

Thai Plaspac Public Company Limited and its subsidiaries

Review report and interim financial information

For the three-month and six-month periods ended 30 June 2021

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of Thai Plaspac Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Thai Plaspac Public Company Limited and its subsidiaries as at 30 June 2021, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate interim financial information of Thai Plaspac Public Company Limited for the same periods (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of Review**

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

### Emphasis of Matter

Without expressing a qualified conclusion on the aforementioned interim financial information, I draw attention to the Note 1.4 to interim financial statements.

On 1 June 2021, the Company paid the initial consideration to sellers by 92.5% of the initial purchase price to acquire of 80% shares of Combi-Pack Sdn Bhd amounting to MYR 122.6 million or Baht 928.4 million for 1.6 million ordinary shares with a par value of MYR 1 each, whereby Mr. Chow Chee Yut is the remaining shareholder of 20% shares. The Company will pay the remaining 6% and 1.5% of the initial purchase price as specified in the agreement. The Company and group of sellers agreed to adjust the initial purchase price to the actual purchase price based on price adjustment method as stipulated in the agreement. The Company already recognised investment in a subsidiary and account payable for purchasing of shares by 7.5% of the initial purchase price or approximately MYR 9.9 million in the statement of financial position. The Company is currently in the process of calculating the final consideration at the completion date, and of assessing the fair value of the identified assets acquired and liabilities assumed at acquisition date.



Orawan Techawatanasirikul

Certified Public Accountant (Thailand) No. 4807

EY Office Limited

Bangkok: 11 August 2021

Thai Plaspac Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	4	422,084	195,615	35,027	5,894
Trade and other receivables	3, 5	991,124	826,038	399,771	394,390
Inventories	6	552,103	415,744	157,495	120,911
Advance payment for purchasing of raw materials		39,123	8,075	-	-
Other current financial assets		258	410	-	165
Other current assets		95,069	115,169	49,229	37,784
<b>Total current assets</b>		<b>2,099,761</b>	<b>1,561,051</b>	<b>641,522</b>	<b>559,144</b>
<b>Non-current assets</b>					
Restricted bank deposits	7	22,042	23,237	-	-
Other non-current financial assets		2,392	2,267	-	-
Investments in subsidiaries	8	-	-	3,564,454	2,560,744
Property, plant and equipment	9	2,132,032	1,476,101	413,851	453,733
Right-of-use assets	17	184,816	85,861	2,247	3,382
Excess of acquisition cost over estimated value of interest acquired in net assets from acquisition of the subsidiary	1.4	694,053	-	-	-
Goodwill	10	1,056,641	1,001,817	-	-
Intangible assets	11	352,764	353,499	4,256	4,254
Deferred tax assets	20	9,716	8,925	9,716	8,925
Withholding tax deducted at source	12	93,219	93,219	93,201	93,201
Advance payment for purchasing of molds		71,915	49,950	66,024	49,146
Assets associated with call options granted by holders of non-controlling interests	18	8,840	8,840	8,840	8,840
Other non-current assets		68,166	58,697	8,881	21,387
<b>Total non-current assets</b>		<b>4,696,596</b>	<b>3,162,413</b>	<b>4,171,470</b>	<b>3,203,612</b>
<b>Total assets</b>		<b>6,796,357</b>	<b>4,723,464</b>	<b>4,812,992</b>	<b>3,762,756</b>

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

Thai Plaspac Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2021

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2021	31 December 2020	30 June 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdraft and short-term loans from banks	13	749,322	515,342	636,025	468,192
Trade and other payables	3, 14	520,821	358,954	268,717	179,013
Current portion of long-term loans from banks	15	220,151	165,249	189,136	165,249
Current portion of debentures	16	94,167	76,025	-	-
Current portion of lease liabilities		15,346	7,006	1,658	1,885
Income tax payable		9,486	12,827	4,347	12,827
Other current financial liabilities		498	-	498	-
Other current liabilities		72,665	36,982	45,274	17,373
Total current liabilities		1,682,456	1,172,385	1,145,655	844,539
Non-current liabilities					
Long-term loans from banks, net of current portion	15	1,751,847	792,653	1,606,494	792,653
Debentures, net of current portion	16	357,600	390,307	-	-
Lease liabilities, net of current portion		172,794	80,908	673	1,576
Liabilities associated with put options granted to holders of non-controlling interests	18	274,159	-	274,159	-
Deferred tax liabilities	20	286,031	95,576	-	-
Provision for long-term employee benefits	19	76,368	70,898	45,178	41,218
Total non-current liabilities		2,918,799	1,430,342	1,926,504	835,447
Total liabilities		4,601,255	2,602,727	3,072,159	1,679,986

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

**Thai Plaspac Public Company Limited and its subsidiaries**  
**Statement of financial position (continued)**  
**As at 30 June 2021**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>				
Share capital				
Registered				
326,550,000 ordinary shares of Baht 1 each	326,550	326,550	326,550	326,550
Issued and paid-up				
326,549,999 ordinary shares of Baht 1 each	326,550	326,550	326,550	326,550
Premium on ordinary shares	1,026,969	1,026,969	1,026,969	1,026,969
Excess from change in ownership interest in the subsidiary	20,035	20,035	-	-
Retained earnings				
Appropriated - statutory reserve	32,655	32,655	32,655	32,655
Unappropriated	574,612	912,545	354,659	696,596
Other components of shareholders' equity	(111,240)	(257,077)	-	-
Equity attributable to owners of the Company	1,869,581	2,061,677	1,740,833	2,082,770
Non-controlling interests of the subsidiaries	325,521	59,060	-	-
<b>Total shareholders' equity</b>	<b>2,195,102</b>	<b>2,120,737</b>	<b>1,740,833</b>	<b>2,082,770</b>
<b>Total liabilities and shareholders' equity</b>	<b>6,796,357</b>	<b>4,723,464</b>	<b>4,812,992</b>	<b>3,762,756</b>

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

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Directors

(Unaudited but reviewed)

## Thai Plaspac Public Company Limited and its subsidiaries

## Statement of comprehensive income

For the three-month period ended 30 June 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales	3	1,138,056	925,646	409,212	395,872
Other income	3	8,601	13,727	8,658	3,606
<b>Total revenues</b>		<u>1,146,657</u>	<u>939,373</u>	<u>417,870</u>	<u>399,478</u>
<b>Expenses</b>					
Cost of sales	3	925,639	695,658	350,139	285,584
Selling and distribution expenses		41,654	37,321	8,615	9,324
Administrative expenses	3	83,628	67,581	45,381	30,693
Loss on exchange		17	1,285	1,872	1,769
<b>Total expenses</b>		<u>1,050,938</u>	<u>801,845</u>	<u>406,007</u>	<u>327,370</u>
<b>Profit from operating activities</b>		<u>95,719</u>	<u>137,528</u>	<u>11,863</u>	<u>72,108</u>
Finance cost		(29,560)	(25,381)	(13,123)	(7,112)
<b>Profit (loss) before income tax expenses</b>		<u>66,159</u>	<u>112,147</u>	<u>(1,260)</u>	<u>64,996</u>
Income tax revenues (expenses)	20	(10,793)	(17,293)	2,136	(11,605)
<b>Profit for the period</b>		<u>55,366</u>	<u>94,854</u>	<u>876</u>	<u>53,391</u>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Exchange differences on translation of					
financial statements in foreign currency		37,674	(138,074)	-	-
<b>Other comprehensive income to be reclassified</b>					
<i>to profit or loss in subsequent periods - net of income tax</i>		37,674	(138,074)	-	-
<b>Other comprehensive income for the period</b>		<u>37,674</u>	<u>(138,074)</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>		<u>93,040</u>	<u>(43,220)</u>	<u>876</u>	<u>53,391</u>

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

(Unaudited but reviewed)

Thai Plaspac Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 30 June 2021

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
<b>Profit attributable to:</b>					
Equity holders of the Company		50,805	87,831	876	53,391
Non-controlling interests of the subsidiaries		4,561	7,023		
		<u>55,366</u>	<u>94,854</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		84,412	(50,243)	876	53,391
Non-controlling interests of the subsidiaries		8,628	7,023		
		<u>93,040</u>	<u>(43,220)</u>		
<b>Earnings per share</b>					
	21				
<b>Basic earnings per share</b>					
Equity holders of the Company		0.16	0.27	0.003	0.16

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



## Thai Plaspac Public Company Limited and its subsidiaries

## Statement of comprehensive income

For the six-month period ended 30 June 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales	3	2,227,147	1,964,708	795,076	782,420
Other income	3	21,654	21,883	21,591	5,811
Gain on exchange		1,552	5,492	-	-
<b>Total revenues</b>		<u>2,250,353</u>	<u>1,992,083</u>	<u>816,667</u>	<u>788,231</u>
<b>Expenses</b>					
Cost of sales	3	1,740,997	1,482,370	659,455	573,515
Selling and distribution expenses		86,702	82,652	17,857	20,171
Administrative expenses	3	158,496	139,546	84,342	66,202
Loss on exchange		-	-	1,159	649
<b>Total expenses</b>		<u>1,986,195</u>	<u>1,704,568</u>	<u>762,813</u>	<u>660,537</u>
<b>Profit from operating activities</b>		<u>264,158</u>	<u>287,515</u>	<u>53,854</u>	<u>127,694</u>
Finance cost		(55,526)	(54,260)	(23,632)	(16,424)
<b>Profit before income tax expenses</b>		<u>208,632</u>	<u>233,255</u>	<u>30,222</u>	<u>111,270</u>
Income tax expenses	20	(169,213)	(37,985)	(2,647)	(20,148)
<b>Profit for the period</b>		<u>39,419</u>	<u>195,270</u>	<u>27,575</u>	<u>91,122</u>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		152,585	(5,758)	-	-
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax</i>		<u>152,585</u>	<u>(5,758)</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss)		1,148	(114)	-	-
Less: Income tax effect	20	(203)	152	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax</i>		<u>945</u>	<u>38</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the period</b>		<u>153,530</u>	<u>(5,720)</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>		<u>192,949</u>	<u>189,550</u>	<u>27,575</u>	<u>91,122</u>

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

(Unaudited but reviewed)

**Thai Plaspac Public Company Limited and its subsidiaries**

**Statement of comprehensive income (continued)**

**For the six-month period ended 30 June 2021**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Profit attributable to:</b>					
Equity holders of the Company		30,702	178,786	27,575	91,122
Non-controlling interests of the subsidiaries		8,717	16,484		
		<u>39,419</u>	<u>195,270</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		177,416	173,084	27,575	91,122
Non-controlling interests of the subsidiaries		15,533	16,466		
		<u>192,949</u>	<u>189,550</u>		
<b>Earnings per share</b>	21				
Basic earnings per share					
Equity holders of the Company		<u>0.09</u>	<u>0.55</u>	<u>0.08</u>	<u>0.28</u>

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

Thai Plaspac Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity  
For the six-month period ended 30 June 2021

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements										
Equity holders of the Company										
Note	Issued and paid-up share capital	Premium on ordinary shares	Excess from change in ownership interest in the subsidiary	Retained earnings		Other components of shareholders' equity			Equity attributable to non-controlling interests of the subsidiaries	Total
				Appropriated - Statutory reserve	Unappropriated	Other comprehensive income				
						Exchange differences on translation of financial statements in foreign currency	Total equity attributable to owners of the Company			
Balance as at 1 January 2020	326,550	1,026,969	-	28,605	636,265	(274,014)	1,744,375	105,107	1,849,482	
Profit for the period	-	-	-	-	178,786	-	178,786	16,484	195,270	
Other comprehensive income for the period	-	-	-	-	56	(5,758)	(5,702)	(18)	(5,720)	
Total comprehensive income for the period	-	-	-	-	178,842	(5,758)	173,084	16,466	189,550	
Dividend paid	-	-	-	-	(40,819)	-	(40,819)	-	(40,819)	
Liabilities associated with put options granted to holders of non-controlling interests	-	-	-	-	-	-	-	(19,440)	(19,440)	
Balance as at 30 June 2020	326,550	1,026,969	-	28,605	774,288	(279,772)	1,876,640	102,133	1,978,773	
Balance as at 1 January 2021	326,550	1,026,969	20,035	32,655	912,545	(257,077)	2,061,677	59,060	2,120,737	
Profit for the period	-	-	-	-	30,702	-	30,702	8,717	39,419	
Other comprehensive income for the period	-	-	-	-	877	145,837	146,714	6,816	153,530	
Total comprehensive income for the period	-	-	-	-	31,579	145,837	177,416	15,533	192,949	
Dividend paid	-	-	-	-	(95,353)	-	(95,353)	-	(95,353)	
Increase in non-controlling interests of the subsidiary	-	-	-	-	-	-	-	250,928	250,928	
Liabilities associated with put options granted to holders of non-controlling interests	-	-	-	-	(274,159)	-	(274,159)	-	(274,159)	
Balance as at 30 June 2021	326,550	1,026,969	20,035	32,655	574,612	(111,240)	1,869,581	325,521	2,195,102	

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

(Unaudited but reviewed)

**Thai Plaspac Public Company Limited and its subsidiaries**  
**Statement of changes in shareholders' equity (continued)**  
**For the six-month period ended 30 June 2021**

(Unit: Thousand Baht)

	Note	Separate financial statements				
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings	Total	
				Appropriated - Statutory reserve	Unappropriated	
<b>Balance as at 1 January 2020</b>		326,550	1,026,969	28,605	585,451	1,967,575
Profit for the period		-	-	-	91,122	91,122
Other comprehensive income for the period		-	-	-	-	-
Total comprehensive income for the period		-	-	-	91,122	91,122
Dividend paid	3, 22	-	-	-	(40,819)	(40,819)
<b>Balance as at 30 June 2020</b>		326,550	1,026,969	28,605	635,754	2,017,878
<b>Balance as at 1 January 2021</b>		326,550	1,026,969	32,655	696,596	2,082,770
Profit for the period		-	-	-	27,575	27,575
Other comprehensive income for the period		-	-	-	-	-
Total comprehensive income for the period		-	-	-	27,575	27,575
Dividend paid	3, 22	-	-	-	(95,353)	(95,353)
Liabilities associated with put options granted to holders of non-controlling interests	18	-	-	-	(274,159)	(274,159)
<b>Balance as at 30 June 2021</b>		326,550	1,026,969	32,655	354,659	1,740,833

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

(Unaudited but reviewed)

## Thai Plaspac Public Company Limited and its subsidiaries

## Statement of cash flows

For the six-month period ended 30 June 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Cash flows from operating activities</b>				
Profit before tax	208,632	233,255	30,222	111,270
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	173,196	163,969	67,946	68,583
Allowance for expected credit losses (reversal)	(139)	2,035	(139)	1,272
Reduction (reversal) of inventories to net realisable value	(373)	363	(351)	619
Allowance for impairment loss on assets	-	800	-	-
Gain on disposals/write-off of machinery and equipment	(899)	(308)	(122)	(250)
Long-term employee benefits expenses	6,806	9,402	4,029	3,633
Unrealised loss on exchange rate	1,898	3,868	1,952	738
Loss (gain) from fair value measurement of forward exchange contracts	663	(609)	663	(609)
Amortisation of financial fees	3,900	4,093	663	469
Interest income	(3,521)	(2,736)	(7)	(30)
Finance cost	51,626	50,167	22,969	15,955
Profit from operating activities before changes in operating assets and liabilities	441,789	464,299	127,825	201,650
Operating assets (increase) decrease				
Trade and other receivables	(40,392)	13,734	(4,574)	(18,745)
Inventories	(16,817)	(3,295)	(36,233)	(26,500)
Other current assets	(54,179)	70,902	(27,635)	(8,422)
Other non-current assets	(31,637)	(31,216)	(4,372)	(28,801)
Operating liabilities increase (decrease)				
Trade and other payables	9,799	38,701	12,755	9,907
Other current liabilities	20,500	15,628	27,901	10,083
Provision for long-term employee benefits	(1,471)	(1,189)	(69)	(14)
Cash flows from operating activities	327,592	567,564	95,598	139,158
Corporate income tax paid	(11,920)	(12,796)	(11,918)	(12,796)
<b>Net cash flows from operating activities</b>	<b>315,672</b>	<b>554,768</b>	<b>83,680</b>	<b>126,362</b>

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

Statement of cash flows (continued)

For the six-month period ended 30 June 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Cash flows from investing activities</b>				
Proceeds from sales of machinery and equipment	3,587	666	122	250
Proceeds from sales of asset held for sale	57,274	-	-	-
Acquisition of building, machinery and equipment	(167,612)	(146,618)	(10,837)	(32,936)
Acquisition of intangible assets	(729)	(341)	(440)	(326)
Cash paid for investment in a subsidiary	(883,947)	-	(928,432)	-
Decrease in other current financial assets	-	55,556	-	-
Increase in other non-current financial assets	(6)	(597)	-	-
Interest received	3,521	2,736	7	30
<b>Net cash flows used in investing activities</b>	<b>(987,912)</b>	<b>(88,598)</b>	<b>(939,580)</b>	<b>(32,982)</b>
<b>Cash flows from financing activities</b>				
Increase in bank overdraft and short-term loans from banks	201,376	60,600	167,833	50,600
Decrease in restricted bank deposits	2,410	-	-	-
Cash receipt of long-term loans from banks	928,432	-	928,432	-
Repayment of long-term loans from banks	(85,563)	(68,300)	(83,117)	(57,616)
Repayment of debentures	(40,463)	(28,107)	-	-
Cash paid for financial fees	(8,250)	-	(8,250)	-
Cash paid for lease liabilities	(7,556)	(6,556)	(1,210)	(982)
Interest paid	(53,674)	(52,403)	(23,302)	(16,882)
Dividend paid	(95,353)	(40,819)	(95,353)	(40,819)
<b>Net cash flows from (used in) financing activities</b>	<b>841,359</b>	<b>(135,585)</b>	<b>885,033</b>	<b>(65,699)</b>
Increase (decrease) in exchange differences on translation of financial statements in foreign currency	57,350	(4,175)	-	-
<b>Net increase in cash and cash equivalents</b>	<b>226,469</b>	<b>326,410</b>	<b>29,133</b>	<b>27,681</b>
Cash and cash equivalents at beginning of period	195,615	34,674	5,894	6,947
<b>Cash and cash equivalents at end of period (Note 4)</b>	<b>422,084</b>	<b>361,084</b>	<b>35,027</b>	<b>34,628</b>
<b>Supplemental cash flows information</b>				
Non-cash items consist of:				
Increase (decrease) in accounts payable for purchasing of fixed assets	(2,826)	9,834	(536)	9,351
Increase in liabilities associated with put options granted to holders of non-controlling interests	274,159	19,440	274,159	-
Increase in account payable for purchasing of shares	75,278	-	75,278	-

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

**Thai Plaspac Public Company Limited and its subsidiaries**  
**Notes to interim consolidated financial information**  
**For the three-month and six-month periods ended 30 June 2021**

**1. General information**

**1.1 Corporate information**

Thai Plaspac Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its major shareholder is an individual. The Company is principally engaged in the manufacture and distribution of plastic packaging. The registered office of the Company is at 77 Soi Thian Thalee 30, Bang Khun Thian-Chay Thalee Road, Thakham, Bang Khun Thian, Bangkok.

**1.2 Coronavirus disease 2019 Pandemic**

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

**1.3 Basis for the preparation of interim financial information**

This interim financial information is prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial information is intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. This interim financial information should therefore be read in conjunction with the latest annual financial statements.

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



#### 1.4 Basis of consolidation

These consolidated interim financial information included the financial statements of Thai Plaspac Public Company Limited ("the Company") and its subsidiaries ("the Subsidiary") ("the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2020. There has been no change in the composition of the group of companies during the current period, except an acquisition of Combi-Pack Sdn Bhd.

##### Combi-Pack Sdn Bhd

On 1 June 2021, the Company paid the initial consideration to sellers by 92.5% of the initial purchase price to acquire of 80% shares amounting to MYR 122.6 million or Baht 928.4 million for 1.6 million ordinary shares with par value of MYR 1 each, whereby Mr. Chow Chee Yut is the remaining shareholder of 20% shares. The Company will pay the remaining 6% and 1.5% of the initial purchase price on the first deferred payment date, which is 12 months after the completion date, and the second deferred payment date, which is 12 months after the first deferred payment date, respectively. The Company and group of sellers agreed to adjust the initial purchase price to the actual purchase price based on price adjustment method as stipulated in the agreement. In addition, the Company and group of sellers have to comply with specified terms and conditions as stated in the agreements as described in Note 8 to financial statements.

These consolidated financial statements are included financial position of Combi-Pack Sdn Bhd as at 30 June 2021, and the statement of comprehensive income for the period from the acquisition date to 30 June 2021. The excess of cost of business acquisition over the fair value of the net assets acquired shall recognised as goodwill. However, the value of net assets at acquisition date is stated at book value. During the second quarter of the current year, the Company's management is currently in the process of assessing the fair value of the identified assets acquired and liabilities assumed at the acquisition date, including the valuation of liabilities associated with put options granted to holders of non-controlling interests. The Company expects to complete within evaluation period of 12 months from acquisition date according to Thai Financial Reporting Standard 3, (revised 2020) "Business combination".

During the second quarter in the current year, the Company provisionally recorded the acquisition using a best estimate of the value of assets acquired and liabilities assumed under the caption of "Excess of acquisition cost over estimated value of interest acquired in net assets from acquisition of the subsidiary". The Company will complete the accounting recording of the acquisition within the year 2021, and the amount recorded as at 30 June 2021 may be changed.



Details of the net book value of Combi-Pack Sdn Bhd as at acquisition date are as follows:

(Unit: Thousand Baht)

	<u>Net book value</u>
<b>Assets</b>	
Cash and cash equivalents	44,485
Trade and other receivables	123,987
Inventories	119,314
Property, plant and equipment, net (Note 9)	563,314
Other assets	40,269
Total assets	<u>891,369</u>
<b>Liabilities</b>	
Bank overdraft and short-term loans from banks	32,604
Trade and other payables	78,488
Long-term loans from banks (Note 15)	174,970
Deferred tax liabilities	29,821
Other liabilities	14,902
Total liabilities	<u>330,785</u>
Net assets value	<u>560,584</u>
Equity of the subsidiary (%)	<u>80</u>
Net assets value attributable to the Company's investment	448,467
The excess of the purchase price over the value of the net assets	
- the Company	<u>555,243</u>
Purchase price	1,003,710
Less: Cash and cash equivalents	(44,485)
Less: Account payable for purchasing of shares at acquisition date (7.5%)	<u>(75,278)</u>
Net cash paid for acquisition of the subsidiary	<u>883,947</u>

Details of acquisition of the subsidiary are presented as follows.

(Unit: Thousand Baht)

**Purchase price**

Cash paid (92.5%)	928,432
Account payable for purchasing of shares at acquisition date (7.5%)	75,278
Total	1,003,710
Fair value of net assets received	(448,467)
The excess of the purchase price over the value of the net assets	
- the Company	555,243
The excess of the purchase price over the value of the net assets	
- Non-controlling interests of the subsidiary	138,810
The excess of the purchase price over the value of the net assets	694,053

The revenue and profit of subsidiary from the acquisition date to 30 June 2021 amounting to Baht 80.4 million and Baht 6.6 million, respectively, are included in the consolidated financial statements.

## 1.5 New financial reporting standards

### a) Financial reporting standards that became effective in the current period

During the period, the Group 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 Group's financial statements.

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

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

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

**2. Significant accounting policies**

The interim financial information are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2020.

**3. Related party transactions**

Details of relationships of the Company to related parties are as follows.

Name of persons or entities	Nature of relationships
TPAC Packaging India Private Limited	Subsidiary
TPAC Packaging (Bangna) Company Limited	Subsidiary
Sun Packaging Systems (FZC)	Subsidiary
Combi-Pack Sdn Bhd	Subsidiary
Mr. Anuj Lohia	Major shareholder
Indorama Petrochem Limited	Shareholder and director are related to the Company's shareholder and management
Indorama Polymers Public Company Limited	Shareholder and director are related to the Company's shareholder and management
IVL Dhunseri Petrochem Industries Private Limited	Shareholder and director are related to the Company's shareholder and management
Related persons	Director, executive officer and related persons with director and executive officer

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

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month periods ended 30 June					
	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2021	2020	2021	2020	
<u>Transactions with subsidiaries</u>					
(Eliminated from consolidated financial statements)					
Sales of goods	-	-	3,705	1,440	Close to market price
Purchase of goods	-	-	17,601	3,818	Close to market price
Management fee income	-	-	6,041	-	Contract price
<u>Transaction with related companies</u>					
Purchase of goods	10,668	10,844	8,540	486	Close to market price
<u>Transaction with major shareholder and related persons</u>					
Dividend paid	69,411	29,714	69,411	29,714	2021: Baht 0.292 per share (2020: Baht 0.125 per share)

(Unit: Thousand Baht)

For the six-month periods ended 30 June					
	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2021	2020	2021	2020	
<u>Transactions with subsidiaries</u>					
(Eliminated from consolidated financial statements)					
Sales of goods	-	-	5,306	2,249	Close to market price
Purchase of goods	-	-	29,965	7,407	Close to market price
Management fee income	-	-	12,190	-	Contract price
<u>Transaction with related companies</u>					
Purchase of goods	47,181	32,760	22,367	4,112	Close to market price
<u>Transaction with major shareholder and related persons</u>					
Dividend paid	69,411	29,714	69,411	29,714	2021: Baht 0.292 per share (2020: Baht 0.125 per share)

(Unaudited but reviewed)

As at 30 June 2021 and 31 December 2020, the balances of the accounts between the Group and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
<b><u>Trade receivables - related parties</u></b>				
(Note 5)				
Subsidiaries	-	-	2,145	510
Total	-	-	2,145	510
<b><u>Other receivables - related parties</u></b>				
(Note 5)				
Subsidiaries	-	-	6,041	29,712
Total	-	-	6,041	29,712
<b><u>Trade payables - related parties</u></b>				
(Note 14)				
Subsidiaries	-	-	14,883	5,183
Related companies	6,114	12,015	6,114	5,500
Total	6,114	12,015	20,997	10,683

#### Directors and management's benefits

During the three-month and six-month periods ended 30 June 2021 and 2020, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short-term benefits	15,962	13,409	11,130	9,912
Post-employment benefits	1,062	915	953	814
Other long-term benefits	6	7	6	7
Total	17,030	14,331	12,089	10,733

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short-term benefits	30,878	28,028	22,587	19,514
Post-employment benefits	2,133	1,812	1,917	1,614
Other long-term benefits	12	13	12	13
Total	33,023	29,853	24,516	21,141

Guarantee obligations with related parties

The Company has outstanding guarantee obligations related to long-term loans from banks and debentures with its subsidiary, as described in Notes 15 and 16 to financial statements.

**4. Cash and cash equivalents**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Cash	428	234	61	80
Cash at banks	421,656	195,381	34,966	5,814
Total	422,084	195,615	35,027	5,894

As at 30 June 2021, cash at banks carried interests between 0.05 and 2.60 percent per annum (The Company only: between 0.05 and 0.12 percent per annum) (31 December 2020: between 0.05 and 2.60 percent per annum (The Company only: between 0.05 and 0.15 percent per annum)).

## 5. Trade and other receivables

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	2,145	510
Total trade receivables - related parties	-	-	2,145	510
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	745,837	609,538	317,025	281,299
Past due				
Up to 1 month	169,188	125,054	69,600	75,622
1 - 2 months	20,619	15,407	3,651	4,822
2 - 3 months	9,377	9,996	1,391	2,577
3 months - 1 year	7,038	5,368	-	109
1 year - 2 years	1,493	1,089	65	590
Over 2 years	5,781	5,099	5,251	4,686
Total	959,333	771,551	396,983	369,705
Less: Allowance for expected credit losses	(8,963)	(8,924)	(5,398)	(5,537)
Total trade receivables - unrelated parties	950,370	762,627	391,585	364,168
<u>Other receivables - related parties</u>				
Other receivables	-	-	6,041	29,712
Total other receivables - related parties	-	-	6,041	29,712
<u>Other receivables - unrelated parties</u>				
Value added tax refundable	18,704	26,109	-	-
Other receivables	22,050	37,302	-	-
Total other receivables - unrelated parties	40,754	63,411	-	-
Total trade and other receivables	991,124	826,038	399,771	394,390

## 6. Reduction of inventories to net realisable value

Movements in the reduction of inventories to net realisable value during the six-month period ended 30 June 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2021	5,450	1,968
Reversal in reduction of inventories during the period	(373)	(351)
Translation adjustment	145	-
Balance as at 30 June 2021	5,222	1,617

## 7. Restricted bank deposits

These represent the subsidiary's bank deposits pledged for the next interest payment with the trustee under the terms and conditions of the debenture issuers, carrying interest rate at 3.05 percent per annum (31 December 2020: 2.95 percent per annum).

## 8. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the period/year	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020
			(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
TPAC Packaging India Private Limited	2,108 Million Rupee	2,108 Million Rupee	100	100	2,069,154	2,069,154	-	-
TPAC Packaging (Bangna) Company Limited	101 Million Baht	101 Million Baht	100	100	107,000	107,000	-	-
Sun Packaging Systems (FZC)	0.45 Million Dirham United	0.45 Million Dirham United						
	Arab Emirates	Arab Emirates	89	89	384,590	384,590	-	-
Combi-Pack Sdn Bhd	2 Million Malaysian							
	Ringgit	-	80	-	1,003,710	-	-	-
Total					3,564,454	2,560,744	-	-



Combi-Pack Sdn Bhd

On 10 April 2021, the Board of Directors' Meeting No. 3/2021 approved the investment by the Company for the acquisition of 80% shares in Combi-Pack Sdn Bhd, a limited company registered in Malaysia, and incorporated in plastic food containers manufacturing business with the total considerations and expenses for this transaction not exceed MYR 170 million or Baht 1,301.2 million, and approved this investment by the Extraordinary General Meeting of shareholders No. 1/2021 on 28 May 2021.

The Company entered into the Sale and Purchase Agreement on 10 April 2021 and the Shareholders Agreement between the Company and group of sellers on 31 May 2021. The Company agreed to pay the consideration to acquire of 80% shares in Combi-Pack Sdn Bhd for 1.6 million ordinary shares with par value of MYR 1, whereby Mr. Chow Chee Yut is the remaining shareholder of 20% shares. The Company agreed to pay to group of sellers by 92.5% of the initial purchase price on the completion date, and the remaining 6% and 1.5% of the initial purchase price on the first deferred payment date, which is 12 months after the completion date, and the second deferred payment date, which is 12 months after the first deferred payment date, respectively. The Company and group of sellers agreed to adjust the initial purchase price to the actual purchase price based on price adjustment method as stipulated in the agreement. In addition, the Company and group of sellers have to comply with specified terms and conditions as stated in the agreements.

On 1 June 2021, the Company paid the initial consideration to sellers by 92.5% of the initial purchase price to acquire of 80% shares amounting to MYR 122.6 million or Baht 928.4 million, and recognised investment in subsidiary and account payable for purchasing of shares by 7.5% of the initial purchase price or approximately MYR 9.9 million in the statement of financial position.

Put options and call options to sell/buy 20% of shares in Combi-Pack Sdn Bhd

On 31 May 2021, the Company entered into Shareholders Agreement between the Company and Mr. Chow Chee Yut. Mr. Chow Chee Yut has put options, which has rights to sell all remaining 20% of shares in Combi-Pack Sdn Bhd to the Company. The Company has call options, which has rights to buy all remaining 20% of shares in Combi-Pack Sdn Bhd from Mr. Chow Chee Yut. Detail of exercise are presented in Note 18 to financial statements.

Call options to buy 11% of shares in Sun Packaging Systems (FZC)

On 24 April 2019, the Company entered into Shareholders Agreement between the Company, Sun Packaging Systems (FZC) and Kishore Kumar Tarachand Bhatia. The Company has call options which are rights to buy all remaining 11% of shares in Sun Packaging Systems (FZC) from Bhatia Investment Holding Limited. Detail of exercise are presented in Note 18 to financial statements.

**9. Property, plant and equipment**

Movements of the property, plant and equipment account during the six-month period ended 30 June 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2021	1,476,101	453,733
Acquisitions during the period - at cost	164,786	10,301
Increase from acquisition of subsidiary - net book value	563,314	-
Disposals during the period - net book value at disposal date	(2,688)	-
Depreciation for the period	(130,812)	(50,183)
Translation adjustment	61,331	-
Net book value as at 30 June 2021	2,132,032	413,851

As at 30 June 2021, all property, plant and equipment of TPAC Packaging India Private Limited amounting to INR 1,970 million (31 December 2020: INR 1,950 million) has been pledged as collateral against non-convertible debenture as stated in Note 16 to financial statements and partial property, plant and equipment of the subsidiary has been pledged as collateral against bank overdrafts as stated in Note 13 to financial statements.

As at 30 June 2021, all property, plant and equipment of Combi-Pack Sdn Bhd amounting to MYR 39 million has been pledged as collateral against bank overdrafts and long-term loans from banks as stated in Notes 13 and 15 to financial statements.

**10. Goodwill**

Movements in goodwill during the six-month period ended 30 June 2021 are summarised below.

(Unit: Thousand Baht)

	TPAC		
	Packaging India Private Limited	Sun Packaging Systems (FZC)	Total
Balance as at 1 January 2021	838,514	163,303	1,001,817
Translation adjustment	43,863	10,961	54,824
Balance as at 30 June 2021	882,377	174,264	1,056,641

**11. Intangible assets**

Movements of the intangible assets account during the six-month period ended 30 June 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2021	353,499	4,254
Acquisitions during the period - at cost	729	440
Increase from acquisition of subsidiary - net book value	543	-
Amortisation for the period	(20,531)	(438)
Translation adjustment	18,524	-
Net book value as at 30 June 2021	352,764	4,256

**12. Withholding tax deducted at source**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Withholding tax in 2017	22,844	22,844	22,844	22,844
Withholding tax in 2018	35,562	35,562	35,546	35,546
Withholding tax in 2019	34,813	34,813	34,811	34,811
Total	93,219	93,219	93,201	93,201

The Group regards withholding tax deducted at source as an asset since it has claimed for refund of it. However, the net realisable value of the tax is subject to the examination of the Company's accounts by the officials of Revenue Department.

**13. Bank overdraft and short-term loans from banks**

(Unit: Thousand Baht)

	Interest rate (% per annum)		Consolidated financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Bank overdraft	5.82 - 5.88	5.85 - 5.88	775	5,542
Short-term loans from banks	1.60 - 3.80	1.63 - 2.60	748,547	509,800
Total			749,322	515,342

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Interest rate (% per annum)		Separate financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Bank overdraft	5.82	5.88	25	4,192
Short-term loans from banks	1.60 - 2.00	1.63 - 2.00	636,000	464,000
Total			636,025	468,192

Under the credit facility agreement for short-term and long-term loans, the Group has to comply with certain financial terms as specified in the agreement, such as maintenance of debt to equity ratio and debt service coverage ratio, to be in line with the rates stipulated in the agreement.

Bank overdraft credit facility of TPAC Packaging India Private Limited and Combi-Pack Sdn Bhd are secured by the mortgage of property, plant and partial equipment of the subsidiaries as stated in Note 9 to financial statements.

#### 14. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Trade accounts payable - related parties	6,114	12,015	20,997	10,683
Trade accounts payable - unrelated parties	261,671	189,834	107,705	92,866
Accounts payable for purchasing of fixed assets	6,094	8,920	1,171	1,707
Account payable for purchasing of shares	77,838	-	77,838	-
Accrued expenses	88,674	73,225	19,172	15,394
Other payables	80,430	74,960	41,834	58,363
Total	520,821	358,954	268,717	179,013

**15. Long-term loans from banks**

			(Unit: Thousand Baht)			
Loan	Interest rate (% per annum)	Repayment schedule	Consolidated		Separate	
			financial statements		financial statements	
			30 June 2021	31 December 2020	30 June 2021	31 December 2020
1	MLR - 1.75	Quarterly installments as from 25 February 2019	490,939	548,555	490,939	548,555
2	MLR - 2.00	Quarterly installments as from 30 December 2019	386,750	412,251	386,750	412,251
3	Year 1 - 3: MLR - 1.75 Year 4 - 7: MLR - 2.00	Quarterly installments as from 30 September 2022	928,432	-	928,432	-
4	Bank's Base Lending Rate - 1.00	Monthly installments as from 1 June 2021	65,758	-	-	-
5	Bank's Base Lending Rate + 0.50	Monthly installments as from 1 June 2021	1,151	-	-	-
6	Bank's Cost of Funds Rate + 1.00	Monthly installments as from 1 June 2021	37,314	-	-	-
7	Bank's 1 month Cost of Funds Rate + 1.00	Monthly installments as from 6 June 2021	72,145	-	-	-
Total			1,982,489	960,806	1,806,121	960,806
Less: Deferred financial fees			(10,491)	(2,904)	(10,491)	(2,904)
Net			1,971,998	957,902	1,795,630	957,902
Less: Current portion			(220,151)	(165,249)	(189,136)	(165,249)
Long-term loans, net of current portion			1,751,847	792,653	1,606,494	792,653

Movement of the long-term loans account during the six-month period ended 30 June 2021 are summarised below:

(Unaudited but reviewed)

	Consolidated	(Unit: Thousand Baht) Separate
	financial statements	financial statements
Balance as at 1 January 2021	957,902	957,902
Add: Additional borrowings	928,432	928,432
Financial fees amortisation	663	663
Increase from acquisition of subsidiary	174,970	-
Less: Repayment	(85,563)	(83,117)
Financial fees paid	(8,250)	(8,250)
Translation adjustment	3,844	-
Balance as at 30 June 2021	1,971,998	1,795,630

As at 30 June 2021, the long-term credit facilities of the Group which have not yet been drawn down amounted to Baht 96.6 million (31 December 2020: Nil) (the Company only: Baht 96.6 million (31 December 2020: Nil)).

#### Loan 1

On 9 August 2018, the meeting of the Board of Directors of the Company passed a resolution to acknowledge the loan in total amount not exceed than Baht 1,200 million from a bank in Thailand for investment in the subsidiary (TPAC Packaging India Private Limited). Subsequently, on 16 August 2018, the Company entered into a loan agreement with a bank in the amount of Baht 1,200 million. The loan has no collateral and carries interest at rate of MLR-1.75 percent per annum. The loan is repayable by quarterly installments Baht 44.4 million each within 7 years from the drawdown date. The Company had fully withdrawn the loan on 20 August 2018. The loan is equivalent to other types of debt of the Company (Pari Passu Inter Se).

On 22 November 2019, the Company made repayment of long-term loan Baht 374.2 million. The loan is repayable by quarterly installments from Baht 44.4 million to Baht 28.8 million each.

Under the loan agreement, the Company has to comply with certain financial terms as specified in the agreement, such as maintaining debt to equity ratio and debt service coverage ratio, to be in line with the rates stipulated in the agreement. The Company is required to maintain a portion of its investment in the subsidiary and required to obtain approval from the financial institutions in various matters, including dividends and assets or income guarantees.



## **Loan 2**

On 1 October 2020, the Company entered into a loan agreement with a bank in the amount of Baht 425 million to purchase 20% of shares in TPAC Packaging India Private Limited. The loan has no collateral with interest at an MLR - 2.00 percent per annum. The loan is repayable by quarterly installments with prescribed principal repayment in the agreement within 6 years from the drawdown date. The Company had fully withdrawn the loan on 5 October 2020.

Under the loan agreement, the Company has to comply with certain financial terms as specified in the agreement, such as maintaining debt to equity ratio and debt service coverage ratio, to be in line with the rates stipulated in the agreement. In addition, the Company has to comply with other terms as specified in the agreement, such as the Company is required to maintain a portion of its investment in the subsidiary and required to repay principal in case the Company receives dividend from the subsidiary.

## **Loan 3**

On 24 May 2021, the Company entered into a loan agreement with a bank in the amount of Baht 1,025 million to purchase 80% of shares in Combi-Pack Sdn Bhd. The loan has no collateral with interest at an MLR - 1.75 percent per annum for year 1 - 3 and MLR - 2.00 percent per annum for year 4 - 7. The loan is repayable by quarterly installments with prescribed principal repayment in the agreement within 6 years from 1 year after the drawdown date.

Under the loan agreement, the Company has to comply with certain financial terms as specified in the agreement, such as maintaining debt to equity ratio and debt service coverage ratio, to be in line with the rates stipulated in the agreement. In addition, the Company has to comply with other terms as specified in the agreement, such as condition of principal repayment.

## **Loan 4 - 7**

On 1 June 2021, the Group received its long-term loans from banks as a result of the acquisition of Combi-Pack Sdn Bhd of MYR 8.6 million, MYR 0.2 million, MYR 4.9 million, and MYR 9.5 million, respectively. The principals are repayable by monthly installments at specified amount in the agreements within 7.5 years, 1.5 years, 8.6 years, and 3 years, respectively, from the acquisition date.

Under the loan agreements, the subsidiary has to comply with certain financial terms as specified in the agreement, such as maintaining financial ratio, outstanding balance of tangible assets to be in accordance with the rates stipulated in the agreement. The above loans are pledged by the property, plant and equipment of the subsidiary as collateral, and guaranteed by the directors.

## 16. Debentures

- 16.1 On 24 April 2018, the Annual General Meeting of the Company's shareholders approved the issuance and offering of debentures in total amount not exceed than Baht 2,000 million. The Company has authority to determine any relevant terms and details such as type of debentures, security, offering amount at each issuance, offering price per unit, term of debentures, maturity period, rights of early redemption, interest rate, repayment method and allocation method, etc. As at 30 June 2021, the Company has not issued the debentures.
- 16.2 On 30 June 2018, the meeting of Board of Directors of TPAC Packaging India Private passed a resolution to issue unsecured non-convertible debentures in total amount not exceed than INR 500 million and to issue secured non-convertible debentures in total amount not exceed than INR 1,300 million, within 1 year from the date of resolution to invest 80% of shares in Sunrise Containers Limited and as a working capital of the subsidiary. The subsidiary has authority to determine any relevant terms and details of the debentures.

On 24 August 2018, the subsidiary issued non-convertible debentures 1,300 units with a par value of INR 1 million, amounting to INR 1,300 million, with a maturity of 5 years and will continuously repay after 18 months as from issuing debentures date, carrying interest at 9.62% per annum. The interest rate of the debentures can be amended by major holders of debentures if the credit rating of the debentures is lower than BB - assessed by the Credit Rating Agencies or mutual agreement between major shareholders and the subsidiary. The debentures are equivalent to other types of debt of the Company (Pari Passu Inter Se) and are listed on BSE in India. The subsidiary has the right to redeem premature debentures in a defined proportion.

Under the terms and conditions of the debentures issuers, the subsidiary has to comply with certain terms and conditions as specified in the agreement, including maintaining debt to equity ratio and debt service coverage ratio. The Company is required to maintain at 80% of shares in its subsidiary. The collateral for the issuance of such debentures is land, buildings and equipment of the subsidiary (after the amalgamation between TPAC Packaging India Private Limited and Sunrise Containers Limited), as well as the Corporate Guarantee. The subsidiary has to deposit the next interest payment with the trustee as stated in Note 7 to financial statements.

For issuance of debentures, the Company has expenses from issuing such debentures which are deducted from debentures value, and those expenses are recorded as interest expenses.



The outstanding balance of long-term debentures as at 30 June 2021 are detailed below.

						(Unit: Thousand Baht)	
						Consolidated	
						financial statements	
Debenture	Issue date	Maturity date	Term (years)	Interest rate (% per annum)	Interest payment	30 June 2021	31 December 2020
1	24 August 2018	24 August 2023	5	9.62% / specified condition	every 6 months	461,712	478,647
Less: Deferred cost of issuing debentures						(9,945)	(12,315)
Net						451,767	466,332
Less: Current portion						(94,167)	(76,025)
Long-term debentures, net of current portion						357,600	390,307

Movement of debentures during the six-month period ended 30 June 2021 are summarised below:

		(Unit: Thousand Baht)
		Consolidated
		financial statements
Balance as at 1 January 2021		466,332
Add: Cost of issuing debentures amortisation		3,237
Less: Repayment		(40,463)
Translation adjustment		22,661
Balance as at 30 June 2021		451,767

## 17. Right-of-use assets

Movement of right-of-use assets for the six-month period ended 30 June 2021 are summarised below:

			(Unit: Thousand Baht)
		Consolidated	Separate
		financial statements	financial statements
Net book value as at 1 January 2021		85,861	3,382
Additions during the period		92,922	-
Increase from acquisition of subsidiary		9,493	-
Depreciation for the period		(5,663)	(1,135)
Translation adjustment		2,203	-
Net book value as at 30 June 2021		184,816	2,247

**18. Assets associated with call options granted to holders of non-controlling interests /  
Liabilities associated with put options granted to holders of non-controlling interests**

Combi-Pack Sdn Bhd

On 31 May 2021, the Company entered into Shareholders Agreement between the Company and Mr. Chow Chee Yut. Mr. Chow Chee Yut has put options which has rights to sell all remaining 20% of shares in Combi-Pack Sdn Bhd to the Company. The Company has call options which has rights to buy all remaining 20% of shares in Combi-Pack Sdn Bhd from Mr. Chow Chee Yut. Put options granted to holders of non-controlling interests are summarised below.

First - fourth exercise of put options:

Within 60 days after the date that the subsidiary's auditor has audited the financial statements for the years 2024, 2025, 2026 and 2027, respectively, the option price is based on specified terms and conditions as stated in the agreement.

As at 30 June 2021, the Company recorded liabilities associated with put options granted to holders of non-controlling interests amount of Baht 274.1 million in consolidated and separate financial statements.

Sun Packaging Systems (FZC)

On 24 April 2019, the Company entered into Shareholders Agreement between the Company, Sun Packaging Systems (FZC) and Kishore Kumar Tarachand Bhatia. The Company has call options which were rights to buy all remaining 11% of shares in Sun Packaging Systems (FZC) from Bhatia Investment Holding Limited. Call options granted to holders of non-controlling interests are summarised below.

First exercise of call options:

Within 6 months from 24 April 2022, the option price is based on specified terms and conditions as stated in the agreement.

Second exercise of call options:

Within 6 months from 24 April 2024, the option price is based on specified terms and conditions as stated in the agreement.

As at 30 June 2021, the Company recorded assets associated with call options granted to holders of non-controlling interests amount of Baht 8.8 million in consolidated and separate financial statements (31 December 2020: Baht 8.8 million).

**19. Provision for long-term employee benefits**

Movement of provision for long-term employee benefits account during the six-month period ended 30 June 2021 are below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2021	70,898	41,218
<i>Included in profit or loss:</i>		
Current service cost	6,295	3,701
Interest cost	511	328
<i>Included in other comprehensive income:</i>		
Actuarial gain (loss) arising from		
Demographic assumptions changes	92	-
Financial assumptions changes	(746)	-
Experience adjustments	(494)	-
Benefits paid during the period	(1,471)	(69)
Translation adjustment	1,283	-
Balance as at 30 June 2021	76,368	45,178

**20. Income tax**

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and six-month periods ended 30 June 2021 and 2020 are made up as follows:

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<b>Current income tax:</b>				
Interim corporate income tax charge	13,742	15,538	1,695	12,036
Adjustment in respect of income tax previous year	(3,380)	-	(3,380)	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	431	1,755	(451)	(431)
<b>Income tax expenses (revenues) reported in the statement of comprehensive income</b>	<u>10,793</u>	<u>17,293</u>	<u>(2,136)</u>	<u>11,605</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<b>Current income tax:</b>				
Interim corporate income tax charge	21,667	22,042	6,818	20,995
Adjustment in respect of income tax previous year	(3,380)	-	(3,380)	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	150,926	15,943	(791)	(847)
Relating to actuarial gain (loss)	203	(152)	-	-
<b>Income tax expenses reported in the statement of comprehensive income</b>	<u>169,416</u>	<u>37,833</u>	<u>2,647</u>	<u>20,148</u>

The components of deferred tax assets and deferred tax liabilities as at 30 June 2021 and 31 December 2020 are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
<b>Deferred tax assets</b>				
Allowance for expected credit losses	866	791	-	-
Allowance for diminution in value of inventories	636	645	323	314
Allowance for assets impairment	125	125	125	125
Accumulated depreciation - equipment	232	242	232	242
Provision for long-term employee benefits	10,740	8,851	9,036	8,244
Contingent liabilities	1,104	1,067	-	-
Cost of amalgamation of subsidiary	197	242	-	-
Unused tax loss	-	41,354	-	-
<b>Total</b>	<b>13,900</b>	<b>53,317</b>	<b>9,716</b>	<b>8,925</b>
<b>Deferred tax liabilities</b>				
Accumulated depreciation	290,215	139,968	-	-
<b>Total</b>	<b>290,215</b>	<b>139,968</b>	<b>-</b>	<b>-</b>
<b>Deferred tax assets (liabilities) - net</b>	<b>(276,315)</b>	<b>(86,651)</b>	<b>9,716</b>	<b>8,925</b>

A subsidiary has unused tax loss on which deferred tax assets have not been recognised in total of Baht 64 million (31 December 2020: Baht 54 million).

In addition, the Company considered that no temporary differences associated with investments in subsidiaries for which deferred tax liability has been recognised as the Company has no policy to call for dividend from the subsidiaries.

#### International Business Center

On 24 June 2019, the Revenue Department approved the Company to be International Business Center in providing management services, technical services, supporting services, and international trade with tax benefits for 15 accounting periods as from 1 June 2019 to 31 December 2033 under specified requirements.

#### Benefits from amalgamation - TPAC Packaging India Private Limited

As at amalgamation date, TPAC Packaging India Private Limited granted benefits from amalgamation. The subsidiary is able to utilise tax benefit in respect of difference between fair value and book value of property, plant and equipment, intangible assets, and goodwill.

On 28 March 2021, the Government of India amended Finance Act, which terminated TPAC Packaging India Private Limited's income tax benefits on goodwill of INR 321 million as from 1 April 2020 (according to India's tax fiscal year), and the subsidiary then commenced to have income tax expenses during this tax fiscal year. As at 30 June 2021, the subsidiary had no unused tax loss, write-off deferred tax assets - unused tax losses, and also recognised deferred tax liabilities - accumulated depreciation to reflect the amendment of Finance Act.

Exemption of corporate income tax for companies located in Sharjah Airport International Free Zone in United Arab Emirates

Sun Packaging System (FZC) located in Sharjah Airport International Free Zone in United Arab Emirates, and granted corporate income tax exemption for 50 years as from the subsidiary's founding date in 2004.

## 21. Earnings per share

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

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Profit for the period to equity holders of the Company (Thousand Baht)	50,805	87,831	876	53,391
Weighted average number of ordinary shares (Thousand shares)	326,550	326,550	326,550	326,550
Earnings per share (Baht/share)	0.16	0.27	0.003	0.16

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Profit for the period to equity holders of the Company (Thousand Baht)	30,702	178,786	27,575	91,122
Weighted average number of ordinary shares (Thousand shares)	326,550	326,550	326,550	326,550
Earnings per share (Baht/share)	0.09	0.55	0.08	0.28

**22. Dividends**

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2020	Annual General Meeting of the shareholders on 23 April 2021	95,353	0.292
Total dividends for 2021		95,353	0.292
Final dividends for 2019	Annual General Meeting of the shareholders on 21 April 2020	40,819	0.125
Total dividends for 2020		40,819	0.125

**23. Segment information**

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker. The chief operating decision maker has been identified as Board of Directors. The basis that used to measure operating profit or loss of segment is same as the basis that used to measure operating profit or loss in the financial statements.

For management purposes, the Group are principally engaged in the manufacture and distribution of plastic packaging. Their operations are carried on in two geographic areas in Thailand which consists of the Company and TPAC Packaging (Bangna) Company Limited, and oversea countries which consists of India as operated by TPAC Packaging India Private Limited, United Arab Emirate as operated by Sun Packaging Systems (FZC), and Malaysia as operated by Combi-Pack Sdn Bhd.

The basis of accounting for any transactions between reportable geographical segments is consistent with that for third party transactions.



(Unaudited but reviewed)

The revenue and profit information by geographical segment in the consolidated financial statements for the three-month and six-month periods ended 30 June 2021 and 2020 are as follows:

(Unit: Thousand Baht)

For the three-month periods ended 30 June								
	Thailand		Overseas country		Elimination of inter-segment revenues		Consolidation	
	2021	2020	2021	2020	2021	2020	2021	2020
Sales to external customers	459,224	454,878	678,832	470,768	-	-	1,138,056	925,646
Inter-segment sales	20,918	5,266	4,961	1,825	(25,879)	(7,091)	-	-
Total sales	480,142	460,144	683,793	472,593	(25,879)	(7,091)	1,138,056	925,646
Segment operating profit	4,822	63,615	90,836	73,877	61	36	95,719	137,528
Unallocated income and expenses:								
Finance cost							(29,560)	(25,381)
Income tax expenses							(10,793)	(17,293)
Profit for the period							55,366	94,854

(Unit: Thousand Baht)

For the six-month periods ended 30 June								
	Thailand		Overseas country		Elimination of inter-segment revenues		Consolidation	
	2021	2020	2021	2020	2021	2020	2021	2020
Sales to external customers	905,101	918,616	1,322,046	1,046,092	-	-	2,227,147	1,964,708
Inter-segment sales	34,425	9,061	9,675	4,723	(44,100)	(13,784)	-	-
Total sales	939,526	927,677	1,331,721	1,050,815	(44,100)	(13,784)	2,227,147	1,964,708
Segment operating profit	41,403	124,752	222,635	162,692	120	71	264,158	287,515
Unallocated income and expenses:								
Finance cost							(55,526)	(54,260)
Income tax expenses							(169,213)	(37,985)
Profit for the period							39,419	195,270

### Major customers

During the three-month and six-month periods ended 30 June 2021 and 2020, the Group has no major customer with revenue of 10 percent or more of the Group's revenues.



## **24. Commitments and contingent liabilities**

### **24.1 Capital commitments**

As at 30 June 2021, the Group had capital commitments totaling approximately Baht 20.2 million, USD 1.1 million, EUR 0.5 million, JPY 38.8 million, INR 306.4 million and MYR 1.3 million relating to acquisition of machinery and molds (The Company only: Baht 14.7 million, USD 0.4 million, EUR 0.2 million and JPY 19.3 million) (31 December 2020: Baht 14.3 million, USD 1.0 million, EUR 0.6 million, JPY 10.6 million and INR 111.9 million relating to acquisition of machinery and molds (The Company only: Baht 13.5 million, USD 0.4 million, EUR 0.6 million and JPY 4.8 million)).

### **24.2 Guarantees**

As at 30 June 2021, there were outstanding bank guarantees to guarantee electricity and other utilities use of Baht 20 million and INR 33 million issued by banks on behalf of the Group (The Company only: Baht 14 million) (31 December 2020: Baht 20 million and INR 33 million (The Company only: Baht 14 million)).

### **24.3 Litigations**

TPAC Packaging India Private Limited has been carrying excise duty and service tax under dispute amounting to INR 14 million (31 December 2020: INR 14 million). These contingent liabilities have arisen pursuant to notice received from Indirect tax department. Currently, litigation is in progress pertaining to such disputes at Courts in India. The management of subsidiary has set aside provision for the potential losses to such case amounting to INR 10 million (31 December 2020: INR 11 million).

In addition, on 20 April 2021, TPAC Packaging India Private Limited received an assessment order of INR 85.8 million from Income tax department of India related to share premium received in India's tax fiscal years 2018-2019. Currently, the subsidiary is in the appeal process of such assessment order. The Group's management and the subsidiary's management believe that the subsidiary will not incur any loss as a result of this assessment order. The subsidiary therefore has not set aside provision for losses resulting from this assessment order.

**25. Fair value hierarchy**

As at 30 June 2021, the Group had the financial assets and liabilities that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	Consolidated and Separate financial statements			
	As at 30 June 2021			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at FVTPL				
Assets associated with call options granted by holders of non-controlling interests	-	-	8.8	8.8
<b>Liabilities measured at fair value</b>				
Financial liabilities measured at FVTPL				
Other current financial liabilities				
Foreign exchange forward contracts	-	0.5	-	0.5

As at 31 December 2020, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	Consolidated and Separate financial statements			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at FVTPL				
Other current financial assets				
Foreign exchange forward contracts	-	0.2	-	0.2
Assets associated with call options granted by holders of non-controlling interests	-	-	8.8	8.8

**26. Financial instruments**

**26.1** As at 30 June 2021 and 31 December 2020, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	30 June	31 December	30 June	31 December	30 June	31 December
	2021	2020	2021	2020	2021	2020
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 currency unit)	
US Dollar	2,963	2,796	705	526	32.0533	30.0371
Euro	145	161	110	57	38.1413	36.8764
Pound Sterling	9	13	-	-	44.3993	40.6403
Singapore Dollar	514	-	19	6	23.8479	22.6632
Dirham United Arab Emirates	-	-	-	24	-	8.1774
Japanese Yen	-	-	6,023	-	0.2903	-
Australian Dollar	1,288	-	145	-	24.1011	-
Malaysian Ringgit	-	-	9,944	-	7.7200	-
Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	30 June	31 December	30 June	31 December	30 June	31 December
	2021	2020	2021	2020	2021	2020
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 currency unit)	
US Dollar	1,131	993	62	31	32.0533	30.0371
Singapore Dollar	-	-	10	6	23.8479	22.6632
Euro	-	-	8	-	38.1413	-
Malaysian Ringgit	-	-	9,944	-	7.7200	-

**26.2** As at 30 June 2021, the Group had foreign exchange contracts outstanding are summarised below.

Foreign currency	Consolidated and Separate financial statements				
	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought amount	Sold amount	
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)		
US Dollar	-	679	-	31.17 - 31.65	11 August 2021 - 27 September 2021

As at 31 December 2020, the Group had foreign exchange contracts outstanding are summarised below.

	Consolidated and Separate financial statements				
Foreign			Contractual exchange rate		
currency	Bought amount	Sold amount	Bought amount	Sold amount	Contractual maturity date
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)		
US Dollar	-	848	-	29.82 - 31.29	6 January 2021 - 29 March 2021

### 26.3 Fair values of financial instruments

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

### 27. Events after the reporting period

On 11 August 2021, the Board of Directors Meeting No. 5/2021 approved to move the listing from the Market for Alternative Investment (mai) to the Stock Exchange of Thailand (SET).

### 28. Approval of interim financial information

This interim financial information was authorised for issue by the Company's Board of Directors on 11 August 2021.