

Independent Auditor's Report

To the Shareholders of Saha-Union Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Saha-Union Public Company Limited (the Company) and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2023, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Saha-Union Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Saha-Union Public Company Limited and its subsidiaries, and of Saha-Union Public Company Limited as at 31 December 2023, and their 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 and its subsidiaries 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 my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

The Company and its subsidiaries have sales and service income for the year ended 31 December 2023 amounting to Baht 8,443 million, which is significant to the income statement. The Company and its subsidiaries have a large number of customers and there are a variety of conditions of sale in the agreements made with these customers. There are therefore risks with respect to the amount and timing of revenue recognition.

In examining the revenue recognition of the Company and its subsidiaries, I assessed and tested the IT system and the internal controls of the Company and its subsidiaries with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls and with considerations given to testing related to the accuracy and timing of revenue recognition. On a sampling basis, I also examined supporting documents for sales transactions occurring during the year, near the end of the accounting period, with special consideration given to expanding the scope of the examination of supporting documentation for transactions occurring near the end of the accounting period. In addition, I reviewed credit notes issued by the Company and its subsidiaries after the period-end and performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Goodwill

As discussed in Note 18 to the financial statements, as at 31 December 2023, goodwill of The Royal Hotel Co., Ltd. (subsidiary) from business acquisition amounting to Baht 522 million is significant to the statement of financial position. Thus, the assessment of impairment of goodwill is a significant accounting estimate requiring the subsidiary's management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill.

I assessed the identification of cash generating units and the financial models selected by the subsidiary's management by gaining an understanding of decision-making process to assess whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by the subsidiary's management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of the subsidiary's management judgement in preparing the cash flow projections. I also evaluated the discount rate applied by the subsidiary's management through an analysis of the weighted average finance costs of the subsidiary and of the industry, and I tested the calculation of the realisable value of the goodwill using the selected financial models and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rate. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company and its subsidiaries, but does not include the financial statements and my auditor's report thereon. The annual report of the Company and its subsidiaries is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Company and its subsidiaries, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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 and its subsidiaries' abilities 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 and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company and its subsidiaries' financial reporting processes.

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 and its subsidiaries' internal controls.
- 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 and its subsidiaries' abilities 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 and its subsidiaries 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the Company and its subsidiaries' audits. I remain solely responsible for my audit opinion.

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

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



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

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

A handwritten signature in black ink, appearing to read 'Termphong Opanaphan'.

Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

EY Office Limited

Bangkok: 22 February 2024

Saha-Union Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	6	4,101,964,649	3,316,490,988	612,209,199	115,279,443
Trade and other receivables	8	1,453,086,411	1,341,132,024	59,156,263	83,206,247
Inventories	9	601,603,236	750,028,987	-	-
Short-term loans to related parties	7	-	-	347,500,000	687,640,000
Other current financial assets	11	2,718,725,113	2,376,222,643	149,298,582	3,279,207
Other current assets		66,689,128	99,961,694	1,044,335	1,092,416
Total current assets		8,942,068,537	7,883,836,336	1,169,208,379	890,497,313
Non-current assets					
Restricted investments	10	40,204,470	25,646,799	1,000,000	1,000,000
Investments in subsidiaries	12	-	-	10,628,618,541	10,617,224,184
Investments in joint ventures	13	1,774,312,759	1,748,947,759	415,187,209	415,187,209
Investments in associates	14	3,959,580,629	4,137,929,624	1,427,901,375	1,496,901,375
Other non-current financial assets	11	3,371,807,819	3,461,700,898	1,935,499,830	2,080,797,110
Investment properties	15	2,226,483,104	2,427,725,508	1,469,386,399	1,474,444,472
Property, plant and equipment	16	5,287,012,220	5,509,155,551	40,614,960	43,898,484
Right-of-use assets	17	361,958,324	194,725,273	-	-
Goodwill	18	521,724,374	521,724,374	-	-
Intangible assets		48,879,210	52,982,345	2,499,982	2,685,765
Deferred tax assets	28	67,899,456	74,283,258	3,641,397	4,160,352
Other non-current assets	19	228,501,549	221,263,306	9,432,199	8,317,410
Total non-current assets		17,888,363,914	18,376,084,695	15,933,781,892	16,144,616,361
Total assets		26,830,432,451	26,259,921,031	17,102,990,271	17,035,113,674

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

Saha-Union Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	20	105,385,500	144,472,700	-	-
Short-term loan from related party	7	10,000,000	10,000,000	-	-
Trade and other payables	21	1,124,701,940	1,169,000,503	65,816,174	82,184,979
Current portion of long-term loans	22	8,696,505	7,429,838	-	-
Current portion of lease liabilities	17	69,097,681	65,269,200	-	-
Deposits from related parties	7	-	-	364,200,000	351,200,000
Income tax payable		53,665,144	39,318,928	-	-
Other current financial liabilities	35.1	7,013,893	-	-	-
Other current liabilities		135,608,855	122,041,670	15,970,620	7,670,273
Total current liabilities		1,514,169,518	1,557,532,839	445,986,794	441,055,252
Non-current liabilities					
Long-term loans, net of current portion	22	14,214,621	17,911,126	-	-
Lease liabilities, net of current portion	17	252,899,917	86,754,797	-	-
Provision for long-term employee benefits	23	255,173,762	275,866,079	13,732,891	24,683,502
Deferred tax liabilities	28	202,438,352	200,974,001	122,213,463	151,703,381
Other non-current liabilities		33,457,156	33,878,763	-	-
Total non-current liabilities		758,183,808	615,384,766	135,946,354	176,386,883
Total liabilities		2,272,353,326	2,172,917,605	581,933,148	617,442,135

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

Saha-Union Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Shareholders' equity					
Share capital					
Registered					
300,000,000 ordinary shares of Baht 10 each		3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Issued and fully paid					
300,000,000 ordinary shares of Baht 10 each		3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Share premium		2,599,000,000	2,599,000,000	2,599,000,000	2,599,000,000
Difference resulting from change in interest in subsidiary without loss of control					
		(388,538,474)	(387,267,908)	-	-
Retained earnings					
Appropriated					
Statutory reserve	25	1,013,756,769	1,017,284,765	750,000,000	750,000,000
Other reserve		459,173,447	419,675,948	-	-
Unappropriated		15,692,683,382	14,939,812,782	9,683,773,876	9,464,825,220
Other components of shareholders' equity		472,700,870	780,146,067	488,283,247	603,846,319
Equity attributable to owners of the Company		22,848,775,994	22,368,651,654	16,521,057,123	16,417,671,539
Non-controlling interests of the subsidiaries		1,709,303,131	1,718,351,772	-	-
Total shareholders' equity		24,558,079,125	24,087,003,426	16,521,057,123	16,417,671,539
Total liabilities and shareholders' equity		26,830,432,451	26,259,921,031	17,102,990,271	17,035,113,674
		-	-	-	-

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

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Directors
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Saha-Union Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Revenues					
Sales and service income	30	8,442,594,473	9,311,771,823	643,753,992	799,207,801
Dividend income	11, 12, 13, 14	287,719,706	244,708,881	751,582,996	632,141,369
Rental income		48,614,163	46,850,480	49,711,480	48,053,263
Finance income		80,536,217	28,629,243	29,963,049	30,708,685
Gains on disposals of investments		-	25,082,966	-	-
Gains on disposals of property, plant and equipment		14,152,296	52,164,279	1,575,412	21,294
Gains on disposals of investment properties		13,657,071	105,523,488	13,657,071	105,523,488
Gains on investments designated at fair value through profit or loss		125,185,000	-	-	1,155,603
Gains on derivatives designated at fair value through profit or loss		-	27,211,130	-	4,462,581
Other income		137,505,791	146,835,374	18,289,168	18,823,169
Total revenues		9,149,964,717	9,988,777,664	1,508,533,168	1,640,097,253
Expenses					
Cost of sales and services		7,231,886,545	8,034,727,297	625,920,113	764,437,438
Selling and distribution expenses		226,080,250	266,909,225	6,623,297	20,308,957
Administrative expenses		632,433,380	719,076,973	106,675,918	105,831,228
Losses on investments designated at fair value through profit or loss		-	35,344,350	2,995,751	-
Losses on derivatives designated at fair value through profit or loss		12,035,402	-	980,624	-
Losses on impairment of investments in associates	14	-	-	69,000,000	-
Expenses of withholding tax write-off		44,877,125	43,079,583	28,883,657	29,087,983
Total expenses		8,147,312,702	9,099,137,428	841,079,360	919,665,606
Operating profit		1,002,652,015	889,640,236	667,453,808	720,431,647
Share of profit from investments in joint ventures	13	606,624,994	594,959,029	-	-
Share of loss from investments in associates	14	(107,263,898)	(51,629,533)	-	-
Finance cost	26	(15,047,112)	(16,200,803)	(2,413,041)	(2,641,627)
Profit before income tax income (expenses)		1,486,965,999	1,416,768,929	665,040,767	717,790,020
Income tax income (expenses)	28	(154,120,065)	(153,909,631)	960,456	(18,832,777)
Profit for the year		1,332,845,934	1,262,859,298	666,001,223	698,957,243
Profit attributable to					
Equity holders of the Company		1,192,656,279	1,086,569,769	666,001,223	698,957,243
Non-controlling interests of the subsidiaries		140,189,655	176,289,529		
		1,332,845,934	1,262,859,298		
Basic earnings per share (Baht)					
	29				
Profit attributable to equity holders of the Company		4.10	3.74	2.22	2.33
Weighted average number of ordinary shares (shares)		290,786,006	290,786,006	300,000,000	300,000,000

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

Saha-Union Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Profit for the year	1,332,845,934	1,262,859,298	666,001,223	698,957,243
Other comprehensive income				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Exchange differences on translation of financial statements in foreign currencies	(159,326,893)	(118,701,189)	-	-
Share of other comprehensive income from investments in joint ventures and associates - net of income tax	(82,392,418)	(129,998,004)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	(241,719,311)	(248,699,193)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial gains - net of income tax	27,682,165	16,401,733	3,702,520	-
Gains (losses) on investments in equity designated at fair value through other comprehensive income - net of income tax	(77,620,341)	237,504,993	(116,318,159)	76,029,782
Share of other comprehensive income from investments in joint ventures and associates - net of income tax	8,304,507	131,879	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	(41,633,669)	254,038,605	(112,615,639)	76,029,782
Other comprehensive income for the year	(283,352,980)	5,339,412	(112,615,639)	76,029,782
Total comprehensive income for the year	<u>1,049,492,954</u>	<u>1,268,198,710</u>	<u>553,385,584</u>	<u>774,987,025</u>
Total comprehensive income attributable to				
Equity holders of the Company	917,573,915	1,106,846,049	553,385,584	774,987,025
Non-controlling interests of the subsidiaries	131,919,039	161,352,661		
	<u>1,049,492,954</u>	<u>1,268,198,710</u>		

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