

Thai Plaspac Public Company Limited and its subsidiaries
Report and consolidated financial statements
31 December 2023

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 2023, 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 2023, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the 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.

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.

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: 23 February 2024

Thai Plaspac Public Company Limited and its subsidiaries
Statement of financial position
As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	7	183,069,968	287,096,778	50,273,668	14,870,459
Trade and other receivables	6, 9	1,430,336,365	1,372,845,057	440,851,219	463,699,104
Short-term loans to related parties	6	-	-	38,135,620	66,600,000
Inventories	10	592,665,153	535,860,213	142,297,707	142,283,633
Advance payment for purchasing of raw materials		23,334,598	52,113,175	-	-
Other current financial assets	8	287,557	13,295,797	-	-
Other current assets	11	107,895,025	100,302,676	50,175,161	39,187,439
Total current assets		2,337,588,666	2,361,513,696	721,733,375	726,640,635
Non-current assets					
Restricted bank deposits	12	18,432,406	17,254,387	-	-
Other non-current financial assets	8	2,751,759	2,790,611	-	-
Investments in subsidiaries	13	-	-	3,724,083,334	3,631,150,254
Property, plant and equipment	14	2,583,876,269	2,342,027,171	331,865,618	378,110,788
Right-of-use assets	23	194,244,838	173,756,737	7,603,631	4,385,648
Goodwill	15	1,619,288,338	1,679,993,446	-	-
Intangible assets	16	520,230,001	614,174,576	2,490,341	3,453,393
Deferred tax assets	29	9,968,329	9,266,671	9,968,329	9,266,671
Withholding tax deducted at source	17	70,356,926	70,356,926	70,356,926	70,356,926
Advance payment for purchasing of molds		45,003,087	42,199,955	43,925,567	36,618,321
Assets associated with call options granted by holders of non-controlling interests	24	2,136,766	4,273,533	2,136,766	4,273,533
Other non-current assets		80,243,775	86,752,671	10,143,406	23,812,217
Total non-current assets		5,146,532,494	5,042,846,684	4,202,573,918	4,161,427,751
Total assets		7,484,121,160	7,404,360,380	4,924,307,293	4,888,068,386

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 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Liabilities and shareholders' equity					
Current liabilities					
Bank overdraft and short-term loans from banks	18	1,060,715,604	992,407,705	859,000,000	859,002,900
Trade and other payables	6, 19	589,067,083	602,425,879	234,304,262	257,134,733
Current portion of long-term loans from banks	21	381,313,260	372,981,736	249,718,655	275,080,830
Current portion of lease liabilities	23	18,785,158	11,745,730	3,727,994	1,714,842
Income tax payable		33,601,998	26,942,370	6,950,367	10,317,296
Other current financial liabilities		54,027,822	772	-	772
Other current liabilities	20	68,628,218	55,920,033	32,732,074	21,536,632
Total current liabilities		2,206,139,143	2,062,424,225	1,386,433,352	1,424,788,005
Non-current liabilities					
Long-term loans from banks, net of current portion	21	1,456,697,866	1,724,616,308	968,754,118	1,269,773,212
Lease liabilities, net of current portion	23	191,612,027	173,761,414	4,103,521	2,811,226
Liabilities associated with put options granted to holders of non-controlling interests	24	412,523,109	340,563,607	292,988,937	292,988,937
Deferred tax liabilities	29	331,972,369	363,191,956	-	-
Provision for long-term employee benefits	25	79,804,952	73,538,024	47,317,764	43,928,500
Other non-current financial liabilities		42,883,216	89,756,171	-	-
Total non-current liabilities		2,515,493,539	2,765,427,480	1,313,164,340	1,609,501,875
Total liabilities		4,721,632,682	4,827,851,705	2,699,597,692	3,034,289,880
Shareholders' equity					
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		1,237,774,914	914,670,095	838,535,682	467,604,587
Other components of shareholders' equity		(204,549,035)	(110,959,041)	-	-
Equity attributable to owners of the Company		2,439,434,727	2,209,919,902	2,224,709,601	1,853,778,506
Non-controlling interests of the subsidiaries		323,053,751	366,588,773	-	-
Total shareholders' equity		2,762,488,478	2,576,508,675	2,224,709,601	1,853,778,506
Total liabilities and shareholders' equity		7,484,121,160	7,404,360,380	4,924,307,293	4,888,068,386

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

Signature

Signature



Directors

Thai Plaspac Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Profit or loss:					
Revenues					
Sales	6	6,804,120,420	6,997,215,737	1,689,082,104	1,856,995,088
Dividend income	6, 13	-	-	391,972,772	108,059,350
Other income	6	89,232,042	77,080,449	62,218,591	68,967,421
Gain on exchange		5,447,898	21,867,393	146,312	5,278,896
Total revenues		6,898,800,360	7,096,163,579	2,143,419,779	2,039,300,755
Expenses					
Cost of sales	6	5,343,590,376	5,840,762,702	1,345,759,620	1,568,140,202
Selling and distribution expenses		265,948,290	222,878,468	43,866,665	40,572,949
Administrative expenses	6	466,483,778	446,128,746	179,365,208	172,087,788
Impairment loss on investment in subsidiary	13	-	-	-	77,600,000
Total expenses		6,076,022,444	6,509,769,916	1,568,991,493	1,858,400,939
Operating profit		822,777,916	586,393,663	574,428,286	180,899,816
Finance cost	27	(171,926,358)	(160,850,289)	(98,596,873)	(76,728,664)
Profit before income tax expenses		650,851,558	425,543,374	475,831,413	104,171,152
Income tax expenses	29	(108,874,751)	(75,215,299)	(9,221,168)	(9,352,498)
Profit for the year		541,976,807	350,328,075	466,610,245	94,818,654
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		(108,313,427)	(161,535,543)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(108,313,427)	(161,535,543)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain	25	488,574	14,006,862	-	8,711,381
Less: Income tax effect	29	56,606	(1,828,257)	-	(1,742,276)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		545,180	12,178,605	-	6,969,105
Other comprehensive income for the year		(107,768,247)	(149,356,938)	-	6,969,105
Total comprehensive income for the year		434,208,560	200,971,137	466,610,245	101,787,759

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 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Profit attributable to:					
Equity holders of the Company		490,203,233	318,839,970	466,610,245	94,818,654
Non-controlling interests of the subsidiaries		51,773,574	31,488,105		
		<u>541,976,807</u>	<u>350,328,075</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		397,153,477	173,649,905	466,610,245	101,787,759
Non-controlling interests of the subsidiaries		37,055,083	27,321,232		
		<u>434,208,560</u>	<u>200,971,137</u>		
Earnings per share					
	30				
Basic earnings per share					
Profit attributable to equity holders of the Company		1.50	0.98	1.43	0.29

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

Thai Plaspac Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2023

(Unit: Baht)

Consolidated financial statements									
	Note	Equity holders of the Company					Other components		
		Issued and paid-up share capital	Premium on ordinary shares	Excess from change in ownership interest in the subsidiary	Retained earnings		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total
					Appropriated - Statutory reserve	Unappropriated			
Balance as at 1 January 2022		326,549,999	1,026,968,920	20,034,929	32,655,000	680,963,828	2,133,332,750	350,420,191	2,483,752,941
Profit for the year		-	-	-	-	318,839,970	318,839,970	31,488,105	350,328,075
Other comprehensive income for the year		-	-	-	-	11,929,050	(145,190,065)	(4,166,873)	(149,356,938)
Total comprehensive income for the year		-	-	-	-	330,768,020	173,649,905	27,321,232	200,971,137
Dividend paid	6, 33	-	-	-	-	(46,043,550)	(46,043,550)	-	(46,043,550)
Increase in non-controlling interests of the subsidiaries		-	-	-	-	-	-	2,203,000	2,203,000
Subsidiary paid dividend to non-controlling interests of the subsidiary	13.2	-	-	-	-	-	-	(13,355,650)	(13,355,650)
Increase in liabilities associated with put options granted to non-controlling interests of the subsidiaries	24	-	-	-	-	(51,019,203)	(51,019,203)	-	(51,019,203)
Balance as at 31 December 2022		326,549,999	1,026,968,920	20,034,929	32,655,000	914,670,095	2,209,919,902	366,588,773	2,576,508,675
Balance as at 1 January 2023		326,549,999	1,026,968,920	20,034,929	32,655,000	914,670,095	2,209,919,902	366,588,773	2,576,508,675
Profit for the year		-	-	-	-	490,203,233	490,203,233	51,773,574	541,976,807
Other comprehensive income for the year		-	-	-	-	540,238	(93,049,756)	(14,718,491)	(107,768,247)
Total comprehensive income for the year		-	-	-	-	490,743,471	397,153,477	37,055,083	434,208,560
Dividend paid	6, 33	-	-	-	-	(95,679,150)	(95,679,150)	-	(95,679,150)
Subsidiary paid dividend to non-controlling interests of the subsidiary	13.2	-	-	-	-	-	-	(80,590,105)	(80,590,105)
Increase in liabilities associated with put options granted to non-controlling interests of the subsidiaries	24	-	-	-	-	(71,959,502)	(71,959,502)	-	(71,959,502)
Balance as at 31 December 2023		326,549,999	1,026,968,920	20,034,929	32,655,000	1,237,774,914	2,439,434,727	323,053,751	2,762,488,478

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 2023

	Separate financial statements					(Unit: Baht)	
	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings			Total
				Appropriated - Statutory reserve	Unappropriated		
Balance as at 1 January 2022		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)	
Balance as at 31 December 2022		326,549,999	1,026,968,920	32,655,000	467,604,587	1,853,778,506	
Balance as at 1 January 2023		326,549,999	1,026,968,920	32,655,000	467,604,587	1,853,778,506	
Profit for the year		-	-	-	466,610,245	466,610,245	
Other comprehensive income for the year		-	-	-	-	-	
Total comprehensive income for the year		-	-	-	466,610,245	466,610,245	
Dividend paid	6, 33	-	-	-	(95,679,150)	(95,679,150)	
Balance as at 31 December 2023		326,549,999	1,026,968,920	32,655,000	838,535,682	2,224,709,601	

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

Thal Plaspac Public Company Limited and its subsidiaries

Statement of cash flows

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit before tax	650,851,558	425,543,374	475,831,413	104,171,152
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	494,800,090	482,325,007	105,708,118	119,904,232
Loss from fair value measurement of assets associated with call options granted by holders of non-controlling interests	2,136,767	2,136,766	2,136,767	2,136,766
Allowance for expected credit losses (reversal)	4,925,047	9,265,419	321,678	(53,871)
Impairment loss on investment in subsidiary	-	-	-	77,600,000
Reduction of inventories to net realisable value (reversal)	6,436,768	5,111,478	(157,254)	2,002,411
Loss (gain) on disposals/write-off of equipment	(997,374)	(5,971,469)	77	(267,885)
Long-term employee benefits expenses	16,706,680	19,885,953	5,612,380	8,710,191
Unrealised loss (gain) on exchange rate	(422,454)	(1,348,000)	908,150	(2,081,840)
Unrealised gain from fair value measurement of forward exchange contracts	(772)	(22,633)	(772)	(22,633)
Amortisation of financial fees	2,101,423	5,844,827	2,101,423	2,485,904
Dividend income	-	-	(391,972,772)	(108,059,350)
Interest income	(5,946,543)	(3,745,798)	(191,748)	(41,007)
Finance cost	169,824,935	155,005,462	96,495,450	74,242,760
Profit from operating activities before changes in operating assets and liabilities	1,340,416,125	1,094,030,386	296,792,910	280,726,830
Operating assets (increase) decrease				
Trade and other receivables	(62,715,561)	(60,382,341)	21,595,139	27,155,112
Inventories	(62,965,418)	57,997,768	143,180	38,354,835
Other current assets	(6,888,200)	(79,148,545)	(32,207,582)	(30,846,530)
Other non-current assets	3,705,765	(6,288,292)	6,361,566	1,043,956
Operating liabilities increase (decrease)				
Trade and other payables	(11,016,028)	16,136,726	(8,030,996)	12,033,073
Other current liabilities	12,708,185	(45,617,905)	11,195,442	(23,356,622)
Other non-current financial liabilities	521,160	-	-	-
Provision for long-term employee benefits	(9,031,954)	(12,027,614)	(2,223,116)	(3,989,709)
Cash flows from operating activities	1,204,734,074	964,700,183	293,626,543	301,120,945
Corporate income tax paid	(105,758,881)	(78,720,043)	(13,289,755)	(9,671,929)
Net cash flows from operating activities	1,098,975,193	885,980,140	280,336,788	291,449,016

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 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from investing activities				
Decrease (increase) in short-term loans to related parties	-	-	28,464,380	(59,600,000)
Proceeds from sales of equipment	2,122,367	17,141,795	600,000	267,905
Proceeds from sales of asset held for sale	2,230,808	-	-	-
Acquisition of building and equipment	(637,449,327)	(473,154,761)	(33,905,215)	(85,031,729)
Acquisition of intangible assets	(104,913)	(1,808,318)	-	(565,157)
Cash paid in advance for right-of-use assets	(1,446,211)	-	-	-
Cash paid for investments in subsidiaries	(15,789,487)	(62,024,372)	(108,722,567)	(196,774,372)
Cash paid for purchase of business by the subsidiary	-	(346,350,619)	-	-
Decrease (increase) in other current financial assets	12,856,252	(11,028,337)	-	-
Decrease (increase) in other non-current financial assets	6,951	(2,461,261)	-	-
Cash receipt from dividend from the subsidiaries	-	-	391,972,772	108,059,350
Interest received	5,946,543	3,745,798	191,748	41,007
Net cash flows from (used in) investing activities	(631,627,017)	(875,940,075)	278,601,118	(233,602,996)
Cash flows from financing activities				
Increase in bank overdrafts and				
short-term loans from banks	70,435,490	241,354,965	(2,900)	198,383,874
Decrease in restricted bank deposits	(1,375,259)	-	-	-
Cash receipt from long-term loans from banks	209,690,558	462,526,372	-	62,024,372
Repayment of long-term loans from banks	(464,635,722)	(557,978,148)	(328,482,692)	(191,857,692)
Cash receipt of long-term loan from				
non-controlling interests of the subsidiary	-	39,641,880	-	-
Cash paid for lease liabilities	(27,595,846)	(25,577,361)	(3,929,602)	(2,876,193)
Interest paid	(142,540,643)	(139,145,122)	(95,440,353)	(73,340,567)
Dividend paid	(176,269,255)	(59,399,200)	(95,679,150)	(46,043,550)
Net cash flows used in financing activities	(532,290,677)	(38,576,614)	(523,534,697)	(53,709,756)
Decrease in exchange differences on translation of				
financial statements in foreign currency	(39,084,309)	(78,146,547)	-	-
Net increase (decrease) in cash and cash equivalents	(104,026,810)	(106,683,096)	35,403,209	4,136,264
Cash and cash equivalents at beginning of year	287,096,778	393,779,874	14,870,459	10,734,195
Cash and cash equivalents at end of year (Note 7)	183,069,968	287,096,778	50,273,668	14,870,459

Supplemental cash flows information

Non-cash items consist of:

Increase (decrease) in accounts payable for

 purchasing of equipment

10,429,558 1,549,748 394,575 (9,716,104)

Increase in liabilities associated with put options

 granted to non-controlling interests of the subsidiaries

71,959,502 51,019,203 - 3,444,533

Increase in right-of-use assets from lease liabilities

43,548,268 7,049,039 6,798,307 4,348,409

Increase in account payable for purchase of business

2,746,843 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 2023

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 Thalaе 30, Bang Khun Thian-Chay Thalaе Road, Thakham, Bang Khun Thian, Bangkok.

The branch offices of the Company are at 3/2 Soi Thian Thalaе 15, Bang Khun Thian-Chay Thalaе 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	
			2023 (Percent)	2022 (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	
			2023 (Percent)	2022 (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
TPAC Packaging Philippines Inc.	Manufacturing and distribution of plastic packaging	Philippines	100	-
<u>Subsidiary held by TPAC Packaging India Private Limited</u>				
TPAC Skypet India Private Limited	Manufacturing and distribution of plastic packaging	India	80	80
TPAC Custom Solutions Private Limited	Manufacturing and distribution of plastic packaging	India	100	100

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

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

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

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the 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 recognised 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 based on quantities which 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	2 - 25 years	3 years
Furniture and office equipment	4 years	-
Machinery and equipment	10 years	-
Motor vehicles	5 years	4 - 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 finance cost.

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.

Regular way purchase and sales of financial assets

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

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the 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 statement of financial position. The amounts also present offset from unappropriated retained earnings in the consolidated statement of financial position and the consolidated 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 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.

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	Subsidiary
TPAC Custom Solutions Private Limited	Subsidiary
TPAC Packaging Philippines Inc.	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
Indorama Yarns Private Limited	Shareholder and director are related to the Company's shareholder and management
Related persons	Director, executive officer and related persons with director and executive officer

During the 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		
	2023	2022	2023	2022	Transfer pricing policy
<u>Transactions with subsidiaries</u>					
(Eliminated from consolidated financial statements)					
Sales of goods	-	-	41	37	Close to market price
Purchase of goods	-	-	136	126	Close to market price
Dividend income	-	-	392	108	2023: Dirham United Arab Emirates 54,425.09 per share and Malaysian Ringgit 20.65 per share (2022: Dirham United Arab Emirates 42,858 per share)
Management fee income	-	-	39	35	Contract price
Interest income	-	-	2	1	4.86% - 5.35% per annum
Management expense	-	-	2	2	Contract price
<u>Transaction with related company</u>					
Purchase of goods	120	108	56	60	Close to market price
<u>Transaction with major shareholders and related persons</u>					
Dividend paid	70	34	70	34	2023: Baht 0.293 per share (2022: Baht 0.141 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	
	2023	2022	2023	2022
<u>Trade receivables - related parties (Note 9)</u>				
Subsidiaries	-	-	11,862	7,138
<u>Other receivables - related parties (Note 9)</u>				
Subsidiaries	-	-	13,932	13,576

		(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statements	financial statements
		2023	2022
<u>Trade payables - related parties (Note 19)</u>			
Subsidiaries	-	-	20,669
Related companies	19,815	32,484	19,815
Total	19,815	32,484	40,484
<u>Other payables - related parties (Note 19)</u>			
Subsidiary	-	-	682
			1,827

Short-term loans to related parties

		(Unit: Thousand Baht)			
		Separate financial statements			
		Balance	Increase	Decrease	Balance
		as at	during	during	as at
		1 January	the year	the year	31 December
Loans to related parties	Related by	2023			2023
TPAC Packaging (Bangna) Company Limited	Subsidiary	66,600	198,800	(234,400)	31,000
TPAC Packaging Philippines Inc.	Subsidiary	-	7,136	-	7,136
Total		66,600	205,936	(234,400)	38,136

Such short-term loans carried interest rate at 4.86 - 5.35 percent per annum and will be due in February 2024.

Directors and management's benefits

During the years ended 31 December 2023 and 2022, the Group had employee benefit expenses payable to their directors and management as below.

		(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statements	financial statements
		2023	2022
Short-term benefits	103,124	99,689	63,233
Post-employment benefits	4,288	2,783	3,637
Other long-term benefits	22	9	22
Total	107,434	102,481	66,892
			60,596

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Cash	866	534	94	113
Cash at banks	182,204	286,563	50,180	14,757
Total	183,070	287,097	50,274	14,870

As at 31 December 2023, cash at banks carried interests between 0.05 and 4.8 percent per annum (the Company only: between 0.05 and 0.60 percent per annum) (2022: between 0.10 and 2.57 percent per annum (the Company only: between 0.10 and 0.35 percent per annum)).

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

As at 31 December 2023 and 2022, the Group had other current financial assets and other non-current financial assets as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Other current financial assets				
<u>Debt instruments at amortised cost</u>				
Time deposits from 3 months to 1 year				
(Interest rate 5.6 percent per annum				
(2022: 5.0 to 6.8 percent per annum))	288	13,296	-	-
Total other current financial assets	288	13,296	-	-
Other non-current financial assets				
<u>Debt instruments at amortised cost</u>				
Time deposits more than 1 year				
(Interest rate between 5.4 to 6.5				
percent per annum (2022: 5.4 to 5.6				
percent per annum))	2,752	2,791	-	-
Total other non-current financial assets	2,752	2,791	-	-

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<u>Trade receivables - related parties (Note 6)</u>				
Aged on the basis of due dates				
Not yet due	-	-	9,751	6,884
Up to 1 month	-	-	2,111	254
Total trade receivables - related parties	-	-	11,862	7,138
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,009,710	1,022,175	311,317	346,954
Past due				
Up to 1 month	238,423	228,308	94,344	86,271
1 - 2 months	55,936	41,060	8,980	6,710
2 - 3 months	18,087	16,018	-	2,813
3 months - 1 year	38,123	21,547	700	199
1 year - 2 years	7,284	1,541	-	-
Over 2 years	6,502	5,683	5,316	5,316
Total	1,374,065	1,336,332	420,657	448,263
Less: Allowance for expected credit losses	(21,613)	(16,904)	(5,600)	(5,278)
Total trade receivables - unrelated parties	1,352,452	1,319,428	415,057	442,985
<u>Other receivables - related parties (Note 6)</u>				
Other receivables	-	-	13,932	13,576
Total other receivables - related parties	-	-	13,932	13,576
<u>Other receivables - unrelated parties</u>				
Value added tax refundable	54,091	19,209	-	-
Other receivables	23,793	34,208	-	-
Total other receivables - unrelated parties	77,884	53,417	-	-
Total trade and other receivables	1,430,336	1,372,845	440,851	463,699

The normal credit term is 15 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	
	2023	2022	2023	2022
Beginning balance	16,904	8,305	5,278	5,331
Increase during the year	4,925	9,265	322	-
Reversal during the year	-	-	-	(53)
Translation adjustment	(216)	(666)	-	-
Ending balance	21,613	16,904	5,600	5,278

10. Inventories

(Unit: Thousand Baht)						
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2023	2022	2023	2022	2023	2022
Finished goods	252,483	226,168	(9,094)	(6,845)	243,389	219,323
Work in process	19,450	21,068	(46)	(9)	19,404	21,059
Raw materials	289,948	248,072	(9,000)	(5,550)	280,948	242,522
Packing materials	41,096	44,689	(855)	(430)	40,241	44,259
Factory supplies	8,683	8,697	-	-	8,683	8,697
Total	611,660	548,694	(18,995)	(12,834)	592,665	535,860

(Unit: Thousand Baht)						
	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2023	2022	2023	2022	2023	2022
Finished goods	69,386	66,675	(3,237)	(3,352)	66,149	63,323
Work in process	12,532	12,586	-	-	12,532	12,586
Raw materials	46,285	44,534	(461)	(503)	45,824	44,031
Packing materials	11,080	15,209	-	-	11,080	15,209
Factory supplies	6,713	7,135	-	-	6,713	7,135
Total	145,996	146,139	(3,698)	(3,855)	142,298	142,284

During the current year, the Group reduced cost of inventories by Baht 6.5 million (the Company only: Baht 0.2 million) (2022: Baht 10.2 million (the Company only: Baht 3.5 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 0.3 million (the Company only: Baht 0.3 million) (2022: Baht 1.5 million (the Company only: Baht 1.5 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	
	2023	2022	2023	2022
Asset held for sale	-	2,231	-	-
Prepaid expenses	43,901	19,952	9,999	5,786
Cost of molds for amortisation	44,834	36,805	36,293	29,502
Advance payments	3,825	12,482	-	-
Others	15,335	28,833	3,883	3,899
Total	107,895	100,303	50,175	39,187

12. Restricted bank deposits

As at 31 December 2023, these represent the subsidiary's bank deposits pledged for short-term loans from banks, carrying interest rate at 6.75 percent per annum (2022: 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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
			(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
TPAC Packaging India Private Limited	2,498 Million Indian Rupee	2,408 Million Indian Rupee	100	100	2,242,379	2,203,904	-	-	2,242,379	2,203,904	-	-
TPAC Packaging (Bangna) Company Limited	101 Million Baht	101 Million Baht	100	100	107,000	107,000	(77,600)	(77,600)	29,400	29,400	-	-
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	137,678	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	254,295	-
TPAC Packaging Philippines Inc.	83 Million Philippines Peso	-	100	-	54,458	-	-	-	54,458	-	-	-
Total					3,801,683	3,708,750	(77,600)	(77,600)	3,724,083	3,631,150	391,973	108,059

TPAC Packaging India Private Limited

On 24 February 2023, a meeting of the Board of Directors of the Company No. 1/2023 and a meeting of the Board of Directors of TPAC Packaging India Private Limited passed a resolution to approve capital increase of TPAC Packaging India Private Limited, for 9 million shares increase with a par value of INR 10 each, as for repayment of short-term loan of a subsidiary. Subsequently on 1 March 2023, the Company paid for capital increase of the subsidiary in the amount of Baht 38.5 million (INR 90 million).

TPAC Packaging Philippines Inc.

On 12 May 2023, a meeting of the Board of Directors of the Company No. 2/2023 passed a resolution to approve the Company to establish a subsidiary in Philippines and invest at 100% of its shares. The purpose of such company is to incorporate in plastic containers manufacturing and distribution business.

Subsequently, on 4 September 2023, the Company registered TPAC Packaging Philippines Inc. with the relevant authorities in Philippines with an initial registered share capital of PHP 162 million, for 1.62 million shares with a par value of PHP 100 each. The Company partially paid for share capital amounted to Baht 6.9 million (PHP 11 million) and related expenses for the establishment of the subsidiary amounted to Baht 0.4 million.

On 20 October 2023, a meeting of the Board of Directors of the Company No. 4/2023 passed the resolutions as follows.

- 1) Approval of payment for additional share capital of the subsidiary, TPAC Packaging Philippines Inc. in total amount not exceeding USD 2.5 million as for its operating capital.
- 2) Approval of short-term loan to the subsidiary, TPAC Packaging Philippines Inc. in total amount not exceeding USD 2.5 million as for its operating capital.

Subsequently, on 8 November 2023, the Company transferred a total of USD 1.5 million to the subsidiary. This amount was divided into USD 1.3 million (PHP 72 million) for the payment of additional share capital and USD 0.2 million for short-term loan to 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		Dividend paid to non-controlling interests	
					during the year		during the year	
	2023	2022	2023	2022	2023	2022	2023	2022
	(%)	(%)	(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	9,689	72,091	18,188	13,906	80,590	13,356
Combi-Pack Sdn Bhd	20	20	307,673	292,759	14,914	13,880	-	-

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	
	2023	2022	2023	2022
Current assets	372	360	351	457
Non-current assets	268	259	503	564
Current liabilities	103	105	196	146
Non-current liabilities	123	130	67	91

Summarised information about comprehensive income

(Unit: Million Baht)

	For the years ended 31 December			
	Sun Packaging Systems (FZC)		Combi-Pack Sdn Bhd	
	2023	2022	2023	2022
Revenues	720	637	1,142	1,114
Profit	186	119	161	120
Other comprehensive income	1	3	-	-
Total comprehensive income	187	122	161	120

Summarised information about cash flow

(Unit: Million Baht)

	For the years ended 31 December			
	Sun Packaging Systems (FZC)		Combi-Pack Sdn Bhd	
	2023	2022	2023	2022
Cash flow from (used in) operating activities	2	1	(32)	167
Cash flow used in investing activities	(71)	(71)	(33)	(46)
Cash flow used in financing activities	(13)	(13)	(26)	(47)
Net increase (decrease) in cash and cash equivalents	(82)	(83)	(91)	74

14. Property, plant and equipment

Movements of property, plant and equipment account for the years ended 31 December 2023 and 2022 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	
Cost:							
1 January 2022	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
Additions	-	3,487	6,382	185,265	2,718	450,027	647,879
Transfer in (out)	-	75,523	4,391	402,648	2,027	(484,589)	-
Disposals/write-off	-	-	(5,867)	(219,371)	(1,826)	-	(227,064)
Translation adjustment	(8,330)	(8,949)	(426)	(34,113)	202	(2,847)	(54,463)
31 December 2023	343,728	711,016	48,525	3,534,962	19,216	134,046	4,791,493
Accumulated depreciation:							
1 January 2022	-	196,398	19,068	1,632,592	12,122	-	1,860,180
Depreciation for the year	-	25,659	5,877	316,356	2,334	-	350,226
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
Depreciation for the year	-	28,058	7,627	330,091	2,283	-	368,059
Depreciation on disposals/write-off	-	-	(5,816)	(218,296)	(1,826)	-	(225,938)
Translation adjustment	-	(1,249)	(239)	(16,351)	221	-	(17,618)
31 December 2023	-	246,275	25,048	1,923,956	10,621	-	2,205,900

(Unit: Thousand Baht)

Consolidated financial statements

	Land and land improvement	Building and building improvement	Furniture and office equipment	Machinery and equipment	Motor vehicles	Assets under construction	Total
Allowance for impairment loss:							
31 December 2022	-	-	-	1,717	-	-	1,717
31 December 2023	-	-	-	1,717	-	-	1,717
Net book value:							
31 December 2022	352,058	421,489	20,569	1,370,304	6,152	171,455	2,342,027
31 December 2023	343,728	464,741	23,477	1,609,289	8,595	134,046	2,583,876
Depreciation for the year							
2022 (Baht 342 million included in manufacturing cost, and the balance in selling distribution and administrative expenses)							350,226
2023 (Baht 356 million included in manufacturing cost, and the balance in selling distribution and administrative expenses)							368,059

(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
Cost:							
1 January 2022	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
Additions	-	802	1,095	8,977	-	23,426	34,300
Transfer in (out)	-	726	35	17,126	-	(17,887)	-
Disposals/write-off	-	-	(5,740)	(212,765)	(30)	-	(218,535)
31 December 2023	54,275	224,878	15,610	1,329,413	12,798	17,381	1,654,355
Accumulated depreciation:							
1 January 2022	-	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
Depreciation for the year	-	8,243	1,831	69,523	348	-	79,945
Depreciation on disposals/write-off	-	-	(5,694)	(212,211)	(30)	-	(217,935)
31 December 2023	-	165,783	11,039	1,133,476	12,074	-	1,322,372
Allowance for impairment loss:							
31 December 2022	-	-	-	117	-	-	117
31 December 2023	-	-	-	117	-	-	117
Net book value:							
31 December 2022	54,275	65,810	5,318	239,794	1,072	11,842	378,111
31 December 2023	54,275	59,095	4,571	195,820	724	17,381	331,866
Depreciation for the year							
2022 (Baht 82 million included in manufacturing cost, and the balance in selling distribution and administrative expenses)							84,779
2023 (Baht 75 million included in manufacturing cost, and the balance in selling distribution and administrative expenses)							79,945

As at 31 December 2023, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 1,490 million (the Company only: Baht 861 million) (2022: Baht 1,641 million (the Company only: Baht 1,061 million)).

As at 31 December 2023, property, plant and equipment of subsidiaries amounting to INR 3,496 million and MYR 35 million (2022: INR 2,865 million and MYR 37 million) have been mortgaged as collaterals against bank overdrafts and long-term loans from banks as stated in Note 18 and 21 to the consolidated financial statements.

15. Goodwill

Movements of goodwill in the consolidated financial statements for the years ended 31 December 2023 and 2022 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 2022	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
Translation adjustment	(30,956)	(1,849)	(27,900)	(60,705)
Balance as at 31 December 2023	932,895	186,087	500,306	1,619,288

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	8% - 10%	7%	5%
Pre-tax discount rate	13% - 14%	11%	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 account as at 31 December 2023 and 2022 is presented below.

(Unit: Thousand Baht)					
Consolidated financial statements					
	Tradename	Customer relationship	Non-compete agreement	Computer software	Total
Cost:					
1 January 2022	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
Additions	-	-	-	105	105
Translation adjustment	(2,759)	(18,247)	(111)	(81)	(21,198)
31 December 2023	238,587	558,818	9,547	16,098	823,050
Accumulated amortisation:					
1 January 2022	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
Amortisation for the year	9,727	65,508	1,946	1,748	78,929
Translation adjustment	(601)	(5,365)	(53)	(58)	(6,077)
31 December 2023	45,644	241,630	3,348	11,688	302,310
Allowance for impairment loss:					
31 December 2022	-	-	-	510	510
31 December 2023	-	-	-	510	510
Net book value:					
31 December 2022	204,828	395,578	8,203	5,566	614,175
31 December 2023	192,943	317,188	6,199	3,900	520,230

(Unit: Thousand Baht)

	Separate financial statements	
	Computer software	Total
Cost:		
1 January 2022	10,479	10,479
Additions	565	565
31 December 2022	11,044	11,044
31 December 2023	11,044	11,044
Accumulated amortisation:		
1 January 2022	6,151	6,151
Amortisation for the year	930	930
31 December 2022	7,081	7,081
Amortisation for the year	963	963
31 December 2023	8,044	8,044
Allowance for impairment loss:		
31 December 2022	510	510
31 December 2023	510	510
Net book value:		
31 December 2022	3,453	3,453
31 December 2023	2,490	2,490

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	
	2023	2022	2023	2022
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	
	2023	2022	2023	2022
Bank overdraft	8.50 - 9.50	6.35 - 9.50	18,893	3
Short-term loans from banks	3.35 - 9.50	1.50 - 9.50	1,041,823	992,404
Total			1,060,716	992,407

(Unit: Thousand Baht)

	Interest rate (% per annum)		Separate financial statements	
	2023	2022	2023	2022
Bank overdraft	-	6.35	-	3
Short-term loans from banks	3.35 - 4.25	1.65 - 3.00	859,000	859,000
Total			859,000	859,003

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 subsidiary as described in Note 14 to the 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	
	2023	2022	2023	2022
Trade accounts payable - related parties (Note 9)	19,815	32,484	40,484	33,967
Trade accounts payable - unrelated parties	302,301	322,577	107,531	127,985
Accounts payable for purchasing of fixed assets	28,161	17,731	2,288	1,893
Account payable for purchasing of shares	-	15,789	-	15,789
Accrued expenses	113,740	103,161	19,480	20,875
Other payables - related parties (Note 9)	-	-	682	1,827
Other payables - unrelated parties	125,050	110,684	63,839	54,799
Total	589,067	602,426	234,304	257,135

20. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Advance received for molds	48,233	30,938	29,149	19,991
Others	20,395	24,982	3,583	1,546
Total	68,628	55,920	32,732	21,537

21. Long-term loans from banks

Loan	Interest rate (% per annum)	Repayment schedule	(Unit: Thousand Baht)			
			Consolidated financial statements		Separate financial statements	
			2023	2022	2023	2022
1	MLR - 1.75	Quarterly installments as from 25 February 2019	202,857	318,090	202,857	318,090
2	MLR - 2.00	Quarterly installments as from 30 December 2020	250,750	310,250	250,750	310,250
3	Year 1 - 3: MLR - 1.75 Year 4 - 7: MLR - 2.00	Quarterly installments as from 30 June 2022	769,377	923,127	769,377	923,127
4	Bank's Cost of Funds Rate + 1.00	Monthly installments as from 1 June 2021	26,679	32,085	-	-
5	Bank's 1 month Cost of Funds Rate + 1.00	Monthly installments as from 6 June 2021	25,071	45,434	-	-
6	Repo Rate + Fixed rate	Semi-annual installments as from 14 December 2022	206,903	294,835	-	-
7	Repo Rate + Fixed rate	Semi-annual installments as from 31 March 2024	114,018	-	-	-
8	Repo Rate + Fixed rate	Semi-annual installments as from 30 March 2023	151,603	180,390	-	-
9	Repo Rate + Fixed rate	Semi-annual installments as from 30 April 2024	55,987	-	-	-
10	Repo Rate + Fixed rate	Semi-annual installments as from 30 December 2024	4,205	-	-	-
11	Repo Rate + Fixed rate	Semi-annual installments as from 10 January 2025	35,073	-	-	-
Total			1,842,523	2,104,211	1,222,984	1,551,467
Less: Deferred financial fees			(4,512)	(6,613)	(4,512)	(6,613)
Net			1,838,011	2,097,598	1,218,472	1,544,854
Less: Current portion			(381,313)	(372,982)	(249,718)	(275,081)
Long-term loans, net of current portion			1,456,698	1,724,616	968,754	1,269,773

Movements of the long-term loan account during the years ended 31 December 2023 and 2022 are summarised below:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2023	2022	2023	2022
Beginning balance	2,097,598	2,236,910	1,544,854	1,672,202
Add: Additional borrowings	209,691	462,526	-	62,024
Financial fees amortisation	2,101	5,845	2,101	2,486
Less: Repayment	(464,636)	(557,978)	(328,483)	(191,858)
Translation adjustment	(6,743)	(49,705)	-	-
Ending balance	1,838,011	2,097,598	1,218,472	1,544,854

As at 31 December 2023, the long-term credit facilities of the Group which have not yet been drawn down amounted to INR 385 million (the Company only: Nil) (2022: Baht 25 million (the Company only: Baht 25 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 - 5

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 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 6

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.

Subsequently in September 2022, the subsidiary had drawn down the loan of INR 760 million from another bank as for substitute loan from the previous bank. The interest rate will be determined at the time of disbursement which refer to the market interest rate. Presently, the loan carries interest at a rate of Repo Rate plus fixed rate 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 7

On 30 August 2023, the subsidiary entered into a loan agreement with a bank in the amount of INR 278 million. The interest rate will be determined at the time of disbursement which refer to the market interest rate. Presently, the loan carries interest at a rate of Repo Rate plus fixed rate per annum. The loan is repayable on monthly installments basis with amount specified in the 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 8

On 30 March 2022, the subsidiary entered into a loan agreement with a bank in the amount of INR 430 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 interest rate will be determined at the time of disbursement which refer to the market interest rate. Presently, the loan carries interest at a rate of Repo Rate plus fixed rate 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.

Loan 9

On 28 April 2023, the subsidiary entered into a loan agreement with a bank in the amount of INR 135 million. The interest rate will be determined at the time of disbursement which refer to the market interest rate. Presently, the loan carries interest at a rate of Repo Rate plus fixed rate per annum. The loan is repayable on semi-annual installments basis with amount specified in the 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.

Loan 10

On 6 December 2023, the subsidiary entered into a loan agreement with a bank in the amount of INR 176 million. The interest rate will be determined at the time of disbursement which refer to the market interest rate. Presently, the loan carries interest at a rate of Repo Rate plus fixed rate per annum. The loan is repayable on semi-annual installments basis with amount specified in the 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.

Loan 11

On 29 May 2023, the subsidiary entered into a loan agreement with a bank in the amount of INR 304 million. The interest rate will be determined at the time of disbursement which refer to the market interest rate. Presently, the loan carries interest at a rate of Repo Rate plus fixed rate per annum. The loan is repayable on semi-annual installments basis with amount specified in the 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 total debt to EBITDA 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 2023, 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 2 - 25 years (the Company only: 3 - 5 years).

23.1 Right-of-use assets

Movements of right-of-use assets account for the years ended 31 December 2023 and 2022 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 2022	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
Additions during the year	5,135	37,152	-	-	1,261	43,548
Depreciation for the year	(4,321)	(16,713)	-	-	(935)	(21,969)
Translation adjustment	(200)	(883)	-	-	(8)	(1,091)
Net book value as at						
31 December 2023	15,904	176,090	-	-	2,251	194,245

(Unit: Thousand Baht)

	Separate financial statements			Total
	Buildings and building improvement	Furniture and office equipment	Motor vehicles	
Net book value as at 1 January 2022	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
Additions during the year	5,537	-	1,261	6,798
Depreciation for the year	(2,948)	-	(632)	(3,580)
Net book value as at 31 December 2023	5,352	-	2,252	7,604

23.2 Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Lease payments	319,181	296,689	8,329	4,890
Less: Deferred interest expenses	(108,784)	(111,182)	(497)	(364)
Total	210,397	185,507	7,832	4,526
Less: Portion due within one year	(18,785)	(11,746)	(3,728)	(1,715)
Lease liabilities - net of current portion	191,612	173,761	4,104	2,811

Movements of the lease liabilities account during the years ended 31 December 2023 and 2022 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Balance at beginning of year	185,507	188,926	4,526	2,752
Additions	42,102	7,049	6,798	4,349
Accretion of interest	12,349	10,931	438	302
Decrease from repayment	(27,596)	(25,577)	(3,930)	(2,877)
Translation adjustment	(1,965)	4,178	-	-
Balance at end of year	210,397	185,507	7,832	4,526

A maturity analysis of lease payments is disclosed in Note 36.2 to the consolidated financial statements 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	
	2023	2022	2023	2022
Depreciation expense of right-of-use assets	21,969	18,214	3,580	2,639
Interest expense on lease liabilities	12,349	10,931	438	302
Expense relating to short-term leases	19,707	15,136	243	1,148
Expense relating to leases of low-value assets	658	3,752	478	240

23.4 Others

The Group had total cash outflows for leases for the year ended 31 December 2023 of Baht 48 million (2022: Baht 44 million) (the Company only: Baht 5 million (2022: Baht 4 million)), including the cash outflow related to short-term leases and leases of low-value assets.

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 2023, the Company recorded assets associated with call options granted by holders of non-controlling interests amount of Baht 2.1 million (2022: Baht 4.3 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 2023, the Company recorded liabilities associated with put options granted to holders of non-controlling interests amount of Baht 412.5 million (the Company only: Baht 293.0 million) (2022: Baht 340.6 million (the Company only: Baht 293.0 million)).

25. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2023 and 2022 were as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2023	2022	2023	2022
Provision for compensation on employees' retirement	65,392	60,045	41,598	38,344
Provision for long service awards	5,933	5,788	5,720	5,584
Other provisions	8,480	7,705	-	-
Total	79,805	73,538	47,318	43,928

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	
	2023	2022	2023	2022
Provision for long-term employee benefits				
at beginning of year	73,538	79,557	43,928	47,919
Included in profit or loss:				
Current service cost	13,672	18,683	4,168	7,789
Interest cost	3,035	980	1,445	728
Past service costs	-	92	-	-
Remeasurement the value of other				
long-term benefit	-	131	-	193
Included in other comprehensive income:				
Actuarial gain (loss) arising from				
Demographic assumptions changes	-	(15)	-	830
Financial assumptions changes	(404)	(8,018)	-	(5,052)
Experience adjustments	(85)	(5,974)	-	(4,489)
Increase from acquisition of subsidiary	-	985	-	-
Benefits paid during the year	(9,032)	(12,028)	(2,223)	(3,990)
Translation adjustment	(919)	(855)	-	-
Provision for long-term employee benefits				
at end of year	<u>79,805</u>	<u>73,538</u>	<u>47,318</u>	<u>43,928</u>

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	
	2023	2022	2023	2022
Cost of sales	11,255	13,931	3,036	5,527
Selling, distribution and administrative expenses	5,452	5,824	2,577	2,990
Total expenses recognised in profit or loss	<u>16,707</u>	<u>19,755</u>	<u>5,613</u>	<u>8,517</u>

The Group expect to pay Baht 6.8 million of long-term employee benefits during the next year (the Company only: Baht 1.5 million) (2022: Baht 8.6 million (the Company only: Baht 2.2 million)).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 8 - 16 years (the Company only: 8 - 16 years) (2022: 8 - 16 years (the Company only: 8 - 16 years)).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		(Unit: Percent per annum) Separate financial statements	
	2023	2022	2023	2022
Discount rate	2.49 - 7.49	2.49 - 7.48	2.49, 3.44	2.49, 3.44
Salary increase rate	4 - 8	4 - 8	4	4
Turnover rate	2 - 23	2 - 23	2 - 23	2 - 23

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

	(Unit: Million Baht) As at 31 December 2023			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(7.3)	8.5	(4.2)	4.9
Salary increase rate	14.1	(10.9)	9.7	(7.2)
Turnover rate	(7.1)	9.6	(6.1)	8.4

	(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

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2023	2022	2023	2022
Amortisation of financial fees	2,101	5,845	2,101	2,486
Interest expenses on borrowings	157,476	144,074	96,058	73,941
Interest expenses on lease liabilities	12,349	10,931	438	302
Total	171,926	160,850	98,597	76,729

28. Expenses by nature

Significant expenses classified by nature are as follow:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2023	2022	2023	2022
Salaries, wages and other employee benefits	724,414	717,566	293,733	302,242
Depreciation and amortisation	494,800	482,325	105,708	119,904
Raw materials and consumables used	3,954,201	4,424,861	845,317	1,038,543
Changes in inventories of finished goods and work in process	22,411	53,746	(2,772)	37,302

29. Income tax

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2023	2022	2023	2022
Current income tax:				
Current corporate income tax charge	116,017	87,938	13,280	13,442
Adjustment in respect of income tax of previous year	(2,698)	(5,196)	(3,357)	(3,380)
Deferred tax:				
Relating to origination and reversal of temporary differences	(4,444)	(7,527)	(702)	(710)
Income tax expenses reported in profit or loss	108,875	75,215	9,221	9,352

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Deferred tax relating to actuarial loss (gain)	(57)	1,828	-	1,742

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Accounting profit before tax	650,852	425,543	475,831	104,171
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	195,175	91,889	94,745	20,495
Adjustment in respect of income tax of previous year	(2,698)	(5,196)	(3,357)	(3,380)
Effects of:				
Non-deductible expenses	5,213	23,748	2,031	18,165
Additional expense deductions allowed	(4,640)	(2,914)	(4,640)	(2,914)
Dividend which exempted corporate income tax	(78,395)	(21,612)	(78,395)	(21,612)
Reversal of previous deferred tax assets	(16)	(4,807)	-	-
Others	(5,764)	(5,893)	(1,163)	(1,402)
Total	(83,602)	(11,478)	(82,167)	(7,763)
Income tax expenses reported in profit or loss	108,875	75,215	9,221	9,352

The components of deferred tax assets and deferred tax liabilities as at 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Deferred tax assets				
Allowance for expected credit losses	3,491	2,689	-	-
Allowance for diminution in value of inventories	2,016	1,744	114	145
Allowance for assets impairment	125	125	125	125
Accumulated depreciation - equipment	217	211	217	211
Provision for long-term employee benefits	12,036	10,717	9,512	8,786
Contingent liabilities	5,323	1,173	-	-
Cost of amalgamation of subsidiary	-	27	-	-
Lease	1,014	-	-	-
Total	24,222	16,686	9,968	9,267
Deferred tax liabilities				
Accumulated depreciation	346,075	370,426	-	-
Unrealised gain on exchange rate	151	185	-	-
Total	346,226	370,611	-	-
Deferred tax - net	(322,004)	(353,925)	9,968	9,267
Transactions reflected in statement of financial position:				
Deferred tax assets	9,968	9,267	9,968	9,267
Deferred tax liabilities	331,972	363,192	-	-
Deferred tax - net	(322,004)	(353,925)	9,968	9,267

As at 31 December 2023, two subsidiaries had unused tax loss on which deferred tax assets have not been recognised in total of Baht 69 million and PHP 9 million (2022: a subsidiary of Baht 96 million).

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.

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		
2023	2022	2023	2022	2023	2022	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
490,203	318,840	326,550	326,550	1.50	0.98	
Separate financial statements						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
2023	2022	2023	2022	2023	2022	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
466,610	94,819	326,550	326,550	1.43	0.29	

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), Malaysia as operated by Combi-Pack Sdn Bhd and Philippines as operated by TPAC Packaging Philippines Inc.

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 2023 and 2022 are as follows:

(Unit: Thousand Baht)

	For the years ended 31 December							
	Thailand		Overseas countries		Elimination of inter-segment revenues		Consolidation	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenues from customers	1,864,850	2,009,795	4,939,270	4,987,421	-	-	6,804,120	6,997,216
Inter-segment revenues	173,062	160,791	16,705	9,261	(189,767)	(170,052)	-	-
Total revenues from sales	<u>2,037,912</u>	<u>2,170,586</u>	<u>4,955,975</u>	<u>4,996,682</u>	<u>(189,767)</u>	<u>(170,052)</u>	<u>6,804,120</u>	<u>6,997,216</u>
Segment operating profit	212,968	142,383	612,310	446,934	(2,500)	(2,924)	822,778	586,393
Unallocated income and expenses:								
Finance cost							(171,926)	(160,850)
Income tax expenses							(108,875)	(75,215)
Profit for the year							<u>541,977</u>	<u>350,328</u>

Major customers

During the years ended 31 December 2023 and 2022, 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 2023 amounting to approximately Baht 6.7 million (the Company only: Baht 6.3 million) (2022: Baht 6.1 million (the Company only: Baht 5.7 million)) were recognised as expenses.

33. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2022	Annual General Meeting of the shareholders on 28 April 2023	95,679	0.293
Total dividends for 2023		95,679	0.293
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

34. Commitments and contingent liabilities

34.1 Capital commitments

As at 31 December 2023 and 2022, the Group had capital commitments relating to acquisition of machinery and molds as follows:

Foreign currency	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(Million)	(Million)	(Million)	(Million)
Baht	18.1	11.1	17.5	9.7
US Dollar	3.5	0.4	0.3	0.2
Euro	1.0	-	0.1	-
Japanese Yen	91.1	42.6	2.5	2.5
Malaysian Ringgit	1.1	0.9	-	-
Indian Rupee	251.7	46.1	-	-
Dirham United Arab Emirates	1.3	0.3	-	-
Philippines Peso	4.7	-	-	-
Chinese Yuan	0.5	-	0.5	-

34.2 Guarantees

As at 31 December 2023, there were outstanding bank guarantees to guarantee electricity and other utilities use, and guarantee for damage goods of Baht 19 million, INR 19 million and MYR 1 million issued by banks on behalf of the Group (the Company only: Baht 15 million) (2022: Baht 20 million INR 13 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 18 million (2022: 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 10 million (2022: 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 2023 and 2022, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Assets associated with call options granted by holders of non-controlling interests	-	-	2.1	2.1

Liabilities measured at fair value

Financial liabilities measured at fair value

Liabilities associated with put options granted to non-controlling interests of the subsidiaries

- - 412.5 412.5

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Assets associated with call options granted by holders of non-controlling interests	-	-	4.3	4.3

Liabilities measured at fair value

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 2023				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Assets associated with call options granted by holders of non-controlling interests	-	-	2.1	2.1
Liabilities measured at fair value				
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)

Separate financial statements				
As at 31 December 2022				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Assets associated with call options granted by holders of non-controlling interests	-	-	4.3	4.3
Liabilities measured at fair value				
Financial liabilities measured at fair value				
Liabilities associated with put options granted to non-controlling interests of the subsidiaries	-	-	293.0	293.0

36. Financial instruments

36.1 Derivatives

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Derivative liabilities				
Derivative liabilities not designated as hedging instruments				
Foreign exchange forward contracts	-	1	-	1
Total derivative liabilities	-	1	-	1

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 2023 and 2022 based on contractual undiscounted cash flows, and included interest payment:

(Unit: Thousand Baht)

Consolidated financial statements

As at 31 December 2023

	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives					
Bank overdraft and short-term loans from banks	18,893	1,050,765	-	-	1,069,658
Trade and other payables	-	589,067	-	-	589,067
Lease liabilities	-	31,015	104,976	183,190	319,181
Long-term loans from banks	-	468,932	1,549,919	40,807	2,059,658
Other financial liabilities	42,385	54,028	865	-	97,278
Total non-derivatives	61,278	2,193,807	1,655,760	223,997	4,134,842

(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
Non-derivatives					
Bank overdraft and short-term loans from banks	-	900,281	-	-	900,281
Trade and other payables	-	602,426	-	-	602,426
Lease liabilities	-	21,954	77,029	197,706	296,689
Long-term loans from banks	-	433,481	1,686,105	174,424	2,294,010
Other financial liabilities	37,743	-	52,385	-	90,128
Total non-derivatives	37,743	1,958,142	1,815,519	372,130	4,183,534

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2023

	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives					
Bank overdraft and short-term loans from banks	-	867,321	-	-	867,321
Trade and other payables	-	234,304	-	-	234,304
Lease liabilities	-	4,035	4,294	-	8,329
Long-term loans from banks	-	289,935	1,024,907	-	1,314,842
Total non-derivatives	-	1,395,595	1,029,201	-	2,424,796

(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
Non-derivatives					
Bank overdraft and short-term loans from banks	-	864,959	-	-	864,959
Trade and other payables	-	257,135	-	-	257,135
Lease liabilities	-	1,953	2,937	-	4,890
Long-term loans from banks	-	326,037	1,314,456	52,302	1,692,795
Total non-derivatives	-	1,450,084	1,317,393	52,302	2,819,779

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 2023 and 2022, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2023	2022	2023	2022	2023	2022
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 currency unit)	
US Dollar	4,280	3,002	1,062	857	34.2233	34.5624
Euro	540	181	64	90	38.0334	36.8274
Pound Sterling	8	9	-	-	43.8440	41.6639
Singapore Dollar	326	353	4	13	25.9733	25.7306
Australian Dollar	1,054	1,087	152	173	23.4595	23.3791
Malaysian Ringgit	-	-	-	1,989	-	7.8304
Japanese Yen	-	-	1,900	-	0.2423	-
Swiss Franc	-	-	10	-	40.7035	-
Dirham United Arab Emirates	93	-	-	-	9.3183	-

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2023	2022	2023	2022	2023	2022
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 currency unit)	
US Dollar	1,566	1,090	62	84	34.2233	34.5624
Euro	-	-	16	-	38.0334	36.8274
Singapore Dollar	-	-	3	11	25.9733	25.7206
Malaysian Ringgit	-	-	-	1,989	7.4168	7.8304
Swiss Franc	-	-	10	-	40.7035	37.4333
Philippines Peso	13,031	-	-	-	0.6138	-

As at 31 December 2023, the Group had no foreign exchange contracts outstanding.

As at 31 December 2022, the Group had foreign exchange contracts outstanding are summarised below.

	Consolidated and Separate financial statements				
Foreign			Contractual exchange rate		
currency	Bought amount	Sold amount	Bought amount	Sold amount	Contractual maturity date
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)		
US Dollar	-	19	-	34.44	15 March 2023

Foreign currency sensitivity

As at 31 December 2023 and 2022, 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 from banks. 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 2023 and 2022, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2023							
	Fixed interest rates			Floating	Non-		Effective interest rate (% per annum)
	Within 1 year	1-5 years	More than 5 years	interest rate	interest bearing	Total	
Financial assets							
Cash and cash equivalents	-	-	-	178	5	183	Note 7
Trade and other receivables	-	-	-	-	1,430	1,430	-
Time deposits	-	3	-	-	-	3	Note 8
Restricted bank deposits	18	-	-	-	-	18	Note 12
	18	3	-	178	1,435	1,634	
Financial liabilities							
Bank overdraft and short-term							
loans from banks	1,061	-	-	-	-	1,061	Note 18
Trade and other payables	-	-	-	-	589	589	-
Lease liabilities	19	67	124	-	-	210	Note 23
Long-term loans from banks	-	-	-	1,838	-	1,838	Note 21
	1,080	67	124	1,838	589	3,698	

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2022							
	Fixed interest rates			Floating	Non-		Effective interest rate (% per annum)
	Within 1 year	1-5 years	More than 5 years	interest rate	interest bearing	Total	
Financial assets							
Cash and cash equivalents	-	-	-	127	160	287	Note 7
Trade and other receivables	-	-	-	-	1,373	1,373	-
Time deposits	13	3	-	-	-	16	Note 8
Restricted bank deposits	17	-	-	-	-	17	Note 12
	30	3	-	127	1,533	1,693	
Financial liabilities							
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)

Separate financial statements						
As at 31 December 2023						
	Fixed interest rates		Floating	Non-		Effective
	Within	1-5	interest	interest		interest rate
	1 year	years	rate	bearing	Total	(% per annum)
Financial assets						
Cash and cash equivalents	-	-	47	3	50	Note 7
Trade and other receivables	-	-	-	441	441	-
Short-term loans to related parties	38	-	-	-	38	Note 6
	38	-	47	444	529	
Financial liabilities						
Bank overdraft and short-term loans from banks	859	-	-	-	859	Note 18
Trade and other payables	-	-	-	234	234	-
Lease liabilities	4	4	-	-	8	Note 23
Long-term loans from banks	-	-	1,218	-	1,218	Note 21
	863	4	1,218	234	2,319	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2022						
	Fixed interest rates		Floating	Non-		Effective interest rate (% per annum)
	Within 1 year	1-5 years	interest rate	interest bearing	Total	
Financial assets						
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	
Financial liabilities						
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	

Interest rate sensitivity

As at 31 December 2023 and 2022, 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 parties, accounts 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 2023	4,274	340,563
Increase (decrease) during the year	(2,137)	71,960
Balance as at 31 December 2023	2,137	412,523

(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 2023	4,274	292,989
Decrease during the year	(2,137)	-
Balance as at 31 December 2023	2,137	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 739.23 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 2023, the Group's interest bearing debt to equity ratio was 1.16:1 (2022: 1.27:1) and the Company's interest bearing debt to equity ratio was 0.94:1 (2022: 1.30:1).

38. Events after the reporting period

- 38.1 In January 2024, the Company paid for capital increase of the subsidiary, TPAC Packaging India Private Limited, in the amount of Baht 20.8 million (INR 50 million). The capital increase was in accordance with the resolution passed in a meeting of the Board of Directors of the Company No. 6/2023 and a meeting of the Board of Directors of the subsidiary on 15 December 2023, that approved TPAC Packaging India Private Limited to increase its registered share capital of 5 million shares with a par value of INR 10 each for investment purposes.
- 38.2 On 23 February 2024, a meeting of the Board of Directors of the Company No. 1/2024 passed a resolution to propose the annual general meeting of the Company's shareholders to adopt a resolution to pay a dividend from operating results for the year 2023 of Baht 0.45 per share, totaling Baht 147 million. The dividend will be paid and recorded after it is approved by the annual general meeting of the Company's shareholders.

39. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2024.