

SRF Industries (Thailand) Limited

Financial statements for the year ended
31 March 2023
and
Independent Auditor's Report



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Independent Auditor's Report

To the Shareholders of SRF Industries (Thailand) Limited

Opinion

I have audited the financial statements of SRF Industries (Thailand) Limited (the “Company”), which comprise the statement of financial position as at 31 March 2023, the statements of income and changes in equity for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2023 and its financial performance for the year then ended in accordance with the Thai Financial Reporting Standard for Non-Publicly Accountable Entities (“TFRS for NPAEs”).

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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





Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

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

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

D. นว

(Dussanee Yimsuwan)
Certified Public Accountant
Registration No. 10235

KPMG Phoomchai Audit Ltd.
Bangkok
8 May 2023

SRF Industries (Thailand) Limited

Statement of financial position

Assets	Note	31 March	
		2023	2022
		<i>(in Baht)</i>	
<i>Current assets</i>			
Cash and cash equivalents		11,876,272	387,534,776
Trade accounts receivable		770,769,277	749,801,851
Other receivables		102,951,349	10,397,879
Inventories	4	1,078,544,635	800,766,272
Refundable value added tax		232,790,139	144,969,138
Other current assets		-	24,030,884
Total current assets		2,196,931,672	2,117,500,800
<i>Non-current assets</i>			
Property, plant and equipment	5	5,823,978,683	5,824,590,816
Advance payment for purchase of property, plant and equipment		13,454,204	26,242,629
Deferred tax assets	9	72,051,671	80,059,678
Other non-current assets		879,500	509,974
Total non-current assets		5,910,364,058	5,931,403,097
Total assets		8,107,295,730	8,048,903,897

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

SRF Industries (Thailand) Limited

Statement of financial position

Liabilities and equity	Note	31 March	
		2023	2022
		<i>(in Baht)</i>	
Current liabilities			
Trade accounts payable		1,831,274,379	1,954,342,087
Other payables	6	646,396,516	1,216,296,191
Short-term loans from financial institutions	7	480,000,000	-
Current portion of long-term loans from financial institutions	7	299,823,899	206,249,999
Other current liabilities		1,871,399	22,055,479
Total current liabilities		3,259,366,193	3,398,943,756
Non-current liabilities			
Long-term loans from financial institutions	7	987,403,145	818,195,283
Long-term loans from parent company	7	-	500,243,857
Provision for retirement benefits		35,935,173	29,446,540
Other non-current liabilities		-	1,477,877
Total non-current liabilities		1,023,338,318	1,349,363,557
Total liabilities		4,282,704,511	4,748,307,313
Equity			
Share capital			
Authorised share capital	8		
- preferred shares		100,000,000	100,000,000
- ordinary shares		100,000,300	100,000,300
Issued and paid-up share capital	8		
- preferred shares		100,000,000	100,000,000
- ordinary shares		100,000,300	100,000,300
Retained earnings		3,624,284,770	3,105,553,315
Other component of equity		306,149	(4,957,031)
Total equity		3,824,591,219	3,300,596,584
Total liabilities and equity		8,107,295,730	8,048,903,897

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

SRF Industries (Thailand) Limited

Statement of income

		Year ended 31 March	
	Note	2023	2022
		<i>(in Baht)</i>	
Revenue			
Revenue from sale of goods	10	7,479,279,205	6,013,639,796
Other income		20,260,830	10,665,344
Net foreign exchange gain		20,279,967	-
Total revenue		7,519,820,002	6,024,305,140
Expenses			
Cost of sale of goods		6,126,837,095	4,381,710,089
Selling expenses		586,378,159	389,553,256
Administrative expenses		214,750,005	174,932,056
Net foreign exchange loss		-	12,675,472
Total expenses		6,927,965,259	4,958,870,873
Profit before finance costs and income tax expense			
		591,854,743	1,065,434,267
Finance costs		65,115,281	51,649,794
Profit before income tax expense		526,739,462	1,013,784,473
Income tax expense	9	8,008,007	21,643,990
Profit for the year		518,731,455	992,140,483

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

SRF Industries (Thailand) Limited
Statement of changes in equity

	Note	Issued and paid-up share capital		Retained earnings (in Baht)	Other component of equity	Total equity
		Preferred shares	Ordinary shares			
Year ended 31 March 2022						
Balance at 1 April 2021		-	100,000,300	2,113,412,832	10,517,194	2,223,930,326
Issue of preferred shares	8	100,000,000	-	-	-	100,000,000
Profit for the year		-	-	992,140,483	-	992,140,483
Other component of equity		-	-	-	(15,474,225)	(15,474,225)
Losses on cash flow hedges		-	-	-	(4,957,031)	(4,957,031)
Balance at 31 March 2022		100,000,000	100,000,300	3,105,553,315	(4,957,031)	3,300,596,584
Year ended 31 March 2023						
Balance at 1 April 2022		100,000,000	100,000,300	3,105,553,315	(4,957,031)	3,300,596,584
Profit for the year		-	-	518,731,455	-	518,731,455
Other component of equity		-	-	-	5,263,180	5,263,180
Gain on cash flow hedges		-	-	-	306,149	306,149
Balance at 31 March 2023		100,000,000	100,000,300	3,624,284,770	306,149	3,824,591,219

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

SRF Industries (Thailand) Limited
Notes to the financial statements
For the year ended 31 March 2023

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements and were approved and authorised for issue by the authorised director on 8 May 2023.

1 General information

SRF Industries (Thailand) Limited, the “Company”, is incorporated in Thailand and has registered office at 112 Moo 3 WHA Eastern Seaboard Industrial Estate 1, Tambol Tasith, Amphur Pluak Daeng, Rayong. The principal activities of the Company are manufacture and distribution of packaging films and distribution of refrigerant gas.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities (TFRS for NPAEs) and guidelines promulgated by the Federation of Accounting Professions. In addition, the Company has applied the following Thai Financial Reporting Standards for Publicly Accountable Entities (TFRS for PAEs).

TFRS	Topic
TAS 12	Income Taxes

The financial statements are prepared and presented in Thai Baht, rounded in the notes to the financial statements to the nearest thousand, unless otherwise stated. They are prepared on the historical cost basis except as stated in the accounting policies.

The preparation of financial statements in conformity with TFRS for NPAEs requires management to make judgements, estimates and assumptions that affect the application of the Company’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the exchange rates ruling at that date. Gains or losses arising on translation are recognised in the statement of income.

Non-monetary assets and liabilities arising from foreign currency transactions that are measured at cost are translated to Thai Baht at the exchange rates at the dates of the transactions.

(b) Derivatives

Derivatives are used to manage exposure to foreign exchange, interest rate arising from operational, financing and investment activities. Derivatives are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

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Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the statement of income when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the statement of income. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see accounting policy 3(c)).

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

(c) Hedging

Fair value hedges

Where a derivative hedge the changes in fair value of a recognised asset, liability or unrecognised firm commitment (or an identified portion of such asset, liability or firm commitment), any gain or loss on remeasuring the fair value or foreign currency component of the hedging instrument is recognised in the statement of income. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in the statement of income.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other component of equity in statement of change in equity. Any ineffective portion is recognised immediately in the statement of income.

When a hedged forecast transaction occurs and results in the recognition of a financial asset or financial liability, the gain or loss recognised in other component of equity in statement of change in equity does not adjust the initial carrying amount of the asset or liability but remains in equity and is reclassified from equity to the statement of income consistently with the recognition of gains and losses on the asset or liability as a reclassification adjustment.

In some cases, the company separates the premium element and the spot element of a forward contract and designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. In such cases, the changes in the fair value of the premium element of the forward contract or the foreign currency basis spread of the financial instrument is accumulated in a separate component of equity as 'cost of hedging'. The changes in the fair value of such premium element or foreign currency basis spread are reclassified to profit or loss as a reclassification adjustment on a straight-line basis over the period of the forward contract or the financial instrument.

For hedges of forecast transactions that result in the recognition of a non-financial asset or non-financial liability, the gain or loss recognised in other component of equity in statement of change in equity is reclassified from equity to the statement of income consistently with the recognition of gains and losses on the asset or liability as a reclassification adjustment.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

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(e) Trade and other receivables

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories. Bad debts are written off when incurred. Bad debts recovered are recognised in other income in the statement of income.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle and comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

An allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

(g) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and losses on decline in value.

Cost includes expenditure that is directly attributable to the acquisition of the asset, any other costs directly attributable to bringing the assets to a working condition for their intended use and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net in the statement of income.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of income as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount which excludes freehold land and assets under construction and installation, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is charged to the statement of income on a units of production basis or on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

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Leasehold improvement	30 years
Buildings and building improvement	20 - 40 years
Machinery and equipment	5 - 30 years
Furniture, fixtures and office equipment	3 - 10 years
Vehicles	5 years

(h) Losses on decline in value

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of a permanent decline in value. If any such indication exists, the assets' recoverable amounts are estimated. A loss on decline in value is recognised if the carrying amount of an asset exceeds its recoverable amount. A loss on decline in value is recognised in the statement of income.

(i) Trade and other accounts payables and loans

Trade and other payables and loans are stated at cost.

(j) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate method.

Provision for employee benefits

Provision for retired benefits and other long-term employee benefits are recognised using the best estimate method at the reporting date. The Company derecognises the provision when actual payment is made.

(k) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity upon approval by the Company's shareholders.

(l) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

SRF Industries (Thailand) Limited
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Interest and other income

Interest and other income is recognised as it accrues.

(m) Operating leases

Payments made under operating leases are recognised on a straight-line basis over the term of the lease. Contingent rentals are recognised as expense in the accounting period in which they are incurred.

(n) Finance costs

Interest expenses and similar costs are recognised on accrual basis, and will be capitalised as being directly attributable to the acquisition or construction of an asset which necessarily takes a substantial year of time to be prepared for its intended use.

(o) Income tax

Income tax expense for the year comprises current and deferred tax which is recognised in the statement of income except to the extent items recognised directly in equity.

Current tax is recognised in respect of tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary difference: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the financial statement.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4 Inventories

	2023	2022
	<i>(in thousand Baht)</i>	
Finished goods	190,099	241,776
Work in progress	120,931	181,255
Raw materials	417,452	335,813
Goods in transit	350,063	41,922
	<u>1,078,545</u>	<u>800,766</u>
<i>Less Allowance for decline in value</i>	-	-
Net	<u>1,078,545</u>	<u>800,766</u>

SRF Industries (Thailand) Limited
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5 Property, plant and equipment

	Land	Leasehold improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
<i>Cost</i>								
At 1 April 2021	124,000	28,905	631,012	3,611,804	27,963	2,482	1,482,783	5,908,949
Additions	-	-	-	-	206	1,435	872,992	874,633
Transfers	56,061	4,728	339,045	1,717,612	11,948	-	(2,129,394)	-
Disposals	-	-	-	(1,162)	-	-	-	(1,162)
At 31 March 2022 and 1 April 2022	180,061	33,633	970,057	5,328,254	40,117	3,917	226,381	6,782,420
Additions	-	-	-	-	-	-	262,992	262,992
Transfers	41,239	-	50,592	126,008	(1,649)	-	(216,190)	-
At 31 March 2023	221,300	33,633	1,020,649	5,454,262	38,468	3,917	273,183	7,045,412
<i>Depreciation and losses on decline in value</i>								
At 1 April 2021	-	5,277	57,541	647,934	18,240	1,461	-	730,453
Depreciation charged for the year	-	1,092	21,040	200,214	4,859	487	-	227,692
Disposals	-	-	-	(316)	-	-	-	(316)
At 31 March 2022 and 1 April 2022	-	6,369	78,581	847,832	23,099	1,948	-	957,829
Depreciation charged for the year	-	1,095	25,185	232,575	4,564	185	-	263,604
At 31 March 2023	-	7,464	103,766	1,080,407	27,663	2,133	-	1,221,433
<i>Net book value</i>								
At 31 March 2022	180,061	27,264	891,476	4,480,422	17,018	1,969	226,381	5,824,591
At 31 March 2023	221,300	26,169	916,883	4,373,855	10,805	1,784	273,183	5,823,979

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As at 31 March 2023, no capitalised borrowing costs relating to the acquisition of the construction and machinery of the new factory. (2022: Baht 2.44 million).

6 Other payables

	2023	2022
	<i>(in thousand Baht)</i>	
Capital expenditure payables	318,519	937,479
Accrued interest expense - related parties	209,386	190,304
Accrued expenses	50,258	44,459
Advance from customers	19,212	23,855
Accrued interest expense - financial institutions	2,062	3,157
Other payable - related parties	-	-
Other	46,960	17,042
Total	646,397	1,216,296

7 Loans

The Company entered into a loan agreement with TMBThanachart Bank Public Company Limited amounting to Baht 700 million on 17 December 2019. The loan bears interest rate at MLR minus margin per annum and is payable on a semi-annual basis instalment of Baht 87.5 million, starting from September 2021 to March 2025. The loan is secured by the mortgage of the Company's land title deed no. 23720, Pluakdeang District, Rayong Province including the existing buildings, Plastic Film Factory and/or any construction in the future. In addition, the collaterals of the loan include the Company's BOPET Line 2 and Resin machines and equipment located at Plastic Film Factory, Pluakdeang District, Rayong Province. As at 31 March 2023, the outstanding of the loan was Baht 349.90 million (2022: Baht 524.45 million).

The Company entered into unsecured long-term loans agreements with the parent company with the credit facilities totalling USD 27.7 million since 2013. The Company had fully repaid the remaining loan balance of USD 14.95 million on 24 March 2023. As at 31 March 2023, the outstanding of the loan was USD nil (2022: USD 14.95 million, equivalent to Baht 500.24 million).

The Company entered into a loan agreement with Standard Chartered Bank (Thai) Public Company Limited amounting to Baht 500 million on 29 July 2021. The loan bears an interest rate at 3-month BIBOR plus a margin of per annum and shall be repayable on a quarterly basis by Baht 31.25 million starting from the 15th month until the 60th month from the first utilisation. As at 31 March 2023, this loan was secured by the parent company and is to be charged against certain specific Plant and machinery. As at 31 March 2023, the outstanding of the loan was Baht 437.50 million (2022: Baht 500 million).

The Company entered into a loan agreement with Standard Chartered Bank (Thai) Public Company Limited amounting to Baht 750 million on 21 March 2023. The loan bears an interest rate at 3-month BIBOR plus a margin of per annum and shall be repayable on a half yearly basis by Baht 100 million starting from the 15th month from the first utilisation. As at 31 March 2023, this loan was secured by the parent company and is to be charged against certain specific Plant and machinery. As at 31 March 2023, the outstanding of the loan was Baht 500 million.

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8 Share capital

	Par value per share <i>(in Baht)</i>	2023 <i>(thousand shares / thousand Baht)</i>		2022	
		Number	Baht	Number	Baht
<i>Authorised</i>					
At beginning of the period - ordinary shares	100	1,000	100,000	1,000	100,000
Increase of share capital - preferred shares	100	-	-	1,000	100,000
At ending of the period - preferred shares	100	1,000	100,000	1,000	100,000
At ending of the period - ordinary shares	100	1,000	100,000	1,000	100,000
<i>Issued and paid-up</i>					
At beginning of the period - ordinary shares	100	1,000	100,000	1,000	100,000
Increase of share capital - preferred shares	100	-	-	1,000	100,000
At ending of the period - preferred shares	100	1,000	100,000	1,000	100,000
At ending of the period - ordinary shares	100	1,000	100,000	1,000	100,000

At the Extraordinary General of shareholders of the Company held on 7 October 2021, the shareholders approved the increase of the Company's registered capital from the current registered capital of Baht 100 million to the registered capital of Baht 200 million Baht by issuing 1 million newly preferred shares with a par value of Baht 100 per share equivalent to Baht 100 million and registered the establish with Ministry of Commerce on 7 October 2021.

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Notes to the financial statements
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9 Income tax expense

Income tax recognise in the statement of income

	2023	2022
	<i>(in thousand Baht)</i>	
Current tax expense		
Current year	-	-
Deferred tax expense		
Movements in temporary differences	<u>8,008</u>	<u>21,644</u>
	<u>8,008</u>	<u>21,644</u>

Reconciliation of effective tax rate

	2023		2022
	<i>(in thousand Baht)</i>		<i>(in thousand Baht)</i>
	Rate (%)		Rate (%)
Profit before income tax expense (benefit)		<u>526,739</u>	<u>1,013,784</u>
Income tax using the Thai corporation tax rate	20.00	105,348	202,757
Income tax reduction - tax privileges		(77,529)	(93,062)
Income tax reduction		(15,333)	(40,354)
Expenses not deductible for tax purposes		1,957	1,757
Current year losses for which no deferred tax asset was recognised		(6,435)	(49,454)
Total	<u>1.52</u>	<u>8,008</u>	<u>2.13</u>

Deferred tax assets as at 31 March

	2023	2022
	<i>(in thousand Baht)</i>	
Deferred tax assets	<u>72,052</u>	<u>80,060</u>

	At 1 April 2022	Charged / (credited) to;		At 31 March 2023
		statement of income	other components of equity	
		<i>(in thousand Baht)</i>		
Deferred tax assets				
Accounts receivable (<i>doubtful accounts</i>)	690	(126)	-	564
Provision for employee benefits	4,265	2,922	-	7,187
Loss carried forward	75,105	(10,804)	-	64,301
Total	<u>80,060</u>	<u>(8,008)</u>	<u>-</u>	<u>72,052</u>

	At 1 April 2021	Charged / (credited) to;		At 31 March 2022
		statement of income	other components of equity	
		<i>(in thousand Baht)</i>		
Deferred tax assets				
Accounts receivable (<i>doubtful accounts</i>)	709	(19)	-	690
Provision for employee benefits	3,029	1,236	-	4,265
Loss carried forward	97,966	(22,861)	-	75,105
Total	<u>101,704</u>	<u>(21,644)</u>	<u>-</u>	<u>80,060</u>

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10 Promotional privileges

The Company has been granted promotional certificates by the office of the Board of Investment for manufacture of plastic packaging product, plastic coat, and Pet Resin. The Company has been granted several privileges including:

- (a) exemption from payment of income tax for certain operations for periods of five / six years from the date on which the income is first derived from such operations;
- (b) a 50% reduction in the normal income tax rate on the net profit derived from certain operations for a period of five years, commencing from the expiry date; and
- (c) an exemption from payment of import duty on machinery as approved by the Board of Investment.

As a promoted company, the Company must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted business:

	2023			2022		
	Promoted business	Non-promoted business	Total	Promoted business	Non-promoted business	Total
<i>Year ended</i>						
<i>31 March</i>						
						<i>(in thousand Baht)</i>
Export sales	3,778,248	1,372,053	5,150,301	2,952,878	1,523,345	4,476,223
Local sales	1,478,999	849,979	2,328,978	1,407,952	129,465	1,537,417
Total	5,257,247	2,222,032	7,479,279	4,360,830	1,652,810	6,013,640

11 Commitments

	2023	2022
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
Buildings and other constructions	-	-
Machinery and equipment	65,522	64,037
Total	65,522	64,037
<i>Non-cancellable operating lease commitments</i>		
Within 1 year	5,981	5,745
After 1 - 5 years	818	-
Total	6,799	5,745
<i>Other commitment</i>		
Bank guarantees	33,463	24,097

The Company has entered into several lease agreements in respect of the lease of warehouse, motor vehicles and equipment. The terms of the Company's lease agreements are generally between 1 and 4 years.

As at 31 March 2023, the Company had letters of guarantee issued by a financial institution for electricity use and natural gas purchases amounting to Baht 33.46 million (2022: Baht 24.10 million).

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Financial derivatives

Foreign exchange contract outstanding is summarised as below.

		As at 31 March 2023		
Purchase	Sell	Contractual exchange rate		Contractual maturity date
THB 40.62 million	EUR 1.05 million	37.12		August 2021 – May 2023

		As at 31 March 2022		
Purchase	Sell	Contractual exchange rate		Contractual maturity date
THB 695.9 million	-	-		June 2021 - May 2023
EUR 18.0 million	THB 695.9 million	37.36		June 2021 - May 2023