(492)	-
Increase in deferred revenue	85	-
Decrease in income tax payable	(74)	-
Increase in provision for long-term employee benefit	96	30
Decrease in retained earnings	(3,335)	(995)

	(Unit: Thousand Baht)	
	For the year ended	
	<u>31 December 2020</u>	
Statement of comprehensive income		
Profit or loss:		
Decrease in service income		(2,874)
Decrease in cost of service		(2,637)
Decrease in selling and distribution expense		(146)
Increase in administrative expenses		1,375
Increase in income tax expenses		874
Decrease in profit for the year		(2,340)

6. Significant accounting policies

6.1 Revenue and expense recognition

Sales of goods

Revenue from sales of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting goods returns, discounts and allowances.

Service income

Service income is recognised at a point in time upon completion of the service.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

6.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

6.3 Inventories

Inventories are valued at the lower of cost (average) and net realisable value. Cost is comprised all costs of purchase or other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Reduce cost of inventories to net realisable value will be set up for deteriorated, obsolete and slowing stock by management reviewing.

6.4 Building improvement and equipment

Building improvement and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of building improvement and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Building improvement	-	5 years
Furniture and office equipment	-	5 years
Vehicles	-	5 years
Computer and equipment	-	5 years

Depreciation is included in determining income.

No depreciation is provided on assets under construction.

An item of building improvement and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

6.5 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	5 years

Intangible assets with indefinite useful lives are trademark.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash-generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

6.6 Leases

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

The Company as lessee

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Building and building improvement	2 - 3 years
-----------------------------------	-------------

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

6.7 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

6.8 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

6.9 Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of non-financial assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

6.10 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

6.11 Provisions

Provisions are recognised 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.

6.12 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

6.13 Financial instruments

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if the financial asset is held 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.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Company has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Company's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Company considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due, and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECL are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

6.14 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

7. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Company's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Reduction of inventories to net realisable value

In determining the net realisable value of inventories, the management needs to make judgement and estimates of loss that may be incurred from substandard or deteriorated inventories, and the effect from the reduction of the selling price of inventories.

8. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

	<u>2021</u>	<u>2020</u>	(Unit: Million Baht) <u>Transfer Pricing Policy</u>
<u>Transactions with management and directors</u>			
Rental	0.4	0.1	Contract price

The outstanding balances of the accounts as at 31 December 2021 and 2020 between the Company and related party are as follows:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
<u>Deposit - related person</u>		
Management and directors	109	109
Total Deposit - related party	<u>109</u>	<u>109</u>

Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	9,480	1,395
Post-employment benefits	713	132
Total	<u>10,193</u>	<u>1,527</u>

9. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Cash	65	14
Bank deposits	67,887	47,666
Total	<u>67,952</u>	<u>47,680</u>

As at 31 December 2021, bank deposits in savings carried interests 0.1 - 0.4 percent per annum (2020: 0.1 percent per annum).

10. Trade and other receivables

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	9,750	43,223
Past due		
Up to 3 months	94	-
3 - 6 months	50	460
6 - 12 months	1,046	-
Total trade accounts receivable - unrelated parties	<u>10,940</u>	<u>43,683</u>
<u>Other receivables</u>		
Advance payment	29	51
Accrued income - sponsor	-	764
Total other receivables	<u>29</u>	<u>815</u>
Total trade and other receivables	<u>10,969</u>	<u>44,498</u>

11. Building improvement and equipment

(Unit: Thousand Baht)

	Building improvement	Furniture and office equipment	Vehicles	Computer and equipment	Assets under construction	Total
Cost						
1 January 2020	-	8	202	45	-	255
Additions	-	429	-	641	237	1,307
31 December 2020	-	437	202	686	237	1,562
Additions	469	1,552	-	655	938	3,614
31 December 2021	469	1,989	202	1,341	1,175	5,176
Accumulated depreciation						
1 January 2020	-	-	12	7	-	20
Depreciation for the year	-	7	40	4	-	51
31 December 2020	-	8	52	11	-	71
Depreciation for the year	60	305	40	223	-	628
31 December 2021	60	313	92	234	-	699
Net book value						
31 December 2020	-	429	150	675	237	1,491
31 December 2021	409	1,676	110	1,107	1,175	4,477
Depreciation for the year						
2020 (Baht 0.10 million included in administrative expenses)						51
2021 (Baht 0.63 million included in administrative expenses)						628

12. Lease

The Company as lessee, has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 2 - 5 years.

12.1 Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Building and building improvement
As at 1 January 2020	-
Additions	1,207
Depreciation for the year	(101)
As at 31 December 2020	1,106
Additions	718
Depreciation for the year	(732)
As at 31 December 2021	1,092

12.2 Lease liabilities

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Lease payment	1,170	1,194
Less: Deferred interest expenses	(45)	(85)
Total	<u>1,125</u>	<u>1,109</u>
Less: Portion due within one year	(771)	(385)
Lease liabilities - net of current portion	<u>354</u>	<u>724</u>

Movements in lease liabilities during the years ended 31 December 2021 and 2020 are summarised below.

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Balance at beginning of year	1,109	-
Additions	757	1,123
Accretion of interest	40	95
Repayments	(781)	(109)
Balance at end of year	<u>1,125</u>	<u>1,109</u>

A maturity analysis of lease payments is disclosed in Note 26 under the liquidity risk.

12.3 Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Depreciation expenses of right-of-use assets	731	101
Interest expenses on lease liabilities	79	10
Expense relating to short-term leases	189	91
Expenses relating to leases of low-value assets	82	34

12.4 Others

The Company had total cash outflows for leases for the year ended 31 December 2021 of Baht 1.15 million (2020: Baht 0.11 million), including the cash outflow related to short-term lease and leases of low-value assets.

13. Intangible assets

The net book value of intangible assets, as at 31 December 2021 and 2020 is presented below.

(Unit: Thousand Baht)

	Movie	Computer software	Trademark	Total
As at 31 December 2021				
Cost	10,648	73	2,100	12,821
Less: accumulated amortisation	(747)	(20)	-	(767)
Less: allowance of impairment loss	(9,901)	-	-	(9,901)
Net book value	-	53	2,100	2,153

(Unit: Thousand Baht)

	Movie	Computer software	Trademark	Total
As at 31 December 2020				
Cost	10,648	73	1,048	11,769
Less: accumulated amortisation	(682)	(6)	-	(688)
Less: allowance of impairment loss	(9,316)	-	-	(9,316)
Net book value	650	67	1,048	1,765

A reconciliation of the net book value of intangible assets for the years 2021 and 2020 is presented below.

(Unit: Thousand Baht)

	2021	2020
Net book value at beginning of year	1,765	830
Acquisitions during the year - at cost	1,052	10,939
Amortisation for the year	(79)	(688)
Allowance for impairment loss	(585)	(9,316)
Net book value at end of year	2,153	1,765

14. Trade and other payables

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Trade payables - unrelated parties	11,186	9,837
Past dated cheque	-	56
Accrued contest expenses	3,823	8,926
Accrued expenses	2,247	5,776
Total trade and other payables	<u>17,256</u>	<u>24,595</u>

15. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company, was as follows:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Provision for long-term employee benefits at beginning year	210	29
Included in profit or loss:		
Current service cost	940	180
Interest cost	4	1
Provision for long-term employee benefits at end of year	<u>1,154</u>	<u>210</u>

The Company does not expect to pay long-term employee benefits during the next year.

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefits is 18 years (2020: 18 years).

Significant actuarial assumptions are summarised below.

	(Unit: percent per annum)	
	<u>2021</u>	<u>2020</u>
Discount rate	2	2
Salary increase rate	5	5
Turnover rate	2 - 23	2 - 23

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	2021		2020	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(25)	31	(25)	31
Salary increase rate	30	(25)	30	(25)
Turnover rate	(21)	26	(21)	26

16. Share capital

On 24 November 2020, the Extraordinary General Meeting of the shareholders of the Company passed a resolution to increase the registered capital of the Company of Baht 49 million (ordinary share 490,000 shares of Baht 100 each), from Baht 1 million (ordinary share 10,000 shares of Baht 100 each), to be new capital of the Company of Baht 50 million (ordinary share 500,000 shares of Baht 100 each). The Company registered the increase in its share capital with the Ministry of Commerce on 30 November 2020 which is called up for 50 percent of the increased share capital and already received the payment for such share capital.

On 3 November 2021, the Company called up for the unpaid portion of share capital and already received in full amount.

On 12 November 2021, the Board of Director's Meeting of the Company passed a resolution to increase the registered capital of the Company of Baht 25 million (ordinary share 250,000 shares of Baht 100 each), from Baht 50 million (ordinary share 500,000 shares of Baht 100 each), to be new capital of the Company of Baht 75 million (ordinary share 750,000 shares of Baht 100 each).

17. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. During the year, the Company appropriated Baht 2.95 million as statutory reserve (2020: Baht 0.10 million).

18. Revenue from contracts with customers

(Unit: Thousand Baht)

	<u>2021</u>	<u>2020</u>
Revenue from sales:		
Sales of facial and body skincare products	174,893	270,766
Sales of food, dietary supplement, and beverage products	80,760	35,483
Sale of airtime	21,742	12,357
Sales of other products	10,135	1,164
Revenue from services:		
Revenue from contest organise	42,265	14,901
Revenue from other service	12,370	2,136
Total revenue from contracts with customers - recognised at a point in time	<u>342,165</u>	<u>336,807</u>

19. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	<u>2021</u>	<u>2020</u>
Purchases of finished goods	158,315	142,939
Changes in finished goods	2,096	25,523
Cost of on-air and organising services	43,945	19,949
Advertising and promotion expenses	47,257	76,461
Salaries and wages and other employee benefits	22,035	8,785
Depreciation and amortisation	1,439	847
Transportation and distribution expenses	1,611	411
Managing finished goods expense	5,400	588

20. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Current income tax:		
Current income tax charge	7,554	14,509
Deferred tax:		
Relating to origination and reversal of temporary differences	(80)	(1,881)
Income tax expenses reported in the profit or loss	<u>7,474</u>	<u>12,628</u>

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Accounting profit before tax	<u>36,479</u>	<u>57,440</u>
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	7,295	11,488
Effects of:		
Non-deductible expenses	179	1,140
Total	<u>179</u>	<u>1,140</u>
Income tax expenses reported in the profit or loss	<u>7,474</u>	<u>12,628</u>

The components of deferred tax assets as at 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Deferred tax assets		
Allowance for impairment of intangible assets	1,780	1,863
Depreciation of trademark	(80)	(48)
Provision for long-term employee benefits	231	42
Lease	6	-
Total	<u>1,937</u>	<u>1,857</u>

21. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

22. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
2021			
Final dividend of 2020	Annual General Meeting of the shareholders' meeting on 26 October 2021	42,000	84
The interim dividends for 2021	Annual General Meeting of the shareholders' meeting on 26 October 2021	13,000	26
Total dividends for 2021		55,000	100
2020			
Final dividend of 2019	Annual General Meeting of the shareholders' meeting on 16 November 2020	14,000	1,400
Total dividends for 2020		14,000	1,400

23. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company is organised into business units based on their products and services and have five reportable segments as follows:

1. Facial and body skincare products
2. Food, dietary supplement, and beverage products
3. Airtime
4. Contests organise
5. Others

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The following table presents the financial information for the years ended 31 December 2021 and 2020 of the Company by segment.

(Unit: Thousand Baht)

	Facial and body skincare products		Food, dietary supplement, and beverage products		Airtime		Contest organise		Others		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Revenue											
Revenue from external customers	174,893	270,766	80,760	35,483	21,742	12,357	42,265	14,901	22,505	3,300	342,165	336,807
Total revenue	174,893	270,766	80,760	35,483	21,742	12,357	42,265	14,901	22,505	3,300	342,165	336,807
Operating result												
Segment gross profit	80,237	144,867	32,656	18,985	12,661	6,931	(275)	2,883	9,656	(3,017)	134,935	170,649
Other income											2,763	1,949
Selling and distribution expenses											(68,459)	(96,774)
Administrative expenses											(32,848)	(18,422)
Financial income											167	48
Financial cost											(79)	(10)
Profit before income tax expenses											36,479	57,440
Income tax expenses											(7,473)	(12,628)
Profit for the year											29,006	44,812

Geographic information

The Company mainly operates in Thailand. As a result, all the revenues as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the year 2021, the Company has revenue from 3 major customers in amount of Baht 210 million (2020: Baht 211 million derived from 3 major customers).

24. Commitments

24.1 Capital commitments

As at 31 December 2021, the Company had capital commitments of approximately Baht 2.74 million, relating to the construction of building and building improvement (2020: Baht 2.13 million).

24.2 Lease and service commitments

As of 31 December 2021 and 2020, the Company has future lease payments of low-value assets, short-term lease and other services agreements required under these lease and services agreements that have not yet commenced as follows:

	(Unit: Million Baht)	
	<u>2021</u>	<u>2020</u>
Payable within:		
In up to 1 year	4.8	3.5
In over 1 year and up to 5 years	0.4	2.0

25. Financial instruments

25.1 Financial risk management objectives and policies

The Company's financial instruments, principally comprise cash and cash equivalents, trade and other receivables, trade and other payables and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade and other receivables, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables

The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade and other receivables are regularly monitored. Credit term provided to customers normally is between 30 days and 90 days.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of customer segments with similar credit risks. The Company classifies customer segments by customer type and rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and other receivables are written-off when there are no movement and past due for more than one year and not subject to enforcement activity.

Financial instruments and cash deposits

The Company manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits may be updated throughout the year subject to approval of the Company's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Foreign currency risk

The Company's exposure to the foreign currency relates primarily to the Company's operating activities.

As at 31 December 2021 and 2020, there was no outstanding balance of financial assets and liabilities denominated in foreign currency.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks and lease liabilities. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rates.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

As at 31 December 2021

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	68	-	68	0.1 - 0.4
Trade and other receivables	-	-	-	11	11	-
	-	-	-	11	79	
Financial liabilities						
Trade and other payables	-	-	-	17	17	-
Lease liabilities	1	-	-	-	1	5.25
	1	-	-	17	18	

(Unit: Million Baht)

As at 31 December 2020

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	48	-	48	0.10
Trade and other receivables	-	-	-	45	45	-
	-	-	48	45	93	
Financial liabilities						
Trade and other payables	-	-	-	27	27	-
Liabilities under financial lease agreements	-	1	-	-	1	5.25
	-	1	-	27	28	

Liquidity risk

The Company manages liquidity risk to meet its business obligations by maintains an adequate level of cash to meet its liquidity requirements. The Company has assessed that the Company has sufficient working capital to settle financial liabilities and concluded the risk to be low.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	As at 31 December 2021		
	Less than	1 - 5	Total
	1 year	years	
Trade and other payables	17	-	17
Lease liabilities	1	-	1
Total non-derivative items	18	-	18

(Unit: Million Baht)

	As at 31 December 2020		
	Less than	1 - 5	Total
	1 year	years	
Trade and other payables	27	-	27
Liabilities under financial lease agreements	-	1	1
Total non-derivative items	27	1	28

25.2 Fair values of financial instruments

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

26. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

As at 31 December 2021, the Company's debt-to-equity ratio was 0.5:1 (2020: 0.6:1)

27. Approval of financial statements

These financial statements were authorised for issue by the board of directors of the Company on 22 February 2022.


นายฉวีวัฒน์ อิศรโกศล




นายศักดิ์สิทธิ์ บุญวานิช