

**SHRINKFLEX THAILAND PUBLIC COMPANY LIMITED**

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**REVIEW REPORT AND INTERIM FINANCIAL INFORMATION  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024**

## **AUDITOR’S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

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

I have reviewed the accompanying statement of financial position of Shrinkflex Thailand Public Company Limited as at March 31, 2024 and the related statement of comprehensive income, changes in shareholders’ equity and cash flows for the three-month period then ended and the condensed notes to the financial statement. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No.34 “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

### **SCOPE OF REVIEW**

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

### **CONCLUSION**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”.

(Mr. Thanawut Piboonsawat)  
Certified Public Accountant  
Registration No. 6699

Dharmniti Auditing Company Limited  
Bangkok, Thailand  
May 14, 2024

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**SHRINKFLEX THAILAND PUBLIC COMPANY LIMITED**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT MARCH 31, 2024**

**ASSETS**

|   |      | Thousand Baht    |                  |
|---|------|------------------|------------------|
|   |      | As at March      | As at December   |
|   | Note | 31, 2024         | 31, 2023         |
| Current assets  |      |                  |                  |
| Cash and cash equivalents                                     |      | 11,829           | 16,005           |
| Trade and other current receivables                           | 5    | 206,560          | 188,582          |
| Inventories   | 6    | 247,263          | 250,376          |
| Other current financial asset                                 | 7    | 1                | 1                |
| Derivative assets   | 20   | 1,253            | -                |
| Current tax assets  |      | 4,551            | 16,069           |
| Previous tax assets   |      | 16,069           | -                |
| Other current assets  |      | 480              | 714              |
| Total current assets  |      | 488,006          | 471,747          |
| Non-current assets  |      |                  |                  |
| Property, plant and equipment                                 | 8    | 545,118          | 557,871          |
| Right-of-use assets   | 9    | 46,762           | 49,170           |
| Intangible assets   | 10   | 4,887            | 5,118            |
| Deferred tax assets   |      | 7,003            | 7,313            |
| Deferred molds  |      | 5,826            | 5,986            |
| Non-current non-cash financial asset pledged<br>as collateral | 11   | 3,964            | 3,961            |
| Other non-current assets                                      |      | 737              | 810              |
| Total non-current assets                                      |      | 614,297          | 630,229          |
| <b>TOTAL ASSETS</b>   |      | <b>1,102,303</b> | <b>1,101,976</b> |

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

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**SHRINKFLEX THAILAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION (CONT.)**  
**AS AT MARCH 31, 2024**

**LIABILITIES AND SHAREHOLDERS' EQUITY**

|   |         | Thousand Baht  |                |
|---|---------|----------------|----------------|
|   |         | As at March    | As at December |
|   |         | 31, 2024       | 31, 2023       |
|   | Note    |                |                |
| Current liabilities   |         |                |                |
| Short-term loans from financial institutions                    | 12      | 82,660         | 72,440         |
| Trade and other current payables                                | 4.3, 13 | 118,773        | 126,669        |
| Derivative liabilities  | 20      | -              | 2,335          |
| Current portion of long-terms loans from financial institutions | 14      | 20,838         | 19,583         |
| Current portion of lease liabilities                            | 4.3, 15 | 10,351         | 11,733         |
| Total current liabilities                                       |         | 232,622        | 232,760        |
| Non-current liabilities   |         |                |                |
| Long-term loans from financial institutions                     | 14      | 59,711         | 65,129         |
| Lease liabilities   | 4.3, 15 | 38,616         | 39,619         |
| Non-current provisions for employee benefit                     |         | 8,719          | 8,313          |
| Total non-current liabilities                                   |         | 107,046        | 113,061        |
| <b>TOTAL LIABILITIES</b>  |         | <b>339,668</b> | <b>345,821</b> |

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

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**SHRINKFLEX THAILAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION (CONT.)**  
**AS AT MARCH 31, 2024**

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

|   |      | Thousand Baht |                |
|---|------|---------------|----------------|
|   |      | As at March   | As at December |
|   | Note | 31, 2024      | 31, 2023       |
| Shareholders' equity                        |      |               |                |
| Share capital                               |      |               |                |
| Authorized share capital                    |      |               |                |
| 440,000,000 ordinary shares, Baht 0.50 each |      | 220,000       | 220,000        |
| Issued and paid-up share capital            |      |               |                |
| 440,000,000 ordinary shares, Baht 0.50 each |      | 220,000       | 220,000        |
| Share premium on ordinary shares            |      | 378,757       | 378,757        |
| Retained earnings                           |      |               |                |
| Appropriated                                |      |               |                |
| Legal reserve                               | 16   | 22,000        | 22,000         |
| Unappropriated                              |      | 141,878       | 135,398        |
| TOTAL SHAREHOLDERS' EQUITY                  |      | 762,635       | 756,155        |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY  |      | 1,102,303     | 1,101,976      |

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

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**SHRINKFLEX THAILAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024**

|   |      | Thousand Baht       |                     |
|---|------|---------------------|---------------------|
|   | Note | 2024                | 2023                |
| Revenues                                  |      |                     |                     |
| Revenues from sale                        |      | 240,062             | 232,457             |
| Gain on exchange rates                    |      | 2,514               | 1,260               |
| Other income                              | 4.4  | 589                 | 706                 |
| Total revenues                            |      | <u>243,165</u>      | <u>234,423</u>      |
| Expenses                                  |      |                     |                     |
| Cost of sales                             | 4.4  | 200,114             | 198,508             |
| Distribution costs                        | 4.4  | 10,075              | 9,854               |
| Administrative expenses                   | 4.4  | 22,797              | 20,402              |
| Total expenses                            |      | <u>232,986</u>      | <u>228,764</u>      |
| Profit from operationg activities         |      | 10,179              | 5,659               |
| Finance costs                             | 4.4  | 2,101               | 1,550               |
| Profit before income tax expense          |      | 8,078               | 4,109               |
| Tax expense                               | 18   | 1,598               | 777                 |
| Profit for the period                     |      | <u>6,480</u>        | <u>3,332</u>        |
| Other comprehensive income for the period |      | -                   | -                   |
| Total comprehensive income for the period |      | <u><u>6,480</u></u> | <u><u>3,332</u></u> |
| Earnings per share (Baht)                 | 19   |                     |                     |
| Basic earnings per share                  |      | <u><u>0.01</u></u>  | <u><u>0.01</u></u>  |

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

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**SHRINKFLEX THAILAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024**

|   | Thousand Baht                           |  |                               |                |                                  |
|---|---|--|-------------------------------|----------------|----------------------------------|
|   | Issued and<br>paid-up shares<br>capital | Share premium<br>on ordinary<br>shares | Retained earnings             |                | Total<br>shareholders'<br>equity |
| Note                                      |   |  | Appropriated<br>Legal reserve | Unappropriated |                                  |
| Beginning balance as at January 1, 2023   | 220,000                                 | 378,757                                | 22,000                        | 135,672        | 756,429                          |
| Total comprehensive income for the period |   |  |                               |                |                                  |
| Profit for the period                     | -                                       | -                                      | -                             | 3,332          | 3,332                            |
| Ending balance as at March 31, 2023       | <u>220,000</u>                          | <u>378,757</u>                         | <u>22,000</u>                 | <u>139,004</u> | <u>759,761</u>                   |
| Beginning balance as at January 1, 2024   | 220,000                                 | 378,757                                | 22,000                        | 135,398        | 756,155                          |
| Total comprehensive income for the period |   |  |                               |                |                                  |
| Profit for the period                     | -                                       | -                                      | -                             | 6,480          | 6,480                            |
| Ending balance as at March 31, 2024       | <u>220,000</u>                          | <u>378,757</u>                         | <u>22,000</u>                 | <u>141,878</u> | <u>762,635</u>                   |

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

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**SHRINKFLEX THAILAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024**

|   | Thousand Baht |          |
|---|---------------|----------|
|   | 2024          | 2023     |
| Cash flows from operating activities  |               |          |
| Profit for the period   | 6,480         | 3,332    |
| Reconciliations of profit for the period to cash provided by<br>(used in) operating activities: |               |          |
| Depreciation and amortization   | 20,260        | 16,195   |
| Bad debt and expected credit losses (reversal)  | 229           | (35)     |
| Loss on declining in value of inventories   | 1,428         | 1,061    |
| Unrealized gain on exchange rate  | (3,151)       | (5,387)  |
| Employee benefit expense  | 406           | 329      |
| Interest income   | (18)          | (16)     |
| Interest expense  | 1,969         | 1,364    |
| Tax expense   | 1,598         | 777      |
| Profit provided by operating activities before<br>changes in operating assets and liabilities   | 29,201        | 17,620   |
| (Increase) decrease in operating assets   |               |          |
| Trade and other current receivables   | (18,188)      | (15,662) |
| Inventories   | 1,685         | 2,612    |
| Other current assets  | 254           | 3,831    |
| Deferred molds  | 160           | (114)    |
| Other non-current assets  | -             | (2)      |
| Increase (decrease) in operating liabilities  |               |          |
| Trade and other current payables  | (9,424)       | (17,711) |
| Cash received (paid) from operations  | 3,688         | (9,426)  |
| Income tax paid   | (5,786)       | (5,990)  |
| Net cash used in operating activities   | (2,098)       | (15,416) |

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



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**SHRINKFLEX THAILAND PUBLIC COMPANY LIMITED**

**STATEMENTS OF CASH FLOWS (CONT.)**

**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024**

|  | Thousand Baht  |                 |
|--|----------------|-----------------|
|  | 2024           | 2023            |
| Cash flows from investing activities   |                |                 |
| Cash payments for purchase of property, plant and equipment                  | (2,070)        | (43,401)        |
| Cash payments for purchase of right-of-use assets                            | (591)          | (890)           |
| Cash payments for purchase of intangible asset                               | (20)           | (535)           |
| Increase in non-current non-cash financial asset pledged as collateral       | (3)            | (5)             |
| Net cash used in investing activities  | <u>(2,684)</u> | <u>(44,831)</u> |
| Cash flows from financing activities   |                |                 |
| Increase in short-term loans from financial institutions                     | 10,219         | 41,154          |
| Cash payments for long-term loans from financial institutions                | (4,163)        | -               |
| Cash payments for repayment of lease liabilities                             | (3,572)        | (3,267)         |
| Interest expense paid  | (1,878)        | (1,068)         |
| Net cash provided by financing activities                                    | <u>606</u>     | <u>36,819</u>   |
| Net increase (decrease) in cash and cash equivalents                         | (4,176)        | (23,428)        |
| Cash and cash equivalents - beginning of period                              | 16,005         | 30,956          |
| Cash and cash equivalents - ending of period                                 | <u>11,829</u>  | <u>7,528</u>    |
| 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 period                     | (3,070)        | (21,167)        |
| (Increase) decrease in advance payments for purchase of assets               | -              | 1,378           |
| Increase (decrease) in payable from acquisition of assets                    | 1,000          | (23,612)        |
| Cash payments for purchase of property, plant and equipment                  | <u>(2,070)</u> | <u>(43,401)</u> |
| 2. During the period the Company acquired fixed assets by means of           |                |                 |
| Lease liabilities  | <u>1,187</u>   | <u>2,494</u>    |

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

**SHRINKFLEX THAILAND PUBLIC COMPANY LIMITED**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**MARCH 31, 2024**

**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**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting", and the requirements of the Securities and Exchange Commission (SEC). The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and situations and not intended to re-emphasis on the information previously reported. The interim financial statements should therefore, be read in conjunction with the financial statements for the year ended December 31, 2023.

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

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim 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 period

During the period, the Company has adopted the revised financial reporting standards 2023, 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 adoption of these financial reporting standards does not have any significant impact on the financial statements in the current period.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in preparing the interim financial statements are the same accounting policies used in the preparation of the annual financial statements for the year ended December 31, 2023.

4. 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.

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

| <u>Related parties</u>                       | <u>Relationship</u>  |
|--|--|
| <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 |
| A.T.M Trading 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                    |

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

| Transactions                            | Pricing policies                                      |
|---|---|
| Other income                            | Market price  |
| 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 |

4.3 Balances with related parties as at March 31, 2024 and December 31, 2023 were as follows:

|                                  | Thousand Baht |                |
|----------------------------------|---------------|----------------|
|                                  | As at March   | As at December |
|                                  | 31, 2024      | 31, 2023       |
| <u>Liabilities</u>               |               |                |
| Trade and other current payables |               |                |
| Related companies                | 3,352         | 1,982          |
| Related person                   | 751           | 763            |
| Lease liabilities                |               |                |
| Related companies                | 43,152        | 46,302         |

4.4 Significant transactions with related parties for the three-month periods ended March 31, 2024 and 2023 were as follows:

|                    | Thousand Baht |      |
|--------------------|---------------|------|
|                    | 2024          | 2023 |
| Related companies  |               |      |
| Other income       | 113           | -    |
| Purchases of goods | 2,997         | 418  |
| Other expense      | 56            | -    |
| Interest expense   | 654           | 807  |
| Related person     |               |      |
| Commission expense | 1,132         | 897  |

|   | Thousand Baht |              |
|---|---------------|--------------|
|   | 2024          | 2023         |
| Key management personnel                              |               |              |
| Compensation to director and key management personnel |               |              |
| Short-term benefit                                    | 5,140         | 4,733        |
| Post-employment benefits                              | 119           | 109          |
|   | <u>5,259</u>  | <u>4,842</u> |

4.5 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.

5. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables consisted of:

|                           | Thousand Baht           |                            |
|---------------------------|-------------------------|----------------------------|
|                           | As at March<br>31, 2024 | As at December<br>31, 2023 |
| Trade receivables         | 185,849                 | 167,746                    |
| Other current receivables | 20,711                  | 20,836                     |
| Total                     | <u>206,560</u>          | <u>188,582</u>             |

Trade receivables consisted of:

|  | Thousand Baht           |                            |
|--|-------------------------|----------------------------|
|  | As at March<br>31, 2024 | As at December<br>31, 2023 |
| Trade receivables                                | 182,981                 | 164,006                    |
| Post date cheque                                 | 3,314                   | 3,957                      |
| Total  | 186,295                 | 167,963                    |
| <u>Less</u> Allowance for expected credit losses | (446)                   | (217)                      |
| Net  | <u>185,849</u>          | <u>167,746</u>             |

Trade receivables classified by ages of accounts consisted of:

|                    | Thousand Baht           |                            |
|--------------------|-------------------------|----------------------------|
|                    | As at March<br>31, 2024 | As at December<br>31, 2023 |
| Within credit term | 183,650                 | 167,051                    |
| Overdue:           |                         |                            |
| Less than 3 months | 2,561                   | 828                        |
| 3 - 6 months       | -                       | -                          |
| 6 - 12 months      | -                       | -                          |
| Over 12 months     | 84                      | 84                         |
| Total              | <u>186,295</u>          | <u>167,963</u>             |

Other current receivables consisted of:

|                 | Thousand Baht           |                            |
|-----------------|-------------------------|----------------------------|
|                 | As at March<br>31, 2024 | As at December<br>31, 2023 |
| Prepaid expense | 3,577                   | 3,964                      |
| Deposit         | 17,065                  | 16,596                     |
| Advance payment | -                       | 240                        |
| Others          | 69                      | 36                         |
| Total           | <u>20,711</u>           | <u>20,836</u>              |

## 6. INVENTORIES

Inventories consisted of:

|   | Thousand Baht           |                            |
|---|-------------------------|----------------------------|
|   | As at March<br>31, 2024 | As at December<br>31, 2023 |
| Finished goods  | 63,815                  | 65,108                     |
| Work in process   | 12,669                  | 16,011                     |
| Raw materials   | 183,442                 | 183,120                    |
| Supplies  | 1,934                   | 2,145                      |
| Goods in transit  | 8,335                   | 5,496                      |
| Total   | 270,195                 | 271,880                    |
| <u>Less</u> Allowance for declining in value of inventories | <u>(22,932)</u>         | <u>(21,504)</u>            |
| Net   | <u>247,263</u>          | <u>250,376</u>             |

7. OTHER CURRENT FINANCIAL ASSET

Other current financial asset consisted of:

|   | Thousand Baht           |                            |
|---|-------------------------|----------------------------|
|   | As at March<br>31, 2024 | As at December<br>31, 2023 |
| Fixed deposit maturity of over three months | 1                       | 1                          |
| Total                                       | 1                       | 1                          |

8. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment for the three-month period ended March 31, 2024 were summarized as follows:

|   | Thousand Baht |
|---|---------------|
| <b>At cost</b>                                      |               |
| Balance as at December 31, 2023                     | 866,282       |
| Acquisitions during the period                      | 3,070         |
| Disposals and write-off during the period           | -             |
| Transfer during the period                          | 1,846         |
| Balance as at March 31, 2024                        | 871,198       |
| <b>Accumulated depreciation</b>                     |               |
| Balance as at December 31, 2023                     | (308,411)     |
| Depreciation for the period                         | (16,437)      |
| Accumulated depreciation on disposals and write-off | -             |
| Transfer during the period                          | (1,232)       |
| Balance as at March 31, 2024                        | (326,080)     |
| <b>Net book value</b>                               |               |
| Balance as at December 31, 2023                     | 557,871       |
| Balance as at March 31, 2024                        | 545,118       |

As at March 31, 2024 and December 31, 2023, the Company had assets which were fully depreciated but they are still in use with gross carrying amount of Baht 141.80 million and Baht 134.22 million, respectively.

As at March 31, 2024 and December 31, 2023, land and building and machine with their cost of Baht 286.51 million and Baht 372.21 million, respectively, were pledged to as collateral for credit facilities for short-term and long-term loans from a financial institutions (Note 12 and 14).

As at March 31, 2024 and December 31, 2023, 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.

9. RIGHT-OF-USE ASSETS

The net book value of right-of-use assets related to lease contracts and the movement for the three-month period ended March 31, 2024 are presented below:

|                                 | Thousand Baht        |         |                     |          |
|---------------------------------|----------------------|---------|---------------------|----------|
|                                 | Land and<br>building | Vehicle | Office<br>equipment | Total    |
| <b>At cost</b>                  |                      |         |                     |          |
| Balance as at December 31, 2023 | 88,754               | 8,244   | 827                 | 97,825   |
| Addition during the period      | -                    | 1,778   | -                   | 1,778    |
| Write-off during the period     | -                    | -       | -                   | -        |
| Transfer during the period      | -                    | (1,846) | -                   | (1,846)  |
| Balance as at March 31, 2024    | 88,754               | 8,176   | 827                 | 97,757   |
| <b>Accumulated depreciation</b> |                      |         |                     |          |
| Balance as at December 31, 2023 | (46,648)             | (1,682) | (325)               | (48,655) |
| Depreciation for the period     | (3,127)              | (404)   | (41)                | (3,572)  |
| Depreciation - write-off        | -                    | -       | -                   | -        |
| Transfer during the period      | -                    | 1,232   | -                   | 1,232    |
| Balance as at March 31, 2024    | (49,775)             | (854)   | (366)               | (50,995) |
| <b>Net book value</b>           |                      |         |                     |          |
| Balance as at December 31, 2023 | 42,106               | 6,562   | 502                 | 49,170   |
| Balance as at March 31, 2024    | 38,979               | 7,322   | 461                 | 46,762   |



10. INTANGIBLE ASSETS

Movements of the intangible assets for the three-month period ended March 31, 2024 were summarized as follows:

|   | Thousand Baht |
|---|---------------|
| <b>At cost</b>                                      |               |
| Balance as at December 31, 2023                     | 10,244        |
| Acquisitions during the period                      | 20            |
| Disposals and write-off during the period           | -             |
| Balance as at March 31, 2024                        | 10,264        |
| <b>Accumulated amortization</b>                     |               |
| Balance as at December 31, 2023                     | (5,126)       |
| Amortization for the period                         | (251)         |
| Accumulated amortization on disposals and write-off | -             |
| Balance as at March 31, 2024                        | (5,377)       |
| <b>Net book value</b>                               |               |
| Balance as at December 31, 2023                     | 5,118         |
| Balance as at March 31, 2024                        | 4,887         |

As at March 31, 2024 and December 31, 2023, 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.

11. NON-CURRENT NON-CASH FINANCIAL ASSET PLEDGED AS COLLATERAL

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

|  | Thousand Baht           |                            |
|--|-------------------------|----------------------------|
|  | As at March<br>31, 2024 | As at December<br>31, 2023 |
| Investments in debt security:  |                         |                            |
| Government bond for debt management 2021, No.11 with<br>5 years, interest at the rate of 1.00% per annum and<br>maturity date on June 17, 2027 | 1,924                   | 1,919                      |
| Government bond for debt management 2022, No.12 with<br>5 years, interest at the rate of 2.65% per annum and<br>maturity date on June 17, 2028 | 2,040                   | 2,042                      |
| Total  | 3,964                   | 3,961                      |

As at March 31, 2024 and December 31, 2023, the Company has used such bonds as collateral in the electricity usage agreement with the Provincial Electricity Authority (Note 21.6).

12. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Short-term loans from financial institutions consisted of:

|                 | Thousand Baht           |                            |
|-----------------|-------------------------|----------------------------|
|                 | As at March<br>31, 2024 | As at December<br>31, 2023 |
| Trust receipts  | 52,660                  | 47,440                     |
| Promissory note | 30,000                  | 25,000                     |
| Total           | <u>82,660</u>           | <u>72,440</u>              |

The Company had credit facilities with 6 local commercial banks, as follows:

| Types of credit limit                    | Interest rate<br>(% per annum)   | Million Baht            |                            |
|--|--|-------------------------|----------------------------|
|  |  | As at March<br>31, 2024 | As at December<br>31, 2023 |
| (1) Bank overdrafts                      | MOR, MOR - 0.275   | 17.00                   | 17.00                      |
| (2) Letter of credit / trust receipt     | CME Term SOFR 3M + 2.75,<br>MLR - 0.75, MLR - 1.25,<br>Prime Rate - 0.75, MMR,<br>Cost of fund + 1.5 | 309.00                  | 409.00                     |
| (3) Promissory note                      | MLR - 0.75, MLR - 1.25   | 105.00                  | 75.00                      |
| (4) Forward foreign exchange contracts   | -  | 386.58                  | 386.58                     |
| (5) Long-term loans (Note 14)            | 2.00, 7.00, Prime Rate - 2   | 97.61                   | 97.61                      |
| Deduct the shared credit line between    |  |                         |                            |
| (2) Letter of credit / trust receipt and |  |                         |                            |
| (3) Promissory note of a bank            |  | (45.00)                 | (45.00)                    |
| Total                                    |  | <u>870.19</u>           | <u>940.19</u>              |

As at December 31, 2023, the credit facilities are guaranteed by the mortgage of land and building and machine under ownership of company. Later, on February 27, 2024, the company requested to change the collateral for the short-term credit facilities by requesting to cancel the collateral secured by machinery owned by the company. Therefore, as of March 31, 2024, only the mortgage of land and buildings owned by the company remains (Note 8).

13. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables consisted of:

|                        | Thousand Baht           |                            |
|------------------------|-------------------------|----------------------------|
|                        | As at March<br>31, 2024 | As at December<br>31, 2023 |
| Trade account payables | 90,374                  | 94,281                     |
| Other current payables | 28,399                  | 32,388                     |
| Total                  | 118,773                 | 126,669                    |

Other current payables consisted of:

|                                      | Thousand Baht           |                            |
|--------------------------------------|-------------------------|----------------------------|
|                                      | As at March<br>31, 2024 | As at December<br>31, 2023 |
| Accrued expenses                     | 15,529                  | 20,243                     |
| Unearned income                      | 1,587                   | 1,431                      |
| Payable from acquisition of assets   | 1,914                   | 915                        |
| Account payable - Revenue Department | 4,114                   | 2,388                      |
| Others                               | 5,255                   | 7,411                      |
| Total                                | 28,399                  | 32,388                     |

14. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Changes in long-term loans from financial institutions were summarized as follows:

|  | Thousand Baht  |  |
|--|--|--|
|  | As at March<br>31, 2024<br>(For the three -<br>month period) | As at December<br>31, 2023<br>(For the year) |
| Balance at beginning of the period               | 84,712   | 57,335                                       |
| Additional loans during the period               | -  | 38,140                                       |
| Repayment during the period                      | (4,163)  | (10,763)                                     |
| Balance at end of the period                     | 80,549   | 84,712                                       |
| <u>Less</u> current portion                      | (20,838)   | (19,583)                                     |
| Long-term loans from financial institutions, net | 59,711   | 65,129                                       |

Balance details of long-term loans from financial institutions as at March 31, 2024 and December 31, 2023 were as follow:

| No.   | Year | Credit limit (Million Baht) |              | Withdrawn (Million Baht) |              | Interest rate<br>(% per annum)                    | Monthly repayment schedule of<br>principal and interest   | Outstanding principal<br>(Thousand Baht) |                            |
|-------|------|-----------------------------|--------------|--------------------------|--------------|---|---|--|----------------------------|
|       |      | 2024                        | 2023         | 2024                     | 2023         |   |   | As at March<br>31, 2024                  | As at December<br>31, 2023 |
| 1     | 2022 | 59.47                       | 59.47        | 57.34                    | 57.34        | Year 1-2 : 2<br>Year 3 onward :<br>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. | 44,135                                   | 47,435                     |
| 2     | 2022 | 15.54                       | 15.54        | 15.54                    | 15.54        | Year 1-2 : 2<br>Year 3 onward :<br>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.   | 13,814                                   | 14,677                     |
| 3     | 2023 | 22.60                       | 22.60        | 22.60                    | 22.60        | Month 1-24 : 2<br>Month 25<br>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                                   | 22,600                     |
| Total |      | <u>97.61</u>                | <u>97.61</u> | <u>95.48</u>             | <u>95.48</u> |   |   | <u>80,549</u>                            | <u>84,712</u>              |

The Company has credit facilities of long-term loans with 2 local commercial bank. 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.

The loans were secured by the Company’s machinery in the amount of Baht 106.05 million (Note 8).

## 15. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movement for the three-month period ended March 31, 2024 are presented below:

|  | <u>Thousand Baht</u> |
|--|----------------------|
| As at December 31, 2023                    | 51,352               |
| Addition                                   | 1,187                |
| Accretion of interest                      | 711                  |
| Accretion of purchase vat                  | 11                   |
| Payments                                   | (4,294)              |
| Decrease from contract cancellation        | -                    |
| As at March 31, 2024                       | <u>48,967</u>        |
| <u>Less</u> : current portion              | <u>(10,351)</u>      |
| Lease liabilities - net of current portion | <u><u>38,616</u></u> |

Amounts recognized in the statement of comprehensive income for the three-month period ended March 31, 2024 are comprise;

|                                       | <u>Thousand Baht</u> |
|---------------------------------------|----------------------|
| Depreciation - right-of-use assets    | 3,572                |
| Interest expenses                     | 711                  |
| Expense relating to short-term leases | <u>345</u>           |
| Total                                 | <u><u>4,628</u></u>  |

The Company had total cash outflows for leases of Baht 4.64 million. For the three-month period ended March 31, 2024 also had non-cash additions to right-of-use assets and lease liabilities of Baht 1.19 million.

## 16. 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.

17. 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 three-month period ended March 31, 2024 and 2023, were summarized as follows:

|          | Thousand Baht |         |
|----------|---------------|---------|
|          | 2024          | 2023    |
| Domestic | 240,062       | 232,457 |
| Export   | -             | -       |
| Total    | 240,062       | 232,457 |

18. TAX EXPENSE

Major components of tax expense for the three-month period ended March 31, 2024 and 2023 consisted of:

|   | Thousand Baht |      |
|---|---------------|------|
|   | 2024          | 2023 |
| Tax expense shown in profit or loss:  |               |      |
| Current tax expense:  |               |      |
| Tax expense for the period  | 1,288         | -    |
| Deferred tax expense :  |               |      |
| Changes in temporary differences relating to<br>the original recognition and reversal | 310           | 777  |
| Total   | 1,598         | 777  |

Tax expense is recognised based on management’s best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period. The effective tax rate of the Company in respect of continuing operations three-month periods ended March 31, 2024 were 19.78% (March 31, 2023 : 18.92%). These changes in effective tax rate were caused by the different treatment for accounting and taxation purposes of certain items of expense and the carry forward of unused tax losses in the financial statements.

19. EARNINGS PER SHARE

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

For the three-months periods ended March 31, 2024 and 2023.

|  |                   | 2024    | 2023    |
|--|-------------------|---------|---------|
| Profit for the period                      | (Thousand Baht)   | 6,480   | 3,332   |
| Weighted average number of ordinary shares | (Thousand Shares) | 440,000 | 440,000 |
| Basic earnings per share                   | (Baht per share)  | 0.01    | 0.01    |

20. FINANCIAL INSTRUMENTS

As at March 31, 2024, the Company had the following assets that were measured at fair value using different levels of inputs as follows:

|                                    | Carrying<br>amount | Fair Value (Thousand Baht) |         |         | Total |
|------------------------------------|--------------------|----------------------------|---------|---------|-------|
|                                    |                    | Level 1                    | Level 2 | Level 3 |       |
| <b>Asset</b>                       |                    |                            |         |         |       |
| Forward foreign exchange contracts | -                  | -                          | 1,253   | -       | 1,253 |

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

|                                    | Carrying<br>amount | Fair Value (Thousand Baht) |         |         | Total |
|------------------------------------|--------------------|----------------------------|---------|---------|-------|
|                                    |                    | Level 1                    | Level 2 | Level 3 |       |
| <b>Liability</b>                   |                    |                            |         |         |       |
| Forward foreign exchange contracts | -                  | -                          | 2,335   | -       | 2,335 |

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

21. COMMITMENTS AND CONTINGENT LIABILITIES

21.1 Commitments relating to service agreements

As at March 31, 2024 and December 31, 2023, the Company had commitments on service agreements were as follows:

|   | Thousand Baht           |                            |
|---|-------------------------|----------------------------|
|   | As at March<br>31, 2024 | As at December<br>31, 2023 |
| Not later than one year                           | 3,866                   | 2,668                      |
| Later than one year but not later than five years | -                       | -                          |
| Later than five years                             | -                       | -                          |
| Total   | 3,866                   | 2,668                      |

21.2 Commitments relating to forward foreign exchange contracts

As at March 31, 2024, the Company had forward exchange contracts with financial institutions totaling U.S. Dollars 1.41 million (equal to Baht 49.56 million) with maturity date within September 2024.

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.

21.3 Commitments relating to outstanding letters of credit

As at March 31, 2024 and December 31, 2023, the Company had commitments for the outstanding letters of credit amounting equivalent to U.S. Dollars 0.87 million (equal to Baht 31.84 million) and U.S. Dollars 2.79 million (equal to Baht 96.99 million), respectively.

21.4 Commitment relating to purchase of raw material agreements

As at March 31, 2024 and December 31, 2023, 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 0.56 million (equal to Baht 20.58 million) and U.S. Dollars 1.78 million (equal to Baht 61.22 million), respectively.



21.5 Commitment on capital expenditure

As at March 31, 2024 and December 31, 2023, the Company has commitment to pay under machine purchase contract totaled Baht 74.36 million and Baht 72.01 million, respectively. The Company has an outstanding commitment under the agreement amounted Baht 57.60 million and Baht 55.78 million, respectively.

21.6 Contingent liabilities relating to electricity usage agreement

As at March 31, 2024 and December 31, 2023, 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 4.49 million, respectively.

22. EVENT AFTER THE REPORTING PERIOD

According to the Annual General Meeting of shareholders for the year 2024, held on April 26, 2024, the shareholders 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.

23. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorised for issue by the Company’s board of directors on May 14, 2024.