

**SHRINKFLEX THAILAND PUBLIC COMPANY LIMITED**

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**REVIEW REPORT AND INTERIM FINANCIAL INFORMATION  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 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 June 30, 2024 and the related statement of comprehensive income for the three-month and six-month periods ended June 30, 2024, changes in shareholders’ equity and cash flows for the six-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  
August 9, 2024

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SHRINKFLEX THAILAND PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2024

ASSETS

		Thousand Baht	
		As at June	As at December
	Note	30, 2024	31, 2023
Current assets			
Cash and cash equivalents		22,495	16,005
Trade and other current receivables	5	216,375	188,582
Inventories	6	228,777	250,376
Other current financial asset	7	1	1
Derivative assets	20	364	-
Current tax assets		8,015	16,069
Previous tax assets		16,069	-
Other current assets		516	714
Total current assets		492,612	471,747
Non-current assets			
Property, plant and equipment	8	551,080	557,871
Right-of-use assets	9	45,279	49,170
Intangible assets	10	4,802	5,118
Deferred tax assets		7,395	7,313
Deferred molds		6,622	5,986
Non-current non-cash financial asset pledged			
as collateral	11	3,968	3,961
Other non-current assets		758	810
Total non-current assets		619,904	630,229
TOTAL ASSETS		1,112,516	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 FINANCIAL POSITION (CONT.)  
AS AT JUNE 30, 2024

LIABILITIES AND SHAREHOLDERS' EQUITY

		Thousand Baht	
		As at June	As at December
	Note	30, 2024	31, 2023
Current liabilities			
Short-term loans from financial institutions	12	25,900	72,440
Trade and other current payables	4.3, 13	155,875	126,669
Derivative liabilities	20	354	2,335
Current portion of long-terms loans from financial institutions	14	28,942	19,583
Current portion of lease liabilities	4.3, 15	9,150	11,733
Total current liabilities		220,221	232,760
Non-current liabilities			
Long-term loans from financial institutions	14	91,104	65,129
Lease liabilities	4.3, 15	37,813	39,619
Non-current provisions for employee benefit		9,125	8,313
Total non-current liabilities		138,042	113,061
TOTAL LIABILITIES		358,263	345,821

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SHRINKFLEX THAILAND PUBLIC COMPANY LIMITED  
STATEMENTS OF FINANCIAL POSITION (CONT.)  
AS AT JUNE 30, 2024

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		Thousand Baht	
		As at June	As at December
	Note	30, 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		133,496	135,398
TOTAL SHAREHOLDERS' EQUITY		754,253	756,155
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,112,516	1,101,976

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SHRINKFLEX THAILAND PUBLIC COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2024

					Thousand Baht			
					For the three-month period ended		For the six-month period ended	
					June 30,		June 30,	
					2024	2023	2024	2023
	Note							
Revenues								
Revenues from sale					266,181	245,269	506,243	477,726
Gain on exchange rates					465	812	2,979	2,072
Other income	4.4				351	569	940	1,275
Total revenues					<u>266,997</u>	<u>246,650</u>	<u>510,162</u>	<u>481,073</u>
Expenses								
Cost of sales	4.4				217,465	194,428	417,579	392,936
Distribution costs	4.4				11,527	10,311	21,602	20,165
Administrative expenses	4.4				21,686	22,909	44,483	43,311
Total expenses					<u>250,678</u>	<u>227,648</u>	<u>483,664</u>	<u>456,412</u>
Profit from operationg activities					16,319	19,002	26,498	24,661
Finance costs	4.4				1,856	2,427	3,957	3,977
Profit before income tax expense					14,463	16,575	22,541	20,684
Tax expense	18				2,825	3,321	4,423	4,098
Profit for the period					<u>11,638</u>	<u>13,254</u>	<u>18,118</u>	<u>16,586</u>
Other comprehensive income for the period					-	-	-	-
Total comprehensive income for the period					<u>11,638</u>	<u>13,254</u>	<u>18,118</u>	<u>16,586</u>
Earnings per share (Baht)								
Basic earnings per share	19				<u>0.03</u>	<u>0.03</u>	<u>0.04</u>	<u>0.04</u>

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 CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

		Thousand Baht				
		Issued and paid-up shares capital	Share premium on ordinary shares	Retained earnings		Total shareholders' equity
				Appropriated Legal reserve	Unappropriated	
	Note					
Beginning balance as at January 1, 2023		220,000	378,757	22,000	135,672	756,429
Dividend paid		-	-	-	(30,800)	(30,800)
Total comprehensive income for the period						
Profit for the period		-	-	-	16,586	16,586
Ending balance as at June 30, 2023		<u>220,000</u>	<u>378,757</u>	<u>22,000</u>	<u>121,458</u>	<u>742,215</u>
Beginning balance as at January 1, 2024		220,000	378,757	22,000	135,398	756,155
Dividend paid	16	-	-	-	(20,020)	(20,020)
Total comprehensive income for the period						
Profit for the period		-	-	-	18,118	18,118
Ending balance as at June 30, 2024		<u>220,000</u>	<u>378,757</u>	<u>22,000</u>	<u>133,496</u>	<u>754,253</u>

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SHRINKFLEX THAILAND PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

	Thousand Baht	
	2024	2023
Cash flows from operating activities		
Profit for the period	18,118	16,586
Reconciliations of profit for the period to cash provided by (used in) operating activities:		
Depreciation and amortization	40,438	35,717
Bad debt and expected credit losses (reversal)	168	(94)
Loss on declining in value of inventories	1,822	3,432
Gain on disposal of equipment	-	(125)
Unrealized gain on exchange rate	(1,809)	(4,476)
Employee benefit expense	812	658
Interest income	(40)	(35)
Interest expense	3,682	3,588
Tax expense	4,423	4,098
Profit provided by operating activities before changes in operating assets and liabilities	67,614	59,349
(Increase) decrease in operating assets		
Trade and other current receivables	(31,000)	(24,863)
Inventories	19,777	(16,195)
Other current assets	197	5,751
Deferred molds	(637)	(46)
Other non-current assets	-	(2)
Increase (decrease) in operating liabilities		
Trade and other current payables	14,169	(6,184)
Cash received from operations	70,120	17,810
Income tax paid	(12,468)	(12,537)
Net cash provided by operating activities	57,652	5,273

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 SIX-MONTH PERIOD ENDED JUNE 30, 2024

	Thousand Baht	
	2024	2023
Cash flows from investing activities		
Cash payments for purchase of property, plant and equipment	(7,942)	(71,771)
Cash receipts from disposal of equipment	-	360
Cash payments for purchase of right-of-use assets	(1,105)	(890)
Cash payments for purchase of intangible asset	(186)	(698)
Increase in non-current non-cash financial asset pledged as collateral	(7)	(858)
Interest income received	40	34
Net cash used in investing activities	(9,200)	(73,823)
Cash flows from financing activities		
Increase (decrease) in short-term loans from financial institutions	(46,540)	80,209
Cash receipts from long-term loans from financial institution	43,660	13,398
Cash payments for long-term loans from financial institutions	(8,326)	(3,300)
Cash payments for repayment of lease liabilities	(7,118)	(6,512)
Dividend paid	(20,003)	(30,789)
Interest expense paid	(3,635)	(3,230)
Net cash provided by (used in) financing activities	(41,962)	49,776
Net increase (decrease) in cash and cash equivalents	6,490	(18,774)
Cash and cash equivalents - beginning of period	16,005	30,956
Cash and cash equivalents - ending of period	22,495	12,182

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 SIX-MONTH PERIOD ENDED JUNE 30, 2024

	Thousand Baht	
	2024	2023
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	(25,420)	(58,408)
(Increase) decrease in advance payments for purchase of assets	3,039	6,903
Increase (decrease) in payable from acquisition of assets	14,439	(20,266)
Cash payments for purchase of property, plant and equipment	<u>(7,942)</u>	<u>(71,771)</u>
2. During the period the Company acquired fixed assets by means of Lease liabilities	<u>2,729</u>	<u>2,494</u>
3. Reconciliation of dividend paid		
Dividend for the period	(20,020)	(30,800)
Increase (decrease) in accrued dividend	17	11
Dividend paid	<u>(20,003)</u>	<u>(30,789)</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**

**JUNE 30, 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 June 30, 2024 and December 31, 2023 were as follows:

	Thousand Baht	
	As at June	As at December
	30, 2024	31, 2023
<u>Liabilities</u>		
Trade and other current payables		
Related companies	7,561	1,982
Related person	805	763
Lease liabilities		
Related companies	40,001	46,302

4.4 Significant transactions with related parties for the three-month and six-month periods ended June 30, 2024 and 2023 were as follows:

	Thousand Baht			
	For the three-month period		For the six-month period	
	ended June 30		ended June 30	
	2024	2023	2024	2023
Related companies				
Other income	-	-	113	-
Purchases of goods	6,713	250	9,710	668
Other expense	56	-	112	-
Interest expense	654	808	1,308	1,615
Related person				
Commission expense	1,164	963	2,296	1,860

	Thousand Baht			
	For the three-month period ended June 30		For the six-month period ended June 30	
	2024	2023	2024	2023
Key management personnel				
Compensation to director and key management personnel				
Short-term benefit	5,253	4,804	10,393	9,537
Post-employment benefits	118	109	237	218
	<u>5,371</u>	<u>4,913</u>	<u>10,630</u>	<u>9,755</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 June 30, 2024	As at December 31, 2023
Trade receivables	199,706	167,746
Other current receivables	16,669	20,836
Total	<u>216,375</u>	<u>188,582</u>

Trade receivables consisted of:

	Thousand Baht	
	As at June 30, 2024	As at December 31, 2023
Trade receivables	197,026	164,006
Post date cheque	3,065	3,957
Total	200,091	167,963
<u>Less</u> Allowance for expected credit losses	<u>(385)</u>	<u>(217)</u>
Net	<u>199,706</u>	<u>167,746</u>

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Trade receivables classified by ages of accounts consisted of:

	Thousand Baht	
	As at June 30, 2024	As at December 31, 2023
Within credit term	199,007	167,051
Overdue:		
Less than 3 months	879	828
3 - 6 months	121	-
6 - 12 months	-	-
Over 12 months	84	84
Total	<u>200,091</u>	<u>167,963</u>

Other current receivables consisted of:

	Thousand Baht	
	As at June 30, 2024	As at December 31, 2023
Prepaid expense	2,803	3,964
Deposit	13,785	16,596
Advance payment	-	240
Others	81	36
Total	<u>16,669</u>	<u>20,836</u>

## 6. INVENTORIES

Inventories consisted of:

	Thousand Baht	
	As at June 30, 2024	As at December 31, 2023
Finished goods	63,226	65,108
Work in process	16,909	16,011
Raw materials	162,426	183,120
Supplies	1,923	2,145
Goods in transit	7,619	5,496
Total	252,103	271,880
<u>Less</u> Allowance for declining in value of inventories	<u>(23,326)</u>	<u>(21,504)</u>
Net	<u>228,777</u>	<u>250,376</u>

7. OTHER CURRENT FINANCIAL ASSET

Other current financial asset consisted of:

	Thousand Baht	
	As at June 30, 2024	As at December 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 six-month period ended June 30, 2024 were summarized as follows:

	Thousand Baht
<b>At cost</b>	
Balance as at December 31, 2023	866,282
Acquisitions during the period	25,420
Disposals and write-off during the period	-
Transfer during the period	1,846
Balance as at June 30, 2024	893,548
<b>Accumulated depreciation</b>	
Balance as at December 31, 2023	(308,411)
Depreciation for the period	(32,825)
Accumulated depreciation on disposals and write-off	-
Transfer during the period	(1,232)
Balance as at June 30, 2024	(342,468)
<b>Net book value</b>	
Balance as at December 31, 2023	557,871
Balance as at June 30, 2024	551,080

As at June 30, 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 149.87 million and Baht 134.22 million, respectively.

As at June 30, 2024 and December 31, 2023, land and building and machine with their cost of Baht 303.21 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 June 30, 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 six-month period ended June 30, 2024 are presented below:

	Thousand Baht			
	Land and building	Vehicle	Office equipment	Total
<b>At cost</b>				
Balance as at December 31, 2023	88,754	8,244	827	97,825
Addition during the period	-	3,834	-	3,834
Write-off during the period	-	-	-	-
Transfer during the period	-	(1,846)	-	(1,846)
Balance as at June 30, 2024	88,754	10,232	827	99,813
<b>Accumulated depreciation</b>				
Balance as at December 31, 2023	(46,648)	(1,682)	(325)	(48,655)
Depreciation for the period	(6,253)	(775)	(83)	(7,111)
Accumulated depreciation - write-off	-	-	-	-
Transfer during the period	-	1,232	-	1,232
Balance as at June 30, 2024	(52,901)	(1,225)	(408)	(54,534)
<b>Net book value</b>				
Balance as at December 31, 2023	42,106	6,562	502	49,170
Balance as at June 30, 2024	35,853	9,007	419	45,279

10. INTANGIBLE ASSETS

Movements of the intangible assets for the six-month period ended June 30, 2024 were summarized as follows:

	Thousand Baht
<b>At cost</b>	
Balance as at December 31, 2023	10,244
Acquisitions during the period	186
Disposals and write-off during the period	-
Balance as at June 30, 2024	10,430
<b>Accumulated amortization</b>	
Balance as at December 31, 2023	(5,126)
Amortization for the period	(502)
Accumulated amortization on disposals and write-off	-
Balance as at June 30, 2024	(5,628)
<b>Net book value</b>	
Balance as at December 31, 2023	5,118
Balance as at June 30, 2024	4,802

As at June 30, 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 June 30, 2024	As at December 31, 2023
Investments in debt security:		
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	1,930	1,919
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	2,038	2,042
Total	3,968	3,961

As at June 30, 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 June 30, 2024	As at December 31, 2023
Trust receipts	25,900	47,440
Promissory note	-	25,000
Total	<u>25,900</u>	<u>72,440</u>

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

Types of credit limit	Interest rate (% per annum)	Million Baht	
		As at June 30, 2024	As at December 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, MLR - 0.75, MLR - 1.25, Prime Rate - 0.75, MMR, 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	153.61	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>926.19</u>	<u>940.19</u>

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 with a commercial bank by requesting to cancel the collateral secured by machinery owned by the company (Note 8).

13. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables consisted of:

	Thousand Baht	
	As at June 30, 2024	As at December 31, 2023
Trade account payables	109,464	94,281
Other current payables	46,411	32,388
Total	155,875	126,669

Other current payables consisted of:

	Thousand Baht	
	As at June 30, 2024	As at December 31, 2023
Accrued expenses	19,584	20,243
Unearned income	2,398	1,431
Payable from acquisition of assets	15,354	915
Account payable - Revenue Department	2,890	2,388
Others	6,185	7,411
Total	46,411	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 June 30, 2024 (For the six - month period)	As at December 31, 2023 (For the year)
Balance at beginning of the period	84,712	57,335
Additional loans during the period	43,660	38,140
Repayment during the period	(8,326)	(10,763)
Balance at end of the period	120,046	84,712
<u>Less</u> current portion	(28,942)	(19,583)
Long-term loans from financial institutions, net	91,104	65,129

Balance details of long-term loans from financial institutions as at June 30, 2024 and December 31, 2023 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 (Thousand Baht)	
		2024	2023	2024	2023			As at June 30, 2024	As at December 31, 2023
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.	40,835	47,435
2	2022	15.54	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.	12,951	14,677
3	2023	22.60	22.60	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	22,600
4	2024	56.00	-	43.66	-	Month 1-24 : 2 Month 25 onward : 7	60 equal installments, Baht 1,038,000 per installment. Starting the first period at the end of 7 months from the loan withdrawn.	43,660	-
Total		<u>153.61</u>	<u>97.61</u>	<u>139.14</u>	<u>95.48</u>			<u>120,046</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, 2 and 4**

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 173.05 million (Note 8).

**15. LEASE LIABILITIES**

The carrying amounts of lease liabilities and the movement for the six-month period ended June 30, 2024 are presented below:

	<u>Thousand Baht</u>
As at December 31, 2023	51,352
Addition	2,729
Accretion of interest	1,433
Accretion of purchase vat	17
Payments	(8,568)
Decrease from contract cancellation	-
As at June 30, 2024	46,963
<u>Less: current portion</u>	<u>(9,150)</u>
Lease liabilities - net of current portion	<u><u>37,813</u></u>

Amounts recognized in the statement of comprehensive income for the six-month period ended June 30, 2024 are comprise;

	<u>Thousand Baht</u>
Depreciation - right-of-use assets	7,111
Interest expenses	1,433
Expense relating to short-term leases	690
Total	<u><u>9,234</u></u>

The Company had total cash outflows for leases of Baht 9.26 million. For the six-month period ended June 30, 2024 also had non-cash additions to right-of-use assets and lease liabilities of Baht 2.73 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.

Dividend

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 of Baht 20,020,000.39 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.

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 and six-month periods ended June 30, 2024 and 2023, were summarized as follows:

	Thousand Baht			
	For the three-month period ended		For the six-month period ended	
	June 30		June 30	
	2024	2023	2024	2023
Domestic	266,167	245,141	506,229	477,598
Export	14	128	14	128
Total	<u>266,181</u>	<u>245,269</u>	<u>506,243</u>	<u>477,726</u>

18. TAX EXPENSE

Major components of tax expense for the three-month and six-month periods ended June 30, 2024 and 2023 consisted of:

	Thousand Baht			
	For the three-month period ended		For the six-month period ended	
	June 30		June 30	
	2024	2023	2024	2023
Tax expense shown in profit or loss:				
Current tax expense:				
Tax expense for the period	3,217	3,821	4,505	3,821
Deferred tax expense (tax income):				
Changes in temporary differences relating to				
the original recognition and reversal	(392)	(500)	(82)	277
Total	<u>2,825</u>	<u>3,321</u>	<u>4,423</u>	<u>4,098</u>

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 six-month periods ended June 30, 2024 were 19.62% (June 30, 2023 : 19.81%). 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 and six-months periods ended June 30, 2024 and 2023.

		For the three-month period ended		For the six-month period ended	
		June 30		June 30	
		2024	2023	2024	2023
Profit for the period	(Thousand Baht)	11,638	13,254	18,118	16,586
Weighted average number of					
ordinary shares	(Thousand shares)	440,000	440,000	440,000	440,000
Basic earnings per share	(Baht per share)	0.03	0.03	0.04	0.04



20. FINANCIAL INSTRUMENTS

As at June 30, 2024, the Company had the following assets that were measured at fair value using different levels of inputs as follows:

	Carrying amount	Fair Value (Thousand Baht)			
		Level 1	Level 2	Level 3	Total
<b>Asset</b>					
Forward foreign exchange contracts	-	-	364	-	364
<b>Liability</b>					
Forward foreign exchange contracts	-	-	354	-	354

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 amount	Fair Value (Thousand Baht)			
		Level 1	Level 2	Level 3	Total
<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 June 30, 2024 and December 31, 2023, the Company had commitments on service agreements were as follows:

	Thousand Baht	
	As at June 30, 2024	As at December 31, 2023
Not later than one year	3,369	2,668
Later than one year but not later than five years	-	-
Later than five years	-	-
Total	3,369	2,668

21.2 Commitments relating to forward foreign exchange contracts

As at June 30, 2024, the Company had forward exchange contracts with financial institutions totaling U.S. Dollars 0.65 million and Euro 0.98 million (equal to Baht 61.98 million) with maturity date within November 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 June 30, 2024 and December 31, 2023, the Company had commitments for the outstanding letters of credit amounting equivalent to U.S. Dollars 1.39 million (equal to Baht 51.47 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 June 30, 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 2.47 million (equal to Baht 91.58 million) and U.S. Dollars 1.78 million (equal to Baht 61.22 million), respectively.

21.5 Commitment on capital expenditure

As at June 30, 2024 and December 31, 2023, the Company has commitment to pay under machine purchase contract totaled Baht 69.24 million and Baht 72.01 million, respectively. The Company has an outstanding commitment under the agreement amounted Baht 56.10 million and Baht 55.78 million, respectively.

21.6 Contingent liabilities relating to electricity usage agreement

As at June 30, 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. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorised for issue by the Company’s board of directors on August 9, 2024.