

Crown Seal Public Company Limited
Notes to financial statements
For the year ended 31 December 2023

1. General information

Crown Seal Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Nippon Closures Co., Ltd., which was incorporated in Japan and in a group of Toyo Seikan Group Holdings, Ltd. The Company is principally engaged in the manufacture and sale of caps for bottles and the hire of printing sheets for can. The registered office of the Company is at 5 Soi Rangsit - Nakhon Nayok 46, Tambon Prachatipat, Amphur Thanyaburi, Pathum Thani.

2. Basis of preparation

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

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

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

3. New financial reporting standards

3.1) 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 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

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

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

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

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods are recognised when control of the goods have passed to the buyers, generally upon delivery of the goods. Sales are the invoiced value, excluding value added tax of goods supplied after deducting discounts and allowances.

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Rental income is recognised as income using the straight-line basis over the term of the lease agreement.

Interest income is recognised on an accrual basis based on the effective interest rate.

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

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

4.2 Cash and cash equivalents

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

4.3 Inventories

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

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

4.4 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in profit or loss when incurred.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.5 Property, plant and equipment/Depreciation

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

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Company's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Revaluation surplus on assets". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in the "Revaluation surplus on assets" in respect of the same assets.

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

Buildings and building improvements	3 - 20 years
Machinery and equipment	3 - 15 years
Furniture, fixtures, office equipment and motor vehicles	3 - 5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

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

4.6 Intangible assets and amortisation

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

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

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

	<u>Useful lives</u>
Computer software	3 and 5 years

4.7 Related party transactions

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

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

4.8 Leases

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

4.8.1 The Company as a lessee

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

Right-of-use assets

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

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

Buildings	1 - 3 years
Motor vehicles	1 - 5 years
Equipment	3 - 4 years

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

4.8.2 The Company as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

4.9 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

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

Gains and losses on exchange are included in determining income.

4.10 Related party transactions

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

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

4.11 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss. However, in cases where land was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

4.12 Employee benefits

Short-term employee benefits

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

Post-employment benefits (Defined contribution plans)

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. 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 recognised as expenses when incurred. In addition, the Company has contributions for provident fund made before the Provident Fund Act B.E. 2530 was effective. The Company manages this fund itself and will pay it to the employees upon their terminations.

Post-employment benefits (Defined benefit plans) and other long-term employee benefits

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

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

Actuarial gains and losses arising from post-employment benefits (Defined benefit plans) are recognised immediately in other comprehensive income and for other long-term benefits are recognised immediately in profit or loss.

4.13 Provisions

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

4.14 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.15 Financial instruments

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

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Company can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

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

These financial assets include derivatives and equity investments which the Company has not irrevocably elected to classify at FVOCI.

Dividends on listed equity investments are recognised as other income in profit or loss.

Derecognition of financial instruments

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

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

Impairment of financial assets

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

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

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

Offsetting of financial instruments

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

4.16 Derivatives

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

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

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

4.17 Fair value measurement

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

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

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

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

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

At the end of each reporting period, the 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.

5. Significant accounting judgments and estimates

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

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Company's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Allowance for diminution in value of inventories

Allowances for diminution in the value of inventories accounts are intended to adjust the value of inventories for probable losses. The management uses judgment to estimate losses, based on an analysis of inventory aging, taking into account the current situation with respect to sales of inventory on a specific basis.

Investment properties

The Company presents investment properties at the fair value estimated by an independent appraiser, and recognises changes in the fair value in profit or loss. The independent appraiser values the investment properties using the sales comparison approach and the depreciated replacement cost approach. The key assumptions used in estimating the fair value are described in Note 13 to the financial statements.

Property, 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 estimate useful lives and residual values when there are any changes.

The Company measures land at revalued amount. Such amount is determined by the independent valuer using sales comparison approach, and such valuation involves certain assumptions and estimates as described in Note 14 to the financial statements.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and records impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

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

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

6. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	2023	2022	Pricing policy
<u>Transactions with related companies</u>			
Sales of caps	1,086,161	1,050,308	Cost plus margin
Service income from printing sheets	83,234	85,342	Cost plus margin
Rental income	1,842	2,252	Contract price
Sales of equipment, spare parts and raw materials	370	1,870	Price charged to other customers in the normal course of business
Sale of machine used for generating the electricity	498	1,267	At cost
Administrative income	15,262	15,084	Contract price
Purchases of raw materials, finished goods and spare parts	21,541	15,883	Cost plus margin
Purchases of equipment and machinery	31,589	17,538	Cost plus margin
Royalty fee expense	12,299	11,833	A percentage of net sales of each product
Claim payment for damaged goods	5,750	6,593	At cost
Dividends paid	77,944	63,986	As declared

Directors and management's benefits

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

(Unit: Thousand Baht)

	2023	2022
Short-term employee benefits	34,326	30,755
Post-employment benefits	326	603
Total	34,652	31,358

As at 31 December 2023 and 2022, the balances of the accounts between the Company and those related parties are as follows.

	(Unit: Thousand Baht)	
	2023	2022
Trade accounts receivable - related parties (Note 8)	134,084	138,803
Other receivables - related parties (Note 8)	1,750	2,027
Trade accounts payable - related parties (Note 18)	-	811
Other payables - related parties (Note 18)	20,488	8,462
Rental received in advance - related parties		
Rental received in advance to be recognised within one year	993	993
Rental received in advance - net of current portion	6,452	7,445

Additional information concerning the transactions with the related parties is as follows.

a) The relationships between the Company and related parties are summarised below.

Companies	Type of business	Relationship
Boonrawd Brewery Group	Manufacture and sale of beverages	Shareholder and common directors
Green Spot Co., Ltd.	Manufacture and sale of beverages	Shareholder
Thai Namthip Co., Ltd.	Manufacture and sale of beverages	Shareholder and common directors
Serm Suk Public Co., Ltd.	Manufacture and sale of beverages	Shareholder and common directors
Toyo Seikan Group Holdings, Ltd.	Manufacture and sale of packaging	Shareholder and common management
Nippon Closures Co., Ltd.	Manufacture and sale of packaging	Shareholder and common management
Bangkok Can Manufacturing Co., Ltd.	Manufacture and sale of 2 & 3 - piece cans	Common shareholders and directors
Toyo Seikan (Thailand) Co., Ltd.	Manufacture and sale of plastic packaging	Common shareholders and directors
Next Can Innovation Co., Ltd.	Manufacture and sale of 2-piece cans	Common shareholders and directors
Toyo Filling International Co., Ltd.	Containing service and sale of aerosol can	Common shareholders
Kanagata (Thailand) Co., Ltd.	Plastic injection mould and blow mould manufacturing	Common shareholders

b) The transactions with trade accounts receivable - related parties are conducted in the normal course of business of the Company and in accordance with its established objectives, which are the manufacture and distribution of products to customers who are shareholders of the Company and are in competition with each other, and the provision of printing services.

- c) Other receivables - related parties comprise the outstanding balances from rental, sales of equipment and spare parts, administrative assistance and the provision of IT infrastructure services to related companies.
- d) Other payables - related parties comprise the outstanding balances from purchases of raw materials, spare parts and machinery, accrued royalty fee and accrued claims payments for damaged goods.
- e) The stipulated conditions of the provision of printing services to Bangkok Can Manufacturing Co., Ltd. are that payment is to be made on a monthly basis and the period of service is indefinite.
- f) Rental received in advance represents rental received under the agreement to rent out certain plots of land to Bangkok Can Manufacturing Co., Ltd. for a period of 30 years, ending 1 July 2031.
- g) The Company entered into agreements to provide the rentals of server and storage machine to the related companies in the group of Toyo Seikan Group Holdings Ltd. Agreements cover for a period of 4 years, ending in May 2024, with compensation totalling Baht 4 million and payable on a yearly basis.
- h) The Company entered into agreements to install and provide administrative services for computer software and hardware and personnel systems to related companies in the group of Toyo Seikan Group Holdings Ltd. Compensation under these agreements for the years 2023 and 2022 totaled Baht 13 million and Baht 11 million, respectively, payable on a monthly basis.

The Company extended the agreements to provide the above services for a period of one year, ending in December 2024, with compensation of Baht 13 million.

- i) The Company entered into sales of assets and service of generating the electricity with Bangkok Can Manufacturing Co., Ltd. The compensation payment is fix rate per month and the period of services is not specified. Compensation for service of generating the electricity for the years 2023 and 2022 were Baht 2 million.
- j) The Company entered into technical license agreements with Nippon Closures Co., Ltd., whereby the Company receives technical support services for the manufacture of caps. The agreements run for 2 years and 5 years ended in December 2022, respectively. Compensation is payable at a percentage of net sales of products stipulated in the agreement, on a semi-annual basis.

The Company extended the agreements to receive above technical support services to end in December 2027.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	2023	2022
Cash	98	169
Bank deposits	248,317	186,862
Total	248,415	187,031

As at 31 December 2023, bank deposits in savings accounts and fixed deposits carried interests at 0.01% and 1.10% per annum (2022: 0.04% and 0.45% per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	2023	2022
<u>Trade accounts receivable - related parties</u>		
Aged on the basis of due dates		
Not yet due	119,154	122,130
Past due		
Up to 3 months	14,930	16,673
Total trade accounts receivable - related parties	134,084	138,803
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	321,941	269,251
Past due		
Up to 3 months	56,119	128,580
3 - 6 months	595	23,040
6 - 12 months	7	40,330
Over 12 months	3,551	-
Total trade accounts receivable - unrelated parties	382,213	461,201
Less: Allowance for expected credit losses	(3,987)	(16,123)
Trade accounts receivable - unrelated parties, net	378,226	445,078
<u>Other receivables - related parties</u>		
Accrued income	1,750	2,027
Total other receivables - related parties	1,750	2,027
<u>Other receivables - unrelated parties</u>		
Interest receivables	5,170	989
Advances	1,932	1,418
Others	5	9
Total other receivables - unrelated parties	7,107	2,416
Total trade and other receivables	521,167	588,324

Movements in the allowance for expected credit losses account during the year ended 31 December 2023 are summarised below.

(Unit: Thousand Baht)

Net book value as at 1 January 2023	16,123
Increase during the year	3,951
Reversal of allowance for expected credit losses	<u>(16,087)</u>
Net book value as at 31 December 2023	<u><u>3,987</u></u>

A significant reduction in allowance for expected credit losses of trade receivables occurred during the year 2023, because the Company entered into a debt payment agreement with an unrelated company. The Company therefore reversed allowance for expected credit losses of Baht 16.09 million. The Company reclassified the outstanding debt according to the mention debt payment agreement as non-current trade receivable, as described in Note 12.

9. Inventories

(Unit: Thousand Baht)

	2023			2022		
	Cost	Reduce cost to net realisable value	Inventories- net	Cost	Reduce cost to net realisable value	Inventories- net
Finished goods	310,955	(20,875)	290,080	306,508	(19,749)	286,759
Work in process	207,268	(3,762)	203,506	237,389	(83)	237,306
Raw materials and supplies	261,399	(21)	261,378	425,286	(185)	425,101
Spare parts	21,310	(1,152)	20,158	23,040	(287)	22,753
Goods in transit	5,567	-	5,567	15,899	-	15,899
Total	<u>806,499</u>	<u>(25,810)</u>	<u>780,689</u>	<u>1,008,122</u>	<u>(20,304)</u>	<u>987,818</u>

During the current year, the Company reduced cost of inventories by Baht 22.56 million (2022: Baht 11.55 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 17.05 million (2022: Baht 16.60 million) resulting from inventories destructions.

10. Other current financial assets

(Unit: Thousand Baht)

	2023	2022
<u>Debt instruments at amortised cost</u>		
Bank deposits with maturity over 3 months	983,307	646,877
Total	983,307	646,877

As at 31 December 2023, short-term deposits with banks carried interest at rates 1.45% to 2.02% per annum (2022: 0.10% to 1.05% per annum).

11. Other non-current financial assets

As at 31 December 2023 and 2022, other non-current financial assets were summarised as follow:

(Unit: Thousand Baht)

	2023	2022
<u>Equity instruments designated at FVOCI</u>		
Non-listed equity instruments		
- Bangkok Can Manufacturing Co., Ltd.	9,494	14,934
- Others	530	530
Total equity instruments designated at FVOCI	10,024	15,464
<u>Equity instruments designated at FVTPL</u>		
Listed equity instruments	420	396
Total equity instruments designated at FVTPL	420	396
Total other non-current financial assets	10,444	15,860

12. Non-current trade receivable

(Unit: Thousand Baht)

	2023
Trade receivable as at 31 December 2023	66,711
Less: Deferred interest income	(5,325)
Non-current trade receivable	61,386
Less: Portion due within one year	(16,482)
Non-current trade receivable - net of current portion	44,904

As at 31 December 2023, the Company had future minimum receivable as follows:

(Unit: Thousand Baht)

	2023
Within 1 year	19,022
Over 1 and up to 5 years	47,689
Total	<u>66,711</u>

In May 2023, the Company entered into a debt payment agreement with a trade receivable - unrelated company, for debts of USD 2.94 million, or Baht 101.21 million. The Company agreed to reduce the debts to such company to jointly bear some export expenses totaling USD 0.58 million or Baht 19.91 million. The outstanding debt of USD 2.36 million or Baht 81.30 million has been separately shown as non-current trade receivable. The Company will receive payments on a monthly basis, of USD 0.04 million per month, for a total of 59 installments, ending November 2027. Moreover, the Company recorded the loss arising from derecognition of financial assets measured at amortised cost of Baht 11.53 million. This loss was separately presented as an item in the income statement for the current year.

13. Investment properties

(Unit: Thousand Baht)

	2023			
	Land allocation and construction			
	Land for rent	thereon	Vacant land	Total
Book value at beginning of year	281,500	160,100	266,200	707,800
Book value at end of year	<u>281,500</u>	<u>160,100</u>	<u>266,200</u>	<u>707,800</u>
Rental income for the year	<u>993</u>	<u>-</u>	<u>-</u>	<u>993</u>
Expense				<u>99</u>

(Unit: Thousand Baht)

2022				
	Land allocation and construction			Total
	Land for rent	thereon	Vacant land	
Book value at beginning of year	240,100	160,100	266,100	666,300
Increase in fair value	41,400	-	100	41,500
Book value at end of year	<u>281,500</u>	<u>160,100</u>	<u>266,200</u>	<u>707,800</u>
Rental income for the year	<u>1,403</u>	<u>-</u>	<u>-</u>	<u>1,403</u>
Expense				<u>149</u>

The Company represents the fair value of investment properties based on the valuation performed by an accredited independent valuer in 2022. The appraiser determined the value of land using market price comparison approach, while the depreciated replacement cost approach was used to value construction in development projects. There is no change in fair value of investment properties in 2023 (2022: increased by Baht 41.5 million).

14. Property, plant and equipment

(Unit: Thousand Baht)

	Revaluation basis		Cost basis				Total
	Land	Buildings and improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Asset under installation	
Cost / Revalued amount							
1 January 2022	142,800	490,483	3,088,525	114,016	7,765	95,765	3,939,354
Additions	-	-	12,911	1,779	-	135,836	150,526
Revaluation	24,100	-	-	-	-	-	24,100
Disposals	-	(6,065)	(36,535)	(11,718)	(1,174)	(414)	(55,906)
Transfers in (out)	-	30,732	131,586	9,369	-	(171,687)	-
31 December 2022	166,900	515,150	3,196,487	113,446	6,591	59,500	4,058,074
Additions	-	-	16,127	2,811	-	140,000	158,938
Disposals	-	(4,818)	(48,234)	(12,373)	(4,345)	(160)	(69,930)
Transfers in (out)	-	7,550	90,477	16,073	2,000	(116,100)	-
31 December 2023	166,900	517,882	3,254,857	119,957	4,246	83,240	4,147,082

(Unit: Thousand Baht)

	Revaluation basis		Cost basis				Total
	Land	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Asset under installation	
Accumulated depreciation							
1 January 2022	-	355,383	1,937,647	87,783	7,653	-	2,388,466
Depreciation for the year	-	13,743	188,385	10,848	-	-	212,976
Depreciation on disposals	-	(5,266)	(31,280)	(11,547)	(1,174)	-	(49,267)
31 December 2022	-	363,860	2,094,752	87,084	6,479	-	2,552,175
Depreciation for the year	-	14,780	191,990	12,990	141	-	219,901
Depreciation on disposals	-	(4,564)	(45,300)	(12,168)	(4,344)	-	(66,376)
31 December 2023	-	374,076	2,241,442	87,906	2,276	-	2,705,700
Net book value							
31 December 2022	166,900	151,290	1,101,735	26,362	112	59,500	1,505,899
31 December 2023	166,900	143,806	1,013,415	32,051	1,970	83,240	1,441,382
Depreciation for the year							
2022 (Baht 207 million included in manufacturing cost, and the balance in administrative expenses)							212,976
2023 (Baht 212 million included in manufacturing cost, and the balance in administrative expenses)							219,901

The Company had revalued its land in 2022 by an independent appraiser using market comparison approach to determine the fair value. The fair value of land increased by Baht 24.1 million.

The historical cost of land was Baht 63.3 million.

As at 31 December 2023, certain items of buildings and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 1,708 million (2022: Baht 1,611 million).

The Company shares the ownership of some building and machinery with Bangkok Can Manufacturing Co., Ltd. and records those assets in proportion to its ownership. The carrying amount of its portion as at 31 December 2023 was Baht 47 million (2022: Baht 38 million).

15. Leases

15.1 The Company as a lessee

The Company has lease contracts for various items of plant, motor vehicles and equipment used in its operations. Leases generally have lease terms between 1 - 5 years.

a) Right-of-use assets

Movements of right-of-use assets for the year ended 31 December 2023 and 2022 were summarised below:

(Unit: Thousand Baht)

	Buildings	Motor vehicles	Equipment	Total
1 January 2022	4,418	9,960	9,852	24,230
Additions	18,978	5,212	5,849	30,039
Depreciation for the year	(6,865)	(4,947)	(6,036)	(17,848)
31 December 2022	16,531	10,225	9,665	36,421
Additions	2,105	7,728	3,702	13,535
Depreciation for the year	(8,240)	(5,070)	(5,896)	(19,206)
31 December 2023	10,396	12,883	7,471	30,750

b) Lease liabilities

(Unit: Thousand Baht)

	2023	2022
Lease payments	32,219	37,635
Less: Deferred interest expenses	(1,046)	(1,003)
Lease liabilities	31,173	36,632
Less: Portion due within one year	(14,842)	(16,125)
Lease liabilities - net of current portion	16,331	20,507

Movements of the lease liability account during the year ended 31 December 2023 and 2022 were summarised below:

	(Unit: Thousand Baht)	
	2023	2022
Balance at beginning of year	36,632	24,417
Additions	13,552	30,039
Accretion of interest	792	445
Repayments	(19,803)	(18,269)
Balance at end of year	<u>31,173</u>	<u>36,632</u>

A maturity analysis of lease payments was disclosed in Note 33.2 under the liquidity risk.

c) Expenses relating to leases that were recognised in the income statement

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Depreciation expense of right-of-use assets	19,206	17,848
Interest expense on lease liabilities	792	445

d) Others

The Company had total cash outflows for leases for the year ended 31 December 2023 of Baht 20 million (2022: Baht 18 million), including the cash outflow related to short-term lease and leases of low-value assets.

15.2 The Company as a lessor

The Company has entered into operating leases for its investment properties portfolio (land for rent in Note 13), of the lease terms of 30 years (ending in 2031). Rental received in advance was disclosed in Note 6.

16. Intangible assets

(Unit: Thousand Baht)

	2023	2022
<u>Computer software</u>		
Cost - at beginning of year	24,999	59,699
Acquisition	713	1,087
Write-off	(1,649)	(35,787)
Cost - at end of year	24,063	24,999
Accumulated amortisation - at beginning of year	20,564	54,058
Amortisation for the year	1,885	2,293
Amortisation for write-off	(1,649)	(35,787)
Accumulated amortisation - at end of year	20,800	20,564
Intangible assets - net	3,263	4,435

17. Bank overdrafts and short-term loans from banks

Credit facilities in term of bank overdrafts and short-term loan of the Company as at 31 December 2023 and 2022 totaled Baht 145 million, which have not been drawn down. Such loan facilities are unsecured.

18. Trade and other payables

(Unit: Thousand Baht)

	2023	2022
Trade accounts payables - related parties	-	811
Trade accounts payables - unrelated parties	364,885	349,300
Other payables - related parties	20,488	8,462
Other payables - unrelated parties	37,367	33,397
Accrued expenses	33,300	30,794
Total trade and other payables	456,040	422,764

19. Provision for long-term employee benefits

(Unit: Thousand Baht)

	2023	2022
Post-employment benefits (Defined contribution plans)	26,174	29,935
Post-employment benefits (Defined benefit plans)	155,103	117,483
Other long-term employee benefits	23,862	27,373
Total	<u>205,139</u>	<u>174,791</u>

Provision for post-employment benefits (Defined benefit plans), which represents compensation payables to employees after they are retired from the Company, was as follows.

(Unit: Thousand Baht)

	2023	2022
Provision for long-term employee benefits at beginning of year	117,483	151,098
Included in the income statement:		
Current service cost	9,012	7,891
Interest cost	5,295	2,402
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	(782)	-
Financial assumptions changes	2,497	(7,985)
Experience adjustments	37,033	(7,018)
Benefits paid during the year	<u>(15,435)</u>	<u>(28,905)</u>
Provision for long-term employee benefits at end of year	<u>155,103</u>	<u>117,483</u>

The Company expects to pay Baht 64.2 million of post-employment benefits (Defined benefit plans) during the next year (2022: Baht 14.2 million).

As at 31 December 2023, the weighted average duration of the liabilities for post-employment benefits (Defined benefit plans) is 8 years (2022: 8 years).

Significant actuarial assumptions are summarised below.

	2023	2022
	(% per annum)	(% per annum)
Discount rate	2.92	2.80
Salary increase rate	5.00	4.50
Employee turnover rate	1.91 - 22.92	9.50

The result of sensitivity analysis for significant assumptions that affect the present value of the post-employment benefits (Defined benefit plans) are summarised below:

	31 December 2023			
	Increase	Effect to obligation	Decrease	Effect to obligation
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Discount rate	1.0	(6,196)	1.0	7,043
Salary increase rate	1.0	6,745	1.0	(6,064)

	31 December 2022			
	Increase	Effect to obligation	Decrease	Effect to obligation
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Discount rate	0.5	(5,267)	0.5	5,626
Salary increase rate	1.0	12,794	1.0	(11,419)

20. Preferred shares

The preferred shares of the Company are registered shares granting dividend entitlements at the rate of the ordinary shares plus Baht 1.50 per share. Dividends on the preferred shares are non-cumulative. Each preferred share has the same voting rights as the ordinary shares and is convertible to ordinary shares in a ratio of 1:1 on the last working day of every month.

As at 31 December 2023 and 2022, 799,258 preferred shares remained unexercised.

21. Statutory reserve

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

22. Revaluation surplus on assets

This represents surplus arising from revaluation of land. The revaluation surplus can neither be offset against deficit nor used for dividend payment.

23. Other income

(Unit: Thousand Baht)

	2023	2022
Administrative income	15,262	15,082
Income from sales of scrap metal and spareparts	5,405	7,128
Rental income	1,842	2,252
Claim for obsoleted goods received from customers	1,233	7,912
Net gain on exchange	-	4,234
Indemnity	170	7
Others	6,898	18,647
Total	<u>30,810</u>	<u>55,262</u>

24. Expenses by nature

Significant expenses by nature are as follows.

(Unit: Thousand Baht)

	2023	2022
Raw materials and consumables used	2,050,239	2,343,932
Salary, wages and other employee benefits	538,427	537,022
Depreciation and amortization	238,099	229,524
Repair and maintenance expenses	130,491	122,003
Loss on expected credit losses	12,136	15,752
Loss on diminution in value of inventories	22,557	11,548
Freight-out expense	52,690	52,640
Royalty fee	12,299	11,833
Changes in inventories of finished goods and work in process	(25,675)	164,291

25. Income tax expense / Deferred tax liabilities

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

	(Unit: Thousand Baht)	
	2023	2022
Current income tax:		
Current income tax charge	44,652	37,243
Adjustment in respect of income tax of previous year	270	(22)
Deferred tax:		
Relating to origination and reversal of temporary differences	8,914	14,868
Income tax expense reported in the income statement	<u>53,836</u>	<u>52,089</u>

Tax reconciliation between accounting profit and income tax expense was shown below.

	(Unit: Thousand Baht)	
	2023	2022
Accounting profit before tax	<u>231,229</u>	<u>298,090</u>
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	46,246	59,618
Adjustment in respect of income tax of previous year	270	(22)
Effects of:		
Promotional privileges (Note 28)	(1,990)	(5,096)
Non-deductible expenses	8,380	5,175
Additional expense deductions allowed	(7,984)	(22,454)
Others	8,914	14,868
Total	<u>7,320</u>	<u>(7,507)</u>
Income tax expense reported in the income statement	<u>53,836</u>	<u>52,089</u>

Income tax recognised in other comprehensive income for the years was as follow:

	<u>2023</u>	<u>2022</u>
Deferred tax relating on		
Gain on changes in value of equity investments measured at FVOCI	(1,088)	1,088
Surplus on revaluation of assets	-	4,820
Actuarial gains	<u>(7,750)</u>	<u>3,664</u>
Total	<u><u>(8,838)</u></u>	<u><u>9,572</u></u>

The components of deferred tax assets and deferred tax liabilities were as follows:

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Allowance for expected credit losses	797	3,225
Allowance for diminution in value of inventories	5,162	4,061
Provision for long-term employee benefits	35,793	28,971
Others	<u>2,880</u>	<u>4,789</u>
Total deferred tax assets	<u>44,632</u>	<u>41,046</u>
Depreciation and amortization	(50,977)	(46,227)
Unrealised gain on change in fair value on equity instrument	-	(1,088)
Unrealised gain in change in fair value on investment properties	(72,452)	(72,452)
Revaluation surplus on land	(20,139)	(20,139)
Others	<u>(234)</u>	<u>(234)</u>
Total deferred tax liabilities	<u>(143,802)</u>	<u>(140,140)</u>
Deferred tax liabilities - net	<u><u>(99,170)</u></u>	<u><u>(99,094)</u></u>

26. Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

27. Segment information

Operating segment information is reported in a manner consistent with the internal reporting the chief operating decision maker has received and regularly reviewed to make decisions about resources to be allocated to the segment and assess its performance. The chief operating decision maker has been identified as the Company's authorised director.

For management purposes, the Company are organised into business units based on its products and services and have two reportable segments as follows:

1. Manufacture and sale of caps
2. Metal sheets printing service

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the Company's financing activities which give rise to finance costs and finance income, administrative activities, and income tax are managed on a group basis. Therefore these income and expenses are not allocated to operating segments.

Revenue and profit information regarding the Company's operating segments for the years ended 31 December 2023 and 2022 were as follow:

(Unit: Thousand Baht)

	Manufacture		Metal sheets		Total	
	and sale of caps		printing service			
	2023	2022	2023	2022	2023	2022
Sales and service income	3,486,199	3,600,272	87,404	91,000	3,573,603	3,691,272
Operating results						
Segment profit	391,469	407,119	21,286	24,970	412,755	432,089
Unallocated income and expenses						
Interest income					15,662	4,806
Gain on change in fair value of investment properties					-	41,500
Other income					30,834	55,283
Administrating expenses					(215,705)	(228,015)
Loss arising from derecognition of financial assets measured at amortised cost					(11,526)	-
Finance cost					(792)	(445)
Profit before income tax expense					231,228	298,090
Income tax expense					(52,836)	(52,089)
Profit for the year					177,392	246,001

The Company operated in Thailand, with sales derived from both local and foreign markets. No segment assets have been presented since the major items of them have been common used by the operating segments.

For the year 2023, the Company has revenue from three major customers in amount of Baht 1,368 million (2022: Baht 1,372 million), arising from sales of caps segment.

28. Promotional privileges

The Company has received promotional privileges from the Board of Investment for the manufacture of crown caps, pursuant to the investment promotion certificate No. 64-1253-1-04-0, issued on 18 November 2021. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax on income derived from the promoted operations, at 50% of investment in improving efficiency and automation or robot systems, excluding land and working capital, amounting not exceed Baht 5.76 million, for a period of 3 years from the date the promoted operations begin generating revenues.

The Company's operating revenues for the years 2023 and 2022 were below shown divided according to promoted and non-promoted operations.

(Unit: Thousand Baht)

	2023			2022		
	Promoted operations	Non-promoted operations	Total	Promoted operations	Non-promoted operations	Total
Sales and service income						
Domestic	248,764	2,679,620	2,928,384	1,004,077	2,028,238	3,032,315
Export	57,273	587,946	645,219	122,357	536,599	658,956
Total	306,037	3,267,566	3,573,603	1,126,434	2,564,837	3,691,271

29. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees contribute to the fund monthly at the rate of 5% of their salaries, and the Company contributes at rates of 5%-10% of the employees' salaries. For employees who joined the fund before 1 January 2003, the Company has to pay extra contributions when their length of service reaches 7 years and 10 years. The fund, which is managed by Kasikorn Asset Management Company Limited, will be paid to the employees upon termination in accordance with the fund rules. The contribution for the year 2023 amounted to Baht 21.9 million (2022: Baht 22.4 million).

30. Dividends paid

	Approved by	Total dividends	Dividend per preferred share	Dividend per ordinary share
		(Thousand Baht)	(Baht)	(Baht)
Final dividends for 2021	Annual General Meeting of shareholders on 22 April 2022	96,239	3.30	1.80
Total dividends for 2022		96,239	3.30	1.80
Final dividends for 2022	Annual General Meeting of shareholders on 21 April 2023	117,359	3.70	2.20
Total dividends for 2023		117,359	3.70	2.20

The actual dividend paid for the year 2023 amounted to Baht 115.41 million (2022: Baht 94.65 million) since the remaining dividend related to the securities holders that did not comply with the regulations of the securities depository.

31. Commitments and contingent liabilities

As at 31 December 2023 and 2022, the Company has the following outstanding commitments and contingent liabilities.

- a) The Company has commitments to local and overseas suppliers under purchase mostly related to the purchase of machinery which mature within one year as follows:

(Unit: Million)

Currencies	2023	2022
Baht	23.89	16.27
Japanese yen	333.57	-
Euro	0.18	0.01

- b) The Company has bank guarantees of Baht 10.6 million (2022: Baht 10.5 million) issued by a bank on behalf of the Company. Letters of guarantees are to guarantee electricity usage of Baht 10.3 million (2022: Baht 10.3 million), and the purchase-sell agreements with a state agency of Baht 0.3 million (2022: Baht 0.2 million).

32. Fair value hierarchy

The Company had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	31 December 2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL -				
Equity instruments	1	-	-	1
Financial assets measured at FVOCI -				
Equity instruments	-	-	9	9
Derivatives - Foreign currency forward contracts	-	1	-	1
Land	-	-	167	167
Investment properties	-	-	708	708

(Unit: Million Baht)

	31 December 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL -				
Equity instruments	1	-	-	1
Financial assets measured at FVOCI -				
Equity instruments	-	-	15	15
Derivatives - Foreign currency forward contracts	-	1	-	1
Land	-	-	167	167
Investment properties	-	-	708	708
Liabilities measured at fair value				
Derivatives - Foreign currency forward contracts	-	1	-	1

33. Financial instruments

33.1 Derivatives

(Unit: Thousand Baht)

	2023	2022
Derivative not designated as hedging instruments		
Foreign exchange forward contracts		
Derivative assets	1,113	969
Derivative liabilities	-	410

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally not over one year.

33.2 Financial risk management objectives and policies

The Company's financial instruments principally comprise cash and cash equivalents, trade and other receivables and investments. The financial risks associated with these financial instruments and how they are managed is described below.

a) Credit risk

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

Trade receivables

The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored. In addition, the Company does not have high concentrations of credit risk since it has a large customer base in various industries.

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

Bank deposits and financial instruments

The Company manages the credit risk from balances with banks by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's management on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

b) Market risk

The Company has price risk related to core materials. The Company closely monitors changes in price of raw materials to support purchasing plan.

c) Foreign currency risk

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

The balances of financial assets and liabilities denominated in foreign currencies were summarised below.

Currency	31 December 2023		
	Financial assets	Financial liabilities	Average exchange rate
	(Million)	(Million)	(Baht per 1 foreign currency unit)
US Dollar	4.33	0.33	34.96 and 35.32
Japanese Yen	-	57.21	0.24
Euro	-	0.10	38.65

Currency	31 December 2022		
	Financial assets	Financial liabilities	Average exchange rate
	(Million)	(Million)	(Baht per 1 foreign currency unit)
US Dollar	5.93	0.59	34.30 and 34.64
Japanese Yen	-	14.94	0.26
Euro	-	0.27	37.21

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Company's profit before tax to a reasonably possible change in US Dollar exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2023 and 2022. The Company's exposure to foreign currency changes for all other currencies is not material.

Currency	Increase (%)	Effect on profit	Decrease (%)	Effect on profit
		before tax (Thousand Baht)		before tax (Thousand Baht)
As at 31 December 2023				
US Dollar	5.0	6,998	5.0	(6,998)
As at 31 December 2022				
US Dollar	5.0	9,056	5.0	(9,056)

d) Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

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

(Unit: Million Baht)

	2023						Effective interest rate (% per annum)
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	
	Within 1 year	1-5 years	Over 5 years				
<u>Financial assets</u>							
Cash and cash equivalent	-	-	-	248	-	248	Note 7
Trade and other receivables	-	-	-	-	521	521	-
Derivative assets	-	-	-	-	1	1	-
Other financial assets	983	-	-	-	10	993	Note 10
Non-current trade receivable	-	-	-	-	61	61	-
	<u>983</u>	<u>-</u>	<u>-</u>	<u>248</u>	<u>593</u>	<u>1,824</u>	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	456	456	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>456</u>	<u>456</u>	

(Unit: Million Baht)

	2022						Effective interest rate (% per annum)
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	
	Within 1 year	1-5 years	Over 5 years				
<u>Financial assets</u>							
Cash and cash equivalent	-	-	-	187	-	187	Note 7
Trade and other receivables	-	-	-	-	588	588	-
Derivative assets	-	-	-	-	1	1	-
Other financial assets	647	-	-	-	16	663	Note 10
	<u>647</u>	<u>-</u>	<u>-</u>	<u>187</u>	<u>605</u>	<u>1,439</u>	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	423	423	-
Derivative liabilities	-	-	-	-	1	1	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>424</u>	<u>424</u>	

Interest rate sensitivity

The Company does not expect to be affected a significant change in interest rates in current circumstances.

e) Liquidity risk

The Company has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company can access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities and derivative financial instruments as at 31 December 2023 and 2022 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	31 December 2023			
	On demand	Less than 1 year	1 to 5 years	Total
Non-derivatives				
Trade and other payables	-	422,740	-	422,740
Lease liabilities	-	15,414	16,805	32,219
Total non-derivatives	-	438,154	16,805	454,959

(Unit: Thousand Baht)

	31 December 2022			
	On demand	Less than 1 year	1 to 5 years	Total
Non-derivatives				
Trade and other payables	-	391,970	-	391,970
Lease liabilities	-	16,703	20,932	37,635
Total non-derivatives	-	408,673	20,932	429,605

Derivatives

Derivative liabilities: gross settled

Cash inflows	-	12,338	-	12,338
Cash outflows	-	(12,748)	-	(12,748)
Total derivatives	-	(410)	-	(410)

33.3 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

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

- a) For financial assets and liabilities which have short-term maturities, including bank deposits, accounts receivable and accounts payable, the carrying amounts in the statement of financial position approximate their fair value.
- b) The fair value of equity securities is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- c) The fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves. The Company considers counterparty credit risk when determining the fair value of derivatives.

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

33.4 Reconciliation of recurring fair value measurements, of financial assets, categorised within Level 3 of the fair value hierarchy.

	(Unit: Thousand Baht)
	<u>Equity instruments</u>
Balance as at 1 January 2022	10,024
Gain on changes in value of equity investments through other comprehensive income	<u>5,440</u>
Balance as at 31 December 2022	15,464
Loss on changes in value of equity investments through other comprehensive income	<u>(5,440)</u>
Balance as at 31 December 2023	<u>10,024</u>

34. Event after the reporting period

On 29 February 2024, the meeting of the Company's Board of Directors passed a resolution to propose the Annual General Meeting of the Company's shareholders to adopt a resolution to pay a dividend from operating results for the year 2023 to ordinary shareholders of Baht 1.83 per share and to preferred shareholders of Baht 3.33 per share, totalling Baht 97.82 million. The dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's Shareholders.

35. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2023, the Company's debt-to-equity ratio was 0.2:1 (2022: 0.2:1).

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 29 February 2024.