

Thai Plaspac Public Company Limited and its subsidiaries
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 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 September 2021, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-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 group of sellers by 92.5% of the initial purchase price to acquire of 80% shares of Combi-Pack Sdn Bhd, a limited Company registered in Malaysia, 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 on the date as stated in the agreements. 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. On 23 September 2021, the Company paid the additional consideration to group of sellers amounting to MYR 1.2 million or Baht 9.5 million as a result of the adjustment of the initial purchase price to the actual purchase price based on price adjustment method as stipulated in the agreement. At present, the Company is currently in the process 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: 10 November 2021

Thai Plaspac Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	4	291,348	195,615	23,647	5,894
Trade and other receivables	3, 5	1,161,943	826,038	425,603	394,390
Inventories	6	641,400	415,744	160,657	120,911
Advance payment for purchasing of raw materials		159,741	8,075	-	-
Other current financial assets		11,929	410	-	165
Other current assets		89,751	115,169	46,670	37,784
Total current assets		2,356,112	1,561,051	656,577	559,144
Non-current assets					
Restricted bank deposits	7	21,701	23,237	-	-
Other non-current financial assets		72	2,267	-	-
Investments in subsidiaries	8	-	-	3,574,000	2,560,744
Property, plant and equipment	9	2,236,596	1,476,101	395,482	453,733
Right-of-use assets	17	192,091	85,861	1,974	3,382
Excess of acquisition cost over estimated value of interest acquired in net assets from acquisition of the subsidiary	1.4	705,986	-	-	-
Goodwill	10	1,124,807	1,001,817	-	-
Intangible assets	11	363,955	353,499	4,037	4,254
Deferred tax assets	20	10,115	8,925	10,115	8,925
Withholding tax deducted at source	12	70,357	93,219	70,357	93,201
Advance payment for purchasing of molds		97,948	49,950	90,549	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		64,563	58,697	6,075	21,387
Total non-current assets		4,897,031	3,162,413	4,161,429	3,203,612
Total assets		7,253,143	4,723,464	4,818,006	3,762,756

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 September 2021

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 September 2021	31 December 2020	30 September 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	950,818	515,342	642,000	468,192
Trade and other payables	3, 14	561,995	358,954	285,073	179,013
Current portion of long-term loans from banks	15	248,706	165,249	214,824	165,249
Current portion of debentures	16	114,174	76,025	-	-
Current portion of lease liabilities		12,847	7,006	1,543	1,885
Income tax payable		9,613	12,827	4,270	12,827
Other current financial liabilities		494	-	494	-
Other current liabilities		74,789	36,982	50,485	17,373
Total current liabilities		1,973,436	1,172,385	1,198,689	844,539
Non-current liabilities					
Long-term loans from banks,					
net of current portion	15	1,660,071	792,653	1,549,499	792,653
Debentures, net of current portion	16	324,108	390,307	-	-
Lease liabilities, net of current portion		177,396	80,908	513	1,576
Liabilities associated with put options granted					
to holders of non-controlling interests	18	289,969	-	289,969	-
Deferred tax liabilities	20	307,867	95,576	-	-
Provision for long-term employee benefits	19	78,906	70,898	47,192	41,218
Total non-current liabilities		2,838,317	1,430,342	1,887,173	835,447
Total liabilities		4,811,753	2,602,727	3,085,862	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 September 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
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	609,163	912,545	345,970	696,596
Other components of shareholders' equity	81,831	(257,077)	-	-
Equity attributable to owners of the Company	2,097,203	2,061,677	1,732,144	2,082,770
Non-controlling interests of the subsidiaries	344,187	59,060	-	-
Total shareholders' equity	2,441,390	2,120,737	1,732,144	2,082,770
Total liabilities and shareholders' equity	7,253,143	4,723,464	4,818,006	3,762,756

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

Directors





Thai Plaspac Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit or loss:					
Revenues					
Sales	3	1,396,713	1,036,178	403,621	391,927
Other income	3	16,134	14,039	10,869	2,654
Gain on exchange		-	214	-	1,366
Total revenues		1,412,847	1,050,431	414,490	395,947
Expenses					
Cost of sales	3	1,147,389	790,601	333,419	302,869
Selling and distribution expenses		52,596	49,098	8,045	10,612
Administrative expenses	3	94,983	71,472	44,463	38,573
Loss on exchange		4,345	-	2,476	-
Total expenses		1,299,313	911,171	388,403	352,054
Profit from operating activities		113,534	139,260	26,087	43,893
Finance cost		(37,586)	(24,788)	(19,106)	(7,192)
Profit before income tax expenses		75,948	114,472	6,981	36,701
Income tax revenues (expenses)	20	(19,242)	(22,537)	140	(6,102)
Profit for the period		56,706	91,935	7,121	30,599
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		203,005	105,502	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		203,005	105,502	-	-
Other comprehensive income for the period		203,005	105,502	-	-
Total comprehensive income for the period		259,711	197,437	7,121	30,599

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 September 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
Note	2021	2020	2021	2020
Profit attributable to:				
Equity holders of the Company	50,361	79,804	7,121	30,599
Non-controlling interests of the subsidiaries	6,345	12,131		
	<u>56,706</u>	<u>91,935</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	243,432	185,306	7,121	30,599
Non-controlling interests of the subsidiaries	16,279	12,131		
	<u>259,711</u>	<u>197,437</u>		
Earnings per share				
21				
Basic earnings per share				
Equity holders of the Company	<u>0.15</u>	<u>0.24</u>	<u>0.02</u>	<u>0.09</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

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit or loss:					
Revenues					
Sales	3	3,623,860	3,000,886	1,198,697	1,174,347
Other income	3	37,788	35,922	32,460	8,465
Gain on exchange		-	5,706	-	717
Total revenues		3,661,648	3,042,514	1,231,157	1,183,529
Expenses					
Cost of sales	3	2,888,386	2,272,971	992,874	876,384
Selling and distribution expenses		139,298	131,750	25,902	30,783
Administrative expenses	3	253,479	211,018	128,805	104,775
Loss on exchange		2,793	-	3,635	-
Total expenses		3,283,956	2,615,739	1,151,216	1,011,942
Profit from operating activities		377,692	426,775	79,941	171,587
Finance cost		(93,112)	(79,048)	(42,738)	(23,616)
Profit before income tax expenses		284,580	347,727	37,203	147,971
Income tax expenses	20	(188,455)	(60,522)	(2,507)	(26,250)
Profit for the period		96,125	287,205	34,696	121,721
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		355,590	99,744	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		355,590	99,744	-	-
<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	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		945	38	-	-
Other comprehensive income for the period		356,535	99,782	-	-
Total comprehensive income for the period		452,660	386,987	34,696	121,721

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 nine-month period ended 30 September 2021

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
Profit attributable to:					
Equity holders of the Company		81,063	258,590	34,696	121,721
Non-controlling interests of the subsidiaries		15,062	28,615		
		96,125	287,205		
Total comprehensive income attributable to:					
Equity holders of the Company		420,848	358,390	34,696	121,721
Non-controlling interests of the subsidiaries		31,812	28,597		
		452,660	386,987		
Earnings per share					
	21				
Basic earnings per share					
Equity holders of the Company		0.25	0.79	0.11	0.37

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
For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

Consolidated financial statements												
Equity holders of the Company												
Note	Issued and share capital paid-up	Premium on ordinary shares	Excess from change in ownership interest in the subsidiary	Retained earnings		Other components			Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total	
				Appropriated - Statutory reserve	Unappropriated	Exchange differences		Total equity attributable to owners of the Company				
						on translation of financial statements in foreign currency	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	-	-	-	-	258,590	-			258,590	28,615	287,205	
Other comprehensive income for the period	-	-	-	-	56	99,744	99,744		99,800	(18)	99,782	
Total comprehensive income for the period	-	-	-	-	258,646	99,744	99,744		358,390	28,597	386,987	
Dividend paid	-	-	-	-	(40,819)	-	-		(40,819)	-	(40,819)	
Liabilities associated with put options granted to holders of non-controlling interests	-	-	-	-	-	-	-		-	(12,759)	(12,759)	
Balance as at 30 September 2020	326,550	1,026,969	-	28,605	854,092	(174,270)			2,061,946	120,945	2,182,891	
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	-	-	-	-	81,063	-			81,063	15,062	96,125	
Other comprehensive income for the period	-	-	-	-	877	338,908	338,908		339,785	16,750	356,535	
Total comprehensive income for the period	-	-	-	-	81,940	338,908	338,908		420,848	31,812	452,660	
Dividend paid	-	-	-	-	(95,353)	-	-		(95,353)	-	(95,353)	
Increase in non-controlling interests of the subsidiary	-	-	-	-	-	-	-		-	253,315	253,315	
Liabilities associated with put options granted to holders of non-controlling interests	-	-	-	-	(289,969)	-	-		(289,969)	-	(289,969)	
Balance as at 30 September 2021	326,550	1,026,969	20,035	32,655	609,163	81,831			2,097,203	344,187	2,441,390	

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 nine-month period ended 30 September 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	
Balance as at 1 January 2020		326,550	1,026,969	28,605	585,451	1,967,575
Profit for the period		-	-	-	121,721	121,721
Other comprehensive income for the period		-	-	-	-	-
Total comprehensive income for the period		-	-	-	121,721	121,721
Dividend paid	3, 22	-	-	-	(40,819)	(40,819)
Balance as at 30 September 2020		326,550	1,026,969	28,605	666,353	2,048,477
Balance as at 1 January 2021		326,550	1,026,969	32,655	696,596	2,082,770
Profit for the period		-	-	-	34,696	34,696
Other comprehensive income for the period		-	-	-	-	-
Total comprehensive income for the period		-	-	-	34,696	34,696
Dividend paid	3, 22	-	-	-	(95,353)	(95,353)
Liabilities associated with put options granted to holders of non-controlling interests	18	-	-	-	(289,969)	(289,969)
Balance as at 30 September 2021		326,550	1,026,969	32,655	345,970	1,732,144

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

Thai Plaspac Public Company Limited and its subsidiaries

Statement of cash flows

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit before tax	284,580	347,727	37,203	147,971
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	284,081	245,559	99,416	102,880
Allowance for expected credit losses (reversal)	(1,224)	1,496	(208)	426
Reduction (reversal) of inventories to net realisable value	1,662	1,103	(339)	933
Allowance for impairment loss on assets (reversal)	(299)	1,600	-	-
Gain on disposals/write-off of machinery and equipment	(5,187)	(1,593)	(139)	(275)
Long-term employee benefits expenses	11,558	13,381	6,043	5,450
Unrealised loss on exchange rate	4,666	42	5,545	326
Loss from fair value measurement of forward exchange contracts	659	479	659	479
Amortisation of financial fees	6,168	6,881	1,368	683
Interest income	(5,144)	(4,341)	(19)	(56)
Finance cost	86,944	72,167	41,370	22,933
Profit from operating activities before changes in operating assets and liabilities	668,464	684,501	190,899	281,750
Operating assets (increase) decrease				
Trade and other receivables	(186,750)	(21,616)	(7,463)	(6,577)
Inventories	(108,429)	(29,617)	(39,407)	(18,933)
Other current assets	(183,461)	38,684	(32,294)	(23,019)
Other non-current assets	(45,130)	(40,799)	(25,842)	(31,823)
Operating liabilities increase (decrease)				
Trade and other payables	52,149	52,000	24,024	15,396
Other current liabilities	31,927	19,592	34,152	10,134
Provision for long-term employee benefits	(4,812)	(4,119)	(69)	(14)
Cash flows from operating activities	223,958	698,626	144,000	226,914
Corporate income tax paid	(35,976)	(20,948)	(13,294)	(20,948)
Net cash flows from operating activities	187,982	677,678	130,706	205,966

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

Thai Plaspac Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from investing activities				
Proceeds from sales of machinery and equipment	11,182	3,309	139	275
Proceeds from sales of asset held for sale	57,274	-	-	-
Acquisition of building, machinery and equipment	(275,828)	(222,830)	(14,913)	(69,851)
Acquisition of intangible assets	(892)	(445)	(440)	(326)
Cash paid for investment in a subsidiary	(893,493)	-	(937,978)	-
Decrease (increase) in other current financial assets	(11,654)	55,556	-	-
Decrease in other non-current financial assets	2,471	7,028	-	-
Interest received	5,144	4,341	19	56
Net cash flows used in investing activities	(1,105,796)	(153,041)	(953,173)	(69,846)
Cash flows from financing activities				
Increase in bank overdraft and short-term loans from banks	401,383	48,630	173,808	30,600
Decrease in restricted bank deposits	2,569	2,462	-	-
Cash receipt of long-term loans from banks	937,978	-	937,978	-
Repayment of long-term loans from banks	(166,208)	(173,224)	(124,675)	(86,425)
Repayment of debentures	(83,576)	(55,334)	-	-
Cash paid for financial fees	(8,250)	-	(8,250)	-
Cash paid for lease liabilities	(12,275)	(9,637)	(1,506)	(1,484)
Interest paid	(99,511)	(89,426)	(41,782)	(23,909)
Dividend paid	(95,353)	(40,819)	(95,353)	(40,819)
Net cash flows from (used in) financing activities	876,757	(317,348)	840,220	(122,037)
Increase in exchange differences on translation of financial statements in foreign currency	136,790	29,361	-	-
Net increase in cash and cash equivalents	95,733	236,650	17,753	14,083
Cash and cash equivalents at beginning of period	195,615	34,674	5,894	6,947
Cash and cash equivalents at end of period (Note 4)	291,348	271,324	23,647	21,030

Supplemental cash flows information

Non-cash items consist of:

Increase (decrease) in accounts payable for purchasing of fixed assets	3,422	(7,463)	779	(9,583)
Increase in liabilities associated with put options granted to holders of non-controlling interests	289,969	12,759	289,969	-
Increase in long-term lease liabilities	92,922	95,401	-	5,237
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 nine-month periods ended 30 September 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 group of 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 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 consideration of 6% and 1.5% of the initial purchase price on the date as stated in the agreements. On 23 September 2021, the Company paid the additional consideration to group of sellers amounting to MYR 1.2 million or Baht 9.5 million as a result of the adjustment of 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 September 2021, and the statement of comprehensive income for the period from the acquisition date to 30 September 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. 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”.

At present, 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 September 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>
Assets	
Cash and cash equivalents	44,485
Trade and other receivables	123,987
Inventories	119,314
Property, plant and equipment, net (Note 9)	546,153
Right-of-use assets (Note 17)	26,654
Other assets	32,383
Total assets	<u>892,976</u>
Liabilities	
Bank overdraft and short-term loans from banks	32,604
Trade and other payables	80,095
Long-term loans from banks (Note 15)	174,970
Deferred tax liabilities	29,821
Other liabilities	14,902
Total liabilities	<u>332,392</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>564,789</u>
Purchase price	1,013,256
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>893,493</u>

Details of acquisition of the subsidiary are presented as follows.

(Unit: Thousand Baht)

Purchase price

Cash paid (92.5%)	928,432
Additional cash paid as a result of the adjustment of the initial purchase price to the actual purchase price	9,546
Account payable for purchasing of shares at acquisition date (7.5%)	75,278
Total	1,013,256
Fair value of net assets received	(448,467)
The excess of the purchase price over the value of the net assets - the Company	564,789
The excess of the purchase price over the value of the net assets - Non-controlling interests of the subsidiary	141,197
The excess of the purchase price over the value of the net assets	705,986

The revenue and profit of subsidiary from the acquisition date to 30 September 2021 amounting to Baht 325 million and Baht 27 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.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September				
	Consolidated financial statements		Separate financial statements		
	2021	2020	2021	2020	Transfer pricing policy
<u>Transactions with subsidiaries</u>					
(Eliminated from consolidated financial statements)					
Sales of goods	-	-	4,850	971	Close to market price
Purchase of goods	-	-	24,590	4,272	Close to market price
Management fee income	-	-	8,443	-	Contract price
<u>Transaction with related companies</u>					
Purchase of goods	8,952	9,883	8,952	460	Close to market price

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September				
	Consolidated financial statements		Separate financial statements		
	2021	2020	2021	2020	Transfer pricing policy
<u>Transactions with subsidiaries</u>					
(Eliminated from consolidated financial statements)					
Sales of goods	-	-	10,156	3,220	Close to market price
Purchase of goods	-	-	54,555	11,679	Close to market price
Management fee income	-	-	20,633	-	Contract price
<u>Transaction with related companies</u>					
Purchase of goods	56,133	42,643	31,319	4,572	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)

As at 30 September 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 September 2021	31 December 2020	30 September 2021	31 December 2020
<u>Trade receivables - related parties</u>				
(Note 5)				
Subsidiaries	-	-	3,295	510
Total	-	-	3,295	510
<u>Other receivables - related parties</u>				
(Note 5)				
Subsidiaries	-	-	11,435	29,712
Total	-	-	11,435	29,712
<u>Trade payables - related parties</u>				
(Note 14)				
Subsidiaries	-	-	21,102	5,183
Related companies	7,694	12,015	7,694	5,500
Total	7,694	12,015	28,796	10,683

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 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 September			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short-term benefits	21,399	13,974	11,029	10,500
Post-employment benefits	1,094	913	965	814
Other long-term benefits	6	6	6	6
Total	22,499	14,893	12,000	11,320

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short-term benefits	52,277	42,002	33,616	30,014
Post-employment benefits	3,227	2,725	2,882	2,428
Other long-term benefits	18	19	18	19
Total	55,522	44,746	36,516	32,461

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 September 2021	31 December 2020	30 September 2021	31 December 2020
Cash	356	234	72	80
Cash at banks	290,992	195,381	23,575	5,814
Total	291,348	195,615	23,647	5,894

As at 30 September 2021, cash at banks carried interests between 0.05 and 1.57 percent per annum (The Company only: between 0.05 and 0.15 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 September 2021	31 December 2020	30 September 2021	31 December 2020
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	3,295	510
Total trade receivables - related parties	-	-	3,295	510
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	885,741	609,538	310,908	281,299
Past due				
Up to 1 month	148,332	125,054	69,298	75,622
1 - 2 months	18,842	15,407	7,355	4,822
2 - 3 months	5,993	9,996	706	2,577
3 months - 1 year	6,086	5,368	24	109
1 year - 2 years	482	1,089	28	590
Over 2 years	5,565	5,099	5,288	4,686
Total	1,071,041	771,551	393,607	369,705
Less: Allowance for expected credit losses	(8,041)	(8,924)	(5,329)	(5,537)
Total trade receivables - unrelated parties	1,063,000	762,627	388,278	364,168
<u>Other receivables - related parties</u>				
Other receivables	-	-	11,435	29,712
Total other receivables - related parties	-	-	11,435	29,712
<u>Other receivables - unrelated parties</u>				
Value added tax refundable	29,252	26,109	-	-
Withholding tax deducted at source				
refundable	22,595	-	22,595	-
Other receivables	47,096	37,302	-	-
Total other receivables - unrelated parties	98,943	63,411	22,595	-
Total trade and other receivables	1,161,943	826,038	425,603	394,390

6. Reduction of inventories to net realisable value

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

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2021	5,450	1,968
Increase (reversal) in reduction of inventories during the period	1,662	(339)
Translation adjustment	425	-
Balance as at 30 September 2021	7,537	1,629

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 3.25 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 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2021	2020	2021	2020	2021	2020	2021	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	-	1,013,256	-	-	-
Total					3,574,000	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 a 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 date as stated in the agreements. 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 group of 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. On 23 September 2021, the Company paid the additional consideration to group of sellers amounting to MYR 1.2 million or Baht 9.5 million as a result of the adjustment of the initial purchase price to the actual purchase price based on price adjustment method as stipulated in the agreement.

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 nine-month period ended 30 September 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	279,250	15,692
Increase from acquisition of subsidiary		
- net book value	546,153	-
Transferred from right-of-use assets	14,165	-
Disposals during the period		
- net book value at disposal date	(5,995)	-
Depreciation for the period	(218,680)	(73,943)
Translation adjustment	145,602	-
Net book value as at 30 September 2021	2,236,596	395,482

As at 30 September 2021, all property, plant and equipment of TPAC Packaging India Private Limited amounting to INR 2,091 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 September 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 nine-month period ended 30 September 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	101,868	21,122	122,990
Balance as at 30 September 2021	940,382	184,425	1,124,807

11. Intangible assets

Movements of the intangible assets account during the nine-month period ended 30 September 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	892	440
Increase from acquisition of subsidiary - net book value	543	-
Amortisation for the period	(31,593)	(657)
Translation adjustment	40,614	-
Net book value as at 30 September 2021	363,955	4,037

12. Withholding tax deducted at source

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Withholding tax in 2017	-	22,844	-	22,844
Withholding tax in 2018	35,546	35,562	35,546	35,546
Withholding tax in 2019	34,811	34,813	34,811	34,811
Total	70,357	93,219	70,357	93,201

The Group presented 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. As at 30 September 2021, withholding tax in 2017 was presented as other receivables in Note 5 to financial statements, as a result from tax refund letter dated 25 October 2021.

13. Bank overdraft and short-term loans from banks

(Unit: Thousand Baht)

	Interest rate (% per annum)		Consolidated financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Bank overdraft	5.88 - 8.30	5.85 - 5.88	205,869	5,542
Short-term loans from banks	1.63 - 3.80	1.63 - 2.60	744,949	509,800
Total			950,818	515,342

(Unit: Thousand Baht)

	Interest rate (% per annum)		Separate financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Bank overdraft	-	5.88	-	4,192
Short-term loans from banks	1.63 - 2.05	1.63 - 2.00	642,000	464,000
Total			642,000	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		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
Trade accounts payable - related parties	7,694	12,015	28,796	10,683
Trade accounts payable - unrelated parties	286,207	189,834	102,686	92,866
Accounts payable for purchasing of fixed assets	12,342	8,920	2,486	1,707
Account payable for purchasing of shares	81,612	-	81,612	-
Accrued expenses	89,902	73,225	20,253	15,394
Other payables	84,238	74,960	49,240	58,363
Total	561,995	358,954	285,073	179,013

15. Long-term loans from banks

			(Unit: Thousand Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
	Interest rate		30 September	31 December	30 September	31 December
Loan	(% per annum)	Repayment schedule	2021	2020	2021	2020
1	MLR - 1.75	Quarterly installments as from				
		25 February 2019	462,131	548,555	462,131	548,555
2	MLR - 2.00	Quarterly installments as from				
		30 December 2019	374,000	412,251	374,000	412,251
3	Year 1 - 3:	Quarterly installments as				
	MLR - 1.75	from 30 September 2022				
	Year 4 - 7:					
	MLR - 2.00		937,978	-	937,978	-
4	Bank's Base	Monthly installments as				
	Lending Rate - 1.00	from 1 June 2021	34,464	-	-	-
5	Bank's Base	Monthly installments as				
	Lending Rate + 0.50	from 1 June 2021	909	-	-	-
6	Bank's Cost of	Monthly installments as				
	Funds Rate + 1.00	from 1 June 2021	38,134	-	-	-
7	Bank's 1 month	Monthly installments as				
	Cost of Funds	from 6 June 2021				
	Rate + 1.00		70,947	-	-	-
Total			1,918,563	960,806	1,774,109	960,806
Less: Deferred financial fees			(9,786)	(2,904)	(9,786)	(2,904)
Net			1,908,777	957,902	1,764,323	957,902
Less: Current portion			(248,706)	(165,249)	(214,824)	(165,249)
Long-term loans, net of current portion			1,660,071	792,653	1,549,499	792,653

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2021	957,902	957,902
Add: Additional borrowings	937,978	937,978
Financial fees amortisation	1,368	1,368
Increase from acquisition of subsidiary	174,970	-
Less: Repayment	(166,208)	(124,675)
Financial fees paid	(8,250)	(8,250)
Translation adjustment	11,017	-
Balance as at 30 September 2021	1,908,777	1,764,323

As at 30 September 2021, the long-term credit facilities of the Group which have not yet been drawn down amounted to Baht 87 million (31 December 2020: Nil) (the Company only: Baht 87 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 a 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 a rate of 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 a rate of 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 September 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 September 2021 are detailed below.

						(Unit: Thousand Baht)	
						Consolidated	
						financial statements	
Debtenture	Issue date	Maturity date	Term (years)	Interest rate (% per annum)	Interest payment	30 September 2021	31 December 2020
1	24 August 2018	24 August 2023	5	9.62% / specified condition	every 6 months	447,330	478,647
Less: Deferred cost of issuing debentures						(9,048)	(12,315)
Net						438,282	466,332
Less: Current portion						(114,174)	(76,025)
Long-term debentures, net of current portion						324,108	390,307

Movement of debentures during the nine-month period ended 30 September 2021 are summarised below:

		(Unit: Thousand Baht)
		Consolidated
		financial statements
Balance as at 1 January 2021		466,332
Add: Cost of issuing debentures amortisation		4,800
Less: Repayment		(83,576)
Translation adjustment		50,726
Balance as at 30 September 2021		438,282

17. Right-of-use assets

Movement of right-of-use assets for the nine-month period ended 30 September 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			
- net book value		26,654	-
Transferred to equipment		(14,165)	-
Depreciation for the period		(10,400)	(1,408)
Translation adjustment		11,219	-
Net book value as at 30 September 2021		192,091	1,974

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 September 2021, the Company recorded liabilities associated with put options granted to holders of non-controlling interests amount of Baht 290 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 September 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 nine-month period ended 30 September 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	10,827	5,552
Interest cost	731	491
<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	(4,812)	(69)
Translation adjustment	2,410	-
Balance as at 30 September 2021	78,906	47,192

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 nine-month periods ended 30 September 2021 and 2020 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Current income tax:				
Interim corporate income tax charge	13,157	6,545	259	6,545
Deferred tax:				
Relating to origination and reversal of temporary differences	6,085	15,992	(399)	(443)
Income tax expenses (revenues) reported in the statement of comprehensive income	19,242	22,537	(140)	6,102

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Current income tax:				
Interim corporate income tax charge	34,824	27,540	7,077	27,540
Adjustment in respect of income tax previous year	(3,380)	-	(3,380)	-
Deferred tax:				
Relating to origination and reversal of temporary differences	157,011	32,982	(1,190)	(1,290)
Relating to actuarial gain (loss)	203	(152)	-	-
Income tax expenses reported in the statement of comprehensive income	188,658	60,370	2,507	26,250

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
Deferred tax assets				
Allowance for expected credit losses	753	791	-	-
Allowance for diminution in value				
of inventories	840	645	326	314
Allowance for assets impairment	125	125	125	125
Accumulated depreciation - equipment	225	242	225	242
Provision for long-term employee benefits	11,430	8,851	9,439	8,244
Contingent liabilities	1,259	1,067	-	-
Cost of amalgamation of subsidiary	180	242	-	-
Unused tax loss	-	41,354	-	-
Total	14,812	53,317	10,115	8,925
Deferred tax liabilities				
Accumulated depreciation	312,564	139,968	-	-
Total	312,564	139,968	-	-
Deferred tax assets (liabilities) - net	(297,752)	(86,651)	10,115	8,925

A subsidiary has unused tax loss on which deferred tax assets have not been recognised in total of Baht 68 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 September 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 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Profit for the period to equity holders of the Company (Thousand Baht)	50,361	79,804	7,121	30,599
Weighted average number of ordinary shares (Thousand shares)	326,550	326,550	326,550	326,550
Earnings per share (Baht/share)	0.15	0.24	0.02	0.09
	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Profit for the period to equity holders of the Company (Thousand Baht)	81,063	258,590	34,696	121,721
Weighted average number of ordinary shares (Thousand shares)	326,550	326,550	326,550	326,550
Earnings per share (Baht/share)	0.25	0.79	0.11	0.37

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.

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

(Unit: Thousand Baht)

For the three-month periods ended 30 September								
	Thailand		Overseas country		Elimination of inter-segment revenues		Consolidation	
	2021	2020	2021	2020	2021	2020	2021	2020
Sales to external customers	446,485	466,782	950,228	569,396	-	-	1,396,713	1,036,178
Inter-segment sales	28,745	4,632	2,504	5,161	(31,249)	(9,793)	-	-
Total sales	475,230	471,414	952,732	574,557	(31,249)	(9,793)	1,396,713	1,036,178
Segment operating profit	22,242	33,251	92,111	105,973	(819)	36	113,534	139,260
Unallocated income and expenses:								
Finance cost							(37,586)	(24,788)
Income tax expenses							(19,242)	(22,537)
Profit for the period							56,706	91,935

(Unit: Thousand Baht)

For the nine-month periods ended 30 September								
	Thailand		Overseas country		Elimination of inter-segment revenues		Consolidation	
	2021	2020	2021	2020	2021	2020	2021	2020
Sales to external customers	1,351,586	1,385,398	2,272,274	1,615,488	-	-	3,623,860	3,000,886
Inter-segment sales	63,170	13,693	12,179	9,884	(75,349)	(23,577)	-	-
Total sales	1,414,756	1,399,091	2,284,453	1,625,372	(75,349)	(23,577)	3,623,860	3,000,886
Segment operating profit	63,645	158,003	314,746	268,665	(699)	107	377,692	426,775
Unallocated income and expenses:								
Finance cost							(93,112)	(79,048)
Income tax expenses							(188,455)	(60,522)
Profit for the period							96,125	287,205

Major customers

During the three-month and nine-month periods ended 30 September 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 September 2021, the Group had capital commitments totaling approximately Baht 17.3 million, USD 0.9 million, EUR 0.2 million, JPY 2.5 million, INR 204.7 million and MYR 0.8 million relating to acquisition of machinery and molds (The Company only: Baht 12.3 million, USD 0.5 million, EUR 0.2 million and JPY 2.5 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 September 2021, there were outstanding bank guarantees to guarantee electricity and other utilities use, and guarantee for damage goods of Baht 20 million and INR 25 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 good 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 the Courts in India. The management of subsidiary has set aside provision for the potential losses to such case amounting to INR 12 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 September 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 September 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Assets associated with call options granted by holders of non-controlling interests	-	-	8.8	8.8
Liabilities measured at fair value				
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
Assets measured at fair value				
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 September 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 September	31 December	30 September	31 December	30 September	31 December
	2021	2020	2021	2020	2021	2020
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 currency unit)	
US Dollar	3,143	2,796	863	526	33.9223	30.0371
Euro	210	161	146	57	39.3641	36.8764
Pound Sterling	12	13	-	-	45.6125	40.6403
Singapore Dollar	511	-	13	6	24.9313	22.6632
Dirham United Arab Emirates	-	-	-	24	-	8.1774
Australian Dollar	1,095	-	321	-	24.4162	-
Malaysian Ringgit	-	-	9,944	-	8.0992	-
Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	30 September	31 December	30 September	31 December	30 September	31 December
	2021	2020	2021	2020	2021	2020
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 currency unit)	
US Dollar	1,091	993	36	31	33.9223	30.0371
Euro	-	-	82	-	39.3641	-
Singapore Dollar	-	-	3	6	24.9313	22.6632
Malaysian Ringgit	-	-	9,944	-	8.0992	-

26.2 As at 30 September 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	-	552	-	32.54 - 33.86	29 October 2021 - 30 December 2021

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

Consolidated and Separate financial statements					
Foreign currency			Contractual exchange rate		Contractual maturity date
	Bought amount	Sold amount	Bought amount	Sold amount	
	(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

- 27.1 On 20 October 2021, the meeting of the subsidiary's Board of Directors of "TPAC Packaging India Private Limited" approved for early repayment of unsecured non-convertible debentures that are listed on BSE in India in accordance with terms of issuance of debentures.
- 27.2 On 10 November 2021, the Company's Board of Directors' Meeting No. 6/2021 approved the subsidiary ("TPAC Packaging India Private Limited"), to enter into long-term loan from a bank in India in total amount of INR 1,000 million, and working capital facilities in total amount of INR 600 million, whereas the Corporate Guarantee by the Company.

28. Approval of interim financial information

This interim financial information was authorised for issue by the Company's Board of Directors on 10 November 2021.