

Thantawan Industry Public Company Limited  
Report and financial statements  
31 December 2023

## 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 2023, 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 2023, 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 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 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.

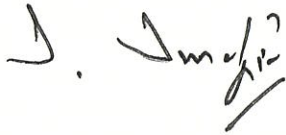
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies 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: 15 February 2024

Thantawan Industry Public Company Limited

Statement of financial position

As at 31 December 2023

		(Unit: Baht)	
	<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	965,428,253	282,123,585
Trade and other receivables	8	424,758,861	372,350,771
Inventories	9	532,968,923	625,375,119
Other current financial assets	10	267,838,271	104,982,861
Other current assets		<u>9,640,583</u>	<u>8,428,133</u>
<b>Total current assets</b>		<u>2,200,634,891</u>	<u>1,393,260,469</u>
<b>Non-current assets</b>			
Other non-current financial assets	10	82,914,606	657,384,091
Investment property	11	43,140,261	43,140,261
Property, plant and equipment	12	767,027,193	858,718,565
Intangible assets	13	17,582,173	19,432,900
Right-of-use assets	14	42,976,671	45,865,533
Deferred tax assets	21	<u>11,431,737</u>	<u>7,291,555</u>
<b>Total non-current assets</b>		<u>965,072,641</u>	<u>1,631,832,905</u>
<b>Total assets</b>		<u>3,165,707,532</u>	<u>3,025,093,374</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 2023

		(Unit: Baht)	
	<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other payables	15	319,617,294	294,583,825
Accrued expenses		75,108,531	88,952,600
Current portion of lease liabilities	14	16,511,832	16,306,096
Accrued income tax		32,885,825	15,534,643
Other current financial liabilities		4,530,034	14,700,914
Other current liabilities		<u>3,116,712</u>	<u>3,372,990</u>
<b>Total current liabilities</b>		<u>451,770,228</u>	<u>433,451,068</u>
<b>Non-current liabilities</b>			
Lease liabilities, net of current portion	14	17,323,237	20,480,047
Provision for long-term employee benefits	16	<u>53,323,971</u>	<u>55,954,725</u>
<b>Total non-current liabilities</b>		<u>70,647,208</u>	<u>76,434,772</u>
<b>Total liabilities</b>		<u>522,417,436</u>	<u>509,885,840</u>
<b>Shareholders' equity</b>			
Share capital			
Registered			
89,999,686 ordinary shares of Baht 1 each	17	<u>89,999,686</u>	<u>89,999,686</u>
Issued and fully paid up			
89,999,686 ordinary shares of Baht 1 each		89,999,686	89,999,686
Share premium		136,800,000	136,800,000
Retained earnings			
Appropriated - statutory reserve	18	10,000,000	10,000,000
Unappropriated		2,410,221,970	2,281,232,505
Other components of shareholders' equity		<u>(3,731,560)</u>	<u>(2,824,657)</u>
<b>Total shareholders' equity</b>		<u>2,643,290,096</u>	<u>2,515,207,534</u>
<b>Total liabilities and shareholders' equity</b>		<u>3,165,707,532</u>	<u>3,025,093,374</u>

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

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Directors

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Thantawan Industry Public Company Limited  
Statement of comprehensive income  
For the year ended 31 December 2023

		(Unit: Baht)	
	<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>Profit or loss:</b>			
<b>Revenues</b>			
Revenue from contracts with customers	24	3,410,930,669	4,072,740,489
Other income	19	<u>70,506,073</u>	<u>55,791,398</u>
<b>Total revenues</b>		<u>3,481,436,742</u>	<u>4,128,531,887</u>
<b>Expenses</b>			
Cost of sales and services	20	2,727,987,513	3,298,281,026
Selling and distribution expenses		128,399,763	122,951,329
Administrative expenses		<u>285,583,106</u>	<u>285,756,293</u>
<b>Total expenses</b>		<u>3,141,970,382</u>	<u>3,706,988,648</u>
<b>Operating profit</b>		339,466,360	421,543,239
Finance cost		<u>(2,797,648)</u>	<u>(2,906,245)</u>
<b>Profit before income tax expenses</b>		336,668,712	418,636,994
Income tax expenses	21	<u>(48,157,124)</u>	<u>(55,588,631)</u>
<b>Profit for the year</b>		<u>288,511,588</u>	<u>363,048,363</u>
<b>Other comprehensive income :</b>			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent years</i>			
Gain (loss) on changes in value of equity investments designated at fair value through other comprehensive income	10	1,374,161	(3,530,821)
Less: Income tax effect	21	<u>(274,832)</u>	<u>706,164</u>
		<u>1,099,329</u>	<u>(2,824,657)</u>
Actuarial loss on defined employee benefit plans		(5,036,131)	(1,251,339)
Less: Income tax effect	21	<u>1,007,226</u>	<u>250,268</u>
		<u>(4,028,905)</u>	<u>(1,001,071)</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent years - net of income tax		<u>(2,929,576)</u>	<u>(3,825,728)</u>
<b>Other comprehensive income for the year</b>		<u>(2,929,576)</u>	<u>(3,825,728)</u>
<b>Total comprehensive income for the year</b>		<u>285,582,012</u>	<u>359,222,635</u>
<b>Earnings per share</b>			
Basic earnings per share	23		
Profit		<u>3.21</u>	<u>4.03</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 2023**

(Unit: Baht)

	Issued and paid up share capital	Share premium	Retained earnings		Other components of shareholders' equity	Total
			Appropriated - statutory reserve	Unappropriated		
<b>Balance as at 1 January 2022</b>	89,999,686	136,800,000	10,000,000	2,076,684,663	-	2,313,484,349
Profit for the year	-	-	-	363,048,363	-	363,048,363
Other comprehensive income for the year	-	-	-	(1,001,071)	(2,824,657)	(3,825,728)
Total comprehensive income for the year	-	-	-	362,047,292	(2,824,657)	359,222,635
Dividend paid (Note 26)	-	-	-	(157,499,450)	-	(157,499,450)
<b>Balance as at 31 December 2022</b>	<u>89,999,686</u>	<u>136,800,000</u>	<u>10,000,000</u>	<u>2,281,232,505</u>	<u>(2,824,657)</u>	<u>2,515,207,534</u>
<b>Balance as at 1 January 2023</b>	89,999,686	136,800,000	10,000,000	2,281,232,505	(2,824,657)	2,515,207,534
Profit for the year	-	-	-	288,511,588	-	288,511,588
Other comprehensive income for the year	-	-	-	(4,028,905)	1,099,329	(2,929,576)
Total comprehensive income for the year	-	-	-	284,482,683	1,099,329	285,582,012
Dividend paid (Note 26)	-	-	-	(157,499,450)	-	(157,499,450)
Transfer of gain (loss) on change in value of equity instruments designated at FVOCI to retained earnings	-	-	-	2,006,232	(2,006,232)	-
<b>Balance as at 31 December 2023</b>	<u>89,999,686</u>	<u>136,800,000</u>	<u>10,000,000</u>	<u>2,410,221,970</u>	<u>(3,731,560)</u>	<u>2,643,290,096</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 2023

	Note	2023	2022
(Unit: Baht)			
<b>Cash flows from operating activities</b>			
Profit before tax		336,668,712	418,636,994
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation	12, 13, 14	148,310,360	143,440,133
Increase (decrease) in allowance for expected credit losses of trade receivables	8	4,252	(32,795)
Written-off bad debts		-	12,198
Increase in reduction cost of inventories to net realisable value	9	537,629	1,510,490
Amortisation of premium on investment	10	110,302	226,731
Loss (gain) on disposals and write-off of machine and equipment and cancellation of lease agreement		183,513	(196,081)
Unrealised loss (gain) on exchange		6,248,870	(9,624,240)
Gain arising on financial assets desinged as at FVTPL	19	(17,720,754)	(25,351,179)
Provision for long-term employee benefits	16	4,979,743	5,364,236
Interest income	19	(9,830,233)	(1,097,986)
Dividend income	19	(5,740,928)	(1,902,712)
Finance cost	14, 16	2,797,647	2,905,955
Profit from operating activities before changes in operating assets and liabilities		466,549,113	533,891,744
Operating assets (increase) decrease:			
Trade and other receivables		(165,008,085)	(137,126,242)
Inventories		91,868,567	106,521,564
Other current assets		(1,212,451)	2,301,935
Other current financial assets		213,838	(145,305)
Operating liabilities increase (decrease):			
Trade and other payables		37,726,269	(84,754,382)
Accrued expenses		(13,844,068)	(2,355,012)
Other current liabilities		(256,278)	(4,076,579)
Cash flows from operating activities		416,036,905	414,257,723
Cash paid for employee benefits	16	(14,664,517)	(9,125,233)
Cash paid for corporate income tax		(34,213,729)	(85,671,354)
Cash received from VAT refundable		111,662,245	199,897,008
<b>Net cash flows from operating activities</b>		<u>478,820,904</u>	<u>519,358,144</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 2023

		(Unit: Baht)	
	Note	<u>2023</u>	<u>2022</u>
<b>Cash flows from investing activities</b>			
Cash received from interest income		8,475,642	1,099,591
Cash received from dividend income		5,656,422	1,369,690
Cash paid for fixed deposits at banks		(398,422,294)	-
Cash received from fixed deposits at banks		399,027,146	-
Cash paid for investment in mutual fund	10	(388,975,130)	(433,511,261)
Cash received from investment in mutual fund	10	997,137,155	296,320,798
Cash paid for investment in corporate bonds	10	(108,870,613)	(100,000,000)
Cash received from investment in corporate bonds	10	-	100,000,000
Cash paid for investment in government bonds	10	(54,443,628)	-
Cash paid for investment in perpetual bond	10	(60,795,763)	(48,850,381)
Cash received from investment in perpetual bond	10	29,954,684	-
Cash paid for acquisitions of property, plant and equipment		(33,115,082)	(120,860,604)
Cash paid for acquisitions of intangible assets		(2,094,795)	(2,859,000)
Proceeds from disposals of equipment		<u>947,927</u>	<u>460,757</u>
<b>Net cash flows from (used in) investing activities</b>		<u>394,481,671</u>	<u>(306,830,410)</u>
<b>Cash flows from financing activities</b>			
Cash received from short-term loans from financial institutions		-	230,000,000
Cash paid for short-term loans from financial institutions		-	(230,000,000)
Cash paid for interest expense from short-term loans from financial institutions		-	(617,685)
Repayment of principal and interest of lease liabilities	14	(21,274,675)	(21,412,063)
Dividend paid		<u>(168,723,232)</u>	<u>(148,421,110)</u>
<b>Net cash flows used in financing activities</b>		<u>(189,997,907)</u>	<u>(170,450,858)</u>
<b>Net increase in cash and cash equivalents</b>		683,304,668	42,076,876
Cash and cash equivalents at beginning of year		<u>282,123,585</u>	<u>240,046,709</u>
<b>Cash and cash equivalents at end of year</b>	7	<u><u>965,428,253</u></u>	<u><u>282,123,585</u></u>
<b>Supplemental disclosures of cash flows information:</b>			
Non-cash related transactions			
Decrease in deposit for acquisition of land		-	3,000,000
Increase in accounts payable under lease agreements	14	20,490,884	12,959,697
Increase in accounts payable for acquisitions of building improvement and equipment		257,119	3,269,038
Dividend payables		5,263,992	16,487,775

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 2023**

### **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**

#### **3.1 Financial reporting standards that became effective in the current year**

During the year, the Company has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023. 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.

### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024**

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 2024. 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 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 13 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	1 to 17 years
Buildings	6 years
Equipment	3 years
Motor vehicles	2 to 4 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 designated at FVOCI (equity instruments)***

Upon initial recognition, the Company can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

### ***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 significant business transactions with related party.

#### Directors and management's benefits

During the years ended 31 December 2023 and 2022, directors and management's benefit of the Company are as below:

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	65,306	62,060
Post-employment benefits	3,020	2,906
Total	<u>68,326</u>	<u>64,966</u>

### 7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Cash	120	120
Bank deposits	965,308	282,004
Total	<u>965,428</u>	<u>282,124</u>

As of 31 December 2023, bank deposits in saving accounts carried interest at the rate between 0.04 and 5.00. percent per annum (2022: between 0.04 and 0.50 percent per annum).

## 8. Trade and other receivables

(Unit: Thousand Baht)

	<u>2023</u>	<u>2022</u>
<b>Trade accounts receivable - unrelated parties</b>		
Aged on the basis of due dates		
Not yet due	342,592	297,561
Past due		
Up to 3 months	49,177	53,093
3 - 6 months	114	722
6 - 12 months	5	-
Total	<u>391,888</u>	<u>351,376</u>
Less: Allowance for expected credit losses	(16)	(12)
Total trade accounts receivables - unrelated parties, net	<u>391,872</u>	<u>351,364</u>
<b>Other receivables</b>		
Other receivables - Revenue Department	29,487	19,791
Advances	1,125	363
Other receivables - unrelated parties	31	29
Dividend receivables	618	533
Interest receivables	1,626	271
Total other receivables	<u>32,887</u>	<u>20,987</u>
Total trade and other receivables - net	<u>424,759</u>	<u>372,351</u>

The normal credit term is 7 to 90 days.

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

(Unit: Thousand Baht)

	<u>2023</u>	<u>2022</u>
Balance - beginning of year	12	45
Provision for expected credit losses increased (decreased)	4	(33)
Balance - ending of year	<u>16</u>	<u>12</u>

## 9. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Finished goods	162,508	211,498	(4,587)	(4,859)	157,921	206,639
Work in process	18,859	24,659	-	-	18,859	24,659
Raw materials	272,397	303,424	(9,705)	(8,895)	262,692	294,529
Factory supplies	20,026	21,864	-	-	20,026	21,864
Goods in transit	73,471	77,684	-	-	73,471	77,684
<b>Total</b>	<b>547,261</b>	<b>639,129</b>	<b>(14,292)</b>	<b>(13,754)</b>	<b>532,969</b>	<b>625,375</b>

During the current year, the Company reduced cost of inventories by Baht 0.5 million, to reflect the net realisable value. This was included in cost of sales (2022: Baht 1.5 million).

## 10. Other financial assets

(Unit: Thousand Baht)

	<u>2023</u>	<u>2022</u>
<u>Financial assets measured at amortised cost</u>		
Investment in corporate bonds due within one year	85,094	27,378
Investment in government bonds due within one year	54,517	-
Deposits and guarantees	5,380	5,594
<b>Total financial assets measured at amortised cost</b>	<b>144,991</b>	<b>32,972</b>
<u>Financial assets measured at FVTPL</u>		
Investment in corporate bonds due within one year	50,801	-
Investment in domestic unit trust in mutual funds	-	104,983
Investment in foreign unit trust in mutual funds	77,426	579,092
<b>Total financial assets measured at FVTPL</b>	<b>128,227</b>	<b>684,075</b>
<u>Financial assets measured at FVOCI</u>		
Investment in perpetual bonds	77,535	45,320
<b>Total financial assets measured at FVOCI</b>	<b>77,535</b>	<b>45,320</b>
<b>Total other financial assets</b>	<b>350,753</b>	<b>762,367</b>

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Comprise of:		
Current	267,838	104,983
Non-current	82,915	657,384
	<u>350,753</u>	<u>762,367</u>

As at 31 December 2023, the Company held investments in three foreign mutual funds, valued at approximately USD 1.18 million or equivalent to Baht 40.0 million and EUR 1 million or equivalent to Baht 37.4 million (2022: five foreign mutual funds approximately USD 15.6 million or equivalent to Baht 533.4 million and EUR 1.2 million or equivalent to Baht 45.7 million). These investments were managed by an overseas Asset Management Company. The Company's management intended to hold this fund as short-term investment within one year.

In addition, the Company held investments in perpetual bond of two financial institutions of approximately Baht 77.5 million (2022: A financial institution of approximately Baht 45.3 million), on which the fixed distribution rate at 5.275 and 6.125 percent per annum (2022: 5.275 percent per annum) and will receive the interest in every quarter or six months, which were managed by an overseas Asset Management company. The Company's management intends to hold these bonds as long-term investments for more than one year. Such financial assets were classified as equity investment and measured at FVOCI.

### Reconciliation of other financial assets

During the current year, the movements of other financial assets of the Company are as follows:

	(Unit: Thousand Baht)			
	Balance as at 31 December 2022	Increase during the year	Decrease during the year	Change in fair value of investments
Investment in corporate bonds due within one year				Amortised cost
- Measured at amortised cost	27,378	57,899	-	-
- Measured at FVTPL	-	50,971	-	(170)
Investment in government bonds due within one year	-	54,444	-	-
Investment in domestic unit trust in mutual funds	104,983	-	(106,165)	1,182
Investment in foreign unit trust in mutual funds	579,092	388,975	(890,971)	330
Investment in perpetual bonds	45,320	60,796	(29,955)	1,374
Deposits and guarantees	5,594	321	(535)	-
Total	762,367	613,406	(1,027,626)	2,716
			(110)	350,753
				Balance as at 31 December 2023

## 11. 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 2023 and 2022 are presented below.

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Net book value (Cost)	43,140	43,140
Fair value of land	185,476	178,567

In October 2023, the Company arranged for an independent professional appraiser to reappraise the value of land using the market comparison approach.

## 12. 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 2022	116,947	509,308	758,585	118,139	77,521	15,509	58,968	1,654,977
Additions	19,602	14,526	6,958	6,144	1,401	-	69,016	117,647
Disposals and write-off	-	(1,810)	(9,008)	(2,313)	(735)	(1,052)	-	(14,918)
Transfer in (out)	-	12,924	59,994	2,196	47,968	-	(123,082)	-
31 December 2022	136,549	534,948	816,529	124,166	126,155	14,457	4,902	1,757,706
Additions	-	-	3,071	3,277	1,379	-	25,646	33,373
Disposals and write-off	-	(28,133)	(23,786)	(11,616)	(964)	(1,678)	-	(66,177)
Transfer in (out)	-	18,476	5,482	2,169	440	-	(26,567)	-
31 December 2023	136,549	525,291	801,296	117,996	127,010	12,779	3,981	1,724,902

	(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 2022	-	284,137	380,390	81,528	33,408	15,283	-	794,746
Depreciation for the year	-	27,166	62,096	13,982	15,526	69	-	118,839
Accumulated depreciation on disposals and write-off	-	(1,810)	(8,779)	(2,223)	(735)	(1,051)	-	(14,598)
31 December 2022	-	309,493	433,707	93,287	48,199	14,301	-	898,987
Depreciation for the year	-	28,209	62,213	13,301	20,093	69	-	123,885
Accumulated depreciation on disposals and write-off	-	(27,598)	(23,379)	(11,379)	(963)	(1,678)	-	(64,997)
31 December 2023	-	310,104	472,541	95,209	67,329	12,692	-	957,875
<b>Net book value</b>								
31 December 2022	136,549	225,455	382,822	30,879	77,956	156	4,902	858,719
31 December 2023	136,549	215,187	328,755	22,787	59,681	87	3,981	767,027
<b>Depreciation for the year</b>								
2022	93.1 million included in manufacturing cost, and the balance in selling, distribution and administrative expenses							118,839
2023	95.6 million included in manufacturing cost, and the balance in selling, distribution and administrative expenses							123,885

As at 31 December 2023, 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 440.2 million (2022: Baht 410.8 million).



### 13. Intangible assets

(Unit: Thousand Baht)

	Computer software	License	Computer software under development	Total
<b>Cost</b>				
1 January 2022	35,273	10,750	-	46,023
Additions	-	59	2,800	2,859
Transfer in (out)	2,800	-	(2,800)	-
31 December 2022	38,073	10,809	-	48,882
Additions	200	31	1,863	2,094
Transfer in (out)	1,237	29	(1,266)	-
31 December 2023	39,510	10,869	597	50,976
<b>Accumulated amortisation</b>				
1 January 2022	18,118	7,519	-	25,637
Amortisation for the year	2,651	1,161	-	3,812
31 December 2022	20,769	8,680	-	29,449
Amortisation for the year	2,908	1,037	-	3,945
31 December 2023	23,677	9,717	-	33,394
<b>Net book value</b>				
31 December 2022	17,304	2,129	-	19,433
31 December 2023	15,833	1,152	597	17,582

## 14. 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 1 to 17 years.

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

Movement of right-of-use assets for the years ended 31 December 2023 and 2022 are summarised below:

(Unit: Thousand Baht)

	Land and construction thereon	Buildings	Equipment	Motor vehicles	Total
1 January 2022	29,019	14,442	1,567	15,928	60,956
Addition	-	803	1,702	10,455	12,960
Decrease from cancellation of lease agreements	-	(4,637)	-	(9,160)	(13,797)
Depreciation for the year	(7,132)	(3,293)	(1,537)	(8,827)	(20,789)
Depreciation from cancellation	-	1,135	-	5,401	6,536
31 December 2022	21,887	8,450	1,732	13,797	45,866
Addition	3,637	-	-	16,853	20,490
Decrease from cancellation of lease agreements	(12,192)	(803)	(2,039)	(11,109)	(26,143)
Depreciation for the year	(7,173)	(3,101)	(969)	(9,230)	(20,473)
Depreciation from cancellation	12,192	491	1,723	8,831	23,237
31 December 2023	18,351	5,037	447	19,142	42,977

#### b) Lease liabilities

(Unit: Thousand Baht)

	<u>2023</u>	<u>2022</u>
Lease payments	34,816	37,625
Less: Deferred interest expenses	(981)	(839)
Total	33,835	36,786
Less: Current portion	(16,512)	(16,306)
Liabilities under lease agreements - net of current portion	17,323	20,480

Movements of liabilities under lease agreements account during the years ended 31 December 2023 and 2022 were summarised below.

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Balance at beginning of year	36,786	51,696
Add: Increase during the year	20,491	12,960
Interest expenses of lease liabilities under lease agreements	780	804
Less: Cash paid for rental fees during the year	(21,275)	(21,412)
Decrease from cancellation of lease agreements	(2,907)	(7,262)
Gain from cancellation of lease agreements	(40)	-
Balance at end of year	<u>33,835</u>	<u>36,786</u>

A maturity analysis of lease payments is disclosed in Note 29.2 under the liquidity risk.

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

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Depreciation expense of right-of-use assets	20,473	20,788
Interest expense on lease liabilities	780	804
Expense relating to short-term leases	6,573	11,918
Expense relating to leases of low-value assets	802	985

**d) Others**

The Company had total cash outflows for leases for the year ended 31 December 2023 of Baht 28.9 million (2022: Baht 34.3 million), including the cash outflows related to short-term lease and leases of low-value assets.

**15. Trade and other payables**

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Trade accounts payable - unrelated parties	282,758	252,384
Other payables - unrelated parties	36,859	42,200
Total trade and other payables	<u>319,617</u>	<u>294,584</u>

## 16. 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>2023</u>	<u>2022</u>
<b>Provision for long-term employee benefits</b>		
<b>at beginning of year</b>	55,955	56,981
Included in profit or loss:		
Current service cost	4,979	5,364
Interest cost	2,018	1,484
Included in other comprehensive income:		
Actuarial loss (gain) arising from		
Demographic assumptions changes	(611)	(3,832)
Financial assumptions changes	145	(2,273)
Experience adjustments	5,503	7,356
Benefits paid during the year	(14,665)	(9,125)
<b>Provision for long-term employee benefits</b>		
<b>at end of year</b>	<u>53,324</u>	<u>55,955</u>

The Company expects to pay Baht 5.7 million (2022: Baht 5.1 million) of long-term employee benefits during the next year.

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 14 years for monthly staffs and 13 years for daily staffs (2022: 15 years for monthly staffs and 14 years for daily staffs).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	<u>2023</u>	<u>2022</u>
Discount rate	3.04 and 2.87	3.33 and 3.15
Salary increase rate	5.06 and 2.15	5.34 and 2.14
Turnover rate	0 to 33	0 to 33

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below:

	(Unit: million Baht)			
	2023		2022	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(2.0)	2.2	(2.1)	2.2
Salary increase rate	2.1	(2.0)	2.2	(2.1)
Turnover rate	(2.2)	2.4	(2.3)	2.4

### 17. Share capital

On 22 April 2022, the Annual General Meeting of the Company's shareholders pass a resolution to approve a decrease in the Company's registered capital from Baht 90,000,000 (90,000,000 ordinary shares of Baht 1 each) to Baht 89,999,686 (89,999,686 ordinary shares of Baht 1 each), by reduced 314 ordinary shares with a par value of Baht 1 each or a total of Baht 314 from the remaining shares which support the stock dividend payment. The Company registered the decrease in share capital with the Ministry of Commerce on 28 April 2022.

### 18. 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.

### 19. Other income

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Interest income	9,830	1,098
Dividend income	5,741	1,903
Gain on exchange rate	-	16,841
Gain arising on financial assets designed as at FVTPL	17,721	25,351
Gain on sale machinery and equipment	466	196
Other compensation income	31,656	-
Others	5,092	10,402
Total other income	<u>70,506</u>	<u>55,791</u>

## 20. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Salaries and wages and other employee benefits	510,531	539,570
Depreciation and amortisation expenses	148,310	143,440
Raw materials and packaging used	1,591,012	2,136,931
Changes in inventories of finished goods and work in process	(54,791)	(64,614)
Rental expenses and service fee from operating lease and service agreements	26,334	32,066
Research and development expenses	4,690	5,037

## 21. Income tax

Income tax expenses for the years ended 31 December 2023 and 2022 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
<b>Current income tax:</b>		
Current income tax charge	51,565	54,897
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(3,408)	692
<b>Income tax expenses reported in the statements of comprehensive income</b>	<u>48,157</u>	<u>55,589</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Deferred tax relating to actuarial loss	(1,007)	(250)
Deferred tax relating to loss from the change in value of financial assets measured by FVOCI	275	(706)
Total	<u>(732)</u>	<u>(956)</u>

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

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Accounting profit before tax	336,669	418,637
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	67,334	83,727
Effects of:		
Promotional privileges (Note 22)	(18,844)	(20,164)
Non-deductible expenses	7,435	1,514
Non-deductible taxable income or additional expense deductions allowed	(7,768)	(9,488)
Total	(19,177)	(28,138)
Income tax expense reported in the statements of comprehensive income	48,157	55,589

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

	(Unit: Thousand Baht)	
	Statements of financial position	
	<u>2023</u>	<u>2022</u>
<b>Deferred tax assets</b>		
Allowance for expected credit losses	3	2
Allowance for diminution in value of inventories	2,858	2,751
Provision for long-term employee benefits	10,665	11,191
Lease	165	184
Unrealised loss on fair value of forward contracts	906	2,940
Unrealised loss on fair value of investments	3,137	-
Total	17,734	17,068
<b>Deferred tax liabilities</b>		
Accumulated depreciation - equipment	(6,302)	(5,607)
Unrealised gain on fair value of investments	-	(4,170)
Total	(6,302)	(9,777)
<b>Deferred tax - net</b>	11,432	7,291

## 22. Promotional privileges

The Company has received promotional privileges under the Investment Promotion Act B.E. 2520 as approved by the Board of Investment. Subject to certain imposed conditions, significant privileges are as follows:

Certificate No.	2103(1)/2554	62-0043-1-00-1-0
Promotional privileges for	the manufacture of ECO-friendly products	the manufacture of ECO-friendly polymer products
Dated	2 September 2011	18 January 2019
<u>The significant privilege are</u>		
1. Exemption from corporate income tax on net income derived from the promoted operation and exemption from income tax on dividends paid from the promoted operations which are tax exempted throughout the period in which the corporate income tax is exempted.	8 years (Expired on 22 April 2025)	5 Years (Expired on 12 February 2026) (Tax exempted according to investment)
2. 50% reduction of the normal corporate income tax rate for net income derived after the expiry date in 1.	5 Years (Expired on 22 April 2030)	-
3. Exemption from import duty on machinery as approved by the Board.	Granted	Granted
4. 2 times deduction of transportation, electricity and water expenses from the first earning operating income	10 years	-
Date of first earning operating income	23 April 2017	1 January 2022

The Company's operating revenues for the years ended 31 December 2023 and 2022, divided between promoted and non-promoted operations, are summarised below.

	(Unit: Thousand Baht)					
	Promoted operations		Non-promoted operations		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Sales						
Export sales	749,607	761,253	2,083,868	2,749,991	2,833,475	3,511,244
Domestic sales	1,835	947	575,621	560,549	577,456	561,496
Total sales (Note 24)	<u>751,442</u>	<u>762,200</u>	<u>2,659,489</u>	<u>3,310,540</u>	<u>3,410,931</u>	<u>4,072,740</u>



## 23. 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.

## 24. 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 2023 and 2022, respectively.

	Plastic bag		Straw		Others		(Unit: Million Baht) Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenue from contracts with customers								
Revenue from external								
- Overseas	2,637.6	3,285.3	71.0	77.9	124.9	148.0	2,833.5	3,511.2
- Local	365.5	327.8	156.4	174.2	55.5	59.5	577.4	561.5
Total revenue from								
contracts with customers	<u>3,003.1</u>	<u>3,613.1</u>	<u>227.4</u>	<u>252.1</u>	<u>180.4</u>	<u>207.5</u>	<u>3,410.9</u>	<u>4,072.7</u>
Gross profit	603.4	694.3	45.3	41.6	34.2	38.5	682.9	774.4
Other income							70.5	55.8
Selling and distribution								
expenses							(128.4)	(122.9)
Administrative expenses							(285.6)	(285.8)
Finance cost							(2.8)	(2.9)
Income tax expenses							(48.1)	(55.6)
Profit for the year							<u>288.5</u>	<u>363.0</u>

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
<b>Timing of revenue recognition:</b>		
Sales (Note 22)	3,404,562	4,061,272
Services income	6,369	11,468
Total revenue from contracts with customers - recognised at a point in time	<u>3,410,931</u>	<u>4,072,740</u>

*Geographic information*

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

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Europe	1,893,179	2,220,926
Thailand	577,456	561,496
Asia	451,634	483,647
America	357,295	616,458
Australia	130,737	188,945
Africa	630	1,268
Total	<u>3,410,931</u>	<u>4,072,740</u>

*Property, plant and equipment*

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

*Major customers*

For the years 2023, the Company had revenue from one major customer, arising from sales of plastic bag and straw products (2022: two major customers).

## 25. 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 2023 amounting to approximately Baht 5.3 million (2022: Baht 5.2 million) were recognised as expenses.

## 26. Dividends payment

	Approved by	Total Dividend (Million Baht)	Dividend per share (Baht)	Paid on
<b><u>2023</u></b>				
Final dividend on 2022 income	Annual General Meeting of the shareholders on 24 April 2023	157.50	1.750	22 May 2023
Total dividend paid for the years ended 31 December 2023		157.50	1.750	
<b><u>2022</u></b>				
Final dividend on 2021 income	Annual General Meeting of the shareholders on 22 April 2022	157.50	1.75	17 May 2022
Total dividend paid for the years ended 31 December 2022		157.50	1.75	

## 27. Commitment and contingent liabilities

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

### 27.1 Capital commitments

As at 31 December 2023, the Company had capital commitments of approximately Baht 10.4 million (2022: Baht 6.7 million), relating to the equipment installation and building improvement.

### 27.2 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 5 years.

As at 31 December 2023 and 2022, the Company has future lease payments and service fee payables under these lease and service agreements were summarised below:

	(Unit: Million Baht)	
	<u>2023</u>	<u>2022</u>
Payable:		
In up to 1 year	15.1	12.9
In over 1 and up to 5 years	6.3	10.9
	21.4	23.8

### 27.3 Bank Guarantees

As at 31 December 2023, the Company had outstanding bank guarantees of approximately Baht 22.6 million (2022: Baht 20.9 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.

### 28. Fair value hierarchy

As at 31 December 2023 and 2022, the Company had the assets and liabilities that were measured at fair value or for which fair value was disclosed fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)	
	Fair value hierarchy	
	Level 2	
	2023	2022
<b>Assets measured at fair value</b>		
Financial assets measured at FVTPL		
Investment in mutual funds	77,426	684,075
Investment in corporate bonds due within one year	50,801	-
Financial assets measured at FVOCI		
Investment in perpetual bond	77,535	45,320
<b>Liabilities measured at fair value</b>		
Derivatives		
Foreign exchange forward contracts	4,530	14,701
<b>Assets disclosed at fair value</b>		
Financial assets measured at amortised cost		
Investment in corporate bonds due within one year	85,094	27,378
Investment in government bonds due within one year	54,517	-
Investment property	185,476	178,567

## 29. Financial instruments

### 29.1 Derivatives

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
<b>Derivative liabilities</b>		
Derivatives liabilities not designated as hedge accounting		
Foreign exchange forward contracts	4,530	14,701
<b>Total derivative liabilities</b>	<u>4,530</u>	<u>14,701</u>

#### Derivatives not designated as hedge accounting

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 1 year.

As at 31 December 2023 and 2022, 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>2023</b>					
US dollars	6.59	-	33.1900 - 33.4700	-	2 April 2024 - 30 May 2024
Euro	0.65	-	36.5200	-	24 May 2024
<b>2022</b>					
US dollars	15.90	1.04	32.6546 - 34.9500	35.0000 - 37.3700	1 March 2023 - 17 May 2023
Japanese yen	-	1.68	-	0.2560	13 January 2023
Euro	1.30	-	36.8000	-	22 May 2023

## 29.2 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
	2023	2022	2023	2022	2023	2022
	(Million)	(Million)	(Million)	(Million)	(Baht per unit of foreign currency)	
US dollars	21.98	19.67	(1.21)	(3.67)	34.1781	34.4334
Euro	1.06	1.27	(0.01)	(0.01)	37.9813	36.7375
Japanese yen	-	-	(0.06)	(1.84)	0.2458	0.2645
Chinese Yuan	-	-	(0.02)	(0.01)	4.8747	5.0375
Swedish Krona	-	-	(0.06)	-	3.4848	-

#### ***Foreign currency sensitivity***

As at 31 December 2023 and 2022, 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 2023 and 2022, the Company's exposure to interest rate changes is not material.

As at 31 December 2023 and 2022, 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)

	2023					Effective interest rate (Percent per annum)
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	
	Within 1 year	More than 1 - 5 years				
<u>Financial Assets</u>						
Cash and cash equivalents	-	-	956.9	8.5	965.4	0.04 - 5.00
Trade and other receivables	-	-	-	424.8	424.8	-
Other current financial assets	105.0	-	50.8	112.1	267.9	0.75 - 6.24
Other non-current financial assets	-	77.5	-	5.5	83.0	5.28 - 6.13
	105.0	77.5	1,007.7	550.9	1,741.1	
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	319.6	319.6	-
Lease liabilities	16.5	17.3	-	-	33.8	1.44 - 3.00
Other current financial liabilities	-	-	-	4.5	4.5	-
	16.5	17.3	-	324.1	357.9	

(Unit: Million Baht)

	2022					Effective interest rate (Percent per annum)
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	
	Within 1 year	More than 1 - 5 years				
<u>Financial Assets</u>						
Cash and cash equivalents	-	-	271.0	11.1	282.1	0.1 - 0.5
Trade and other receivables	-	-	-	372.4	372.4	-
Other current financial liabilities	-	-	-	105.0	105.0	-
Other non-current financial assets	45.3	27.4	-	584.7	657.4	2.13 - 5.28
	45.3	27.4	271.0	1,073.2	1,416.9	
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	294.6	294.6	-
Lease liabilities	16.3	20.5	-	-	36.8	1.44 - 3.99
Other current financial liabilities	-	-	-	14.7	14.7	-
	16.3	20.5	-	309.3	346.1	



## 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 2023 and 2022, 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 2023 and 2022 based on contractual undiscounted cash flows:

	(Unit: Thousand Baht)		
	2023		
	Within 1 year	More than 1 - 5 years	Total
<b>Non-derivatives</b>			
Trade and other payables	319,617	-	319,617
Lease liabilities (Note 14)	16,512	17,323	33,835
<b>Total non-derivatives</b>	<b>336,129</b>	<b>17,323</b>	<b>353,452</b>
<b>Derivatives</b>			
Derivative liabilities: net settled (Note 29.1)	4,530	-	4,530
<b>Total derivatives</b>	<b>4,530</b>	<b>-</b>	<b>4,530</b>

	(Unit: Thousand Baht)		
	2022		
	Within 1 year	More than 1 - 5 years	Total
<b>Non-derivatives</b>			
Trade and other payables	294,584	-	294,584
Lease liabilities (Note 14)	16,306	20,480	36,786
<b>Total non-derivatives</b>	<b>310,890</b>	<b>20,480</b>	<b>331,370</b>
<b>Derivatives</b>			
Derivative liabilities: net settled (Note 29.1)	14,701	-	14,701
<b>Total derivatives</b>	<b>14,701</b>	<b>-</b>	<b>14,701</b>

### **29.3 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.

### **30. 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 2023, the Company's debt-to-equity ratio was 0.2:1 (2022: 0.2:1).

### **31. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 15 February 2024.