

Thai Plaspac Public Company Limited and its subsidiaries  
Report and consolidated financial statements  
31 December 2022

## Independent Auditor's Report

To the Shareholders of Thai Plaspac Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of Thai Plaspac Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Thai Plaspac Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Plaspac Public Company Limited and its subsidiaries and of Thai Plaspac Public Company Limited as at 31 December 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Emphasis of Matter**

Without expressing a qualified opinion on the aforementioned consolidated financial statements, I draw attention to Note 2.2.1 to consolidated financial statements. On 1 April 2022, TPAC Skypet India Private Limited, which is a subsidiary of TPAC Packaging India Private Limited, purchased the business of M/s Skypet Polymers, a partnership entity incorporated in plastic containers manufacturing and distribution business, completed as agreed between parties. During the fourth quarter of the year 2022, the subsidiary's management has completed the process of assessing the fair value of the identified assets acquired and liabilities assumed and goodwill at the purchase of business date, including the valuation of liabilities associated with put options granted to holders of non-controlling interests, within evaluation period of 12 months from the purchase of business date according to Thai Financial Reporting Standard No. 3 "Business combination".

### **Key Audit Matters**

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

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



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

### **Business combination**

As described in Note 2.2.1 to consolidated financial statements, on 1 April 2022, TPAC Skypet India Private Limited, which is a subsidiary of TPAC Packaging India Private Limited, purchased the business of M/s Skypet Polymers, a partnership entity incorporated in plastic containers manufacturing and distribution business. As at the date of acquisition, the subsidiary recognised and measured the assets acquired and liabilities assumed at their fair value and recognised goodwill from the business combination by applying the acquisition method. I have focused on this business acquisition since it is material to the financial statements as a whole, and management was required to exercise substantial judgment when appraising the fair value of the assets acquired and liabilities assumed. Therefore, there is a risk with respect to the recognition and measurement of the assets acquired and liabilities assumed, including recognised goodwill.

I examined the business combination by reviewing the terms and conditions of the share purchase agreement and inquired with management as to the nature and objectives of the acquisition. In addition, I checked the value of the acquisition with supporting documents and related payments to assess whether it reflected the fair value of the consideration transferred. I also assessed the fair value of assets acquired and liabilities assumed specified in the documentation of measurement under the acquisition method as prepared by an independent valuation specialist, by considering the methods and significant assumptions used by the independent valuation specialist in calculating the fair value of assets and liabilities. I also reviewed the components of the financial model, comparing significant assumptions with the subsidiary's historical information and related companies in the same industry, and testing of the calculation of the fair value, and evaluating the expertise, ability and integrity of the independent valuation specialist and reviewing the disclosures related to the business combination in the note to consolidated financial statements.

### **Goodwill**

As described in Note 15 to consolidated financial statements, goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. I have focused my audit on the consideration of impairment of goodwill because the assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate.



I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding and assessing the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets and discount rate. I inquired responsible executives and evaluated through analysis with the Group's information and of the related companies in industry. I tested the key assumptions applied by the management in preparing estimates of the cash flows expected to be realised from the group of assets. I also compared past cash flow projections to actual operating results in order to evaluate the exercise of management judgment in estimating the cash flow projections, and tested the calculation of the expected recoverable value of the assets according to the financial model.

### **Other Information**

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

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

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

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

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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



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

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



Chayapol Suppasathanon  
Certified Public Accountant (Thailand) No.3972

EY Office Limited  
Bangkok: 24 February 2023

Thai Plaspac Public Company Limited and its subsidiaries  
Statement of financial position  
As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	287,096,778	393,779,874	14,870,459	10,734,195
Trade and other receivables	6, 9	1,372,845,057	1,238,717,457	463,699,104	491,743,547
Short-term loans to related party	6	-	-	66,600,000	7,000,000
Inventories	10	535,860,213	579,166,771	142,283,633	182,640,879
Advance payment for purchasing of raw materials		52,113,175	14,329,055	-	-
Other current financial assets	8	13,295,797	2,417,040	-	-
Other current assets	11	100,302,676	82,504,757	39,187,439	39,898,581
<b>Total current assets</b>		<b>2,361,513,696</b>	<b>2,310,914,954</b>	<b>726,640,635</b>	<b>732,017,202</b>
<b>Non-current assets</b>					
Restricted bank deposits	12	17,254,387	17,904,000	-	-
Other non-current financial assets	8	2,790,611	351,076	-	-
Investments in subsidiaries	13	-	-	3,631,150,254	3,574,000,254
Property, plant and equipment	14	2,342,027,171	2,138,674,041	378,110,788	387,573,198
Right-of-use assets	23	173,756,737	190,576,738	4,385,648	2,676,313
Goodwill	15	1,679,993,446	1,639,737,034	-	-
Intangible assets	16	614,174,576	618,990,903	3,453,393	3,817,706
Deferred tax assets	29	9,266,671	10,298,514	9,266,671	10,298,514
Withholding tax deducted at source	17	70,356,926	70,356,926	70,356,926	70,356,926
Advance payment for purchasing of molds		42,199,955	63,771,306	36,618,321	56,947,179
Assets associated with call options granted					
by holders of non-controlling interests	24	4,273,533	6,410,299	4,273,533	6,410,299
Other non-current assets		86,752,671	58,893,028	23,812,217	4,527,315
<b>Total non-current assets</b>		<b>5,042,846,684</b>	<b>4,815,963,865</b>	<b>4,161,427,751</b>	<b>4,116,607,704</b>
<b>Total assets</b>		<b>7,404,360,380</b>	<b>7,126,878,819</b>	<b>4,888,068,386</b>	<b>4,848,624,906</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 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdraft and short-term loans from banks	18	992,407,705	751,056,077	859,002,900	660,619,026
Trade and other payables	6, 19	602,425,879	618,992,929	257,134,733	319,266,538
Current portion of long-term loans from banks	21	372,981,736	256,612,109	275,080,830	189,273,817
Current portion of lease liabilities	23	11,745,730	13,797,059	1,714,842	1,646,635
Income tax payable		26,942,370	23,585,193	10,317,296	9,926,294
Other current financial liabilities	8	772	23,405	772	23,405
Other current liabilities	20	55,920,033	98,249,696	21,536,632	44,893,254
<b>Total current liabilities</b>		<b>2,062,424,225</b>	<b>1,762,316,468</b>	<b>1,424,788,005</b>	<b>1,225,648,969</b>
<b>Non-current liabilities</b>					
Long-term loans from banks, net of current portion	21	1,724,616,308	1,980,297,617	1,269,773,212	1,482,927,641
Lease liabilities, net of current portion	23	173,761,414	175,129,021	2,811,226	1,105,665
Liabilities associated with put options granted					
to holders of non-controlling interests	24	340,563,607	289,544,404	292,988,937	289,544,404
Deferred tax liabilities	29	363,191,956	356,281,262	-	-
Provision for long-term employee benefits	25	73,538,024	79,557,106	43,928,500	47,919,397
Other non-current financial liabilities		89,756,171	-	-	-
<b>Total non-current liabilities</b>		<b>2,765,427,480</b>	<b>2,880,809,410</b>	<b>1,609,501,875</b>	<b>1,821,497,107</b>
<b>Total liabilities</b>		<b>4,827,851,705</b>	<b>4,643,125,878</b>	<b>3,034,289,880</b>	<b>3,047,146,076</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 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Shareholders' equity</b>					
Share capital					
Registered					
326,550,000 ordinary shares of Baht 1 each		326,550,000	326,550,000	326,550,000	326,550,000
Issued and paid-up					
326,549,999 ordinary shares of Baht 1 each		326,549,999	326,549,999	326,549,999	326,549,999
Premium on ordinary shares		1,026,968,920	1,026,968,920	1,026,968,920	1,026,968,920
Excess from change in ownership interest in the subsidiary		20,034,929	20,034,929	-	-
Retained earnings					
Appropriated - statutory reserve	26	32,655,000	32,655,000	32,655,000	32,655,000
Unappropriated		914,670,095	680,963,828	467,604,587	415,304,911
Other components of shareholders' equity		(110,959,041)	46,160,074	-	-
Equity attributable to owners of the Company		2,209,919,902	2,133,332,750	1,853,778,506	1,801,478,830
Non-controlling interests of the subsidiaries		366,588,773	350,420,191	-	-
<b>Total shareholders' equity</b>		<b>2,576,508,675</b>	<b>2,483,752,941</b>	<b>1,853,778,506</b>	<b>1,801,478,830</b>
<b>Total liabilities and shareholders' equity</b>		<b>7,404,360,380</b>	<b>7,126,878,819</b>	<b>4,888,068,386</b>	<b>4,848,624,906</b>

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 year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales	6	6,997,215,737	5,193,991,951	1,856,995,088	1,668,479,685
Dividend income	6, 13	-	-	108,059,350	53,032,998
Other income	6	77,080,449	58,566,522	68,967,421	52,269,437
Gain on exchange		21,867,393	-	5,278,896	-
<b>Total revenues</b>		<b>7,096,163,579</b>	<b>5,252,558,473</b>	<b>2,039,300,755</b>	<b>1,773,782,120</b>
<b>Expenses</b>					
Cost of sales	6	5,840,762,702	4,189,788,193	1,568,140,202	1,384,006,591
Selling and distribution expenses		222,878,468	169,321,321	40,572,949	39,352,170
Administrative expenses	6	446,128,746	366,133,861	172,087,788	170,685,617
Impairment loss on investment in subsidiary	13	-	-	77,600,000	-
Loss on exchange		-	3,155,553	-	5,146,556
<b>Total expenses</b>		<b>6,509,769,916</b>	<b>4,728,398,928</b>	<b>1,858,400,939</b>	<b>1,599,190,934</b>
<b>Profit from operating activities</b>		<b>586,393,663</b>	<b>524,159,545</b>	<b>180,899,816</b>	<b>174,591,186</b>
Finance cost	27	(160,850,289)	(137,156,419)	(76,728,664)	(61,715,499)
<b>Profit before income tax expenses</b>		<b>425,543,374</b>	<b>387,003,126</b>	<b>104,171,152</b>	<b>112,875,687</b>
Income tax expenses	29	(75,215,299)	(211,631,501)	(9,352,498)	(9,269,350)
<b>Profit for the year</b>		<b>350,328,075</b>	<b>175,371,625</b>	<b>94,818,654</b>	<b>103,606,337</b>
<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		(161,535,543)	325,332,401	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(161,535,543)	325,332,401	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain		14,006,862	462,884	8,711,381	-
Less: Income tax effect	29	(1,828,257)	(8,843)	(1,742,276)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		12,178,605	454,041	6,969,105	-
<b>Other comprehensive income for the year</b>		<b>(149,356,938)</b>	<b>325,786,442</b>	<b>6,969,105</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>200,971,137</b>	<b>501,158,067</b>	<b>101,787,759</b>	<b>103,606,337</b>

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

Thai Plaspac Public Company Limited and its subsidiaries  
Statement of comprehensive income (continued)  
For the year ended 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
<b>Profit attributable to:</b>					
Equity holders of the Company		318,839,970	152,938,568	94,818,654	103,606,337
Non-controlling interests of the subsidiaries		31,488,105	22,433,057		
		<u>350,328,075</u>	<u>175,371,625</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		173,649,905	456,551,985	101,787,759	103,606,337
Non-controlling interests of the subsidiaries		27,321,232	44,606,082		
		<u>200,971,137</u>	<u>501,158,067</u>		
<b>Earnings per share</b>					
	30				(Unit: Baht)
Basic earnings per share					
Profit attributable to equity holders of the Company		0.98	0.47	0.29	0.32

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



Thai Paspac Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2022

(Unit: Baht)

Consolidated financial statements										
Equity holders of the Company										
Other components										
of shareholders' equity										
Other comprehensive income										
Exchange differences										
on translation of										
financial statements										
in foreign currency										
Unappropriated										
Statutory reserve										
Appropriated -										
Retained earnings										
Excess from change										
in ownership interest										
in the subsidiary										
Premium on										
ordinary shares										
Issued and										
paid-up										
share capital										
Note										

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 (continued)**  
**For the year ended 31 December 2022**

	Note	Separate financial statements					(Unit: Baht)
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total	
				Appropriated - Statutory reserve	Unappropriated		
<b>Balance as at 1 January 2021</b>		326,549,999	1,026,968,920	32,655,000	696,595,577	2,082,769,496	
Profit for the year		-	-	-	103,606,337	103,606,337	
Other comprehensive income for the year		-	-	-	-	-	
Total comprehensive income for the year		-	-	-	103,606,337	103,606,337	
Dividend paid	6, 33	-	-	-	(95,352,599)	(95,352,599)	
Increase in liabilities associated with put options granted to non-controlling interests of the subsidiaries	24	-	-	-	(289,544,404)	(289,544,404)	
<b>Balance as at 31 December 2021</b>		326,549,999	1,026,968,920	32,655,000	415,304,911	1,801,478,830	
<b>Balance as at 1 January 2022</b>		326,549,999	1,026,968,920	32,655,000	415,304,911	1,801,478,830	
Profit for the year		-	-	-	94,818,654	94,818,654	
Other comprehensive income for the year		-	-	-	6,969,105	6,969,105	
Total comprehensive income for the year		-	-	-	101,787,759	101,787,759	
Dividend paid	6, 33	-	-	-	(46,043,550)	(46,043,550)	
Increase in liabilities associated with put options granted to non-controlling interests of the subsidiaries	24	-	-	-	(3,444,533)	(3,444,533)	
<b>Balance as at 31 December 2022</b>		326,549,999	1,026,968,920	32,655,000	467,604,587	1,853,778,506	

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 year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Cash flows from operating activities</b>				
Profit before tax	425,543,374	387,003,126	104,171,152	112,875,687
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	482,325,007	427,998,698	119,904,232	135,202,956
Loss from fair value measurement of assets associated with call options granted by holders of non-controlling interests	2,136,766	2,429,488	2,136,766	2,429,488
Allowance for expected credit losses (reversal)	9,265,419	(919,781)	(53,871)	(206,040)
Impairment loss on investment in subsidiary	-	-	77,600,000	-
Reduction (reversal) of inventories to net realisable value	5,111,478	2,226,024	2,002,411	(115,168)
Gain on disposals/write-off of equipment	(5,971,469)	(225,468)	(267,885)	(144,331)
Long-term employee benefits expenses	19,885,953	15,182,938	8,710,191	8,058,069
Unrealised loss (gain) on exchange rate	(1,348,000)	6,026,404	(2,081,840)	5,391,933
Loss (gain) from fair value measurement of forward exchange contracts	(22,633)	187,939	(22,633)	187,939
Amortisation of financial fees	5,844,827	15,107,107	2,485,904	2,054,800
Dividend income	-	-	(108,059,350)	(53,032,998)
Interest income	(3,745,798)	(6,209,409)	(41,007)	(53,084)
Finance cost	155,005,462	122,049,312	74,242,760	59,660,699
Profit from operating activities before changes in operating assets and liabilities	1,094,030,386	970,856,378	280,726,830	272,309,950
Operating assets (increase) decrease				
Trade and other receivables	(60,382,341)	(288,600,998)	27,155,112	(97,246,768)
Inventories	57,997,768	(37,857,233)	38,354,835	(61,615,031)
Other current assets	(79,148,545)	(43,665,062)	(30,846,530)	(38,085,957)
Other non-current assets	(6,288,292)	(5,089,201)	1,043,956	9,307,172
Operating liabilities increase (decrease)				
Trade and other payables	16,136,726	111,028,136	12,033,073	50,032,559
Other current liabilities	(45,617,905)	55,616,549	(23,356,622)	28,561,140
Provision for long-term employee benefits	(12,027,614)	(8,166,766)	(3,989,709)	(1,356,787)
Cash flows from operating activities	964,700,183	754,121,803	301,120,945	161,906,278
Cash receipt from refund of withholding tax deducted at source	-	22,594,737	-	22,594,737
Corporate income tax paid	(78,720,043)	(52,569,694)	(9,671,929)	(14,584,553)
<b>Net cash flows from operating activities</b>	<b>885,980,140</b>	<b>724,146,846</b>	<b>291,449,016</b>	<b>169,916,462</b>

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 year ended 31 December 2022**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Cash flows from investing activities</b>				
Short-term loans to related party	-	-	(59,600,000)	(7,000,000)
Proceeds from sales of equipment	17,141,795	11,600,523	267,905	144,364
Proceeds from sales of asset held for sale	-	57,274,000	-	-
Acquisition of building and equipment	(473,154,761)	(337,418,164)	(85,031,729)	(20,374,549)
Acquisition of intangible assets	(1,808,318)	(983,957)	(565,157)	(440,000)
Cash paid for investments in subsidiaries	(62,024,372)	(893,493,069)	(196,774,372)	(937,977,621)
Cash paid for purchase of business by the subsidiary	(346,350,619)	-	-	-
Increase in other current financial assets	(11,028,337)	(2,148,480)	-	-
Decrease (increase) in other non-current financial assets	(2,461,261)	2,129,668	-	-
Cash receipt from dividend from the subsidiary	-	-	108,059,350	53,032,998
Interest received	3,745,798	6,209,409	41,007	53,084
<b>Net cash flows used in investing activities</b>	<b>(875,940,075)</b>	<b>(1,156,830,070)</b>	<b>(233,602,996)</b>	<b>(912,561,724)</b>
<b>Cash flows from financing activities</b>				
Increase in bank overdraft and short-term loans from banks	241,354,965	209,626,959	198,383,874	192,427,005
Decrease in restricted bank deposits	-	7,519,680	-	-
Cash receipt from long-term loans from banks	462,526,372	1,373,627,621	62,024,372	937,977,621
Repayment of long-term loans from banks	(557,978,148)	(283,211,895)	(191,857,692)	(217,482,692)
Repayment of debentures	-	(523,692,000)	-	-
Cash receipt of long-term loan from non-controlling interests of the subsidiary	39,641,880	-	-	-
Cash paid for financial fees	-	(9,843,041)	-	(8,250,000)
Cash paid for lease liabilities	(25,577,361)	(25,248,745)	(2,876,193)	(2,053,580)
Interest paid	(139,145,122)	(144,655,115)	(73,340,567)	(59,779,995)
Dividend paid	(59,399,200)	(101,912,285)	(46,043,550)	(95,352,599)
<b>Net cash flows from (used in) financing activities</b>	<b>(38,576,614)</b>	<b>502,211,179</b>	<b>(53,709,756)</b>	<b>747,485,760</b>
Increase (decrease) in exchange differences on translation of financial statements in foreign currency	(78,146,547)	128,637,000	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(106,683,096)</b>	<b>198,164,955</b>	<b>4,136,264</b>	<b>4,840,498</b>
Cash and cash equivalents at beginning of year	393,779,874	195,614,919	10,734,195	5,893,697
<b>Cash and cash equivalents at end of year (Note 7)</b>	<b>287,096,778</b>	<b>393,779,874</b>	<b>14,870,459</b>	<b>10,734,195</b>

**Supplemental cash flows information**

Non-cash items consist of:

Increase (decrease) in accounts payable for purchasing of equipment	1,549,748	7,261,532	(9,716,104)	9,902,397
Increase in liabilities associated with put options granted to non-controlling interests of the subsidiaries	51,019,203	289,544,404	3,444,533	289,544,404
Increase in right-of-use assets from lease liabilities	7,049,039	98,940,152	4,348,409	1,212,064
Increase in account payable for purchasing of shares	-	75,278,234	-	75,278,234
Increase in other non-current financial liabilities	51,280,979	-	-	-

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

## Thai Plaspac Public Company Limited and its subsidiaries

### Notes to consolidated financial statements

For the year ended 31 December 2022

#### 1. General information

Thai Plaspac Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its major shareholder is Mr. Anuj Lohia, which total shareholding is 69.11%. The Company is principally engaged in the manufacture and distribution of plastic packaging. The registered office of the Company is at 77 Soi Thian Thalaee 30, Bang Khun Thian-Chay Thalaee Road, Thakham, Bang Khun Thian, Bangkok.

The branch offices of the Company are at 3/2 Soi Thian Thalaee 15, Bang Khun Thian-Chay Thalaee Road, Thakham, Bang Khun Thian, Bangkok and 75/2, Moo 9, Soi Ruamjai, Bangna-Trad Road Km.18.8, Tambol Bangchalong, Amphur Bangphli, Samutprakarn.

#### 2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

#### 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Thai Plaspac Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries") (collectively as "the Group"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022 (Percent)	2021 (Percent)
<u>Subsidiaries held by the Company</u>				
TPAC Packaging India Private Limited	Manufacturing and distribution of plastic packaging	India	100	100
TPAC Packaging (Bangna) Company Limited	Manufacturing and distribution of plastic packaging	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022 (Percent)	2021 (Percent)
Sun Packaging Systems (FZC)	Manufacturing and distribution of plastic packaging	United Arab Emirates	89	89
Combi-Pack Sdn Bhd	Manufacturing and distribution of plastic packaging	Malaysia	80	80
<u>Subsidiary held by TPAC Packaging India Private Limited</u>				
TPAC Skypet India Private Limited (Formerly known as TPAC Packaging India II Private Limited)	Manufacturing and distribution of plastic packaging	India	80	100
TPAC Custom Solutions Private Limited	Manufacturing and distribution of plastic packaging	India	100	-

#### 2.2.1 Purchase of business of M/s Skypet Polymers by TPAC Skypet India Private Limited

On 30 December 2021, the Board of Directors' Meeting of the Company No. 8/2021 approved TPAC Skypet India Private Limited (Formerly known as TPAC Packaging India II Private Limited), which is a subsidiary of TPAC Packaging India Private Limited, to acquire business of M/s Skypet Polymers, a partnership entity registered in India, and incorporated in plastic containers manufacturing and distribution business with the total considerations and expenses for this transaction not exceed INR 1,030 million or Baht 484 million.

On 1 April 2022, TPAC Skypet India Private Limited purchased the business of M/s Skypet Polymers which is completed as agreed between parties and the business is transferred from M/s Skypet Polymers. Subsequently, TPAC Skypet India Private Limited then paid the considerations to group of sellers, whereby Mr. S. Selvaraj is one of shareholders, amounting to INR 631 million, and also made repayments of long-term loans and working capital loans from banks of M/s Skypet Polymers amounting to INR 155 million. Total consideration paid is INR 786 million or Baht 346 million.

TPAC Skypet India Private Limited recorded present value of account payable for purchasing of business, which is to be paid after two years from the purchase of business date with interest rate at 5.5% per annum, amounting to INR 116 million or Baht 51 million in other non-current financial liabilities as part of purchase consideration.

In addition, TPAC Skypet India Private Limited issued new shares and allotted 0.5 million shares or equivalent to 20% of the total registered and paid-up shares capital of the subsidiary, with a par value of INR 10 each, to Mr. S. Selvaraj at the subscription price of INR 5 million or Baht 2 million. As stated in the Shareholders Agreement, Mr. S. Selvaraj has put options with rights to sell all remaining of shares in TPAC Skypet India Private Limited to TPAC Packaging India Private Limited. TPAC Packaging India Private Limited has call options

with rights to buy all remaining of shares in TPAC Skypet India Private Limited from Mr. S. Selvaraj. The details of exercise of options are described in Note 24 to consolidated financial statements.

These consolidated financial statements are included financial position of TPAC Skypet India Private Limited as at 31 December 2022, and the statement of comprehensive income for the period from the acquisition date to 31 December 2022. The excess of cost of business acquisition over the fair value of the net assets acquired shall recognised as goodwill.

During the fourth quarter of the year 2022, the subsidiary's management has completed the process of assessing the fair value of the identified assets acquired and liabilities assumed and goodwill at the purchase of business date, including the valuation of liabilities associated with put options granted to holders of non-controlling interests, within evaluation period of 12 months from the purchase of business date according to Thai Financial Reporting Standard No. 3 "Business combination".

Details of fair value of identified assets and liabilities of M/s Skypet Polymers as at the purchase of business date are as follows:

(Unit: Thousand Baht)

**Assets**

Trade and other receivables	83,287
Inventories	19,537
Property, plant and equipment (Note 14)	149,107
Intangible assets (Note 16)	97,373
Other assets	7,819
Total assets	<u>357,123</u>

**Liabilities**

Trade and other payables	27,747
Deferred tax liabilities	33,556
Other liabilities	4,273
Total liabilities	<u>65,576</u>
Identified net assets value	<u>291,547</u>
Less: Non-controlling interests	(2,203)
Add: Goodwill	<u>108,288</u>
Consideration transferred for purchase of business	<u>397,632</u>

The following table summarises the fair value of the consideration transferred.

(Unit: Thousand Baht)

Cash paid	346,351
Present value of account payable for purchasing of business	<u>51,281</u>
Total consideration transferred	<u>397,632</u>



The Group has elected to measure the non-controlling interests in TPAC Skypet India Private Limited at fair value which is based on the share subscription price of INR 5 million or Baht 2 million.

The goodwill of Baht 108 million comprises the value of expected synergies arising from the purchase of business. None of the goodwill recognised is expected to be deductible for income tax purposes.

The revenue and loss of subsidiary from the purchase of business date to 31 December 2022 amounting to Baht 475 million and Baht 2 million, respectively, were included in the consolidated financial statements. Costs related to purchase of business of Baht 11 million were included in administrative expenses in the consolidated statement of comprehensive income for the year ended 31 December 2022.

#### 2.2.2 Establishment of TPAC Custom Solutions Private Limited, a subsidiary of TPAC Packaging India Private Limited

On 11 August 2022, the Board of Directors' Meeting of the Company No. 4/2022 and the Board of Directors' Meeting of TPAC Packaging India Private Limited approved TPAC Packaging India Private Limited, which is a subsidiary of the Company, to establish a new subsidiary in India and invest at 100% of its shares. The purpose of such company is to incorporate in plastic containers manufacturing and distribution business.

On 23 August 2022, TPAC Packaging India Private Limited established TPAC Custom Solutions Private Limited with an initial registered share capital of INR 200 million (20 million shares with par value of INR 10 each). On 8 September 2022, TPAC Packaging India Private Limited paid initial share capital of TPAC Custom Solutions Private Limited amounted to INR 40 million (4 million shares with par value of INR 10 each).

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

**2.3** The separate financial statements present investments in subsidiaries under the cost method.

### **3. New financial reporting standards**

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

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing 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.

#### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023**

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 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

## **4. Significant accounting policies**

### **4.1 Revenue recognition**

#### **Sales of goods**

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts to customers.

#### **Interest income**

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

#### **Finance cost**

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognized on an accrual basis.

#### **Dividends**

Dividends are recognised when the right to receive the dividends is established.

#### **Other income**

Other income is recognised upon completion of performance obligation and there is a certain possibility of receiving the money.

### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

### **4.3 Inventories**

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials, packaging and supplies are valued at the lower of average cost (under the weighted average method) and net realisable value and are charged to production costs whenever consumed.

#### 4.4 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

#### 4.5 Cost of molds for amortisation

The Group record cost of molds which are used to manufacture goods for customers as assets. Cost of molds are amortised to cost of sales are delivered to its customers. The Group records cost of molds for amortisation as current assets if goods are expected to manufacture and deliver to customers within 1 year, and as non-current assets if goods are expected to manufacture and deliver to customers more than 1 year.

#### 4.6 Property, plant and equipment/Depreciation

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

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

	Consolidated financial statements	Separate financial statements
Building and building improvement	20 - 30 years	20 years
Furniture and office equipment	5 - 10 years	5 years
Machinery and equipment	3 - 15 years	3 - 10 years
Motor vehicles	5 years	5 years

Depreciation is included in determining income.

No depreciation is provided on land and land improvement and assets under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### 4.7 Intangible assets and amortisation

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition/amalgamation while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	Consolidated financial statements	Separate financial statements
Tradename	25 years	-
Customer relationship	7.5 and 10 years	-
Non-compete agreement	5 years	-
Computer software	3 - 10 years	5 - 10 years

#### 4.8 Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the acquisition date fair value, the amount of any non-controlling interests in the acquiree and the acquisition date fair value of the Group's previously held equity interest in the acquiree, in a business combination achieved in stages.

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group measures the identifiable assets acquired and the liabilities assumed at acquisition date fair value, and classifies and designates them in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the Group will be recognised at fair value at the acquisition date. A contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. A contingent consideration classified as an asset or liability is measured at fair value, with changes in fair value recognised in profit or loss.

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.



Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

#### 4.9 Leases

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

##### **The Group as a lessee**

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

##### ***Right-of-use assets***

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses (if any), and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

	Consolidated financial statements	Separate financial statements
Land and land improvement	20 - 25 years	-
Building and building improvement	3 - 25 years	3 years
Furniture and office equipment	4 years	4 years
Machinery and equipment	10 years	-
Motor vehicles	5 years	5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### ***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

## **4.10 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

#### **4.11 Deferred financial fees**

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees. A portion of deferred financial fees proportionate to the amount of the loan facility already drawn is presented as a deduction against the related loan account and amortised using the effective interest rate method over the term of the loans.

The amortisation of deferred financial fees is included in determining profit or loss.

#### **4.12 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

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

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

#### **4.14 Employee benefits**

##### **Short-term employee benefits**

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### **Post-employment benefits and other long-term employee benefits**

###### ***Defined contribution plans***

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

###### ***Defined benefit plans and other long-term employee benefits***

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards, and among other things.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

#### **4.15 Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.16 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.17 Financial instruments**

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

##### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.



### ***Financial assets at amortised cost***

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

### ***Financial assets at FVTPL***

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

### **Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

### **Recognition and derecognition of financial instruments**

Regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e., the date on which the Group becomes a party to contractual provisions of the instrument.

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **4.18 Derivatives**

The Group uses derivatives, such as forward currency contracts, to hedge its foreign currency risks.

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

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

#### **4.19 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

#### **4.20 Liabilities associated with put options granted to holders of non-controlling interests**

The Group granted put options to holders of non-controlling interests. The Group do not have unconditional right to avoid the delivery of cash if holders of non-controlling interests exercise their put options. The Group recognise liabilities associated with put options, calculated by present value of expected exercise price, and present in non-current liabilities in the consolidated and separate statement of financial position. The amounts also present offset from unappropriated retained earnings in the consolidated and separate statement of financial position and the consolidated and separate statement of changes in shareholders' equity. The amounts are to revalue at the end of reporting period, whereby the difference is to recognise in shareholders' equity in the consolidated and separate financial statements.

#### **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

##### **Allowance for diminution in value of inventories**

The determination of allowance for diminution in the value of inventories requires management to exercise judgement in estimating losses on outstanding inventories, based on the selling price expected in the ordinary course of business; minus selling expenses and provision for obsolete, slow-moving and deteriorated inventories, and taking into account based upon the condition of inventories and the duration such goods have remained in stock.

##### **Goodwill and intangible assets**

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

##### **Allowance for impairment of non-financial assets**

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years and do not include

restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

#### **Post-employment benefits under defined benefit plans and other long-term employee benefits**

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

### **6. Related party transactions**

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

Name of related 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
TPAC Skypet India Private Limited (Formerly known as TPAC Packaging India II Private Limited)	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
Guangdong IVL PET Polymer Company 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 years, 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: Million Baht)

	For the years ended 31 December				
	Consolidated		Separate		
	financial statements		financial statements		
	2022	2021	2022	2021	Transfer pricing policy
<u>Transactions with subsidiaries</u>					
(Eliminated from consolidated financial statements)					
Sales of goods	-	-	37	19	Close to market price
Purchase of goods	-	-	126	85	Close to market price
Dividend income	-	-	108	53	2022: Dirham United Arab Emirates 42,858 per share (2021: Dirham United Arab Emirates 21,750 per share)
Management fee income	-	-	35	31	Contract price
Interest income	-	-	1	-	3.10% - 3.35% per annum
Management expense	-	-	2	-	Contract price
<u>Transaction with related company</u>					
Purchase of goods	108	102	60	42	Close to market price
<u>Transaction with related persons</u>					
Dividend paid	34	69	34	69	2022: Baht 0.141 per share (2021: Baht 0.292 per share)

The balances of the accounts between the Group and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Trade receivables - related parties (Note 9)</u>				
Subsidiaries	-	-	7,138	7,175
<u>Other receivables - related parties (Note 9)</u>				
Subsidiaries	-	-	13,576	16,049
<u>Short-term loans to related party</u>				
Subsidiary	-	-	66,600	7,000
<u>Trade payables - related parties (Note 19)</u>				
Subsidiaries	-	-	24,551	22,790
Related companies	32,484	46,105	9,416	7,042
Total	32,484	46,105	33,967	29,832
<u>Other payables - related parties (Note 19)</u>				
Subsidiary	-	-	1,827	-

## Short-term loans to related party

(Unit: Thousand Baht)

Loans to related party	Related by	Separate financial statements			
		Balance as at 1 January 2022	Increase during the year	Decrease during the year	Balance as at 31 December 2022
TPAC Packaging (Bangna) Company Limited	Subsidiary	7,000	66,600	(7,000)	66,600

Such short-term loans carried interest rate at 3.10 - 3.35 percent per annum and will be due in January - March 2023.

## Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Short-term benefits	99,689	88,610	58,284	60,596
Post-employment benefits	2,783	4,317	2,303	3,847
Other long-term benefits	9	24	9	24
Total	102,481	92,951	60,596	64,467

## **7. Cash and cash equivalents**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash	534	437	113	76
Cash at banks	286,563	393,343	14,757	10,658
Total	287,097	393,780	14,870	10,734

As at 31 December 2022, cash at banks carried interests between 0.10 and 2.57 percent per annum (The Company only: between 0.10 and 0.35 percent per annum) (2021: between 0.05 and 2.60 percent per annum (The Company only: between 0.05 and 0.13 percent per annum)).

## 8. Other current financial assets / Other non-current financial assets / Other current financial liabilities

As at 31 December 2022 and 2021, the Group had other current financial assets, other non-current financial assets, and other current financial liabilities as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Other current financial assets</b>				
<u>Debt instruments at amortised cost</u>				
Time deposits from 3 months to 1 year (Interest rate 5.0 to 6.8 percent per annum (2021: 6.6 percent per annum))	13,296	2,417	-	-
Total other current financial assets	13,296	2,417	-	-
<b>Other non-current financial assets</b>				
<u>Debt instruments at amortised cost</u>				
Time deposits more than 1 year (Interest rate between 5.4 to 5.6 percent per annum (2021: 5.0 to 6.8 percent per annum))	2,791	351	-	-
Total other non-current financial assets	2,791	351	-	-
<b>Other non-current financial liabilities</b>				
<u>Financial liabilities at FVTPL</u>				
Foreign exchange forward contracts	1	23	1	23
Total other non-current financial liabilities	1	23	1	23

## 9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	6,884	7,175
Up to 1 month	-	-	254	-
Total trade receivables - related parties	-	-	7,138	7,175
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,022,175	954,100	346,954	362,869
Past due				
Up to 1 month	228,308	215,802	86,271	97,813
1 - 2 months	41,060	26,071	6,710	6,757
2 - 3 months	16,018	11,214	2,813	1,096
3 months - 1 year	21,547	5,492	199	-
1 year - 2 years	1,541	809	-	-
Over 2 years	5,683	5,594	5,316	5,316
Total	1,336,332	1,219,082	448,263	473,851
Less: Allowance for expected credit losses	(16,904)	(8,305)	(5,278)	(5,331)
Total trade receivables - unrelated parties	1,319,428	1,210,777	442,985	468,520
<u>Other receivables - related parties</u>				
Other receivables	-	-	13,576	16,049
Total other receivables - related parties	-	-	13,576	16,049
<u>Other receivables - unrelated parties</u>				
Value added tax refundable	19,209	4,646	-	-
Other receivables	34,208	23,294	-	-
Total other receivables - unrelated parties	53,417	27,940	-	-
Total trade and other receivables	1,372,845	1,238,717	463,699	491,744

The normal credit term is 7 to 135 days (The Company only: 30 to 135 days).

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Beginning balance	8,305	8,924	5,331	5,537
Increase during the year	9,265	-	-	-
Reversal during the year	-	(920)	(53)	(206)
Translation adjustment	(666)	301	-	-
Ending balance	16,904	8,305	5,278	5,331

## 10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2022	2021	2022	2021	2022	2021
Finished goods	226,168	270,863	(6,845)	(3,598)	219,323	267,265
Work in process	21,068	30,119	(9)	-	21,059	30,119
Raw materials	248,072	237,857	(5,550)	(4,184)	242,522	233,673
Packing materials	44,689	40,783	(430)	(206)	44,259	40,577
Factory supplies	8,697	7,533	-	-	8,697	7,533
Total	548,694	587,155	(12,834)	(7,988)	535,860	579,167

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2022	2021	2022	2021	2022	2021
Finished goods	66,675	97,202	(3,352)	(1,543)	63,323	95,659
Work in process	12,586	19,361	-	-	12,586	19,361
Raw materials	44,534	43,414	(503)	(310)	44,031	43,104
Packing materials	15,209	17,956	-	-	15,209	17,956
Factory supplies	7,135	6,561	-	-	7,135	6,561
Total	146,139	184,494	(3,855)	(1,853)	142,284	182,641

During the current year, the Group reduced cost of inventories by Baht 10.2 million (The Company only: Baht 3.5 million) (2021: Baht 3.9 million (The Company only: Baht 1.2 million)) to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 1.5 million (The Company only: Baht 1.5 million) (2021: Baht 1.4 million (The Company only: Baht 1.3 million)), and reduced the amount of inventories recognised as expenses during the year.



## 11. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Asset held for sale	2,231	-	-	-
Prepaid expenses	19,952	12,216	5,786	3,582
Cost of molds for amortisation	36,805	40,748	29,502	34,539
Advance payment	12,482	3,678	-	-
Others	28,833	25,863	3,899	1,778
Total	100,303	82,505	39,187	39,899

## 12. Restricted bank deposits

As at 31 December 2022, these represent the subsidiary's bank deposits pledged for short-term loans from banks, carrying interest rate at 3.03 percent per annum (2021: 3.03 percent per annum).

## 13. Investments in subsidiaries

### 13.1 Details of investments in subsidiaries as presented in separate financial statements

Company's name	Paid-up capital		Shareholding percentage		Cost		Impairment for investments		Investments - Net		Dividend received during the years	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
			(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
TPAC Packaging India Private Limited	2,408 Million Indian Rupee	2,108 Million Indian Rupee	100	100	2,203,904	2,069,154	-	-	2,203,904	2,069,154	-	-
TPAC Packaging (Bangna) Company Limited	101 Million Baht	101 Million Baht	100	100	107,000	107,000	(77,600)	-	29,400	107,000	-	-
Sun Packaging Systems (FZC)	0.45 Million Dirham United Arab Emirates	0.45 Million Dirham United Arab Emirates	89	89	384,590	384,590	-	-	384,590	384,590	108,059	-
Combi-Pack Sdn Bhd	2 Million Malaysian Ringgit	2 Million Malaysian Ringgit	80	80	1,013,256	1,013,256	-	-	1,013,256	1,013,256	-	-
Total					3,708,750	3,574,000	(77,600)	-	3,631,150	3,574,000	108,059	-

### TPAC Packaging India Private Limited

On 28 February 2022, the Company paid Baht 8.75 million (INR 20 million) for capital increase of TPAC Packaging India Private Limited, for 2 million shares increase with par value of INR 10 each as for initial share capital of TPAC Packaging India II Private Limited, which changed its name to TPAC Skypet India Private Limited on 9 March 2022.

On 8 June 2022, the Board of Directors' Meeting of the Company No. 3/2022 and the Board of Directors' Meeting of TPAC Packaging India Private Limited approved for capital increase of TPAC Packaging India Private Limited, for 24 million shares increase with par value of INR 10 each, as to manage capital structure, and allotted new common shares of the subsidiary to the Company. On 13 June 2022, the Company paid Baht 107.4 million (INR 240 million) for capital increase of the subsidiary.

On 11 August 2022, the Board of Directors' Meeting of the Company No. 4/2022 and the Board of Directors' Meeting of TPAC Packaging India Private Limited approved for capital increase of TPAC Packaging India Private Limited, for 4 million shares increase with par value of INR 10 each, as for initial share capital of TPAC Custom Solutions Private Limited amounted to INR 40 million, and allotted new common shares of the subsidiary to the Company. On 5 September 2022, the Company paid Baht 18.6 million (INR 40 million) for capital increase of the subsidiary.

### **13.2 Details of investments in subsidiaries that have material non-controlling interests**

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Comprehensive income allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2022	2021	2022	2021	2022	2021	2022	2021
	(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
<u>Subsidiaries held by the Company</u>								
Sun Packaging Systems (FZC)	11	11	72,091	71,541	13,906	19,041	13,356	6,560
Combi-Pack Sdn Bhd	20	20	292,759	278,879	13,880	25,565	-	-

### 13.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling interests

#### Summarised information about financial position

(Unit: Million Baht)

	As at 31 December			
	Sun Packaging Systems (FZC)		Combi-Pack Sdn Bhd	
	2022	2021	2022	2021
Current assets	360	384	457	399
Non-current assets	259	222	564	596
Current liabilities	105	102	146	192
Non-current liabilities	130	131	91	121

#### Summarised information about comprehensive income

(Unit: Million Baht)

	For the years ended 31 December			
	Sun Packaging Systems (FZC)		Combi-Pack Sdn Bhd	
	2022	2021	2022	2021
Revenues	637	503	1,114	634
Profit	119	122	120	89
Other comprehensive income	3	1	-	-
Total comprehensive income	122	123	120	89

#### Summarised information about cash flow

(Unit: Million Baht)

	For the years ended 31 December			
	Sun Packaging Systems (FZC)		Combi-Pack Sdn Bhd	
	2022	2021	2022	2021
Cash flow from operating activities	1	81	167	155
Cash flow used in investing activities	(71)	(48)	(46)	(26)
Cash flow used in financing activities	(13)	(10)	(47)	(117)
Net increase in cash and cash equivalents	(83)	23	74	12

## 14. Property, plant and equipment

Movements of property, plant and equipment for the years ended 31 December 2022 and 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Land and land improvement	Building and building improvement	Furniture and office equipment	Machinery and equipment	Motor vehicles	Assets under construction	
<b>Cost:</b>							
1 January 2021	211,529	435,409	26,295	2,268,804	15,519	82,236	3,039,792
Additions	-	312	3,234	60,193	4,294	276,647	344,680
Increase from acquisition of subsidiary	114,798	101,808	2,515	294,473	1,913	1,095	516,602
Transferred from right-of-use assets	-	-	-	12,980	1,036	-	14,016
Transfer in (out)	-	3,501	1,539	244,170	-	(249,210)	-
Disposals/write-off	-	-	(755)	(58,932)	(5,727)	(790)	(66,204)
Translation adjustment	21,819	28,361	1,054	95,646	371	4,434	151,685
31 December 2021	348,146	569,391	33,882	2,917,334	17,406	114,412	4,000,571
Additions	-	1,890	9,306	136,279	1,976	325,254	474,705
Increase from acquisition of subsidiary	18,210	26,471	456	102,832	1,138	-	149,107
Transferred from right-of-use assets	-	-	-	9,796	-	-	9,796
Transferred to assets held for sale	-	(2,878)	-	-	-	-	(2,878)
Transfer in (out)	-	57,930	2,027	203,263	-	(263,220)	-
Disposals/write-off	-	-	(1,126)	(99,461)	(4,399)	(950)	(105,936)
Translation adjustment	(14,298)	(11,849)	(500)	(69,510)	(26)	(4,041)	(100,224)
31 December 2022	352,058	640,955	44,045	3,200,533	16,095	171,455	4,425,141
<b>Accumulated depreciation:</b>							
1 January 2021	-	169,085	15,131	1,364,464	13,294	-	1,561,974
Depreciation for the year	-	23,526	4,123	285,720	3,303	-	316,672
Depreciation on disposals/write-off	-	-	(755)	(49,383)	(4,691)	-	(54,829)
Translation adjustment	-	3,787	569	31,791	216	-	36,363
31 December 2021	-	196,398	19,068	1,632,592	12,122	-	1,860,180
Depreciation for the year	-	25,659	5,877	316,355	2,334	-	350,225
Transferred to assets held for sale	-	(647)	-	-	-	-	(647)
Depreciation on disposals/write-off	-	-	(1,126)	(89,241)	(4,399)	-	(94,766)
Translation adjustment	-	(1,944)	(343)	(31,195)	(114)	-	(33,596)
31 December 2022	-	219,466	23,476	1,828,512	9,943	-	2,081,397
<b>Allowance for impairment loss:</b>							
1 January 2021	-	-	-	1,717	-	-	1,717
31 December 2021	-	-	-	1,717	-	-	1,717
31 December 2022	-	-	-	1,717	-	-	1,717
<b>Net book value:</b>							
31 December 2021	348,146	372,993	14,814	1,283,025	5,284	114,412	2,138,674
31 December 2022	352,058	421,489	20,569	1,370,304	6,152	171,455	2,342,027
<b>Depreciation for the year</b>							
2021 (Baht 311 million included in manufacturing cost, and the balance in selling distribution and administrative expenses)							316,672
2022 (Baht 342 million included in manufacturing cost, and the balance in selling distribution and administrative expenses)							350,225

(Unit: Thousand Baht)

	Separate financial statements						
	Land and land improvement	Building and building improvement	Furniture and office equipment	Machinery and equipment	Motor vehicles	Assets under construction	Total
<b>Cost:</b>							
1 January 2021	54,275	212,853	15,885	1,423,946	13,198	34,709	1,754,866
Additions	-	125	1,017	7,085	898	21,152	30,277
Transfer in (out)	-	445	307	23,601	-	(24,353)	-
Disposals/write-off	-	-	(323)	(327)	(404)	-	(1,054)
31 December 2021	54,275	213,423	16,886	1,454,305	13,692	31,508	1,784,089
Additions	-	1,070	3,334	29,608	-	41,305	75,317
Transfer in (out)	-	8,857	-	52,114	-	(60,971)	-
Disposals/write-off	-	-	-	(19,952)	(864)	-	(20,816)
31 December 2022	54,275	223,350	20,220	1,516,075	12,828	11,842	1,838,590
<b>Accumulated depreciation:</b>							
1 January 2021	-	142,061	12,163	1,134,779	12,013	-	1,301,016
Depreciation for the year	-	7,693	1,600	86,481	663	-	96,437
Depreciation on disposals/write-off	-	-	(323)	(327)	(404)	-	(1,054)
31 December 2021	-	149,754	13,440	1,220,933	12,272	-	1,396,399
Depreciation for the year	-	7,786	1,462	75,183	348	-	84,779
Depreciation on disposals/write-off	-	-	-	(19,952)	(864)	-	(20,816)
31 December 2022	-	157,540	14,902	1,276,164	11,756	-	1,460,362
<b>Allowance for impairment loss:</b>							
1 January 2021	-	-	-	117	-	-	117
31 December 2021	-	-	-	117	-	-	117
31 December 2022	-	-	-	117	-	-	117
<b>Net book value:</b>							
31 December 2021	54,275	63,669	3,446	233,255	1,420	31,508	387,573
31 December 2022	54,275	65,810	5,318	239,794	1,072	11,842	378,111
<b>Depreciation for the year</b>							
2021 (Baht 93 million included in manufacturing cost, and the balance in selling distribution and administrative expenses)							96,437
2022 (Baht 82 million included in manufacturing cost, and the balance in selling distribution and administrative expenses)							84,779

As at 31 December 2022, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 1,641 million (The Company only: Baht 1,061 million) (2021: Baht 1,566 million (The Company only: Baht 988 million)).

As at 31 December 2022, property, plant and equipment of subsidiaries amounting to INR 2,865 million and MYR 37 million (2021: INR 2,238 million and MYR 38 million) have been mortgaged as collaterals against bank overdrafts and long-term loans from banks as stated in Note 18 and 21 to consolidated financial statements.



## 15. Goodwill

Movements of goodwill in the consolidated financial statements for the years ended 31 December 2022 and 2021 are summarised below.

(Unit: Thousand Baht)

	TPAC			
	Packaging India	Sun Packaging	Combi-Pack	
	Private Limited	Systems (FZC)	Sdn Bhd	Total
Balance as at 1 January 2021	838,514	163,303	-	1,001,817
Increase from acquisition of subsidiary	-	-	513,085	513,085
Translation adjustment	78,912	18,396	27,527	124,835
Balance as at 31 December 2021	917,426	181,699	540,612	1,639,737
Increase from acquisition of subsidiary	108,288	-	-	108,288
Translation adjustment	(61,863)	6,237	(12,406)	(68,032)
Balance as at 31 December 2022	963,851	187,936	528,206	1,679,993

The Company allocates goodwill acquired through business combination with indefinite useful lives to group of assets that generates cash inflows for annual impairment testing by determining the recoverable amounts of its group of assets that generates cash inflows based on value in use using cash flow projections from financial estimation approved by management covering a 5-year period for those three companies.

Key assumptions used in value in use calculations are as follows:

	TPAC Packaging		
	India Private	Sun Packaging	Combi-Pack
	Limited	Systems (FZC)	Sdn Bhd
Sales growth rate	10% - 11%	8%	3%
Pre-tax discount rate	13% - 15%	10%	10%

Management has considered the sales growth rates based on historical operating results, forecast markets and production capacity. The pre-tax discount rates reflect the risks specific to each cash-generating unit. The management believed that there is no occurrence of impairment of goodwill.

Management believes that any reasonably possible change in the key assumptions on which the group of units' recoverable amount are based would not cause the group of units' carrying amount to exceed its recoverable amount.

## 16. Intangible assets

The net book value of intangible assets as at 31 December 2022 and 2021 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements				
	Tradename	Customer relationship	Non-compete agreement	Computer software	Total
1 January 2021	198,319	231,992	-	12,706	443,017
Additions	-	-	-	984	984
Increase from acquisition of subsidiary	-	274,578	-	543	275,121
Translation adjustment	18,664	39,951	-	182	58,797
31 December 2021	216,983	546,521	-	14,415	777,919
Additions	-	-	-	1,808	1,808
Increase from acquisition of subsidiary	39,654	47,585	10,134	-	97,373
Translation adjustment	(15,291)	(17,041)	(476)	(149)	(32,957)
31 December 2022	241,346	577,065	9,658	16,074	844,143
<b>Accumulated amortisation:</b>					
1 January 2021	18,604	63,670	-	6,734	89,008
Amortisation for the year	8,395	49,577	-	1,506	59,478
Translation adjustment	2,035	7,770	-	127	9,932
31 December 2021	29,034	121,017	-	8,367	158,418
Amortisation for the year	9,868	67,082	1,547	1,771	80,268
Translation adjustment	(2,384)	(6,612)	(92)	(140)	(9,228)
31 December 2022	36,518	181,487	1,455	9,998	229,458
<b>Allowance for impairment loss:</b>					
1 January 2021	-	-	-	510	510
31 December 2021	-	-	-	510	510
31 December 2022	-	-	-	510	510
<b>Net book value:</b>					
31 December 2021	187,949	425,504	-	5,538	618,991
31 December 2022	204,828	395,578	8,203	5,566	614,175

(Unit: Thousand Baht)

	Separate financial statements	
	Computer software	Total
<b>Cost:</b>		
1 January 2021	10,039	10,039
Additions	440	440
31 December 2021	10,479	10,479
Additions	565	565
31 December 2022	11,044	11,044
<b>Accumulated amortisation:</b>		
1 January 2021	5,275	5,275
Amortisation for the year	876	876
31 December 2021	6,151	6,151
Amortisation for the year	930	930
31 December 2022	7,081	7,081
<b>Allowance for impairment loss:</b>		
1 January 2021	510	510
31 December 2021	510	510
31 December 2022	510	510
<b>Net book value:</b>		
31 December 2021	3,818	3,818
31 December 2022	3,453	3,453

#### Tradename

- TPAC Packaging India Private Limited assessed the identified assets on the date of amalgamation between TPAC Packaging India Private Limited and Sunrise Containers Limited. The subsidiary granted tradename "Sunpet" registered in four countries which are India, Saudi Arabia, United Kingdom and United Arab Emirates amounting to Baht 223 million. The expected useful life is 25 years.
- TPAC Skypet India Private Limited assessed the identified assets on the date of purchase of business of M/s Skypet Polymers. The subsidiary granted tradename "Skypet" amounting to Baht 40 million. The expected useful life is 25 years.

### Customer relationship

- TPAC Packaging India Private Limited assessed the identified assets on the date of amalgamation between TPAC Packaging India Private Limited and Sunrise Containers Limited. The subsidiary granted long-term relationship with customer, from Sunrise Containers Limited amounting to Baht 180 million. The expected useful life is 7.5 years.
- The Company assessed the identified assets on the date of acquisition of Sun Packaging Systems (FZC) by granted long-term relationship with customer from Sun Packaging Systems (FZC) amounting to Baht 74 million. The expected useful life is 7.5 years.
- The Company assessed the identified assets on the date of acquisition of Combi-Pack Sdn Bhd by granted long-term relationship with customer from Combi-Pack Sdn Bhd amounting to Baht 275 million. The expected useful life is 10 years.
- TPAC Skypet India Private Limited assessed the identified assets on the date of purchase of business of M/s Skypet Polymers by granted long-term relationship with customer from M/s Skypet Polymers amounting to Baht 48 million. The expected useful life is 10 years.

### Non-compete agreement

- TPAC Skypet India Private Limited assessed the identified assets on the date of purchase of business of M/s Skypet Polymers according to the clause stated in the Shareholders Agreement which prohibit former shareholders from entering into directly and indirectly competing businesses against M/s Skypet Polymers for a period of 5 years from the business purchase date. The identified assets are amounting to Baht 10 million.

## **17. Withholding tax deducted at source**

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2022	2021	2022	2021
Withholding tax in 2018	35,546	35,546	35,546	35,546
Withholding tax in 2019	34,811	34,811	34,811	34,811
Total	70,357	70,357	70,357	70,357

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.

## 18. Bank overdraft and short-term loans from banks

(Unit: Thousand Baht)

	Interest rate (% per annum)		Consolidated financial statements	
	2022	2021	2022	2021
Bank overdraft	6.35 - 9.50	5.85 - 8.95	3	2,652
Short-term loans from banks	1.50 - 9.50	1.63 - 2.75	992,404	748,404
Total			992,407	751,056

(Unit: Thousand Baht)

	Interest rate (% per annum)		Separate financial statements	
	2022	2021	2022	2021
Bank overdraft	6.35	5.85	3	1,619
Short-term loans from banks	1.65 - 3.00	1.63 - 2.10	859,000	659,000
Total			859,003	660,619

Bank overdraft credit facility and short-term loans from banks of subsidiaries are secured by the mortgage of current assets of the subsidiaries, restricted bank deposits of the subsidiary, property, plant and equipment of the subsidiaries and the corporate guarantee by the Company and the subsidiary as stated in Note 14 to consolidated financial statements.

Under the bank overdraft credit facility and short-term loans from banks, the Group has to comply with certain financial terms and other terms as specified in the agreements, such as maintenance of interest bearing debt to equity ratio and debt service coverage ratio.

## 19. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade accounts payable - related parties	32,484	46,105	33,967	29,832
Trade accounts payable - unrelated parties	322,577	306,511	127,985	124,730
Accounts payable for purchasing of				
fixed assets	17,731	16,181	1,893	11,609
Account payable for purchasing of shares	15,789	80,786	15,789	80,786
Accrued expenses	103,161	76,824	20,875	16,099
Other payables - related parties	-	-	1,827	-
Other payables - unrelated parties	110,684	92,586	54,799	56,211
Total	602,426	618,993	257,135	319,267



## 20. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Advance received for molds	30,938	53,093	19,991	42,015
Others	24,982	45,157	1,546	2,878
Total	55,920	98,250	21,537	44,893

## 21. Long-term loans from banks

Loan	Interest rate (% per annum)	Repayment schedule	(Unit: Thousand Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
			2022	2021	2022	2021
1	MLR - 1.75	Quarterly installments as from 25 February 2019	318,090	433,323	318,090	433,323
2	MLR - 2.00	Quarterly installments as from 30 December 2019	310,250	361,250	310,250	361,250
3	Year 1 - 3: MLR - 1.75 Year 4 - 7: MLR - 2.00	Quarterly installments as from 30 June 2022	923,127	886,728	923,127	886,728
4	Bank's Base Lending Rate - 1.00	Monthly installments as from 1 June 2021	-	15,686	-	-
5	Bank's Base Lending Rate + 0.50	Monthly installments as from 1 June 2021	-	599	-	-
6	Bank's Cost of Funds Rate + 1.00	Monthly installments as from 1 June 2021	32,085	36,832	-	-
7	Bank's 1 month Cost of Funds Rate + 1.00	Monthly installments as from 6 June 2021	45,434	65,608	-	-
8	8.45%	Semi-annual installments as from 14 December 2021	-	447,600	-	-
9	Repo Rate + 2.60%	Semi-annual installments as from 14 December 2021	294,835	-	-	-
10	Repo Rate + 2.85%	Semi-annual installments as from 30 March 2023	180,390	-	-	-
Total			2,104,211	2,247,626	1,551,467	1,681,301
Less: Deferred financial fees			(6,613)	(10,716)	(6,613)	(9,099)
Net			2,097,598	2,236,910	1,544,854	1,672,202
Less: Current portion			(372,982)	(256,612)	(275,081)	(189,274)
Long-term loans, net of current portion			1,724,616	1,980,298	1,269,773	1,482,928

Movements of the long-term loan account during the years ended 31 December 2022 and 2021 are summarised below:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2022	2021	2022	2021
Beginning balance	2,236,910	957,902	1,672,202	957,902
Add: Additional borrowings	462,526	1,373,628	62,024	937,978
Financial fees amortisation	5,845	2,074	2,486	2,055
Increase from acquisition of subsidiary	-	174,970	-	-
Less: Repayment	(557,978)	(283,212)	(191,858)	(217,483)
Financial fees paid	-	(9,843)	-	(8,250)
Translation adjustment	(49,705)	21,391	-	-
Ending balance	<u>2,097,598</u>	<u>2,236,910</u>	<u>1,544,854</u>	<u>1,672,202</u>

As at 31 December 2022, the long-term credit facilities of the Group which have not yet been drawn down amounted to Baht 25 million (the Company only: Baht 25 million) (2021: Baht 87 million (the Company only: Baht 87 million)).

#### Loan 1

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.

Under the loan agreement, the Company has to comply with certain financial terms as specified in the agreement, such as maintaining interest bearing 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. The loan has no collateral.

Under the loan agreement, the Company has to comply with certain financial terms as specified in the agreement, such as maintaining interest bearing 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. The loan has no collateral.

Subsequently, on 30 May 2022, the Company had drawn down the loan from a bank of Baht 62 million to pay account payable related to the purchase of 80% shares of Combi-Pack Sdn Bhd to group of sellers, which is the remaining 6% of the initial purchase price as stipulated in the agreement.

Under the loan agreement, the Company has to comply with certain financial terms as specified in the agreement, such as maintaining interest bearing 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.

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.

### **Loan 8 - 9**

On 10 December 2021, the subsidiary entered into a loan agreement with a bank in the amount of INR 1,000 million. The loan are pledged by the property, plant and equipment of the subsidiary as collateral and the Corporate Guarantee by the Company.

Subsequently in September 2022, the subsidiary had drawn down the loan of INR 760 million from another bank in India as for substitute loan from the previous bank. The loan carries interest at a rate of Repo Rate + 2.60 percent per annum. The loan is repayable on semi-annual installments basis with amount specified as same as the previous agreement. The loan was secured by the mortgage of property, plant and equipment of the subsidiary. Under the loan agreement, the subsidiary has to comply with certain financial terms and other terms as specified in the agreement, such as maintaining debt to equity ratio and debt service coverage ratio.

## **Loan 10**

On 30 March 2022, the subsidiary entered into a loan agreement with a bank in India in amount of INR 430 million (Baht 190 million). The loan was secured by the mortgage of property, plant and equipment of the subsidiary and the corporate guarantee by the Company. The subsidiary had fully drawn down the loan of INR 430 million on 31 March 2022.

Subsequently, on 30 September 2022, the subsidiary had drawn down the loan of INR 430 million from another bank in India, and repaid the loan in full to the previous bank on 3 October 2022. The loan carries interest at a rate of Repo Rate + 2.85 percent per annum. The loan is repayable on semi-annual installments basis with amount specified as same as the previous agreement. The loan was secured by the mortgage of property, plant and equipment of the subsidiary and the corporate guarantee by another subsidiary.

Under the loan agreement, the subsidiary has to comply with certain financial terms and other terms as specified in the agreement, such as maintaining debt to equity ratio and debt service coverage ratio.

## **22. Debentures**

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 31 December 2022, the Company has not issued the debentures.

## **23. Leases**

### **The Group as a lessee**

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 3 - 25 years (The Company only: 3 - 5 years).

## 23.1 Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements					Total
	Land and land improvement	Buildings and building improvement	Furniture and office equipment	Machinery and equipment	Motor vehicles	
Net book value as at						
1 January 2021	13,316	71,092	579	-	874	85,861
Additions during the year	4,832	92,922	-	-	1,212	98,966
Increase from acquisition of subsidiary	-	-	-	24,068	2,586	26,654
Transferred to equipment	-	-	-	(12,980)	(1,036)	(14,016)
Depreciation for the year	(3,013)	(9,388)	(419)	(1,627)	(1,430)	(15,877)
Translation adjustment	1,401	6,005	-	1,442	141	8,989
Net book value as at						
31 December 2021	16,536	160,631	160	10,903	2,347	190,577
Additions during the year	2,700	3,684	-	-	665	7,049
Transferred to equipment	-	-	-	(9,796)	-	(9,796)
Depreciation for the year	(4,386)	(11,727)	(160)	(872)	(1,069)	(18,214)
Translation adjustment	440	3,946	-	(235)	(10)	4,141
Net book value as at						
31 December 2022	15,290	156,534	-	-	1,933	173,757

(Unit: Thousand Baht)

	Separate financial statements			Total
	Buildings and building improvement	Furniture and office equipment	Motor vehicles	
Net book value as at 1 January 2021	2,190	318	874	3,382
Additions during the year	-	-	1,212	1,212
Depreciation for the year	(1,094)	(272)	(552)	(1,918)
Net book value as at 31 December 2021	1,096	46	1,534	2,676
Additions during the year	3,684	-	665	4,349
Depreciation for the year	(2,017)	(46)	(576)	(2,639)
Net book value as at 31 December 2022	2,763	-	1,623	4,386



## 23.2 Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Lease payments	296,689	307,397	4,890	2,952
Less: Deferred interest expenses	(111,182)	(118,471)	(364)	(200)
Total	185,507	188,926	4,526	2,752
Less: Portion due within one year	(11,746)	(13,797)	(1,715)	(1,646)
Lease liabilities - net of current portion	173,761	175,129	2,811	1,106

Movements of the lease liabilities account during the years ended 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Balance at beginning of year	188,926	87,914	2,752	3,461
Additions	7,049	98,941	4,349	1,212
Increase from acquisition of subsidiary	-	9,494	-	-
Increase from interest payment	10,931	9,137	302	133
Decrease from repayment	(25,577)	(25,249)	(2,877)	(2,054)
Translation adjustment	4,178	8,689	-	-
Balance at end of year	185,507	188,926	4,526	2,752

A maturity analysis of lease payments is disclosed in Note 36.2 under the liquidity risk.

## 23.3 Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Depreciation expense of right-of-use assets	18,214	15,877	2,639	1,918
Interest expense on lease liabilities	10,931	9,137	302	133
Expense relating to short-term leases	15,136	10,878	1,148	4,144
Expense relating to leases of low-value assets	3,752	6,965	240	1,433

## 23.4 Others

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 44 million (2021: Baht 43 million) (the Company only: Baht 4 million (2021: Baht 8 million)), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

## 24. Assets associated with call options granted by holders of non-controlling interests / Liabilities associated with put options granted to holders of non-controlling interests

### Sun Packaging Systems (FZC)

On 24 April 2019, the Company entered into Shareholders Agreement between the Company, Sun Packaging Systems (FZC) and Mr. 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 31 December 2022, the Company recorded assets associated with call options granted by holders of non-controlling interests amount of Baht 4.3 million in consolidated and separate financial statements (2021: Baht 6.4 million).

### 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. The exercise of put options granted to holders of non-controlling interests are 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.

### TPAC Skypet India Private Limited

On 31 December 2021 and 25 February 2022, TPAC Packaging India Private Limited and TPAC Skypet India Private Limited entered into the Shareholders Agreement between both subsidiaries and Mr. S. Selvaraj, whereby Mr. S. Selvaraj has put options with rights to sell all remaining 20% of shares in TPAC Skypet India Private Limited to TPAC Packaging India Private Limited. TPAC Packaging India Private Limited has call options with rights to buy all remaining 20% of shares in TPAC Skypet India Private Limited from Mr. S. Selvaraj. The exercise of put options granted to non-controlling interests of the subsidiary are within 60 days after the date that the subsidiary's auditor has audited the financial statements for the years 2026, 2027, 2028 and 2029, respectively, the option price is based on specified terms and conditions as stated in the agreement.

As at 31 December 2022, the Company recorded liabilities associated with put options granted to holders of non-controlling interests amount of Baht 340.6 million (the Company only: Baht 293.0 million) (2021: Baht 289.5 million (the Company only: Baht 289.5 million)).

## **25. Provision for long-term employee benefits**

Provision for long-term employee benefits as at 31 December 2022 and 2021 were as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2022	2021	2022	2021
Provision for compensation on employees'				
retirement	60,045	67,078	38,344	42,290
Provision for long service awards	5,788	5,918	5,584	5,629
Other provisions	7,705	6,561	-	-
Total	73,538	79,557	43,928	47,919

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b>Provision for long-term employee benefits</b>				
<b>at beginning of year</b>	79,557	70,898	47,919	41,218
<b>Included in profit or loss:</b>				
Current service cost	18,683	13,925	7,789	7,403
Interest cost	980	1,258	728	655
Past service costs	92	-	-	-
Remeasurement the value of other long-term benefit	131	-	193	-
<b>Included in other comprehensive income:</b>				
Actuarial gain (loss) arising from Demographic assumptions changes	(15)	105	830	-
Financial assumptions changes	(8,018)	(815)	(5,052)	-
Experience adjustments	(5,974)	245	(4,489)	-
Increase from acquisition of subsidiary	985	-	-	-
Benefits paid during the year	(12,028)	(8,167)	(3,990)	(1,357)
Translation adjustment	(855)	2,108	-	-
<b>Provision for long-term employee benefits at end of year</b>	<b>73,538</b>	<b>79,557</b>	<b>43,928</b>	<b>47,919</b>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Cost of sales	13,931	10,739	5,527	4,556
Selling and administrative expenses	5,824	4,444	2,990	3,502
Total expenses recognised in profit or loss	<b>19,755</b>	<b>15,183</b>	<b>8,517</b>	<b>8,058</b>

The Group expect to pay Baht 8.6 million of long-term employee benefits during the next year (The Company only: Baht 2.2 million) (2021: Baht 6.7 million (The Company only: Baht 2.3 million)).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 8 - 16 years (The Company only: 8 - 16 years) (2021: 5 - 16 years (The Company only: 9 years)).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		(Unit: Percent per annum) Separate financial statements	
	2022	2021	2022	2021
Discount rate	2.49 - 7.48	1.41 - 6.93	2.49, 3.44	1.59
Salary increase rate	4 - 8	1 - 8	4	1 - 5
Turnover rate	2 - 23	0 - 33	2 - 23	0 - 33

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below:

	(Unit: Million Baht)			
	As at 31 December 2022			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(6.9)	8.1	(4.0)	4.7
Salary increase rate	7.0	(6.2)	3.9	(3.4)
Turnover rate	(3.4)	3.9	(2.8)	3.3

	(Unit: Million Baht)			
	As at 31 December 2021			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(7.8)	9.1	(4.3)	5.1
Salary increase rate	9.4	(8.1)	5.2	(4.5)
Turnover rate	(6.1)	2.8	(4.6)	2.0

## 26. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 27. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Interest expenses on borrowings	149,919	128,019	76,427	61,582
Interest expenses on lease liabilities	10,931	9,137	302	133
Total	160,850	137,156	76,729	61,715

## 28. Expenses by nature

Significant expenses classified by nature are as follow:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Salaries, wages and other employee benefits	717,566	588,935	302,242	293,747
Depreciation and amortisation	482,325	427,999	119,904	135,203
Raw materials and consumables used	4,424,861	3,063,988	1,038,543	906,699
Changes in inventories of finished goods and work in process	53,746	(85,275)	37,302	(47,523)

## 29. Income tax

Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b>Current income tax:</b>				
Current corporate income tax charge	87,938	65,399	13,442	14,023
Adjustment in respect of income tax of previous year	(5,196)	(3,380)	(3,380)	(3,380)
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(7,527)	149,612	(710)	(1,374)
<b>Income tax expenses reported in profit or loss</b>	<b>75,215</b>	<b>211,631</b>	<b>9,352</b>	<b>9,269</b>



The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Deferred tax relating to actuarial gain	1,828	9	1,742	-

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Accounting profit before tax	425,543	387,003	104,171	112,876
Applicable tax rate	0%, 8%, 20%, 24%, 25.17%	0%, 8%, 20%, 24%, 25.17%	8%, 20%	8%, 20%
Accounting profit before tax multiplied by income tax rate	91,889	84,158	20,495	22,546
Adjustment in respect of income tax of previous year	(5,196)	(3,380)	(3,380)	(3,380)
Effects of:				
Non-deductible expenses	23,748	8,246	18,165	1,723
Additional expense deductions allowed	(2,914)	(3,176)	(2,914)	(3,176)
Dividend which exempted corporate income tax	(21,612)	(10,607)	(21,612)	(10,607)
Disallowance of tax benefit related to goodwill from amended Finance Act	-	138,947	-	-
Reversal of previous deferred tax asset	(4,807)	-	-	-
Others	(5,893)	(2,557)	(1,402)	2,163
Total	(11,478)	130,853	(7,763)	(9,897)
Income tax expenses reported in profit or loss	75,215	211,631	9,352	9,269

The components of deferred tax assets and deferred tax liabilities as at 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b>Deferred tax assets</b>				
Allowance for expected credit losses	2,689	600	-	-
Allowance for diminution in value of inventories	1,744	1,120	145	371
Allowance for assets impairment	125	125	125	125
Accumulated depreciation - equipment	211	219	211	219
Provision for long-term employee benefits	10,717	11,253	8,786	9,584
Contingent liabilities	1,173	1,285	-	-
Cost of amalgamation of subsidiary	27	146	-	-
<b>Total</b>	<b>16,686</b>	<b>14,748</b>	<b>9,267</b>	<b>10,299</b>
<b>Deferred tax liabilities</b>				
Accumulated depreciation	-	360,730	-	-
Unrealised gain on exchange rate	185	-	-	-
<b>Total</b>	<b>370,611</b>	<b>360,730</b>	<b>-</b>	<b>-</b>
<b>Deferred tax - net</b>	<b>(353,925)</b>	<b>(345,982)</b>	<b>9,267</b>	<b>10,299</b>
Transactions reflected in statement of financial position				
Deferred tax assets	9,267	10,299	9,267	10,299
Deferred tax liabilities	363,192	356,281	-	-
<b>Deferred tax - net</b>	<b>(353,925)</b>	<b>(345,982)</b>	<b>9,267</b>	<b>10,299</b>

As at 31 December 2022, a subsidiary has unused tax loss on which deferred tax assets have not been recognised in total of Baht 96 million (2021: Baht 77 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 in countries which have corporate income tax.

### 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 31 December 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.

## **30. Earnings per share**

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

The following table sets forth the computation of basic earnings per share:

Consolidated financial statements						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
2022	2021	2022	2021	2022	2021	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the company						
318,840	152,939	326,550	326,550	0.98	0.47	
Separate financial statements						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
2022	2021	2022	2021	2022	2021	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the company						
94,819	103,606	326,550	326,550	0.29	0.32	

### 31. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The 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 is 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, TPAC Skypet India Private Limited and TPAC Custom Solutions 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 years ended 31 December 2022 and 2021 are as follows:

(Unit: Thousand Baht)

	For the years ended 31 December							
	Thailand		Overseas countries		Elimination of inter-segment revenues		Consolidation	
	2022	2021	2022	2021	2022	2021	2022	2021
Revenues from customers	2,009,795	1,860,753	4,987,421	3,333,239	-	-	6,997,216	5,193,992
Inter-segment revenues	160,791	102,138	9,261	15,641	(170,052)	(117,779)	-	-
Total revenues from sales	<u>2,170,586</u>	<u>1,962,891</u>	<u>4,996,682</u>	<u>3,348,880</u>	<u>(170,052)</u>	<u>(117,779)</u>	<u>6,997,216</u>	<u>5,193,992</u>
Segment operating profit	142,383	99,498	446,934	425,555	(2,924)	(893)	586,393	524,160
Unallocated income and expenses:								
Finance cost							(160,850)	(137,156)
Income tax expenses							(75,215)	(211,632)
Profit for the year							<u>350,328</u>	<u>175,372</u>

#### Major customers

During the years ended 31 December 2022 and 2021, the Group has no major customer with revenue of 10 percent or more of the Group's revenues.

### **32. Provident fund**

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act. B.E. 2530. Both employees and the Group contributed to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by Bank of Ayudhaya Public Company Limited and Thanachart Bank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2022 amounting to approximately Baht 6.1 million (The Company only: Baht 5.7 million) (2021: Baht 6.8 million (The Company only: Baht 6.3 million)) were recognised as expenses.

### 33. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2021	Annual General Meeting of the shareholders on 29 April 2022	46,044	0.141
Total dividends for 2022		46,044	0.141
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

### 34. Commitments and contingent liabilities

#### 34.1 Capital commitments

As at 31 December 2022, the Group had capital commitments relating to acquisition of machinery and molds totaling approximately Baht 11.1 million, USD 0.4 million, JPY 42.6 million, INR 46.1 million, MYR 0.9 million and AED 0.3 million (The Company only: Baht 9.7 million, USD 0.2 million, and JPY 2.5 million) (2021: Baht 16.1 million, USD 0.7 million, EUR 0.3 million, JPY 2.5 million and INR 67.6 million relating to acquisition of machinery and molds (The Company only: Baht 10.7 million, USD 0.5 million and JPY 2.5 million)).

#### 34.2 Guarantees

As at 31 December 2022, there were outstanding bank guarantees to guarantee electricity and other utilities use, and guarantee for damage goods of Baht 20 million, INR 13 million and MYR 1 million issued by banks on behalf of the Group (The Company only: Baht 14 million) (2021: Baht 20 million INR 21 million and MYR 1 million (The Company only: Baht 14 million)).

#### 34.3 Litigations

TPAC Packaging India Private Limited has been carrying excise duty, and good and service tax under dispute amounting to INR 14 million (2021: 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 11 million (2021: 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.

### 35. Fair value hierarchy

As at 31 December 2022 and 2021, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Million Baht)				
Consolidated financial statements				
As at 31 December 2022				
	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	-	-	4.3	4.3
<b>Liabilities measured at fair value</b>				
Financial liabilities measured at fair value				
Liabilities associated with put options granted to non-controlling interests of the subsidiaries	-	-	340.6	340.6

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2022				
	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	-	-	4.3	4.3
<b>Liabilities measured at fair value</b>				
Financial liabilities measured at fair value				
Liabilities associated with put options granted to non-controlling interests of the subsidiaries	-	-	293.0	293.0

(Unit: Million Baht)

Consolidated and Separate financial statements				
As at 31 December 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	-	-	6.4	6.4
<b>Liabilities measured at fair value</b>				
Financial liabilities measured at fair value				
Other current financial liabilities				
Foreign exchange forward contracts	-	0.1	-	0.1
Liabilities associated with put options granted to non-controlling interests of the subsidiaries	-	-	289.5	289.5

## 36. Financial instruments

### 36.1 Derivatives

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b>Derivative liabilities</b>				
Derivative liabilities not designated as hedging instruments				
Foreign exchange forward contracts	1	23	1	23
<b>Total derivative liabilities</b>	<b>1</b>	<b>23</b>	<b>1</b>	<b>23</b>

#### Derivatives not designated as hedging instruments

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within 3 months.

### 36.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, restricted bank deposits, trade and other receivables, bank overdraft and short-term loans from banks, trade and other payables and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

#### Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, deposits with banks, and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

### ***Trade receivables***

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and major customers are diversified as the Group has various customer base and they are reputable customers.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

### **Liquidity risk**

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, long-term loans from banks and lease contracts. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2022 and 2021 based on contractual undiscounted cash flows, and included interest payment:

	(Unit: Thousand Baht)				
	Consolidated financial statements				
	As at 31 December 2022				
	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Bank overdraft and short-term loans from banks	-	900,281	-	-	900,281
Trade and other payables	-	602,426	-	-	602,426
Lease liabilities	-	22,987	77,040	197,706	297,733
Long-term loans from banks	-	433,481	1,686,105	174,424	2,294,010
Other financial liabilities	37,743	-	52,385	-	90,128
<b>Total non-derivatives</b>	<b>37,743</b>	<b>1,959,175</b>	<b>1,815,530</b>	<b>372,130</b>	<b>4,184,578</b>

(Unit: Thousand Baht)

## Consolidated financial statements

As at 31 December 2021				
On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Bank overdraft and short-term loans from banks	47,189	707,682	-	754,871
Trade and other payables	-	618,993	-	618,993
Lease liabilities	-	24,077	72,748	307,397
Long-term loans from banks	-	356,350	1,822,143	2,581,176
<b>Total non-derivatives</b>	<b>47,189</b>	<b>1,707,102</b>	<b>1,894,891</b>	<b>4,262,437</b>

(Unit: Thousand Baht)

## Separate financial statements

As at 31 December 2022				
On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Bank overdraft and short-term loans from banks	-	864,959	-	864,959
Trade and other payables	-	257,135	-	257,135
Lease liabilities	-	1,920	2,937	4,857
Long-term loans from banks	-	326,037	1,314,456	1,692,795
<b>Total non-derivatives</b>	<b>-</b>	<b>1,450,051</b>	<b>1,317,393</b>	<b>2,819,746</b>

(Unit: Thousand Baht)

## Separate financial statements

As at 31 December 2021				
On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Bank overdraft and short-term loans from banks	47,189	616,484	-	663,673
Trade and other payables	-	319,267	-	319,267
Lease liabilities	-	1,745	1,207	2,952
Long-term loans from banks	-	247,661	1,330,842	1,868,852
<b>Total non-derivatives</b>	<b>47,189</b>	<b>1,185,157</b>	<b>290,349</b>	<b>2,854,744</b>

## **Market risk**

There are three types of market risk comprising currency risk, interest rate risk, and commodity price risk. The Group enters into foreign exchange forward contracts to hedge the foreign currency risk arising on sales transactions.

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

The Group's exposure to the foreign currency risk relates primarily to its sales transactions that are denominated in foreign currencies. Mostly, the Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2022 and 2021, 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	
	2022	2021	2022	2021	2022	2021
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 currency unit)	
US Dollar	3,002	4,092	857	1,916	34.5624	33.4199
Euro	181	178	90	200	36.8274	37.8948
Pound Sterling	9	30	-	-	41.6639	45.0984
Singapore Dollar	353	479	13	11	25.7206	24.7357
Australian Dollar	1,087	1,253	173	173	23.3791	24.2627
Malaysian Ringgit	-	-	1,989	9,944	7.8304	8.0143
Japanese Yen	-	-	-	37,800	-	0.2906
Swiss Franc	-	-	-	3	-	36.5228

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2022	2021	2022	2021	2022	2021
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 currency unit)	
US Dollar	1,090	1,370	84	31	34.5624	33.4199
Euro	-	-	-	89	36.8274	37.8948
Singapore Dollar	-	-	11	2	25.7206	24.7357
Malaysian Ringgit	-	-	1,989	9,944	7.8304	8.0143
Japanese Yen	-	-	-	37,800	-	0.2906
Swiss Franc	-	-	-	3	37.4333	36.5228



As at 31 December 2022, 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	-	19	-	34.44	15 March 2023

As at 31 December 2021, 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	-	254	-	32.80 - 33.95	24 February 2022 - 8 March 2022

#### *Foreign currency sensitivity*

As at 31 December 2022 and 2021, the Group has no significant impact on the Group's profit before tax and equity due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives with a reasonably possible change in exchange rates within next one year.

#### **Interest rate risk**

The Group's exposure to interest rate risk relates primarily to its cash and cash equivalents, restricted bank deposits, bank overdraft and short-term loans from banks and long-term loans. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2022 and 2021, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2022							
	Fixed interest rates			Floating	Non-		Effective
	Within	1-5	More than	interest	interest		interest rate
	1 year	years	5 years	rate	bearing	Total	(% per annum)
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	127	160	287	Note 7
Trade and other receivables	-	-	-	-	1,373	1,373	-
Restricted bank deposits	17	-	-	-	-	17	Note 12
	17	-	-	127	1,533	1,677	
<b>Financial liabilities</b>							
Bank overdraft and short-term							
loans from banks	992	-	-	-	-	992	Note 18
Trade and other payables	-	-	-	-	602	602	-
Lease liabilities	12	42	132	-	-	186	Note 23
Long-term loans from banks	-	-	-	2,098	-	2,098	Note 21
	1,004	42	132	2,098	602	3,878	

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2021							
	Fixed interest rates			Floating	Non-		
	Within	1-5	More than	interest	interest		Effective
	1 year	years	5 years	rate	bearing	Total	interest rate
							(% per annum)
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	279	115	394	Note 7
Trade and other receivables	-	-	-	-	1,239	1,239	-
Restricted bank deposits	18	-	-	-	-	18	Note 12
	18	-	-	279	1,354	1,651	
<b>Financial liabilities</b>							
Bank overdraft and short-term							
loans from banks	751	-	-	-	-	751	Note 18
Trade and other payables	-	-	-	-	619	619	-
Lease liabilities	14	36	139	-	-	189	Note 23
Long-term loans from banks	33	323	90	1,791	-	2,237	Note 21
	798	359	229	1,791	619	3,796	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2022						
	Fixed interest rates		Floating	Non-		
	Within	1-5	interest	interest		Effective
	1 year	years	rate	bearing	Total	interest rate
						(% per annum)
<b>Financial assets</b>						
Cash and cash equivalents	-	-	4	11	15	Note 7
Trade and other receivables	-	-	-	464	464	-
Short-term loans to related party	67	-	-	-	67	Note 6
	67	-	4	475	546	
<b>Financial liabilities</b>						
Bank overdraft and short-term						
loans from banks	859	-	-	-	859	Note 18
Trade and other payables	-	-	-	257	257	-
Lease liabilities	2	3	-	-	5	Note 23
Long-term loans from banks	-	-	1,545	-	1,545	Note 21
	861	3	1,545	257	2,666	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2021						
	Fixed interest rates		Floating	Non-		
	Within	1-5	interest	interest		Effective
	1 year	years	rate	bearing	Total	interest rate
						(% per annum)
<b>Financial assets</b>						
Cash and cash equivalents	-	-	4	7	11	Note 7
Trade and other receivables	-	-	-	492	492	-
Short-term loans to related party	7	-	-	-	7	Note 6
	7	-	4	499	510	
<b>Financial liabilities</b>						
<b>Bank overdraft and short-term</b>						
loans from banks	661	-	-	-	661	Note 18
Trade and other payables	-	-	-	319	319	-
Lease liabilities	2	1	-	-	3	Note 23
Long-term loans from banks	-	-	1,672	-	1,672	Note 21
	663	1	1,672	319	2,655	

### Interest rate sensitivity

As at 31 December 2022 and 2021, the Group has no significant impact on the Group's profit before tax and equity due to changes in floating interest rate with a reasonably possible change in interest rates within next one year.

### ***Plastic polymers price risk***

The Group is affected from a fluctuation of plastic polymers, as operations of the Group require to purchase plastic polymers, main raw material, for production. The Group has risk related to change in plastic polymers price of forecasted plastic polymers to be consumed.

The Group's Board of Directors has developed and enacted a risk management strategy for plastic polymers price risk by having customer arrangements which allow the Group to adjust pricing to be in line with quarterly price movement of plastic polymers and diversified the risk of supply disruptions by purchasing plastic polymers from multiple local suppliers.

### **36.3 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.

The methods and assumptions used by the Group estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, accounts receivable, short-term loans to related party, account payable, bank overdraft and short-term loans from banks, the carrying amounts in the statement of financial position approximate their fair value.
- b) The carrying amounts of long-term loans carrying interest at rates approximating the market rate, and fixed rate long-term loans which interest rate is comparable to market rate, in the statement of financial position approximates their fair value.
- c) The fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies. The Group considers counterparty credit risk when determining the fair value of derivatives

During the current year, there were no transfers within the fair value hierarchy.

### 36.4 Reconciliation of recurring fair value measurements, of financial assets and liabilities, categorised within Level 3 of the fair value hierarchy

(Unit: Thousand Baht)

	Consolidated financial statements	
	Assets associated with call options granted by non-controlling interests of the subsidiary	Liabilities associated with put options granted to non-controlling interests of the subsidiaries
Balance as at 1 January 2022	6,410	289,544
Increase (decrease) during the year	(2,136)	51,019
Balance as at 31 December 2022	4,274	340,563

(Unit: Thousand Baht)

	Separate financial statements	
	Assets associated with call options granted by non-controlling interests of the subsidiary	Liabilities associated with put options granted to non-controlling interests of the subsidiaries
Balance as at 1 January 2022	6,410	289,544
Increase (decrease) during the year	(2,136)	3,445
Balance as at 31 December 2022	4,274	292,989

Key assumptions used in the valuation are summarised below.

Financial instruments	Valuation technique	Significant unobservable inputs	Rates	Sensitivity of the input to fair value
Assets associated with call options granted by non-controlling interests of the subsidiary	Black Scholes Model	Stock price and strike price	0.16 AED/share	No significant impact
Liabilities associated with put options granted to non-controlling interests of the subsidiaries	Discounted cash flow based on the expected exercise price	Exercise price	107.92 MYR/share and 300.97 INR/share	No significant impact

### **37. Capital management**

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value, and it meets financial covenants attached to the loan agreements. The Group has complied with these covenants throughout the reporting periods. As at 31 December 2022, the Group's interest bearing debt to equity ratio was 1.27:1 (2021: 1.28:1) and the Company's interest bearing debt to equity ratio was 1.30:1 (2021: 1.30:1).

### **38. Events after the reporting period**

38.1 On 3 January 2023, the Board of Directors' Meeting of Sun Packaging Systems (FZC) passed a resolution to pay an interim dividend from operating results for the year 2022 of AED 20,000 per share, totaling AED 6 million. The Company received dividend in proportion to its shareholding amounting to UAE 5.3 million or approximately Baht 48.5 million on 9 January 2023.

On 5 January 2023, the Board of Directors' Meeting of Combi-Pack Sdn Bhd passed a resolution to pay an interim dividend from operating results for the year 2023 of MYR 5 per share, totaling MYR 10 million. The Company received dividend in proportion to its shareholding amounting to MYR 8.0 million or approximately Baht 61.0 million on 20 January 2023.

38.2 On 25 January 2023, the Company made early principal repayment for three installments with due date in March, June and September 2023 by Baht 77.1 million.

38.3 On 24 February 2023, the Company's Board of Directors' Meeting No. 1/2023 passed a resolution to propose the annual general meeting of the Company's shareholders as follows.

- 1) Approval to pay a dividend from operating results for the year 2022 of Baht 0.293 per share, totaling Baht 96 million. The dividend will be paid and recorded after it is approved by the annual general meeting of the Company's shareholders.
- 2) Approval of TPAC Packaging India Private Limited to increase its share capital in total of INR 90 million by the Company (9 million shares with a par value of INR 10 each) as for repayment of short-term loan of a subsidiary.

### **39. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2023.