

**SHRINKFLEX THAILAND PUBLIC COMPANY LIMITED**

---

**INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

## **INDEPENDENT AUDITOR'S REPORT**

To The Shareholders and Board of Directors of  
Shrinkflex Thailand Public Company Limited

### **Opinion**

I have audited the financial statements of Shrinkflex Thailand Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2023, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Shrinkflex Thailand Public Company Limited as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements and separate 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.

- Revenue recognition from sales

The Company has revenues from sales of shrink film label work piece including mold used for producing tight-fitting shrink film labels for the year ended December 31, 2023 in the amount of Baht 920.00 million and it has contract with many customers with different conditions related to the work piece and mold such as the setting of transaction price and mold warranty, etc. Furthermore, the control transfer point of the mold depends on the acceptance of the testing result of the work piece production and delivery which caused the risk in valuation and revenue recognition period. Therefore, I have identified the revenue recognition from sales as significant risk that requires special attention in the audit. The Company has disclosed the accounting policy on revenue recognition from sales in Note 3.1 in the notes to the financial statements.

Regarding my audit method on such matter, I obtained an understanding of the internal control system of the revenue cycle and related accounting transactions, tested the design and efficiency of internal controls in respect of revenue recognition and related accounting transactions particularly on the control of valuation and period of sales revenue recognition. In addition, I conducted sampling of sales transactions to test of details against the contracts or related documents, verify the accuracy of revenue recognition in accordance with the terms and conditions of the agreement entered with the customer and consistency with the accounting policy, including sales revenue cut-off audit before and after the period end and comparative analysis. Furthermore, I have considered the appropriateness and adequacy of the information disclosure in the financial statements and notes to the financial statements.

- Allowance for the decline in value of inventory

The Company has inventory in the statement of financial position as at December 31, 2023 in the amount of Baht 266.38 million or 24.17 percent of total assets of the company. Inventory includes obsoleted or deteriorated inventory such as finished work piece and work in process in excess of purchase order and maybe cannot be sold if no repetitive orders from customers, raw materials and supplies that are obsolete and expired cannot be further used in the production which presently the value may have declined. The accounting policy for inventory and details for inventory are disclosed in Notes 3.5 and 8, respectively. Inventory is stated at cost or net realizable value, whichever is lower. The management has exercised considerable judgment in considering the allowance for decline in value of finished or obsoleted goods by providing the allowance for decline in value of goods from the percentage of the book value of slow-moving or obsoleted goods at each stage of inventory and analysed individual obsoleted or deteriorated inventory in support. Therefore, I have identified that the valuation of inventory is a significant risk that requires special attention in the audit.

Regarding my audit method on such matter, I tested the internal control related to inventory cost calculation, observed the inventory count, inspected the inventory aging analysis report, inquired the management and considered the reasonableness of the assumptions and method used by the management in defining the net realizable value by auditing supporting evidence which represents the management's best estimate especially in setting the percentage used in calculating the allowance for decline in value of inventory at various stages and tested the calculation of the allowance for decline in value of inventory. Furthermore, I paid attention to the adequacy of the information disclosure of the accounting policy and the amount related to the recognition of the allowance for decline in value of inventory.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report 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 will 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 identified above when it becomes available 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, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

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

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

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

Those charged with governance are responsible for overseeing the Company's financial statements.

### **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 judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

I also provide those charged with governance with a statement that we 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.

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Thanawut Piboonsawat.

(Mr. Thanawut Piboonsawat)

Certified Public Accountant

Registration No. 6699

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 19, 2024

**SHRINKFLEX THAILAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**

		<u>ASSETS</u>	
		Baht	
	Note	2023	2022
Current assets			
Cash and cash equivalents	6	16,004,899.55	30,956,133.23
Trade and other current receivables	7	188,582,486.15	163,958,406.85
Inventories	8	250,376,279.78	241,093,305.23
Other current financial asset	9	1,005.48	1,000.75
Current tax assets		16,069,064.81	6,546,534.90
Other current assets		713,937.18	6,582,810.96
Total current assets		471,747,672.95	449,138,191.92
Non-current assets			
Property, plant and equipment	10	557,870,730.81	520,009,615.29
Right-of-use assets	11	49,170,089.66	56,839,601.61
Intangible assets	12	5,118,170.15	5,283,275.62
Deferred tax assets	13	7,313,062.34	6,618,365.02
Deferred molds	14	5,985,553.35	4,804,673.44
Non-current non-cash financial asset pledged			
as collateral	15	3,960,714.94	3,096,191.16
Other non-current assets		810,438.78	567,977.35
Total non-current assets		630,228,760.03	597,219,699.49
TOTAL ASSETS		1,101,976,432.98	1,046,357,891.41

Notes to the financial statements form an integral part of these financial statement.

**SHRINKFLEX THAILAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION (CONT.)**  
**AS AT DECEMBER 31, 2023**

**LIABILITIES AND SHAREHOLDERS' EQUITY**

	Note	Baht	
		2023	2022
Current liabilities			
Short-term loans from financial institutions	16	72,440,481.37	3,422,480.53
Trade and other current payables	5.3, 17	126,668,678.02	156,880,287.80
Derivative liabilities	27.5	2,334,983.92	5,641,771.86
Current portion of long-terms loans from financial institutions	18	19,582,600.00	9,900,000.00
Current portion of lease liabilities	5.3, 19	11,732,955.57	12,758,279.05
Total current liabilities		232,759,698.88	188,602,819.24
Non-current liabilities			
Long-term loans from financial institutions	18	65,129,312.00	47,435,012.00
Lease liabilities	5.3, 19	39,618,578.53	46,516,015.37
Non-current provisions for employee benefit	20	8,313,150.65	7,374,726.97
Total non-current liabilities		113,061,041.18	101,325,754.34
TOTAL LIABILITIES		345,820,740.06	289,928,573.58

Notes to the financial statements form an integral part of these financial statement.



**SHRINKFLEX THAILAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION (CONT.)**  
**AS AT DECEMBER 31, 2023**

**LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)**

	Note	Baht	
		2023	2022
Shareholders' equity			
Share capital			
Authorized share capital			
440,000,000 ordinary shares, Baht 0.50 each		220,000,000.00	220,000,000.00
Issued and paid-up share capital			
440,000,000 ordinary shares, Baht 0.50 each		220,000,000.00	220,000,000.00
Share premium on ordinary shares		378,757,394.56	378,757,394.56
Retained earnings			
Appropriated			
Legal reserve	21	22,000,000.00	22,000,000.00
Unappropriated		135,398,298.36	135,671,923.27
TOTAL SHAREHOLDERS' EQUITY		756,155,692.92	756,429,317.83
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,101,976,432.98	1,046,357,891.41

Notes to the financial statements form an integral part of these financial statement.

**SHRINKFLEX THAILAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

		Baht	
	Note	2023	2022
Revenues			
Revenues from sale		919,997,081.10	859,339,917.61
Gain on exchange rates		1,368,656.20	2,362,615.49
Other income		4,394,891.59	1,545,529.27
Total revenues		925,760,628.89	863,248,062.37
Expenses			
Cost of sales	5.4	754,194,915.44	673,611,436.74
Distribution costs	5.4	39,383,155.93	38,119,582.93
Administrative expenses	5.4	85,038,240.44	67,816,466.87
Total expenses		878,616,311.81	779,547,486.54
Profit from operating activities		47,144,317.08	83,700,575.83
Finance costs	5.4	8,633,495.66	5,014,352.84
Profit before income tax expense		38,510,821.42	78,686,222.99
Tax expense	25	8,287,069.27	15,624,817.57
Profit for the year		30,223,752.15	63,061,405.42
Other comprehensive income			
Components of other comprehensive income that will not be reclassified to profit or loss :			
Gain on re-measurements of defined benefit plans	20	378,278.68	-
Income tax relating to components of other comprehensive income that will not be reclassified	25	(75,655.74)	-
Other comprehensive income for the year, net of tax		302,622.94	-
Total comprehensive income for the year		30,526,375.09	63,061,405.42
Earnings per share (Baht)	26		
Basic earnings per share		0.07	0.14

Notes to the financial statements form an integral part of these financial statement.

**SHRINKFLEX THAILAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

		Baht				
		Issued and	Share premium	Retained earnings		Total
		paid-up shares	on ordinary	Appropriated	Unappropriated	shareholders'
Note		capital	shares	Legal reserve		equity
Beginning balance as at January 1, 2022		220,000,000.00	378,757,394.56	19,896,952.93	119,373,564.92	738,027,912.41
Legal reserve	21	-	-	2,103,047.07	(2,103,047.07)	-
Dividend paid	21	-	-	-	(44,660,000.00)	(44,660,000.00)
Total comprehensive income for the year						
Profit for the year		-	-	-	63,061,405.42	63,061,405.42
Ending balance as at December 31, 2022		220,000,000.00	378,757,394.56	22,000,000.00	135,671,923.27	756,429,317.83
Dividend paid	21	-	-	-	(30,800,000.00)	(30,800,000.00)
Total comprehensive income for the year						
Profit for the year		-	-	-	30,223,752.15	30,223,752.15
Other comprehensive income for the year, net of tax		-	-	-	302,622.94	302,622.94
Ending balance as at December 31, 2023		220,000,000.00	378,757,394.56	22,000,000.00	135,398,298.36	756,155,692.92

Notes to the financial statements form an integral part of these financial statement.

**SHRINKFLEX THAILAND PUBLIC COMPANY LIMITED****STATEMENTS OF CASH FLOWS****FOR THE YEAR ENDED DECEMBER 31, 2023**

	Baht	
	2023	2022
Cash flows from operating activities		
Profit for the year	30,223,752.15	63,061,405.42
Reconciliations of profit for the year to cash provided by (used in) operating activities:		
Depreciation and amortization	76,554,895.81	55,093,983.49
Bad debt and expected credit losses (reversal)	(84,409.87)	1,729,912.47
Loss on declining in value of inventories	9,115,284.34	64,355.77
(Gain) loss on disposal of equipment	(2,593,832.28)	52,605.55
Unrealized (gain) loss on exchange rate	(3,052,469.83)	5,155,650.51
Employee benefit expense	1,316,702.36	1,250,607.32
Interest income	(71,793.03)	(305,534.96)
Interest expense	7,891,744.95	4,276,388.71
Tax expense	8,287,069.27	15,624,817.57
Profit provided by operating activities before changes in operating assets and liabilities	127,586,943.87	146,004,191.85
(Increase) decrease in operating assets		
Trade and other current receivables	(15,525,888.86)	(17,989,036.98)
Inventories	(18,398,258.89)	(24,200,167.50)
Other current assets	5,868,873.78	(5,197,451.15)
Deferred molds	(1,180,879.91)	(415,080.96)
Other non-current assets	(290,400.00)	(7,850.00)
Increase (decrease) in operating liabilities		
Trade and other current payables	(2,496,785.52)	29,863,072.11
Cash received from operations	95,563,604.47	128,057,677.37
Income tax received	6,546,534.90	-
Income tax paid	(25,078,548.57)	(27,028,842.65)
Net cash provided by operating activities	77,031,590.80	101,028,834.72

Notes to the financial statements form an integral part of these financial statement.

## SHRINKFLEX THAILAND PUBLIC COMPANY LIMITED

## STATEMENTS OF CASH FLOWS (CONT.)

## FOR THE YEAR ENDED DECEMBER 31, 2023

	Baht	
	2023	2022
Cash flows from investing activities		
(Increase) decrease in other current financial assets	(4.73)	70,588,049.25
Cash payments for purchase of property, plant and equipment	(139,649,035.28)	(219,034,427.20)
Cash receipts from disposal of equipment	5,717,981.20	-
Cash payments for purchase of right-of-use assets	(1,562,350.00)	-
Cash payments for purchase of intangible asset	(816,072.00)	(1,142,482.00)
Increase in non-current non-cash financial asset pledged as collateral	(864,523.78)	(1,896,191.16)
Interest income received	72,098.29	339,281.93
Net cash used in investing activities	(137,101,906.30)	(151,145,769.18)
Cash flows from financing activities		
Increase (decrease) in short-term loans from financial institutions	69,018,000.84	(4,617,658.17)
Cash receipts from long-term loans from financial institutions	38,140,000.00	57,335,012.00
Cash payments for long-term loans from financial institutions	(10,763,100.00)	(8,333,333.31)
Cash payments for repayment of lease liabilities	(13,175,218.32)	(13,561,971.46)
Dividend paid	(30,792,231.79)	(44,643,434.14)
Interest expense paid	(7,308,368.91)	(4,209,396.19)
Net cash provided by (used in) financing activities	45,119,081.82	(18,030,781.27)
Net increase (decrease) in cash and cash equivalents	(14,951,233.68)	(68,147,715.73)
Cash and cash equivalents - beginning of year	30,956,133.23	99,103,848.96
Cash and cash equivalents - ending of year	16,004,899.55	30,956,133.23

Notes to the financial statements form an integral part of these financial statement.

**SHRINKFLEX THAILAND PUBLIC COMPANY LIMITED****STATEMENTS OF CASH FLOWS (CONT.)****FOR THE YEAR ENDED DECEMBER 31, 2023**

	Baht	
	2023	2022
Supplement disclosure for cash flows information:		
1. Reconciliation of cash paid for purchase of property, plant and equipment		
Purchase of property, plant and equipment for the year	(102,074,662.83)	(263,610,514.64)
(Increase) decrease in advance payments for purchase of assets	(9,014,085.83)	24,509,968.46
Increase (decrease) in payable from acquisition of assets	(28,560,286.62)	20,066,118.98
Cash payments for purchase of property, plant and equipment	<u>(139,649,035.28)</u>	<u>(219,034,427.20)</u>
2. During the year the Company acquired fixed assets by means of Lease liabilities	<u>5,252,458.00</u>	<u>-</u>
3. Reconciliation of dividend paid		
Dividend for the year	(30,800,000.00)	(44,660,000.00)
Increase (decrease) in accrued dividend	<u>7,768.21</u>	<u>16,565.86</u>
Dividend paid	<u>(30,792,231.79)</u>	<u>(44,643,434.14)</u>

Notes to the financial statements form an integral part of these financial statement.

**SHRINKFLEX THAILAND PUBLIC COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**1. GENERAL INFORMATION**

**1.1 Legal status and address of the Company**

The Company had registered to be a limited company with the Ministry of Commerce on September 20, 2007. According to the Extraordinary Shareholders' Meeting No. 1/2020 held on May 30, 2020, the shareholders had a resolution to change the Company's status to a public limited company. The change of Company's status to be the public company limited was registered with the Ministry of Commerce on June 1, 2020.

The address of its registered office is as follows:

Head office is located at 88/8 Moo 12, Bangpakong, Bangpakong, Chachoengsao 24130 Thailand.

Branch offices is located

(1) 89 Moo 12, Bangpakong, Bangpakong, Chachoengsao 24130 Thailand.

(2) 68/2-5 Moo 5, Bang Samak, Bangpakong, Chachoengsao 24130 Thailand.

(3) 188/1 Moo 1, Bang Wua, Bangpakong, Chachoengsao 24130 Thailand.

**1.2 Nature of the Company's operations**

The principal activities of the Company are to manufacture and distribution of shrink sleeve labels.

**1.3 Major shareholders**

The Company's major shareholders were the Tsoi family which owns the common shares at 45.54% of the total common shares of the Company.

**2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS**

**2.1 Basis for the preparation of interim financial statements**

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E. 2543.

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

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 financial statements in Thai language version.

## 2.2 Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2023. This revision is for the financial reporting standards to be clearer and more appropriate and to conform with international financial reporting standards. Such revision does not affect the principles of the standards and does not affect the users of the financial reporting standards.

The adoption of these financial reporting standards does not have any significant impact on the financial statements in the current year.

## 2.3 Revised financial reporting standards to be applied in the future

The Federation of Accounting Professions has announced to apply the revised financial reporting standards 2023 and it was announced in the Royal Gazette on August 8, 2023 on altogether 4 topics: definition of the accounting estimates, disclosure of information of the accounting policy, deferred income tax related to assets and liabilities arising from one transaction and other adjustments due to the change of the Accounting Standard No. 17 “Insurance Contracts”. This adjustment is an adjustment for the financial reporting standards to be clearer and more appropriate. This is effective for the financial statements for the accounting period beginning on or after January 1, 2024.

The Management of the Company has assessed and believed that this revision will not significantly affect the financial statements in the year that such standard is applied.

# 3. SIGNIFICANT ACCOUNTING POLICIES

## 3.1 Revenue and expenses recognition

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

Interest income is recognized over the period of time in consideration of the effective rate.

Other income and expenses are recognized on the accrual basis.

## 3.2 Financial instruments

### **Classification and valuation of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss. The classification of financial assets at initial recognition is driven by the Company business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.



Equity instruments can be classified and cannot be changed by two types of measurement which are measuring fair value through profit or loss or measuring fair value through other comprehensive income that without recycling to profit or loss.

The initial recognition of financial assets that are not measured at fair value through profit or loss with fair value plus or deduct transaction cost directly related to the acquisition or issuance. Financial assets that are measured at fair value through profit or loss, transaction costs are recognized as expense in profit or loss.

Subsequent measurement of debt instruments by 3 methods depend on the classification of debt instruments.

- Financial assets measured at amortized cost when financial assets are held to receive cash flow under the agreement and condition of the agreement of the financial assets that generate cash flow to pay the principal and interest from the principal balance on the specified date only. Such financial assets have to be calculated using the effective rate and are subject to impairment assessment. Profit or loss arising from derecognized, modified or impaired will be recognized in profit or loss.
- Financial assets measured at fair value through other comprehensive income when financial assets are held to receive cash flow under the agreement and to sell financial assets and the agreement condition of financial assets generating cash flow that only pays the principal and interest from the principal balance on the specified date. The change of value of financial assets is recognized through other comprehensive income except loss on impairment and interest income and gain and loss on exchange rate are recognized as profit or loss upon recognized of financial assets. Earning or deficit previously recognized in other comprehensive income has to be reclassified into profit or loss. Such financial asset has to be calculated using the effective interest rate same as financial assets measured at amortized cost.
- Financial assets measured at fair value through profit or loss when financial assets that do not meet the criteria for amortized cost or financial assets measured at fair value through other comprehensive income will be presented in the statement of financial position at fair value by recognizing the net change of fair value in profit or loss.

Subsequent valuation of equity instruments must present equity instruments using the fair value and record profit/loss from change in fair value through profit or loss or other comprehensive income depending on equity instruments classification.

### **Classification and valuation of financial liabilities**

The Company are recognized initially of financial liabilities at fair value net of transaction costs and classified as financial liabilities as financial liabilities subsequently measured at amortized cost using the effective rate. The amortized cost is calculated taking into account fees or costs that are an integral part of the effective rate. Amortization by the effective rate is presented as part of financial costs in profit or loss.

### **Derivative**

Derivative is recognized at fair value and measured fair value at the end of the reporting period. Profit or loss from fair value remeasurement is recognized in profit or loss immediately unless that derivative is used for hedge.

### **Derecognition of financial instruments**

Financial assets will be derecognized from the account when the right to receive cash flow of such asset has ended or when the right to receive cash flow of the assets is transferred including upon the transfer of all risk and consideration of that asset or transfer of internal control in that asset although there is no transfer or maintaining of nearly all risk and consideration of such asset.

Financial liabilities will be derecognized from the account when the obligation of such liabilities has been complied, the obligation is cancelled or the obligation has ended. In case existing financial liabilities are changed to new liabilities from one single lender with considerably different requirements or there is a significant amendment in the requirements of existing liabilities, these are considered as recognition old liabilities and recognizing new liabilities by recognizing the difference of such carrying value under profit or loss.

### **Impairment of financial assets**

Expected credit loss for financial assets measured at amortized cost or debt instrument financial asset measured at fair value through other comprehensive income and assets arising from credit facility obligation and financial guarantee agreement are assessed without having to wait for the credit event to occur first. The Company use the general approach in considering the allowance for loss on impairment. For trade receivables, the Company apply a simplified approach in calculating ECLs. The Company recognize a loss based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

### **Offset of financial instruments**

Financial assets and liabilities will be offset and presented at net balance in the statement of financial position in the case legally enforced in offsetting the recognized amount. The Company intend to pay the net balance or intends to receive assets and settle payment of liabilities at the same time.

## **3.3 Cash and cash equivalents**

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

### 3.4 Trade and other current receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at its present value.

Trade and other receivables are stated at the amount expected to be collectible, The Company apply the TFRS 9 simplified approach to measuring expected credit losses which uses a simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company have identified the GDP, the unemployment rate and the consumer price index of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The impairment losses are recognised in profit or loss within administrative expenses.

### 3.5 Inventories

Inventories are presented at the lower of cost or net realizable value, cost of inventories is calculated using the moving average method.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of conversion above include an appropriate share of production overheads based on normal production capacity.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties, transportation charges and other direct costs incurred in acquiring the inventories less all trade discounts, allowances or rebates.

The net realizable value of inventory is estimated from the selling price in the ordinary course of business less the estimated costs to complete production and the estimated costs to complete the sale.

### 3.6 Property, plant and equipment and depreciation

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and impairment loss (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company (if any).

Allowance for impairment loss of assets will be made when there is any event or circumstance indicating that the recoverable values of these assets are less than their carrying values.

Expenditure incurred in addition, renewal or betterment are recorded add in involve asset, if it is certainly probable the future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Repair and maintenance costs are recognized as an expense when incurred.

Depreciation is calculated by cost less residual value on the straight-line method over the estimated useful life of the assets as follows:

Buildings and constructions	10 - 25 years
Leasehold improvements	10 years
Machinery	10 - 15 years
Tool and equipment	5 years
Office equipment	3 - 5 years
Vehicles	5 years
Furniture and fixtures	5 years

The Company has reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and equipment under installation.

Property, plant and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

### 3.7 Borrowing costs

Borrowing costs directly attributed to the acquisition or construction of an asset that necessarily takes long time to put in ready to use or available for sale state are capitalized as part of the cost of the respective asset until that asset condition is ready for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs arising from such borrowing.

### 3.8 Leases

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

The Company assesses the lease term for the non-cancellable period as stipulated in lease contract, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercise by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

**Right-of-use assets-as a lessee**

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

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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

**Lease liabilities**

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, 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**

The Company applies the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognized as expense in profit and loss on a straight-line basis over the lease term.

### 3.9 Intangible assets

Intangible assets that are acquired by the Company have finite useful life are stated at cost less accumulated amortization and allowance on impairment (if any).

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortization is calculated by cost less residual value on the straight-line method over the estimated useful life of the assets as follows:

Software licences	10 years
-------------------	----------

The Company has reviewed the residual value and useful life of the assets every year.

No amortization is provided on software during installation.

### 3.10 Deferred molds

Deferred molds are stated at cost less accumulated depreciation and impairment loss (if any). Amortization is calculated by the productive method.

### 3.11 Impairment of non-financial assets

As at the statement of financial position date, the Company assesses whether there is an indication of asset impairment. If any such indication exists, the Company will make an estimate of the asset's recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

In addition, impairment loss is reversed if there is a subsequent increase in the recoverable amount. The reversal shall not exceed the carrying value that would have been determined net of accumulated depreciation or amortization. The recoverable amount of the asset is the asset's value in use or fair value less costs to sell.

### 3.12 Employee benefits

#### **Short-term employment benefits**

The Company recognizes salary, wage, bonus and contributions to social security fund and provident fund as expenses when incurred.

#### **Post-employment benefits (Defined contribution plans)**

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

### **Post-employment benefits (Defined benefit plans)**

The Company has obligations in respect of the severance payments that it must pay to the employees upon retirement under the Company's article and the labor law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees will be recognized immediately in other comprehensive income as a part of retained earnings.

### **3.13 Provisions**

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

### **3.14 Foreign currency transactions**

Transactions in foreign currencies throughout the years are recorded in Baht at prevailing rates at the transaction dates. Outstanding monetary assets and liabilities denominated in foreign currencies at the statement of financial position dates are translated into Baht at the prevailing rates at those dates. Gain or loss arising from translation are credited or charged against current operations.

### **3.15 Income tax**

Income tax comprises current income tax and deferred tax.

#### **Current tax**

The Company records income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates (20%) of net profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

### **Deferred tax**

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that the Company expects to apply to the period when the deferred tax assets are realised or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

#### **3.16 Earnings per share**

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares which are issued during the year.

#### **3.17 Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.



### 3.18 Derivatives financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument in hedge accounting, and if so, the nature of the item being hedged. The Company designate certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or unrecognized firm commitments (fair value hedges); or
- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges).

Derivatives that is not applied hedge accounting is classified as an asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains (losses).

### 3.19 Fair value measurement

The Company uses the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

#### Fair value hierarchy

Level 1 - Use of quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Use of inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (e.g. prices) or indirectly (e.g. derived from prices).

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

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

## 4. 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 amounts reported in the financial statements and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

**Allowance for expected credit losses**

In determining an allowance for expected credit losses, the management needs to make judgement and estimates the expected credit loss based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables such as GDP, the unemployment rate and the consumer price index.

**Allowance for declining in value of inventory**

The determination of allowance for declining in the value of inventory, requires management to make judgements and estimates of the loss expected to occur. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less selling expense.

**Impairment of assets**

The Company treats assets as impaired when they are determined that the recoverable amount is lower than the carrying amount or in assessing whether there is any indication that assets may be impaired. The determination of whether the recoverable amount lower than the carrying amount requires judgement of the management to use key assumptions underlying recoverable amounts.

**Plant and equipment / Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review the useful lives and residual values when there are any changes.

**Deferred tax assets**

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

**Post-employment benefits under defined benefit plans**

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

## **Leases**

In determining the lease term of contracts with renewal and termination options, the Company and determines the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

## **Estimating the incremental borrowing rate**

The Company cannot readily determine the interest rate implicit of the lease. Therefore, the incremental borrowing rate of the Company are used to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay for necessary borrowing to acquire the assets, or assets with close value to right-of-use assets in similar economic environment, borrowing period and borrowing security.

## **Fair valuation of financial assets and derivatives**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company use judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 27

## **5. RELATED PARTIES**

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

## 5.1 The nature of relationship with related parties were summarized as follows:

Related parties	Relationship
<u>Related companies</u>	
Manee Udomsuk Company Limited	Common shareholders and the Company's shareholder are director
Sri Rung Ruang Plastic Company Limited	Common shareholders and the Company's shareholder are director
TPF Construction & Warehouse Company Limited	Common shareholders and the Company's shareholder are director
Manee Mongkol Import-Export Company Limited	Common shareholders and the Company's shareholder are director
CSC (Asian) Company Limited	Common shareholders and the Company's shareholder are director
<u>Related persons</u>	
Director and key management personnel	Persons having authority and responsibility for management
Other related person	Persons close to shareholders and directors

## 5.2 The Company has pricing policy for transactions with related parties as follows:

Transactions	Pricing policies
Purchase of goods	Agreed price
Building rental fee	Agreed price
Commission expense	According to the agreement approved by the directors
Other expense	Agreed price
Interest expense	Lease liabilities, at the rate MLR-0.50% per annum
Compensation to director and management	According to be approved by director and shareholders

## 5.3 Balances with related parties as at December 31, 2023 and 2022 were as follows:

	Baht	
	2023	2022
<u>Liabilities</u>		
Trade and other current payables		
Related companies	1,981,632.08	815,720.49
Related person	763,259.46	587,055.24
Lease liabilities		
Related companies	46,301,999.34	58,388,901.49

- 5.4 Significant transactions with related parties for the years ended December 31, 2023 and 2022 were as follows:

	Baht	
	2023	2022
Related companies		
Purchases of goods	2,583,836.80	128,850.00
Other expense	-	2,058,003.58
Interest expense	3,131,497.85	3,718,780.57
Related person		
Commission expense	4,077,234.58	3,376,679.64
Key management personnel*		
Compensation to director and key management personnel		
Short-term benefit	18,808,541.13	18,217,446.43
Post-employment benefits	436,306.04	414,211.37
	<u>19,244,847.17</u>	<u>18,631,657.80</u>

\* Key management personnel

Management benefit expenses represents the benefits paid to the Company are management and directors such as salaries, related benefit and directors' remuneration, including the benefit paid by other means. The Company management is the persons who are defined under the Securities and Exchange Act. The management is comprised managing director or the managements who have the top position at the management level from the four lists following by the manager level.

- 5.5 Significant agreements with related parties

Land and building lease agreement

The Company entered into an office building lease agreement with Sri Rung Ruang Plastic Company Limited. The agreement has a period of 10 years from January 1, 2020 to December 31, 2029. It can renew the agreement upon the expiry of the agreement, whereby both parties will agree on term and condition as agreed in the agreement.

The Company entered into a factory area lease agreements with TPF Construction and Warehouse Company Limited. The agreements have a period of 3 years from September 1, 2021 to August 31, 2024. It can renew the agreement upon the expiry of the agreement for a further 3 years, whereby both parties will agree on term and condition as agreed in the agreement.

## 6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of:

	Baht	
	2023	2022
Cash on hand	107,626.13	156,227.85
Deposits at banks - current accounts	14,732,287.97	26,046,125.70
- savings accounts	1,000,347.86	3,061,019.79
- fixed deposit account - three months	11,899.12	11,821.31
Cheques that are due but have not been deposited	152,738.47	1,680,938.58
Total	16,004,899.55	30,956,133.23

## 7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables consisted of:

	Baht	
	2023	2022
Trade receivables	167,745,785.05	152,980,189.25
Other current receivables	20,836,701.10	10,978,217.60
Total	188,582,486.15	163,958,406.85

Trade receivables consisted of:

	Baht	
	2023	2022
Trade receivables	164,006,490.54	151,682,946.67
Post date cheque	3,956,358.56	5,207,046.06
Total	167,962,849.10	156,889,992.73
<u>Less</u> Allowance for expected credit losses	(217,064.05)	(3,909,803.48)
Net	167,745,785.05	152,980,189.25

Trade receivables classified by ages of accounts consisted of:

	Baht	
	2023	2022
Within credit term	163,094,042.69	146,276,674.86
Overdue:		
Less than 3 months	828,265.60	1,766,753.62
3 - 6 months	-	-
6 - 12 months	-	502,525.50
Over 12 months	84,182.25	3,136,992.69
Total	<u>164,006,490.54</u>	<u>151,682,946.67</u>

Movement of the allowance for expected credit losses were as follows:

	Baht	
	2023	2022
Beginning balance as at January 1	3,909,803.48	2,179,891.01
Additional (deduction) during the year	(3,692,739.43)	1,729,912.47
Ending balance as at December 31	<u>217,064.05</u>	<u>3,909,803.48</u>

	Baht	
	2023	2022
Bad debt for the year	3,608,329.56	-

The allowance for expected credit losses was as follows:

	Baht					
	Within	Overdue				Total
	credit term	Not over 3	3 - 6	6 - 12	Over	
		months	months	months	12 months	
As at December 31, 2023						
Trade receivables	163,094,042.69	828,265.60	-	-	84,182.25	164,006,490.54
Expected credit losses	78,382.93	54,498.87	-	-	84,182.25	217,064.05

	Baht					
	Within	Overdue				Total
	credit term	Not over 3	3 - 6	6 - 12	Over	
		months	months	months	12 months	
As at December 31, 2022						
Trade receivables	146,276,674.86	1,766,753.62	-	502,525.50	3,136,992.69	151,682,946.67
Expected credit losses	92,719.20	177,566.09	-	502,525.50	3,136,992.69	3,909,803.48

Other current receivables consisted of:

	Baht	
	2023	2022
Prepaid expense	3,964,071.96	2,827,418.19
Deposit	16,595,612.84	7,659,835.85
Advance payment	240,315.00	174,312.00
Others	36,701.30	316,651.56
Total	<u>20,836,701.10</u>	<u>10,978,217.60</u>

## 8. INVENTORIES

Inventories consisted of:

	Baht	
	2023	2022
Finished goods	65,108,505.54	53,062,070.99
Work in process	16,010,544.12	9,304,468.59
Raw materials	183,119,579.13	182,585,241.33
Supplies	2,145,145.74	2,167,328.10
Goods in transit	5,496,538.94	6,362,945.57
Total	271,880,313.47	253,482,054.58
<u>Less</u> Allowance for declining in value of inventories	<u>(21,504,033.69)</u>	<u>(12,388,749.35)</u>
Net	<u>250,376,279.78</u>	<u>241,093,305.23</u>

Movements of the allowance for declining in value of inventories were as follows:

	Baht	
	2023	2022
Beginning balance of the year	12,388,749.35	12,324,393.58
Additional during the year	9,115,284.34	64,355.77
Deduction during the year	-	-
Ending balance at end of year	<u>21,504,033.69</u>	<u>12,388,749.35</u>

	Baht	
	2023	2022
Decline in value of inventory recognized as cost of goods sold for the year	9,115,284.34	64,355.77



## 9. OTHER CURRENT FINANCIAL ASSET

Other current financial asset consisted of:

	Baht	
	2023	2022
Fixed deposit maturity of over three months	1,005.48	1,000.75
Total	1,005.48	1,000.75

## 10. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of:

	Baht				
	As at	Movement during the year			As at
	January 1, 2023	Additions	Deduction	Transferred in (out)	December 31, 2023
<u>At cost</u>					
Land	71,841,801.50	-	-	-	71,841,801.50
Buildings and constructions	-	1,575,340.00	-	186,535,595.43	188,110,935.43
Leasehold improvements	14,869,393.03	-	(78,600.00)	12,773,073.77	27,563,866.80
Machinery	351,706,249.40	45,000.00	(28,260,000.00)	74,995,011.59	398,486,260.99
Equipment and tool	83,656,598.80	4,936,157.25	(136,794.65)	10,998,302.68	99,454,264.08
Office equipment	16,855,518.55	8,871,374.70	(809,145.75)	7,039,129.04	31,956,876.54
Vehicles	32,205,434.26	678,080.58	(4,951,140.19)	2,862,084.12	30,794,458.77
Furniture and fixture	8,605,521.97	1,182,821.67	(122,892.82)	8,180,791.66	17,846,242.48
Assets under construction and installation	216,041,595.09	84,785,888.63	-	(300,600,543.72)	226,940.00
Total	795,782,112.60	102,074,662.83	(34,358,573.41)	2,783,444.57	866,281,646.59
<u>Accumulated depreciation</u>					
Buildings and constructions	-	(9,801,105.12)	-	78,639.55	(9,722,465.57)
Leasehold improvements	(4,164,344.63)	(2,196,001.35)	52,539.69	-	(6,307,806.29)
Machinery	(176,496,558.55)	(28,871,887.19)	25,837,751.95	-	(179,530,693.79)
Equipment and tool	(56,113,812.09)	(11,300,086.60)	124,151.71	-	(67,289,746.98)
Office equipment	(12,977,113.07)	(4,091,382.65)	766,654.13	-	(16,301,841.59)
Vehicles	(18,212,057.54)	(3,785,286.60)	4,330,440.19	(2,037,562.61)	(19,704,466.56)
Furniture and fixture	(7,808,611.43)	(1,868,170.39)	122,886.82	-	(9,553,895.00)
Total	(275,772,497.31)	(61,913,919.90)	31,234,424.49	(1,958,923.06)	(308,410,915.78)
Property, plant and equipment - net	520,009,615.29				557,870,730.81

	Baht			
	As at	Movement during the year		
	January 1, 2022	Additions	Deduction	As at December 31, 2022
<u>At cost</u>				
Land	71,841,801.50	-	-	71,841,801.50
Leasehold improvements	14,352,030.04	517,362.99	-	14,869,393.03
Machinery	289,843,671.77	-	-	351,706,249.40
Equipment and tool	71,444,593.84	5,102,060.92	(35,700.00)	83,656,598.80
Office equipment	15,474,515.81	1,420,843.14	(56,890.00)	16,855,518.55
Vehicles	23,657,986.59	98,700.00	-	32,205,434.26
Furniture and fixture	8,447,247.54	143,274.43	-	8,605,521.97
Assets under construction and installation	28,959,200.68	256,328,273.16	-	216,041,595.09
Total	524,021,047.77	263,610,514.64	(92,590.00)	795,782,112.60
<u>Accumulated depreciation</u>				
Leasehold improvements	(2,729,146.48)	(1,435,198.15)	-	(4,164,344.63)
Machinery	(151,597,398.39)	(24,899,160.16)	-	(176,496,558.55)
Equipment and tool	(47,943,560.01)	(8,197,805.72)	27,553.64	(56,113,812.09)
Office equipment	(11,263,126.35)	(1,726,417.53)	12,430.81	(12,977,113.07)
Vehicles	(8,994,585.07)	(3,233,452.09)	-	(18,212,057.54)
Furniture and fixture	(7,425,901.19)	(382,710.24)	-	(7,808,611.43)
Total	(229,953,717.49)	(39,874,743.89)	39,984.45	(275,772,497.31)
Property, plant and equipment - net	294,067,330.28			520,009,615.29

		Baht	
		2023	2022
Depreciation for the year	- Cost of sales	49,270,523.68	35,154,265.75
	- Selling expenses	1,534,360.81	1,259,022.38
	- Administrative expenses	11,109,035.41	3,461,455.76
Total		61,913,919.90	39,874,743.89
Gain (loss) on disposal of equipment		2,593,832.28	(52,605.55)

As at December 31, 2023 and 2022, the Company had assets which were fully depreciated but they are still in use with gross carrying amount of Baht 134.22 million and Baht 122.78 million, respectively.

As at December 31, 2023 and 2022, land and building and machine with its cost of Baht 372.21 million and Baht 357.59 million, respectively, were pledged to as collateral for credit facilities from a financial institutions (Note 16 and 18).

As at December 31, 2023 and 2022, the Company entered into asset insurance for machine. The partial beneficiary according to the obligations of these insured assets is the financial institution to secure for the loan.

## 11. RIGHT-OF-USE ASSETS

Right-of-use assets consisted of:

	Baht				
	As at	Transactions during the year			As at
	January 1, 2023	Additions	Change in conditions /written-off	Transfer-in (Transfer-out)	December 31, 2023
<u>At cost</u>					
Land and building	88,753,996.45	-	-	-	88,753,996.45
Vehicle	4,707,878.51	6,397,988.00	-	(2,862,084.12)	8,243,782.39
Office equipment	410,070.00	416,820.00	-	-	826,890.00
Total	93,871,944.96	6,814,808.00	-	(2,862,084.12)	97,824,668.84
<u>Accumulated depreciation</u>					
Land and building	(34,141,868.40)	(12,506,208.06)	-	-	(46,648,076.46)
Vehicle	(2,724,965.18)	(993,781.77)	-	2,037,562.61	(1,681,184.34)
Office equipment	(165,509.77)	(159,808.61)	-	-	(325,318.38)
Total	(37,032,343.35)	(13,659,798.44)	-	2,037,562.61	(48,654,579.18)
Right-of-use assets - net	56,839,601.61				49,170,089.66

	Baht				
	As at	Transactions during the year			As at
	January 1, 2022	Additions	Change in conditions /written-off	Transfer-in (Transfer-out)	December 31, 2022
<u>At cost</u>					
Land and building	88,753,996.45	-	-	-	88,753,996.45
Vehicle	12,951,018.70	-	-	(8,243,140.19)	4,707,878.51
Office equipment	410,070.00	-	-	-	410,070.00
Total	102,115,085.15	-	-	(8,243,140.19)	93,871,944.96
<u>Accumulated depreciation</u>					
Land and building	(21,635,660.34)	(12,506,208.06)	-	-	(34,141,868.40)
Vehicle	(6,969,538.97)	(1,739,446.59)	-	5,984,020.38	(2,724,965.18)
Office equipment	(83,540.89)	(81,968.88)	-	-	(165,509.77)
Total	(28,688,740.20)	(14,327,623.53)	-	5,984,020.38	(37,032,343.35)
Right-of-use assets - net	73,426,344.95				56,839,601.61

		Baht	
		2023	2022
Depreciation for the year	- Cost of sales	8,833,939.53	9,467,097.92
	- Selling expenses	422,350.10	978,051.42
	- Administrative expenses	4,403,508.81	3,882,474.19
Total		13,659,798.44	14,327,623.53

## 12. INTANGIBLE ASSETS

Intangible assets consisted of:

	Baht			
	As at	Movement during the year		As at
	January 1, 2023	Additions	Deduction	December 31, 2023
			(out)	
<u>At cost</u>				
Software licences	9,253,015.38	816,072.00	-	10,069,087.38
Software during installation	175,000.00	-	-	175,000.00
Total	9,428,015.38	816,072.00	-	10,244,087.38
<u>Accumulated amortization</u>				
Software licences	(4,144,739.76)	(981,177.47)	-	(5,125,917.23)
Total	(4,144,739.76)	(981,177.47)	-	(5,125,917.23)
Intangible asset, net	5,283,275.62			5,118,170.15

	Baht				
	As at	Movement during the year			As at
	January 1, 2022	Additions	Deduction	Transferred in (out)	December 31, 2022
<u>At cost</u>					
Software licences	8,110,533.38	1,142,482.00	-	-	9,253,015.38
Software during installation	175,000.00	-	-	-	175,000.00
Total	8,285,533.38	1,142,482.00	-	-	9,428,015.38
<u>Accumulated amortization</u>					
Software licences	(3,253,123.69)	(891,616.07)	-	-	(4,144,739.76)
Total	(3,253,123.69)	(891,616.07)	-	-	(4,144,739.76)
Intangible asset, net	5,032,409.69				5,283,275.62

		Baht	
		2023	2022
Amortization for the year	- Cost of sales	228,973.32	220,820.01
	- Administrative expenses	752,204.15	670,796.06
Total		981,177.47	891,616.07

As at December 31, 2023 and 2022, the Company had intangible assets which were fully depreciated but they are still in use with gross carrying amount of Baht 0.02 million and Baht 0.02 million, respectively.

## 13. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities consisted of:

	Baht		
	2023	2022	
Deferred tax assets	6,846,065.56	5,490,010.65	
Deferred tax liabilities	466,996.78	1,128,354.37	
Deferred tax assets (liabilities), net	7,313,062.34	6,618,365.02	

	Baht			
	As at January 1, 2023	Income (expense) during the year		As at December 31, 2023
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Allowance for expected credit losses	781,960.70	(738,547.89)	-	43,412.81
Allowance for declining in value of inventories	2,477,749.88	1,823,056.86	-	4,300,806.74
Derivative liabilities	1,128,354.37	(661,357.59)	-	466,996.78
Provision for employee benefit	1,474,945.39	263,340.48	(75,655.74)	1,662,630.13
Lease liabilities	755,354.68	83,861.20	-	839,215.88
Total	6,618,365.02	770,353.06	(75,655.74)	7,313,062.34

	Baht			
	As at January 1, 2022	Income (expense) during the year		As at December 31, 2022
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Allowance for expected credit losses	435,978.20	345,982.50	-	781,960.70
Allowance for declining in value of inventories	2,464,878.72	12,871.16	-	2,477,749.88
Derivative liabilities	-	1,128,354.37	-	1,128,354.37
Provision for employee benefit	1,224,823.93	250,121.46	-	1,474,945.39
Lease liabilities	554,036.96	201,317.72	-	755,354.68
Total	4,679,717.81	1,938,647.21	-	6,618,365.02
Deferred tax liabilities:				
Derivative assets	(30,640.29)	30,640.29	-	-
Total	(30,640.29)	30,640.29	-	-
Deferred tax assets (liabilities), net	4,649,077.52	1,969,287.50	-	6,618,365.02

## 14. DEFERRED MOLDS

Deferred molds consisted of:

	Baht	
	2023	2022
At cost	11,550,520.99	9,469,833.86
Accumulated amortization	(5,564,967.64)	(4,665,160.42)
Net book value	5,985,553.35	4,804,673.44

As at December 31, 2023 and 2022, the Company had deferred molds which were fully amortized but they are still in use with gross carrying amount of Baht 1.60 million and Baht 1.55 million, respectively.

## 15. NON-CURRENT NON-CASH FINANCIAL ASSET PLEDGED AS COLLATERAL

Non-current non-cash financial asset pledged as collateral consisted of:

	Baht	
	2023	2022
Investments in debt security:		
Government bond for debt restructuring 2010, No.1 with 6 years, interest at the rate of 3.625% per annum and maturity date on June 16, 2023	-	1,200,000.00
Government bond for debt management 2021, No.11 with 5 years, interest at the rate of 1.00% per annum and maturity date on June 17, 2027	1,918,483.32	1,896,191.16
Government bond for debt management 2022, No.12 with 5 years, interest at the rate of 2.65% per annum and maturity date on June 17, 2028	2,042,231.62	-
Total	<u>3,960,714.94</u>	<u>3,096,191.16</u>

As at December 31, 2023 and 2022, the Company has used such bonds as collateral in the electricity usage agreement with the Provincial Electricity Authority (Note 30.6).

## 16. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Short-term loans from financial institutions consisted of:

	Baht	
	2023	2022
Trust receipts	47,440,481.37	3,422,480.53
Promissory note	25,000,000.00	-
Total	<u>72,440,481.37</u>	<u>3,422,480.53</u>

As at December 31, 2023 and 2022, the Company had credit facilities with 6 and 5 local commercial banks, respectively, as follows:

Types of credit limit	Interest rate (% per annum)	Million Baht	
		2023	2022
(1) Bank overdrafts	MOR, MOR - 0.275	17.00	17.00
(2) Letter of credit / trust receipt	CME Term SOFR 3M + 2.75, MLR - 0.75, MLR - 1.25, Prime Rate - 0.75, MMR, Cost of fund + 1.5	409.00	364.00
(3) Promissory note	MLR - 0.75, MLR - 1.25	75.00	30.00
(4) Forward foreign exchange contracts	-	386.58	336.58
(5) Long-term loans (Note 18)	2.00, 7.00, Prime Rate - 2	97.61	75.01
Deduct the shared credit line between			
(2) Letter of credit / trust receipt and			
(3) Promissory note of a bank		(45.00)	-
Total		940.19	822.59

The credit facilities are guaranteed by the mortgage of land and building and machine under ownership of company (Note 10).

#### 17. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables consisted of:

	Baht	
	2023	2022
Trade account payables	94,280,543.72	92,137,534.22
Other current payables	32,388,134.30	64,742,753.58
Total	126,668,678.02	156,880,287.80

Other current payables consisted of:

	Baht	
	2023	2022
Accrued expenses	20,242,895.50	18,719,733.42
Unearned income	1,431,489.05	1,611,599.29
Payable from acquisition of assets	914,925.97	29,475,212.59
Retention payable	-	6,816,463.66
Account payable - Revenue Department	2,388,385.30	1,547,940.87
Others	7,410,438.48	6,571,803.75
Total	32,388,134.30	64,742,753.58

## 18. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Changes in long-term loans from financial institutions for the year ended December 31, 2023 and 2022 were summarized as follows:

	Baht	
	2023	2022
Balance at beginning of the year	57,335,012.00	8,333,333.31
Additional loans during the year	38,140,000.00	57,335,012.00
Repayment during the year	(10,763,100.00)	(8,333,333.31)
Balance at end of the year	84,711,912.00	57,335,012.00
<u>Less</u> current portion	<u>(19,582,600.00)</u>	<u>(9,900,000.00)</u>
Long-term loans from financial institutions, net	<u>65,129,312.00</u>	<u>47,435,012.00</u>

Balance details of long-term loans from financial institutions as at December 31, 2023 and 2022 were as follow:

No.	Year	Credit limit (Million Baht)		Withdrawn (Million Baht)		Interest rate (% per annum)	Monthly repayment schedule of principal and interest	Outstanding principal (Baht)	
		2023	2022	2023	2022			2023	2022
1	2022	59.47	59.47	57.34	57.34	Year 1-2 : 2 Year 3 onward : Prime Rate - 2	54 equal installments, Installment 1-53 at Baht 1,100,000 and installment 54 to pay the remaining amount. Starting the first period at the end of 7 months from the loan withdrawn.	47,435,012.00	57,335,012.00
2	2022	15.54	15.54	15.54	-	Year 1-2 : 2 Year 3 onward : Prime Rate - 2	54 equal installments, Installment 1-53 at Baht 287,700 and installment 54 to pay the remaining amount. Starting the first period at the end of 7 months from the loan withdrawn.	14,676,900.00	-
3	2023	22.60	-	22.60	-	Month 1-24 : 2 Month 25 onward : 7	60 equal installments, Baht 418,600 per installment. Starting the first period at the end of 7 months from the loan withdrawn.	22,600,000.00	-
Total		<u>97.61</u>	<u>75.01</u>	<u>95.48</u>	<u>57.34</u>			<u>84,711,912.00</u>	<u>57,335,012.00</u>

As at December 31, 2023 and 2022, the Company has credit facilities of long-term loans with 2 local commercial bank and 1 local commercial bank, respectively. Which has the certain conditions as specified in the agreement as follow:

Credit limit 1 and 2

1. Maintain the debt to equity ratio (Debt to Equity Ratio) of not more than 2 times
2. Maintain a Debt Service Coverage Ratio (DSCR) of not less than 1.2 times
3. Carried out for the Tsoi family and the Piyatrueng family to maintain shareholding in the company altogether not less than 40% of the paid-up capital.

As at December 31, 2023 and 2022, the loans were secured by the Company's machinery in the amount of Baht 106.05 million and Baht 81.05 million, respectively (Note 10).



## 19. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movement for the year ended are presented below:

	Baht	
	2023	2022
As at January 1	59,274,294.42	72,836,265.88
Addition	5,252,458.00	-
Accretion of interest	3,255,810.84	3,828,432.31
Accretion of purchase vat	55,322.74	128,867.23
Payments	(16,486,351.90)	(17,519,271.00)
Decrease from contract cancellation	-	-
As at December 31	51,351,534.10	59,274,294.42
<u>Less: current portion</u>	<u>(11,732,955.57)</u>	<u>(12,758,279.05)</u>
Lease liabilities - net of current portion	<u>39,618,578.53</u>	<u>46,516,015.37</u>

Amounts recognized in the statement of comprehensive income for the years ended December 31, 2023 and 2022 are comprise;

	Baht	
	2023	2022
Depreciation - right-of-use assets	13,659,798.44	14,327,623.53
Interest expenses	3,255,810.84	3,828,432.31
Expense relating to short-term leases	1,380,000.00	1,380,000.00
Total	<u>18,295,609.28</u>	<u>19,536,055.84</u>

For the years ended December 31, 2023 and 2022, the Company had total cash outflows for leases of Baht 17.87 million and Baht 18.90 million, respectively. For the years ended December 31, 2023 also had non-cash additions to right-of-use assets and lease liabilities of Baht 5.25 million.

## 20. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

Movements of the non-current provisions for employee benefit were summerized are as follows:

	Baht	
	2023	2022
Beginning balance	7,374,726.97	6,124,119.65
Benefits paid by the plan during the year	-	-
Current service costs and interest during the year	1,316,702.36	1,250,607.32
Actuarial gains	(378,278.68)	-
Ending balance	<u>8,313,150.65</u>	<u>7,374,726.97</u>

Expense recognized in the statements of comprehensive income:

	Baht	
	2023	2022
Current service costs		
Cost of sales	570,012.17	554,270.88
Selling expense	124,029.10	120,603.94
Administrative expenses	413,218.84	401,807.50
Interest on obligation	209,442.25	173,925.00
Total	<u>1,316,702.36</u>	<u>1,250,607.32</u>

Actuarial gains on defined employee benefit plans

	Baht	
	2023	2022
Actuarial (gains) losses arising from		
Changes in demographic assumptions	(657,003.82)	-
Changes in financial assumptions	(466,228.61)	-
Experience adjustments	744,953.75	-
Total	<u>(378,278.68)</u>	<u>-</u>

Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2023 and 2022 are summarized below:

	Baht	
	2023	2022
Discount rate		
1% increase	(1,078,687.98)	(989,012.04)
1% decrease	1,304,014.43	1,196,724.74
Salary increase rate		
1% increase	1,219,929.85	1,230,538.45
1% decrease	(1,035,209.31)	(1,032,773.37)
Employee turnover rate		
20% increase	(1,257,479.09)	(1,161,471.26)
20% decrease	1,647,900.09	1,552,746.01

## Principal actuarial assumptions at the reporting date

	Percentage	
	2023	2022
Discount rate	3.22	2.84
Salary increase rate	5.00	5.00
Employee turnover rate		
Below 31 years	26.00 - 32.00	25.79 - 34.38
31 - 40 years	12.50 - 16.00	11.46 - 17.19
41 - 50 years	5.00 - 8.00	5.73 - 8.60
Above 50 years	4.00	2.87
Mortality rate (of Thai mortality table 2017)	100.00	105.00

## 21. APPROPRIATION OF RETAINED EARNING

Legal reserve

Under the provisions of the Limited Public Company Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net profit after deduction of the deficit brought forward (if any) as legal reserve until the reserve equal to 10% of authorized share capital. The reserve is not available for dividend distribution. At present, the Company has appropriated the legal reserve completely.

Dividend and legal reserveYear 2023

According to the Annual General Meeting of shareholders for the year 2023, held on April 24, 2023, the shareholders had resolution to approve the payment of dividends from the operating results for the year 2022 to the Company's shareholders at the rate of Baht 0.07 per share in the amount of Baht 30,800,000.00 by paying dividends in cash to shareholders whose names appear in the shareholder registration book as of March 9, 2023, to be entitled to receive dividend. The Company will pay dividends to shareholders on May 19, 2023 and approved the appropriation of profit as a legal reserve in the amount of Baht 2,103,047.07 as the Company has already appropriated as legal reserve in 2022.

Year 2022

According to the Annual General Meeting of shareholders for the year 2022, held on April 22, 2022, shareholders had resolution to approve the payment of dividends from the operating results for the year 2021 to the Company's shareholders at the rate of Baht 0.1015 per share in the amount not exceeding of Baht 44,660,000.00 by paying dividends in cash to shareholders whose names appear in the shareholder registration book as of March 14, 2022, to be entitled to receive dividend. The Company will pay dividends to shareholders on May 17, 2022 and approved the appropriation of profit as a legal reserve in the amount of Baht 5,587,265.72 as the Company has already appropriated as a legal reserve in 2021.

For the year ended December 31, 2022, the Company appropriated the legal reserve from net profit for the year 2022 amounted to Baht 2,103,047.07. At present, the statutory reserve has fully been set aside.

## 22. OPERATING SEGMENT

The Company operates in a single line of business, namely the Shrink Films or Sleeve Labels business, which major products separated to shrink-fitting labels and molds for printing labels which are related to the production of shrink-fitting labels. Their operations are carried on only in Thailand. Both products have similar group of customers therefore, the management considers that the Company operates in one major business segment.

The operating segment's performance is regularly reviewed by the chief operating decision maker who is the Executive Directors in order to make decisions about the allocation of resources to the segment and assess its performance. The Company assesses the performance of the operating segment by using the operating profit or loss as the same basis to assess operating profit or loss in the financial statements.

### Information about geographical areas

The Company's revenue from sales separated by geographical area for the years ended December 31, 2023 and 2022, were summarized as follows:

	Baht	
	2023	2022
Domestic	919,774,045.12	859,242,198.48
Export	223,035.98	97,719.13
Total	919,997,081.10	859,339,917.61

### Information about major customers

The Company's revenue from sales from their major customers which more than 10% of total revenue from sales for the years ended December 31, 2023 and 2022, were summarized as follows:

Major customer	Number of customers		Baht	
	2023	2022	2023	2022
Domestic customer	2	1	249,415,918.46	139,793,709.90

## 23. PROVIDENT FUND

The Company established a contributory registered provident fund covering all permanent employees in accordance with the Provident Fund Act B.E.2530.

Under the provident fund plan, employees' and Company's contributions are equivalent to certain percentages of employees' basic salaries. The employees are entitled to the Company's contributions in accordance with the rules and regulations of the fund and on the length of service with the Company. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Provident Fund Act. B.E. 2530

The Company's contributions for the years ended December 31, 2023 and 2022 were amounted to Baht 1.53 million and Baht 1.44 million, respectively.

## 24. EXPENSES BY NATURE

Expense by nature consisted of:

	Baht	
	2023	2022
Changes in finished goods and work in process	(18,752,510.08)	(3,270,390.33)
Raw materials and consumables used	512,455,660.66	478,342,001.03
Salaries and wages and other employee benefits	188,086,737.15	161,635,472.64
Depreciation and amortization	76,554,895.81	55,093,983.49
Service expenses	19,877,731.50	13,653,092.80
Utilities and facilities expenses	42,230,734.10	29,375,603.95
Traveling expenses	6,568,353.60	6,297,570.25
Maintenance expenses	7,469,945.76	7,971,675.32
Loss on declining in value of inventories	9,115,284.34	64,355.77

## 25. TAX EXPENSE

25.1 Major components of tax expense for the years ended December 31, 2023 and 2022 consisted of:

	Baht	
	2023	2022
Income tax expense shown in profit or loss:		
Current tax expense:		
Income tax expense for the year	9,057,422.31	17,594,105.07
Deferred tax expense (tax income):		
Changes in temporary differences relating to		
the original recognition and reversal	(770,353.04)	(1,969,287.50)
Total	8,287,069.27	15,624,817.57
Income tax relating to components of comprehensive income:		
Deferred tax relating to		
Gain on re-measurements of defined benefit plans	75,655.74	-
Total	75,655.74	-

25.2 A numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2023 and 2022 which were summarized as follows:

	Baht	
	2023	2022
Accounting profit for the year	38,510,821.42	78,686,222.99
The applicable tax rate (%)	20%	20%
Tax expense at the applicable tax rate	7,702,164.28	15,737,244.60
Reconciliation items:		
Tax effect of expenses that are not deductible in determining tax profit:		
- Expenses not allowed as expenses in determining taxable profit	1,323,931.70	631,715.08
Tax effect of income that are not required in determining taxable profit and expenses allowed as additional in determining tax profit	(739,026.71)	(744,142.11)
Total reconciliation items	584,904.99	(112,427.03)
Total tax expense	8,287,069.27	15,624,817.57

25.3 A numerical reconciliation between tax average effective tax rate and the application tax rate for the years ended December 31, 2023 and 2022 were summarized as follows:

	2023		2022	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	38,510,821.42		78,686,222.99	
Tax expense at the applicable tax rate	7,702,164.28	20.00	15,737,244.60	20.00
Reconciliation items	584,904.99	1.52	(112,427.03)	(0.14)
Tax expense at the average effective tax rate	8,287,069.27	21.52	15,624,817.57	19.86

## 26. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares which are issued and paid-up during the year.

For the year ended December 31, 2023 and 2022.

		2023	2022
Profit for the year	(Baht)	30,223,752.15	63,061,405.42
Weighted average number of ordinary shares	(Shares)	440,000,000.00	440,000,000.00
Basic earnings per share	(Baht per share)	0.07	0.14

## 27. FINANCIAL INSTRUMENTS

### 27.1 Risk management

The Company manages their financial risk exposure on financial assets and financial liabilities in the normal business by its internal management and control system, and the Company does not hold or issue derivative financial instruments for speculative or trading purposes.

### 27.2 Classification and measurement of financial assets and financial liabilities

On December 31, 2023 and 2022, the classification and measurement of financial assets and financial liabilities in accordance with business models applied to the financial assets and liabilities were as follows:

Baht			
2023			
	Fair value - Derivatives	Amortized cost	Total
<u>Financial assets</u>			
Cash and cash equivalents	-	16,004,899.55	16,004,899.55
Trade and other current receivables	-	188,582,486.15	188,582,486.15
Other current financial asset	-	1,005.48	1,005.48
Current tax assets	-	16,069,064.81	16,069,064.81
Other current assets	-	713,937.18	713,937.18
Non-current non-cash financial asset pledged as collateral	-	3,960,714.94	3,960,714.94
Other non-current assets	-	810,438.78	810,438.78
	-	226,142,546.89	226,142,546.89
<u>Financial liabilities</u>			
Short-term loans from financial institutions	-	72,440,481.37	72,440,481.37
Trade and other current payables	-	126,668,678.02	126,668,678.02
Derivative liabilities	2,334,983.92	-	2,334,983.92
Long-term loans from financial institutions	-	84,711,912.00	84,711,912.00
Lease liabilities	-	51,351,534.10	51,351,534.10
	2,334,983.92	335,172,605.49	337,507,589.41
Baht			
2022			
	Fair value - Derivatives	Amortized cost	Total
<u>Financial assets</u>			
Cash and cash equivalents	-	30,956,133.23	30,956,133.23
Trade and other current receivables	-	163,958,406.85	163,958,406.85
Other current financial asset	-	1,000.75	1,000.75
Current tax assets	-	6,546,534.90	6,546,534.90

	Baht		
	2022		
	Fair value - Derivatives	Amortized cost	Total
Other current assets	-	6,582,810.96	6,582,810.96
Non-current non-cash financial asset pledged as collateral	-	3,096,191.16	3,096,191.16
Other non-current assets	-	567,977.35	567,977.35
	-	211,709,055.20	211,709,055.20
<u>Financial liabilities</u>			
Short-term loans from financial institutions	-	3,422,480.53	3,422,480.53
Trade and other current payables	-	156,880,287.80	156,880,287.80
Derivative liabilities	5,641,771.86	-	5,641,771.86
Long-term loans from financial institutions	-	57,335,012.00	57,335,012.00
Lease liabilities	-	59,274,294.42	59,274,294.42
	5,641,771.86	276,912,074.75	282,553,846.61

### 27.3 Interest rate risk

The Company is exposed to interest rate risk relates primarily to its cash at banks, bank overdrafts, short-term loans, long-term loans and lease liabilities. However, most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market. However, the management believed that the future fluctuation on market interest rate would not provide significant effect to their operations and cash flows, therefore; no financial derivative was adopted to manage such risks.

As at December 31, 2023 and 2022, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

	Baht				
	2023				
	Floating interest rate	Fixed interest rate	Interest - free	Total	Interest rate (% per annum)
<u>Financial assets</u>					
Cash and cash equivalents	1,000,347.86	11,899.12	14,992,652.57	16,004,899.55	0.35 - 0.70
Trade and other current receivables	-	-	188,582,486.15	188,582,486.15	-
Other current financial asset	-	1,005.48	-	1,005.48	1.00
Non-current non-cash financial asset pledged as collateral	-	3,960,714.94	-	3,960,714.94	1.00 - 2.65
<u>Financial liabilities</u>					
Short-term loans from financial institutions	72,440,481.37	-	-	72,440,481.37	3.64 - 6.00
Trade and other current payables	-	-	126,668,678.02	126,668,678.02	-
Long-term loans from financial institutions	-	84,711,912.00	-	84,711,912.00	2.00
Lease liabilities	-	51,351,534.10	-	51,351,534.10	3.62 - 8.03



	Baht				
	2022				
	Floating interest rate	Fixed interest rate	Interest - free	Total	Interest rate (% per annum)
<u>Financial assets</u>					
Cash and cash equivalents	3,061,019.79	11,821.31	27,883,292.13	30,956,133.23	0.25 - 0.50
Trade and other current receivables	-	-	163,958,406.85	163,958,406.85	-
Other current financial asset	-	1,000.75	-	1,000.75	0.25
Non-current non-cash financial asset pledged as collateral	-	3,096,191.16	-	3,096,191.16	1.00 - 3.625
<u>Financial liabilities</u>					
Short-term loans from financial institutions	3,422,480.53	-	-	3,422,480.53	2.90
Trade and other current payables	-	-	156,880,287.80	156,880,287.80	-
Long-term loans from financial institutions	-	57,335,012.00	-	57,335,012.00	2.00
Lease liabilities	-	59,274,294.42	-	59,274,294.42	4.75 - 5.50

#### 27.4 Credit risk

The Company is exposed to credit risk primarily relating to trade accounts receivable. The management of the Company manages this risk by establishing appropriate credit control policies and procedures. Therefore, it does not expect to incur material losses from debt collection more than the amount already provided in the allowance for doubtful accounts.

#### 27.5 Foreign currency risk

The Company incurred risk foreign currencies exchange due to the Company had transaction of sales which were denominated in foreign currencies. The Company had hedged as they believed appropriate the foreign currencies risk using forward contract against risk on exchange rates. As at December 31, 2023 and 2022, the Company had outstanding foreign exchange contracts and constitutes foreign currencies assets (liabilities) which mainly due within one year as follows:

	Foreign currency		Baht	
	2023	2022	2023	2022
Trade account payables - Carrying amount on statement of financial position				
- US Dollars	637,254.83	849,758.06	21,913,664.20	29,515,071.58
Forward foreign exchange contracts				
- US Dollars				
Derivative liabilities	1,454,011.10	2,892,304.29	2,334,983.92	5,641,771.86

## Derivatives

Derivatives are forward foreign exchange contracts used for economic hedging purposes and not as speculative investments. However, derivatives do not meet the hedge accounting criteria for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be realized within 12 months after the end of the reporting period.

As at December 31, 2023 and 2022, the Company had Gains (losses) from changes in fair value of derivatives in the amount of Baht (2.33) million and Baht (5.64) million, respectively.

## Net foreign exchange gains (losses)

For the years ended December 31, 2023 and 2022, the aggregate net foreign exchange gains (losses) recognized in profit or loss are as follow:

	Baht	
	2023	2022
Unrealized gain (loss) on exchange rates	3,052,469.83	(5,155,650.51)
Gain (loss) on exchange rates		
- Revenue	(1,683,813.63)	7,518,266.00
Total net gain (loss) on exchange rate recognized in profit before tax expense	<u>1,368,656.20</u>	<u>2,362,615.49</u>

## 27.6 Liquidity risk

The Company manages its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's operations as well as securing short-term credit facilities from financial institutions for reserve as necessary and to reduce the impact of fluctuations in cash flow.

## 27.7 Fair value of financial instruments

As at December 31, 2023 and 2022, the Company had the following assets that were measured at fair value using different levels of inputs as follows:

	Baht				
	2023				
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<b>Liability</b>					
Forward foreign exchange contracts	-	-	2,334,983.92	-	2,334,983.92

		Baht			
		2022			
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Liability</b>					
Forward foreign exchange contracts	-	-	5,641,771.86	-	5,641,771.86

During the year, there were no change in the classification of financial assets.

## 28. CAPITAL MANAGEMENT

The primary objective of capital management of the Company is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern. According to the statement of financial position as at December 31, 2023, the Company's debt-to-equity ratio was 0.46 : 1 (as at December 31, 2022 was 0.38 : 1).

## 29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2023 and 2022 are as follows:

		Baht			
		2023			
	Balance as at January 1, 2023	Cash flows Increase (decrease)*	Non-cash transaction Increase      Translation on exchange rate		Balance as at December 31, 2023
Short-term loans from financial institutions	3,422,480.53	69,018,000.84	-	-	72,440,481.37
Long-term loans from financial institutions	57,335,012.00	27,376,900.00	-	-	84,711,912.00
Lease liabilities	59,274,294.42	(13,175,218.32)	5,252,458.00	-	51,351,534.10
<b>Total</b>	<b>120,031,786.95</b>	<b>83,219,682.52</b>	<b>5,252,458.00</b>	<b>-</b>	<b>208,503,927.47</b>

  

		Baht			
		2022			
	Balance as at January 1, 2022	Cash flows Increase (decrease)*	Non-cash transaction Increase      Translation on exchange rate		Balance as at December 31, 2022
Short-term loans from financial institutions	8,039,117.57	(4,617,658.17)	-	1,021.13	3,422,480.53
Long-term loans from financial institutions	8,333,333.31	49,001,678.69	-	-	57,335,012.00
Lease liabilities	72,836,265.88	(13,561,971.46)	-	-	59,274,294.42
<b>Total</b>	<b>89,208,716.76</b>	<b>30,822,049.06</b>	<b>-</b>	<b>1,021.13</b>	<b>120,031,786.95</b>

\* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flow.

### 30. COMMITMENTS AND CONTINGENT LIABILITIES

#### 30.1 Commitments relating to service agreements

As at December 31, 2023 and 2022, the Company had commitments on service agreements were as follows:

	Baht	
	2023	2022
Not later than one year	2,668,086.77	1,776,962.95
Later than one year but not later than five years	-	239,757.05
Later than five years	-	-
Total	<u>2,668,086.77</u>	<u>2,016,720.00</u>

#### 30.2 Commitments relating to forward foreign exchange contracts

As at December 31, 2023, the Company had forward exchange contracts with financial institutions totaling U.S. Dollars 1.45 million (equal to Baht 51.54 million) with maturity date within May 2024.

As at December 31, 2022, the Company had forward exchange contracts with financial institutions totaling U.S. Dollars 2.89 million (equal to Baht 104.35 million) with maturity date within May 2023.

#### 30.3 Commitments relating to outstanding letters of credit

As at December 31, 2023 and 2022, the Company had commitments for the outstanding letters of credit amounting equivalent to U.S. Dollars 2.79 million (equal to Baht 96.99 million) and U.S. Dollars 2.08 million (equal to Baht 72.34 million), respectively.

#### 30.4 Commitment relating to purchase of raw material agreements

As at December 31, 2023 and 2022, The Company entered into memorandum and agreements to purchase raw materials from several unrelated companies, at prices and per conditions as stipulated in the memorandum and agreements. The terms of the memorandum and agreements are between 4 and 6 months. The Company has an outstanding commitment under the agreement amounted U.S. Dollars 1.78 million (equal to Baht 61.22 million) and U.S. Dollars 1.00 million (equal to Baht 34.64 million), respectively.

### 30.5 Commitment on capital expenditure

30.5.1 As at December 31, 2023 and 2022, the Company has commitment to pay under machine purchase contract totaled Baht 72.01 million and Baht 19.15 million, respectively. The Company has an outstanding commitment under the agreement amounted Baht 55.78 million and Baht 13.40 million, respectively.

30.5.2 As at December 31, 2022, the Company has commitment to pay under contract for the construction of a new factory totaled Baht 200.68 million. The Company has an outstanding commitment under the agreement amounted Baht 29.18 million.

### 30.6 Contingent liabilities relating to electricity usage agreement

As at December 31, 2023 and 2022, the Company had contingent liabilities in respect of electricity usage agreements with the Provincial Electricity Authority in the amount of Baht 4.49 million and Baht 3.40 million, respectively.

## 31. EVENT AFTER THE REPORTING PERIOD

According to the Board of Directors Meeting No.1/2024, held on February 19, 2024, the Board of Directors had resolution to approve the payment of dividends from the operating results for the year 2023 to the Company's shareholders at the rate of Baht 0.0455 per share in the amount not exceeding of Baht 20,020,000.00 by paying dividends in cash to shareholders whose names appear in the shareholder registration book as of March 13, 2024, to be entitled to receive dividend. The Company will pay dividends to shareholders on May 23, 2024. The right to receive such dividend is uncertain until it is approved by the Annual General Meeting of Shareholders for the year 2024.

## 32. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's board of directors on February 19, 2024.