

Thantawan Industry Public Company Limited  
Report and financial statements  
31 December 2021

## Independent Auditor's Report

To the Shareholders of Thantawan Industry Public Company Limited

### Opinion

I have audited the accompanying financial statements of Thantawan Industry Public 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 Thantawan Industry Public Company Limited as at 31 December 2021, 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 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.

### Key Audit Matter

Key audit matter is the matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was 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 this matter.

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 this matter. 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 matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for this matter is described below.

### **Revenue recognition**

Revenues from contracts with customers are significant amounts in the financial statements and directly affect profit or loss of the Company. In addition, the sales and services transactions of the Company are made with a large number of domestic and overseas customers and there are a variety of arrangements and conditions. As a result, the Company's recognition of revenues from contracts with customers are complex. There are therefore risks with respect to the amount and timing of revenue recognition.

I have examined the Company's revenue recognition by assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle by making inquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, and with special consideration given to expanding the scope of the testing of the internal controls which respond to the above risks. I applied a sampling method to select sales and services transactions occurring during the year and near the end of the accounting period to examine the supporting documents and reviewed credit notes that the Company issued after the period-end. I also performed analytical procedures on disaggregated data to detect possible irregularities in sales and services transactions throughout the period, particularly for accounting entries made through journal vouchers.

### **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company 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, 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'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.

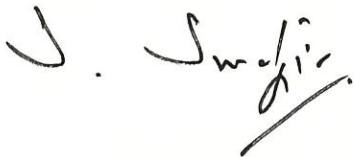
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies 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 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 the matter that was of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. I describe this matter 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.



Siriwan Suratepin  
Certified Public Accountant (Thailand) No. 4604

EY Office Limited  
Bangkok: 14 February 2022

**Thantawan Industry Public Company Limited****Statement of financial position**

As at 31 December 2021

		(Unit: Baht)	
	<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	240,046,709	696,570,823
Trade and other receivables	8	436,818,510	325,268,911
Inventories	9	733,407,172	437,757,690
Other current financial assets	10	-	90,129,855
Short-term investment	11	200,271,101	-
Other current assets		<u>10,730,067</u>	<u>10,005,141</u>
<b>Total current assets</b>		<u>1,621,273,559</u>	<u>1,559,732,420</u>
<b>Non-current assets</b>			
Other non-current financial assets	10	33,053,368	32,570,418
Long-term investments	11	310,889,641	-
Investment property	12	43,140,261	43,140,261
Property, plant and equipment	13	860,230,799	777,732,092
Intangible assets	14	20,386,269	22,030,703
Right-of-use assets	15	60,956,255	62,590,534
Deferred tax assets	22	7,027,274	11,719,930
Other non-current assets		<u>-</u>	<u>2,000,000</u>
<b>Total non-current assets</b>		<u>1,335,683,867</u>	<u>951,783,938</u>
<b>Total assets</b>		<u>2,956,957,426</u>	<u>2,511,516,358</u>

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

**Thantawan Industry Public Company Limited**  
**Statement of financial position (continued)**  
**As at 31 December 2021**

		(Unit: Baht)	
	<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other payables	16	382,701,354	257,969,882
Accrued expenses		91,307,612	83,896,540
Current portion of lease liabilities	15	19,028,998	16,575,852
Accrued income tax		46,309,515	37,733,720
Other current financial liabilities		7,028,627	1,656,747
Other current liabilities		<u>7,449,569</u>	<u>5,022,016</u>
<b>Total current liabilities</b>		<u>553,825,675</u>	<u>402,854,757</u>
<b>Non-current liabilities</b>			
Lease liabilities, net of current portion	15	32,666,826	37,037,178
Provision for long-term employee benefits	17	<u>56,980,576</u>	<u>57,493,985</u>
<b>Total non-current liabilities</b>		<u>89,647,402</u>	<u>94,531,163</u>
<b>Total liabilities</b>		<u>643,473,077</u>	<u>497,385,920</u>
<b>Shareholders' equity</b>			
Share capital			
Registered			
90,000,000 ordinary shares of Baht 1 each			
(2020: 80,000,000 ordinary shares of Baht 1 each)	18	<u>90,000,000</u>	<u>80,000,000</u>
Issued and fully paid up			
89,999,686 ordinary shares of Baht 1 each			
(2020: 80,000,000 ordinary shares of Baht 1 each)		89,999,686	80,000,000
Share premium		136,800,000	136,800,000
Retained earnings			
Appropriated - statutory reserve	19	10,000,000	10,000,000
Unappropriated		<u>2,076,684,663</u>	<u>1,787,330,438</u>
<b>Total shareholders' equity</b>		<u>2,313,484,349</u>	<u>2,014,130,438</u>
<b>Total liabilities and shareholders' equity</b>		<u>2,956,957,426</u>	<u>2,511,516,358</u>

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

---

Directors

---



Thantawan Industry Public Company Limited

Statement of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

	<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Profit or loss:</b>			
<b>Revenues</b>			
Revenue from contracts with customers	25	3,760,755,409	3,196,743,033
Other income	20	<u>36,338,558</u>	<u>13,596,088</u>
<b>Total revenues</b>		<u>3,797,093,967</u>	<u>3,210,339,121</u>
<b>Expenses</b>			
Cost of sales and services	21	2,964,064,242	2,444,779,628
Selling and distribution expenses		100,665,522	103,432,056
Administrative expenses		<u>270,352,832</u>	<u>257,021,403</u>
<b>Total expenses</b>		<u>3,335,082,596</u>	<u>2,805,233,087</u>
<b>Operating profit</b>		462,011,371	405,106,034
Finance cost		<u>(1,902,910)</u>	<u>(2,189,959)</u>
<b>Profit before income tax expenses</b>		460,108,461	402,916,075
Income tax expenses	22	<u>(77,287,561)</u>	<u>(55,110,446)</u>
<b>Profit for the year</b>		<u>382,820,900</u>	<u>347,805,629</u>
<b>Other comprehensive income :</b>			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent years</i>			
Actuarial gain (loss) on defined employee benefit plans		3,166,656	(2,490,272)
Less: Income tax effect	22	<u>(633,331)</u>	<u>498,054</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent years - net of income tax		<u>2,533,325</u>	<u>(1,992,218)</u>
<b>Other comprehensive income for the year</b>		<u>2,533,325</u>	<u>(1,992,218)</u>
<b>Total comprehensive income for the year</b>		<u>385,354,225</u>	<u>345,813,411</u>
<b>Earnings per share</b>			
24			
<b>Basic earnings per share</b>			
Profit		<u>4.25</u>	<u>3.86</u>

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

Thantawan Industry Public Company Limited

Statement of changes in shareholders' equity

For the year ended 31 December 2021

(Unit: Baht)

	Issued and paid up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2020</b>	80,000,000	136,800,000	10,000,000	1,581,517,027	1,808,317,027
Profit for the year	-	-	-	347,805,629	347,805,629
Other comprehensive income for the year	-	-	-	(1,992,218)	(1,992,218)
Total comprehensive income for the year	-	-	-	345,813,411	345,813,411
Dividend paid (Note 27)	-	-	-	(140,000,000)	(140,000,000)
<b>Balance as at 31 December 2020</b>	<u>80,000,000</u>	<u>136,800,000</u>	<u>10,000,000</u>	<u>1,787,330,438</u>	<u>2,014,130,438</u>
<b>Balance as at 1 January 2021</b>	80,000,000	136,800,000	10,000,000	1,787,330,438	2,014,130,438
Profit for the year	-	-	-	382,820,900	382,820,900
Other comprehensive income for the year	-	-	-	2,533,325	2,533,325
Total comprehensive income for the year	-	-	-	385,354,225	385,354,225
Stock and dividend paid (Note 18, 27)	9,999,686	-	-	(96,000,000)	(86,000,314)
<b>Balance as at 31 December 2021</b>	<u>89,999,686</u>	<u>136,800,000</u>	<u>10,000,000</u>	<u>2,076,684,663</u>	<u>2,313,484,349</u>

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

**Thantawan Industry Public Company Limited**

**Statement of cash flows**

**For the year ended 31 December 2021**

	<u>Note</u>	<u>2021</u>	<u>2020</u>
			(Unit: Baht)
<b>Cash flows from operating activities</b>			
Profit before tax		460,108,461	402,916,075
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation	13, 14, 15	132,152,511	122,800,935
Transfer from intangible assets to expenses		-	44,000
Decrease in allowance for doubtful accounts		-	(66,661)
Increase in allowance for expected credit losses of trade receivables	8	19,653	25,370
Increase (decrease) in reduction cost of inventories to net realisable value	9	(2,123,841)	7,115,482
Amortisation of discounts on investment in corporate bonds		226,731	-
Increase (decrease) in impairment loss on equipment	13	(12,219,552)	9,222,426
(Gain) loss on disposals and write-off of property, plant and equipment		10,272,837	(296,477)
Unrealised (gain) loss on exchange		(2,419,730)	399,420
Gain arising on financial assets desinged as at FVTPL		(10,817,616)	-
Provision for long-term employee benefits	17	5,353,416	4,712,214
Interest income	20	(2,532,542)	(5,341,022)
Finance cost	15, 17	<u>1,902,910</u>	<u>2,189,959</u>
Profit from operating activities before changes in operating assets and liabilities		579,923,238	543,721,721
Operating assets (increase) decrease:			
Trade and other receivables		(255,039,372)	(126,418,383)
Inventories		(293,525,641)	(46,972,268)
Other current assets		(724,927)	1,964,328
Other current financial assets		(709,681)	(130,064)
Operating liabilities increase (decrease):			
Trade and other payables		121,787,730	2,654,305
Accrued expenses		7,411,072	26,058,424
Other current liabilities		<u>2,427,553</u>	<u>(140,953)</u>
Cash flows from operating activities		161,549,972	400,737,110
Cash paid for employee benefits	17	(3,637,201)	(710,000)
Cash paid for corporate income tax		(64,513,056)	(46,855,981)
Cash received from VAT refundable		<u>143,186,495</u>	<u>122,772,718</u>
<b>Net cash flows from operating activities</b>		<u>236,586,210</u>	<u>475,943,847</u>

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

**Thantawan Industry Public Company Limited**

**Statement of cash flows (continued)**

**For the year ended 31 December 2021**

(Unit: Baht)

	<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Cash flows from investing activities</b>			
Cash received from interest income		2,870,989	5,601,445
Cash paid for investment in mutual fund		(492,921,543)	-
Cash paid up purchase of financial instruments		-	(78,021,841)
Cash received from fixed deposits		50,000,000	135,000,000
Proceed from investment in debt securities		40,129,855	57,263,592
Cash paid for acquisitions of property, plant and equipment		(188,237,853)	(77,394,165)
Cash paid for acquisitions of intangible assets		(2,120,480)	(660,000)
Increase in deposits for acquisition of land		-	(2,000,000)
Proceeds from disposals of equipment		<u>2,877,096</u>	<u>457,517</u>
<b>Net cash flows from (used in) investing activities</b>		<u>(587,401,936)</u>	<u>40,246,548</u>
<b>Cash flows from financing activities</b>			
Payment of principal and interest of lease liabilities	15	(19,723,148)	(17,237,889)
Dividend paid		<u>(85,985,240)</u>	<u>(137,309,100)</u>
<b>Net cash flows used in financing activities</b>		<u>(105,708,388)</u>	<u>(154,546,989)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>		(456,524,114)	361,643,406
Cash and cash equivalents at beginning of year		<u>696,570,823</u>	<u>334,927,417</u>
<b>Cash and cash equivalents at end of year</b>	7	<u><u>240,046,709</u></u>	<u><u>696,570,823</u></u>

**Supplemental disclosures of cash flows information:**

Non-cash related transactions

Decrease in deposit for acquisition of land		2,000,000	-
Increase in assets under lease agreements		2,568,951	-
Increase in accounts payable under lease agreements	15	20,417,383	344,134
Increase in accounts payable for acquisitions of building improvement and equipment		3,104,488	3,279,856
Dividend payables		7,409,434	7,394,362
Additional ordinary share for stock dividend		9,999,686	-

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

## **Thantawan Industry Public Company Limited**

### **Notes to financial statements**

**For the years ended 31 December 2021**

#### **1. General information**

Thantawan Industry Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is The Sunflower Company Limited, which was incorporated in Thailand. The ultimate parent company of the group is Thantawan Group, which was incorporated in Thailand. The Company is principally engaged in the manufacture and sales of plastic products e.g. drinking straws and general plastic bags. Its registered address of the Company is at 143-144, Moo 8, Soi Kangwal 2, Phetkasem Road, Omyai, Sampran, Nakornpratom.

#### **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. 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 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.

**4. Significant accounting policies**

**4.1 Revenue and expense recognition**

*Sale of goods*

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on 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 returns, discounts, allowances and price promotions to customers.

*Rendering of services*

Service revenue 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.

**4.2 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.

### **4.3 Inventories**

Finished goods and work in process are valued at the lower of cost (weighted average method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all cost of raw materials, labour and factory overhead.

Raw materials, chemicals, packing materials, spare parts and factory supplies are valued at the lower of cost (weighted average method) and net realisable value and are charged to production costs whenever consumed.

### **4.4 Investment properties**

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year when the asset is derecognised.

### **4.5 Property, plant and equipment and depreciation**

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

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the estimated useful lives as follows:

Buildings and improvements	5, 10 and 20 years
Machinery and equipment	5 to 14 years
Tools and equipment	3 to 10 years
Office furniture, fixtures and equipment	5 and 10 years
Motor vehicles	5 years

Depreciation is included in determining income.

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

An item of property, plant 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.

#### 4.6 Intangible assets and amortisation

Intangible assets are initially recognised at cost on the date of acquisition. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line 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 for 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:

Computer software	5 years
License	3 to 10 years

No amortisation is provided on intangible assets under development.

#### 4.7 Leases

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

##### **The Company as a 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, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located 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.

Land	3 to 17 years
Buildings	6 years
Equipment	2 to 5 years
Motor vehicles	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.

#### **4.8 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 associates 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.

#### **4.9 Foreign currencies**

The financial statements are presented in Baht, which is also the Company's functional currency. Items included in the financial statements are measured using that 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.

#### **4.10 Impairment of non-financial assets**

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment and intangible 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 an 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.

#### **4.11 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 contribution plans*

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contribution is recognised as expenses when incurred.

### *Defined benefit plans*

The Company has obligation in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats this severance payment obligation 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 defined benefit plans are recognised immediately in other comprehensive income.

## **4.12 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.

## **4.13 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.

#### **4.14 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, equity investments which the Company has not irrevocably elected to classify at FVOCI.

##### **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 discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

### **Regular way purchases and sales of financial assets**

Regular way purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date on which the Company commits to purchase or sell the asset.

### **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 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 as credit impaired or 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.

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.

### **4.15 Derivatives**

The Company uses derivatives, which is forward currency contracts, to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes including interest income are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

### **4.16 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.

## **5. 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:

### **Leases**

*Determining the lease term with extension and termination options - The Company as a lessee*

In determining the lease term, the management is required to exercise judgement in assessing whether the Company is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Company to exercise either the extension or termination option.

*Estimating the incremental borrowing rate - The Company as a lessee*

The Company cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

### **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.

### **Property plant and equipment and depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **Post-employment benefits under defined benefit plans**

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## **6. Related party transactions**

During the years, the Company had no business transactions with related party.

### **Directors and management's benefits**

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

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	54,155	40,160
Post-employment benefits	2,701	2,832
Total	<u>56,856</u>	<u>42,992</u>



## 7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Cash	120	120
Bank deposits	<u>239,927</u>	<u>696,451</u>
Total	<u>240,047</u>	<u>696,571</u>

As of 31 December 2021, bank deposits in saving accounts carried interest at the rate between 0.04 and 0.40 percent per annum (2020: between 0.04 and 0.50 percent per annum).

## 8. Trade and other receivables

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
<b>Trade accounts receivable - unrelated parties</b>		
Aged on the basis of due dates		
Not yet due	317,419	278,869
Past due		
Up to 3 months	68,180	35,211
3 - 6 months	143	239
6 - 12 months	<u>113</u>	<u>8</u>
Total	385,855	314,327
Less: Allowance for expected credit losses	<u>(45)</u>	<u>(25)</u>
Total trade accounts receivables - unrelated parties, net	<u>385,810</u>	<u>314,302</u>
<b>Other receivables</b>		
Other receivables - Revenue Department	50,519	10,146
Advances	202	187
Other receivables - unrelated parties	15	23
Interest receivables	<u>273</u>	<u>611</u>
Total other receivables	<u>51,009</u>	<u>10,967</u>
Total trade and other receivables - net	<u>436,819</u>	<u>325,269</u>

The normal credit term is 30 to 90 days.

Set out below is the movement in the allowance for expected credit losses of trade receivables.

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Balance - beginning of year	25	-
Provision for expected credit losses increased	<u>20</u>	<u>25</u>
Balance - ending of year	<u>45</u>	<u>25</u>

## 9. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Finished goods	279,276	184,640	(2,863)	(6,218)	276,413	178,422
Work in process	21,495	18,529	-	-	21,495	18,529
Raw materials	312,112	186,249	(9,381)	(8,149)	302,731	178,100
Factory supplies	18,220	16,587	-	-	18,220	16,587
Goods in transit	114,548	46,120	-	-	114,548	46,120
<b>Total</b>	<b>745,651</b>	<b>452,125</b>	<b>(12,244)</b>	<b>(14,367)</b>	<b>733,407</b>	<b>437,758</b>

During the current year, the Company reversed the write-down of cost of inventories by Baht 2.1 million, and reduced the amount of inventories recognised as expenses during the year (2020: the Company recorded the reduced cost of inventories by Baht 7.1 million, to reflect the net realisable value. This was included in cost of sales).

## 10. Other financial assets

(Unit: Thousand Baht)

	<u>2021</u>	<u>2020</u>
<u>Debt instruments at amortised cost</u>		
6-months fixed deposits	-	50,000
Investment in corporate bonds due within one year	-	40,130
Investment in corporate bonds due in the year 2024	27,605	27,832
<b>Total debt instruments at amortised cost</b>	<b>27,605</b>	<b>117,962</b>
<u>Financial assets at amortised cost</u>		
Deposits and guarantees	5,448	4,738
<b>Total financial assets at amortised cost</b>	<b>5,448</b>	<b>4,738</b>
<b>Total other financial assets</b>	<b>33,053</b>	<b>122,700</b>
Comprise of:		
Current	-	90,130
Non-current	33,053	32,570
	<b>33,053</b>	<b>122,700</b>

## 11. Short-term and long-term investments

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
<u>Financial assets at FVTPL</u>		
Domestic unit trust in mutual funds	200,271	-
Foreign unit trust in mutual funds	310,890	-
Total financial assets at FVTPL	<u>511,161</u>	<u>-</u>
Comprise of:		
Current	200,271	-
Non-current	310,890	-
	<u>511,161</u>	<u>-</u>

In November 2021, the Company invested in domestic mutual funds approximately Baht 200 million which was managed by a local Asset Management Company. The Company's management intended to hold this fund as short-term investment within one year. In addition, in quarter 3 and quarter 4 of 2021, the Company invested in two foreign mutual funds approximately USD 5.8 million or equivalent to Baht 192.9 million and USD 3.5 million or equivalent to Baht 118 million, respectively. These investments were managed by an overseas Asset Management Company. The Company's management intended to hold these funds as long-term investment for more than one year.

## 12. Investment property

Investment property of the Company is represented land which is not held for operation and is located at Kabinburi district, Prachinburi province. The net book value and fair value of investment property as at 31 December 2021 and 2020 are presented below.

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Net book value (Cost)	43,140	43,140
Fair value of land	178,567	188,961

In June 2021, the Company arranged for an independent professional appraiser to reappraise the value of land using the market comparison approach.

### 13. Property, plant and equipment

(Unit: Thousand Baht)

Cost	Land	Buildings and improvements	Machinery and equipment	Tools and equipment	Office furniture, fixtures and equipment	Vehicles	Construction in progress and machinery under installation	Total
1 January 2020	101,463	487,434	702,144	99,520	52,016	16,720	6,933	1,466,230
Additions	-	4,144	14,121	8,902	3,959	319	49,230	80,675
Disposals and write-off	-	-	(12,096)	(308)	(600)	-	-	(13,004)
Transfer in (out)	-	4,079	10,670	585	12,209	-	(27,543)	-
31 December 2020	101,463	495,657	714,839	108,699	67,584	17,039	28,620	1,533,901
Additions	15,484	8,832	42,748	6,415	7,128	-	113,050	193,657
Disposals and write-off	-	-	(67,006)	(1,426)	(2,619)	(1,530)	-	(72,581)
Transfer in (out)	-	4,819	68,004	4,451	5,428	-	(82,702)	-
31 December 2021	116,947	509,308	758,585	118,139	77,521	15,509	58,968	1,654,977

(Unit: Thousand Baht)

	Land	Buildings and improvements	Machinery and equipment	Tools and equipment	Office furniture, fixtures and equipment	Vehicles	Construction in progress and machinery under installation	Total
<b>Accumulated depreciation</b>								
1 January 2020	-	229,324	337,324	57,083	16,204	14,731	-	654,666
Depreciation for the year	-	26,670	52,850	12,337	8,746	1,522	-	102,125
Depreciation on disposals and write-off	-	-	(11,939)	(302)	(600)	-	-	(12,841)
31 December 2020	-	255,994	378,235	69,118	24,350	16,253	-	743,950
Depreciation for the year	-	28,143	56,033	13,770	11,483	169	-	109,598
Depreciation on disposals and write-off	-	-	(53,878)	(1,360)	(2,425)	(1,139)	-	(58,802)
31 December 2021	-	284,137	380,390	81,528	33,408	15,283	-	794,746

(Unit: Thousand Baht)

	Land	Buildings and improvements	Machinery and equipment	Tools and equipment	Office furniture, fixtures and equipment	Vehicles	Construction in progress and machinery under installation	Total
<b>Allowance for impairment</b>								
1 January 2020	-	-	2,997	-	-	-	-	2,997
Increase during the year	-	-	9,222	-	-	-	-	9,222
31 December 2020	-	-	12,219	-	-	-	-	12,219
Reverse during the year	-	-	(12,219)	-	-	-	-	(12,219)
31 December 2021	-	-	-	-	-	-	-	-
<b>Net book value</b>								
31 December 2020	101,463	239,663	324,385	39,581	43,234	786	28,620	777,732
31 December 2021	116,947	225,171	378,195	36,611	44,113	226	58,968	860,231
<b>Depreciation for the year</b>								
2020 (77.2 million included in manufacturing cost, and the balance in selling, distribution and administrative expenses)								102,125
2021 (85.3 million included in manufacturing cost, and the balance in selling, distribution and administrative expenses)								109,598

As at 31 December 2020, the Company had the outstanding allowance for impairment of machinery of Baht 12.2 million which they were unused in the Company's operation. Later in 2021, the Company disposed these idle machinery and reversed the full amount of allowance for impairment of machinery in during the year.

As at 31 December 2021, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 570.9 million (2020: Baht 406.7 million).

#### 14. Intangible assets

	(Unit: Thousand Baht)			
	Computer software	License	Computer software under development	Total
<b>Cost</b>				
1 January 2020	33,624	9,538	125	43,287
Additions	-	71	589	660
Transfer in (out)	-	81	(125)	(44)
31 December 2020	33,624	9,690	589	43,903
Additions	533	1,060	527	2,120
Transfer in (out)	1,116	-	(1,116)	-
31 December 2021	35,273	10,750	-	46,023
<b>Accumulated amortisation</b>				
1 January 2020	13,092	5,202	-	18,294
Amortisation for the year	2,534	1,044	-	3,578
31 December 2020	15,626	6,246	-	21,872
Amortisation for the year	2,492	1,273	-	3,765
31 December 2021	18,118	7,519	-	25,637
<b>Net book value</b>				
31 December 2020	17,998	3,444	589	22,031
31 December 2021	17,155	3,231	-	20,386

## 15. Leases

### The Company as a lessee

The Company has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 3 to 17 years.

#### a) Right-of-use assets

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

	(Unit: Thousand Baht)				
	Land	Buildings	Equipment	Motor vehicles	Total
1 January 2020	42,139	18,545	354	18,649	79,687
Depreciation for the year	(7,208)	(3,088)	(180)	(6,621)	(17,097)
31 December 2020	34,931	15,457	174	12,028	62,590
Addition	1,210	2,504	2,090	14,936	20,740
Disposals	(475)	-	(354)	(18,759)	(19,588)
Depreciation for the year	(7,122)	(3,519)	(697)	(7,452)	(18,790)
Depreciation on disposals	475	-	354	15,175	16,004
31 December 2021	<u>29,019</u>	<u>14,442</u>	<u>1,567</u>	<u>15,928</u>	<u>60,956</u>

#### b) Lease liabilities

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Lease payments	53,199	55,559
Less: Deferred interest expenses	(1,503)	(1,946)
Total	<u>51,696</u>	<u>53,613</u>
Less: Current portion	(19,029)	(16,576)
Liabilities under lease agreements - net of current portion	<u>32,667</u>	<u>37,037</u>

Movements of liabilities under lease agreements account during the years ended 31 December 2021 and 2020 were summarised below.

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Balance at beginning of year	53,613	70,011
Add: Increase during the year	20,417	-
Interest expenses of lease liabilities under lease agreements	966	1,184
Less: Cash paid for rental fees during the year	(19,723)	(17,238)
Decrease from cancellation of lease agreements	(3,577)	(344)
Balance at end of year	<u>51,696</u>	<u>53,613</u>

A maturity analysis of lease payments is disclosed in Note 30.2 under the liquidity risk.



c) **Expenses relating to leases that are recognised in profit or loss**

(Unit: Thousand Baht)  
For the year ended  
31 December

	<u>2021</u>	<u>2020</u>
Depreciation expense of right-of-use assets	18,790	17,097
Interest expense on lease liabilities	966	1,184
Expense relating to short-term leases	9,325	616
Expense relating to leases of low-value assets	506	363

d) **Others**

The Company had total cash outflows for leases for the year ended 31 December 2021 of Baht 29.6 million (2020: Baht 18.2 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

16. **Trade and other payables**

(Unit: Thousand Baht)

	<u>2021</u>	<u>2020</u>
Trade accounts payable - unrelated parties	341,453	221,963
Other payables - unrelated parties	41,248	36,007
Total trade and other payables	<u>382,701</u>	<u>257,970</u>

## 17. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
<b>Provision for long-term employee benefits</b>		
<b>at beginning of year</b>	57,494	49,995
Included in profit or loss:		
Current service cost	5,353	4,712
Interest cost	937	1,006
Included in other comprehensive income:		
Actuarial loss (gain) arising from		
Demographic assumptions changes	141	(3,016)
Financial assumptions changes	(5,406)	1,651
Experience adjustments	2,099	3,856
Benefits paid during the year	<u>(3,637)</u>	<u>(710)</u>
<b>Provision for long-term employee benefits</b>		
<b>at end of year</b>	<u>56,981</u>	<u>57,494</u>

The Company expects to pay Baht 3.4 million of long-term employee benefits during the next year (2020: Baht 8.9 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 14 years for monthly staffs and 14 years for daily staffs (2020: 14 years for monthly staffs and 13 years for daily staffs).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	<u>2021</u>	<u>2020</u>
Discount rate	2.38 and 2.38	1.49 and 1.50
Salary increase rate	4.84 and 1.68	4.98 and 2.30
Turnover rate	0 to 32	0 to 36

The result 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: million Baht)			
	2021		2020	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(2.3)	2.5	(2.5)	2.6
Salary increase rate	2.4	(2.2)	2.5	(2.4)
Turnover rate	(2.5)	2.6	(2.6)	2.8

## 18. Share capital

On 26 April 2021, the Annual General Meeting of the Company's shareholders pass a resolution to approve an increase in the Company's registered capital, from Baht 80 million (80 million ordinary shares at Baht 1 per share) to Baht 90 million (90 million ordinary shares at Baht 1 per share), by issued 10 million new ordinary shares with a par value of Baht 1 per share, or a total of Baht 10 million to support the stock dividend payment. The Company registered the increase in share capital with the Ministry of Commerce on 25 May 2021.

### Reconciliation of number of ordinary shares

During the current year, the movements of registered capital, paid-up capital and premium on ordinary shares of the Company are as follows:

	Registered capital		Paid-up capital		
	Number of ordinary shares	Amount	Number of ordinary shares	Amount	Share premium
	(Thousand shares)	(Thousand shares)	(Thousand shares)	(Thousand shares)	(Thousand shares)
As at 31 December 2020	80,000	80,000	80,000	80,000	136,800
Increase from stock dividend issuance	10,000	10,000	10,000	10,000	-
As at 31 December 2021	90,000	90,000	90,000	90,000	136,800

## 19. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside 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. At present, the statutory reserve has fully been set aside.

## 20. Other income

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Interest income on debt instruments measured at amortised cost	2,533	5,341
Gain on exchange rate	14,999	3,246
Gain arising on financial assets designed as at FVTPL	10,818	-
Others	7,989	5,009
Total other income	<u>36,339</u>	<u>13,596</u>

## 21. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Salaries and wages and other employee benefits	520,608	497,574
Depreciation and amortisation expenses	132,153	122,801
Raw materials and packaging used	2,050,222	1,584,108
Changes in inventories of finished goods and work in process	96,607	76,032
Rental expenses and service fee from operating lease and service agreements	31,831	18,452
Impairment loss for machineries	-	9,222
Research and development expenses	2,572	1,585

## 22. 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>
<b>Current income tax:</b>		
Current income tax charge	73,228	58,993
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	4,060	(3,883)
<b>Income tax expenses reported in the statements of comprehensive income</b>	<u>77,288</u>	<u>55,110</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Deferred tax relating to actuarial gain (loss)	633	(498)
	<u>633</u>	<u>(498)</u>

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

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Accounting profit before tax	460,108	402,916
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	92,022	80,583
Effects of:		
Promotional privileges (Note 23)	(16,060)	(19,878)
Non-deductible expenses	5,048	359
Additional expense deductions allowed	(3,732)	(5,954)
Total	<u>(14,734)</u>	<u>(25,473)</u>
Income tax expense reported in in the statements of comprehensive income	<u>77,288</u>	<u>55,110</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position	
	<u>2021</u>	<u>2020</u>
<b>Deferred tax assets</b>		
Allowance for expected credit losses	9	5
Allowance for diminution in value of inventories	2,449	2,873
Allowance for impairment of assets	-	2,444
Provision for long-term employee benefits	11,396	11,499
Lease	216	136
<b>Total</b>	<u>14,070</u>	<u>16,957</u>
<b>Deferred tax liabilities</b>		
Accumulated depreciation - equipment	(4,879)	(5,237)
Unrealised gain on fair value of investments	(2,164)	-
<b>Total</b>	<u>(7,043)</u>	<u>(5,237)</u>
<b>Deferred tax - net</b>	<u>7,027</u>	<u>11,720</u>

### 23. Promotional privileges

The Company has received promotional privileges from the Board of Investment for the manufacture of ECO-friendly products, pursuant to the investment promotion certificate No. 2103(1)/2554 issued on 2 March 2010. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations begin generating revenues (23 April 2017) and a 50% reduction of corporate income tax on income derived from the promoted operations for a period of 5 years after the tax-exemption period ends.

The Company's operating revenues for the years ended 31 December 2021 and 2020, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Promoted operations		Non-promoted operations		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Sales						
Export sales	518,088	521,661	2,774,437	2,239,588	3,292,525	2,761,249
Domestic sales	1,167	966	467,063	425,837	468,230	426,803
<b>Total sales (Note 25)</b>	<u>519,255</u>	<u>522,627</u>	<u>3,241,500</u>	<u>2,665,425</u>	<u>3,760,755</u>	<u>3,188,052</u>

## 24. Earnings per share

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

The number of outstanding ordinary shares was retrospectively adjusted to reflect the stock dividend during the year as if the event had occurred since the beginning of the comparative year presented. As a result, the 2021 earnings per share was adjusted to give a comparative result.

	<u>2021</u>	<u>2020</u>
Profit for the year (Thousand Baht)	<u>382,821</u>	<u>347,806</u>
Weighted average number of issue and paid-up ordinary shares		
after adjustment with stock dividend (Thousand shares)	90,000	90,000
Basic earnings per share (Baht per share)	4.25	3.86

## 25. Business 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.

The Company is organised into one operating segment to manufactures and sell plastic products and the single geographical area of its operation is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements pertain to the aforementioned reportable operating segment and geographical area.

### Production information

The Company manufactures and sell plastic products, which dividend into two main products are plastic bag and straw products. Other products are Zipper tape and resin scrap, etc.

The following tables present revenue and profit information regarding the Company's products for the years ended 31 December 2021 and 2020, respectively.

	(Unit: Million Baht)							
	Plastic bag		Straw		Others		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue from contracts with customers								
Revenue from external								
- Overseas	3,082.2	2,554.8	62.9	85.6	147.4	129.5	3,292.5	2,769.9
- Local	276.0	246.2	120.0	123.0	72.3	57.6	468.3	426.8
Total revenue from contracts with customers	<u>3,358.2</u>	<u>2,801.0</u>	<u>182.9</u>	<u>208.6</u>	<u>219.7</u>	<u>187.1</u>	<u>3,760.8</u>	<u>3,196.7</u>
Gross profit	675.1	653.8	28.3	42.8	93.3	55.4	796.7	752.0
Other income							36.3	13.6
Selling and distribution expenses							(100.6)	(103.5)
Administrative expenses							(270.4)	(257.0)
Finance cost							(1.9)	(2.2)
Income tax expenses							(77.3)	(55.1)
Profit for the year							<u>382.8</u>	<u>347.8</u>

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
<b>Timing of revenue recognition:</b>		
Sales (Note 23)	3,746,394	3,188,052
Services income	14,361	8,691
Total revenue from contracts with customers - recognised at a point in time	<u>3,760,755</u>	<u>3,196,743</u>

#### Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Europe	2,014,007	1,765,697
Thailand	468,230	426,804
Australia and New Zealand	168,226	155,347
Asia	366,008	398,032
America	743,351	449,808
Africa	933	1,055
Total	<u>3,760,755</u>	<u>3,196,743</u>



Property, plant and equipment

All property, plant and equipment of the Company are located in Thailand.

Major customers

For the years 2021 and 2020, the Company had revenue from two major customers, arising from sales of plastic bag and straw products.

## 26. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company contributes to the fund monthly at the rate of 3 percent of basic salary and employees contribute to the fund monthly at the rate of 3 to 15 percent of basic salary. The fund, which is managed by SCB Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to approximately Baht 5 million (2020: Baht 4.7 million) were recognised as expenses.

## 27. Dividends payment/stock dividend

Dividend declared for the years ended 31 December 2021 and 2020 consist of the following:

	<u>Approved by</u>	<u>Total Dividend</u> (Million Baht)	<u>Dividend per share</u> (Baht)	<u>Paid on</u>
<b><u>2021</u></b>				
Final dividend on 2020 income (Cash dividend of Baht 1.575 per share and stock dividend of 1 dividend share for every 8 existing shares)	Annual General Meeting of the shareholders on 26 April 2021	136.00	1.70	
Less: Interim dividend paid in 2020	Board of Director Meeting on 10 August 2020	<u>(40.00)</u>	<u>(0.50)</u>	9 September 2020
Total dividend paid for the years ended 31 December 2021		<u>96.00</u>	<u>1.20</u>	24 May 2021
<b><u>2020</u></b>				
Final dividend on 2019 income	Board of Director Meeting on 1 April 2020	100.00	1.25	30 April 2020
interim dividend on earnings for six-month period of 2020	Board of Director Meeting on 10 August 2020	<u>40.00</u>	<u>0.50</u>	9 September 2020
Total dividend paid for the year ended 31 December 2020		<u>140.00</u>	<u>1.75</u>	

On 26 April 2021, the Annual General Meeting of the Company's shareholders passed a resolution to approve an annual dividend payment in respect of the 2020 profit to the Company's shareholders of Baht 1.70 per share to its shareholders, a total of Baht 136 million. The Company paid an interim dividend of Baht 0.50 per share, a total of Baht 40 million, in September 2020, and is to pay the remaining Baht 1.20 per share, or a total of Baht 96 million. Such dividend paid by stock dividend and cash as follows:

- 1) Dividend payment by additional ordinary shares of the Company at the ratio of 8 existing issued shares to 1 new ordinary share with a par value of Baht 1 per share, or a total of Baht 10 million or at the rate of Baht 0.125 per share.
- 2) Dividend payment by cash at Baht 1.075 per share, totaling Baht 86 million

The Company paid the dividend on 24 May 2021.

## 28. Commitment and contingent liabilities

The Company has commitments and contingent liabilities other than those disclosed in other notes as follows:

### 28.1 Capital commitments

As at 31 December 2021, the Company had capital commitments of approximately Baht 32.5 million, relating to the equipment installation and building improvement (2020: Baht 30.1 million, relating to the acquisition of land and building improvement).

### 28.2 Lease of the low-value assets and other service commitments

The Company has entered into several agreements in respect of the lease of the low-value assets and other services. The terms of the agreements are generally between 1 and 3 years.

As at 31 December 2021 and 2020, the Company has future lease payments and service fee payables under these lease and service agreements were summarised below:

	(Unit: Million Baht)	
	<u>2021</u>	<u>2020</u>
Payable:		
In up to 1 year	20.1	16.0
In over 1 and up to 3 years	4.6	4.1
	<u>24.7</u>	<u>20.1</u>

### 28.3 Bank Guarantees

As at 31 December 2021, the Company had outstanding bank guarantees of approximately Baht 16.7 million (2020: Baht 18.9 million) issued by banks on behalf of the Company, in respect of guarantee electricity use, purchase of raw material and performance guarantees as required in the normal course of business.

## 29. Fair value hierarchy

As at 31 December 2021 and 2020, the Company had the assets that was disclosed fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)	
	Fair value hierarchy	
	Level 2	
	2021	2020
<b>Assets for which fair value are disclosed</b>		
Financial assets measured at FVTPL		
Investment in mutual funds	511,161	-
Financial assets measured at amortised cost		
6-months fixed deposits	-	50,000
Debt investments	-	68,980
Investment property	178,567	188,961
<b>Liabilities for which fair value are disclosed</b>		
Derivatives		
Foreign currency forward contracts	7,029	1,657

## 30. Financial instruments

### 30.1 Derivatives

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
<b>Derivative liabilities</b>		
Derivatives liabilities not designated as hedging instruments		
Foreign exchange forward contracts	7,029	1,657
<b>Total derivative liabilities</b>	<u>7,029</u>	<u>1,657</u>

## Derivatives not designated as hedging instruments

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 1 to 18 months.

As at 31 December 2021 and 2020, the Company had outstanding foreign exchange forward contracts are summarised below.

Foreign currency	Sold	Bought	Contractual exchange rate		Contractual maturity date
	amount	amount	Sold amount	Bought amount	
	(million)	(million)	(Baht per unit of foreign currency)		
<b>2021</b>					
US dollars	9.93	0.82	32.2700 - 33.5780	33.1950 - 33.8050	1 March 2022 - 17 May 2023
Japanese yen	-	1.68	-	0.2922	24 January 2022
<b>2020</b>					
US dollars	0.60	2.02	30.0450 - 30.1700	30.2800 - 31.3000	1 January 2021 - 6 July 2021

### 30.2 Financial risk management objectives and policies

The Company's financial instruments principally comprise cash and cash equivalents, trade accounts receivable and investment. 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 accounts receivable, deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Company's maximum exposure relating to derivatives is noted in the liquidity risk topic.

### ***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 receivables are regularly monitored and any shipments to major customers are generally covered by other forms of credit insurance obtained from reputable banks and other financial institutions.

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 various 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 receivables are written-off if 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 are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Executive Committee. 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.

### **Market risk**

There are two types of market risk comprising currency risk and interest rate risk.

#### ***Foreign currency risk***

The Company's exposure to the foreign currency risk relates primarily to import or export of goods and investment in foreign mutual funds that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

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

Currency	Financial assets		Financial liabilities		Average exchange rate	
	31	31	31	31	31	31
	December	December	December	December	December	December
	2021	2020	2021	2020	2021	2020
	(Million)	(Million)	(Million)	(Million)	(Baht per unit of foreign currency)	
US dollars	12.98	2.79	3.49	3.32	33.3829	29.9909
Euro	0.50	0.03	0.01	0.01	0.2944	36.8165
Japanese yen	-	-	1.68	1.68	37.8418	0.2944
Swedish Krona	-	-	-	0.48	-	3.7088

#### *Foreign currency sensitivity*

As at 31 December 2021 and 2020, the Company's exposure to foreign currency changes is not material.

#### **Interest rate risk**

The Company's exposure to interest rate risk to be low relates to the Company's financial assets and liabilities which have bear floating interest rates or fixed interest rates which are close to the market rate. As at 31 December 2021 and 2020, the Company's exposure to interest rate changes is not material.

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)

	2021					Effective interest rate (Percent per annum)
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	
	Within 1 year	More than 1 - 5 years				
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	234.9	5.2	240.1	0.1 - 0.4
Trade and other receivables	-	-	-	436.8	436.8	-
Other current financial assets	-	33.1	-	-	33.1	1.66 - 2.13
Short-term investment	-	-	-	200.0	200.0	-
Long-term investments	-	-	-	311.0	311.0	-
	-	33.1	234.9	953.0	1,221.0	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	382.7	382.7	-
Lease liabilities	19.0	32.7	-	-	51.7	1.44 - 3.99
Other current financial liabilities	-	-	-	7.0	7.0	-
	19.0	32.7	-	389.7	441.4	

(Unit: Million Baht)

	Fixed interest rates		Floating		Total	Effective interest rate (Percent per annum)
	Within 1 year	More than 1 - 5 years	interest rate	Non- interest bearing		
<b>2020</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	695.3	1.3	696.6	0.04 - 0.50
Trade and other receivables	-	-	-	325.3	325.3	-
Other current financial assets	90.1	32.6	-	-	122.7	1.00 - 3.21
	<u>90.1</u>	<u>32.6</u>	<u>695.3</u>	<u>326.6</u>	<u>1,144.6</u>	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	258.0	258.0	-
Lease liabilities	16.6	37.0	-	-	53.6	1.60 - 4.75
Other current financial liabilities	-	-	-	1.7	1.7	-
	<u>16.6</u>	<u>37.0</u>	<u>-</u>	<u>259.7</u>	<u>313.3</u>	

### Liquidity risk

The Company monitors the risk of shortage of liquidity position by maintain level of cash and cash equivalent and has credit lines with various banks. As at 31 December 2021 and 2020, the Company has assessed the sufficient of the Company's net working capital to refinancing its debt in financial statements and concluded it to be low.

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

	(Unit: Thousand Baht)		
	2021		
	Within 1 year	More than 1 - 5 years	Total
<b>Non-derivatives</b>			
Trade and other payables	382,701	-	382,701
Lease liabilities (Note 15)	19,029	32,667	51,696
<b>Total non-derivatives</b>	<u>401,730</u>	<u>32,667</u>	<u>434,397</u>
<b>Derivatives</b>			
Derivative liabilities: net settled	7,029	-	7,029
<b>Total derivatives</b>	<u>7,029</u>	<u>-</u>	<u>7,029</u>

	(Unit: Thousand Baht)		
	2020		
	Within 1 year	More than 1 - 5 years	Total
<b>Non-derivatives</b>			
Trade and other payables	257,970	-	257,970
Lease liabilities (Note 15)	17,479	38,080	55,559
<b>Total non-derivatives</b>	<u>275,449</u>	<u>38,080</u>	<u>313,529</u>
<b>Derivatives</b>			
Derivative liabilities: net settled	1,657	-	1,657
<b>Total derivatives</b>	<u>1,657</u>	<u>-</u>	<u>1,657</u>

### 30.3 Fair values of financial instruments

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

### 31. 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 0.3:1 (2020: 0.2:1).

### 32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 14 February 2022.