

FINANCIAL REPORT 2023

(Form 56-1 One Report)

SCG Packaging Public Company Limited



SUSTAINABLE SOLUTIONS
FOR **A BRIGHTER PLANET**



SCG Packaging Public Company Limited

Company Profile

Registration No.	0107537000921
Head Office Address	1 Siam Cement Road, Bangsue, Bangkok 10800
Business Type	The Company generates revenue from holding shares in other companies (Holding Company), operating core business as an integrated packaging solutions provider (The key subsidiary engaging in the core business is Siam Kraft Industry Co., Ltd.), which is organized into three main businesses: Integrated Packaging Business, Fibrous Business, and Recycling Business.
Present Registered Capital	Registered capital: 4,500,000,000 Baht Paid-up capital: 4,292,920,200 Baht Issued and paid-up ordinary shares: 4,292,920,200 shares Issued and paid-up preference shares: - None - Par value of Baht 1 per share
Website	www.SCGPackaging.com
Contact	Tel: +66 2586 3333 Fax: +66 2586 3007 E-mail: SCGPackaging@scg.com
Share Registrar	Thailand Securities Depository Company Limited 1 st Floor, The Stock Exchange of Thailand Building, 93 Ratchadaphisek Road, Din Daeng, Bangkok 10400 Tel: +66 2009 9999 Fax: +66 2009 9991 Website: http://www.set.or.th

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Report on the Board of Directors' Responsibilities for Financial Statements

The Board of Directors of SCG Packaging Public Company Limited is responsible for the financial statements of the Company and its subsidiaries, which have been prepared in accordance with financial reporting standards under the Accounting Act B.E. 2543, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. The Board considers the accounting policies pursued to be appropriate, and that they have been applied consistently with adequate disclosure of important information in the notes to the financial statements. The Company's external auditor has reviewed and audited the financial statements and expressed an unqualified opinion in the auditor's report.

The Board oversees and reviews corporate governance as well as establishes and maintains a proactive risk management system and internal control system to ensure that accounting records are accurate, complete

and timely, and that the Company's assets are properly safeguarded against fraud, operational irregularities and other risks. The Board has appointed an Audit Committee consisting of independent directors to provide effective and efficient oversight of the financial statements, internal control system and internal audit. The Audit Committee's views are reported in its report in the Company's annual report.

The Board is confident that the internal control system and the internal audit of the Company provide credibility and reliability that the separate financial statements and consolidated financial statements of SCG Packaging Public Company Limited and its subsidiaries for the year ended December 31, 2023 represent the financial position, results of operations, and cash flows that give a true and fair view in accordance with Thai Financial Reporting Standards



(Mr. Prasarn Trairatvorakul)
Chairman



(Mr. Wichan Jitpukdee)
Chief Executive Officer



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Independent auditor's report

To the Shareholders of SCG Packaging Public Company Limited

Opinion

I have audited the consolidated financial statements of SCG Packaging Public Company Limited and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated income statement and statement of comprehensive income, changes in shareholders' equity and cash flows for year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, its financial performance and cash flows for year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

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 Consolidated Financial Statements* section of my report. I am independent of the Group 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 consolidated financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



The acquisitions of business	
Refer to Notes 3 (a) and 4 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>During 2023, the Group acquired overseas companies and engaged independent appraisers to determine the fair values of assets acquired and liabilities assumed from a business acquisition.</p> <p>The accounting for the business acquisition is material and complex which require management to make significant judgments in identifying and determining the fair values of assets acquired and liabilities assumed from the business acquisitions based on assumptions which are uncertain. Therefore, this is an area of focus in my audit.</p>	<p>My audit procedures included, among others:</p> <ul style="list-style-type: none"> • inquiry of management about the nature and objective for the business acquisitions, inspecting share transfer agreements and relevant minutes of meetings of management in order to understand significant terms and conditions, including the features relevant to the acquisition accounting; • assessing the reasonableness of the key assumptions used to determine the fair values of assets acquired and liabilities assumed from the business acquisitions with reference to the operating environment, my knowledge of the acquired businesses and industry, and other information obtained during the audit; • evaluating the appropriateness of identifying assets acquired and liabilities assumed from the business acquisitions by management, and the consideration transferred to the seller, examining the relevant purchase and disbursement documents, and testing the mathematical accuracy of calculation of goodwill; • consulting with KPMG valuation specialists when considering the appropriateness of the valuation methodology and approach; • evaluating the independence and professional competence of the independent appraisers engaged by the Group; and • considering the adequacy of the disclosures in accordance with the financial reporting standard.



The impairment testing of goodwill	
Refer to Notes 3 (k) and 12 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>Business risk arising from internal and external factors causes the management to pay more attention to impairment testing of goodwill arising from business acquisition, especially from the acquisition of overseas business. Besides this, according to the financial reporting standard, the Group performs an impairment testing on goodwill derived from business combination on an annual basis or whenever an indication of impairment exists. This requires management's judgments and estimates in determining the recoverable amount of cash generating unit, in particular the forecasting of future cash flows from business plan and its forecast growth rate and discount rate used for each cash generating unit. Therefore, this is an area of focus in my audit.</p>	<p>My audit procedures included, among others:</p> <ul style="list-style-type: none"> • obtaining understanding of the relevant business plan, the management's identification of cash generating unit, impairment testing procedures and the calculation of the recoverable amount; • evaluating the appropriateness of cash generating unit to which goodwill belongs identified by management, assessing the reasonableness of the key assumptions which supported discounted cash flows projection such as cash flow forecasts, long-term growth rates and discount rates by comparing with market situations and operating environment, industry knowledge and other information obtained during the audit, including evaluating the reasonableness of the forecasting of financial performances by comparing historical estimation to the actual operating results; • evaluating the appropriateness of the valuation methodology used by management and testing the mathematical accuracy of the recoverable amount and impairment calculations; and • considering the adequacy of the disclosures in accordance with the financial reporting standard.



Emphasis of Matter

I draw attention to Note 4. The Group acquired businesses in the United Kingdom, Italy and Vietnam during the year ended 31 December 2023 and engaged an independent appraiser to determine the fair value of the identifiable assets acquired and liabilities assumed from the business acquisitions. As at the reporting date, the appraisal has not yet been completed therefore the determination of the fair value was determined provisionally and is subject to adjustment. My opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and my auditor's report thereon.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, my responsibility is to read and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.



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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in blue ink, appearing to read 'Pornthip R'.

(Pornthip Rimdusit)
Certified Public Accountant
Registration No. 5565

KPMG Phoomchai Audit Ltd.
Bangkok
13 February 2024

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of financial position

As at 31 December 2023

Assets	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
<i>Current assets</i>			
Cash and cash equivalents	6	9,888,587	9,965,933
Short-term investments	25	7,292,251	2,378,495
Trade and other current receivables	5, 7	22,647,685	23,254,060
Advance payment for assets		683,507	813,142
Inventories	8	19,252,593	23,280,799
Other current assets		507,310	462,004
Total current assets		60,271,933	60,154,433
<i>Non-current assets</i>			
Investments in associates	9	1,062,730	1,034,332
Other non-current receivables		1,419,273	741,413
Investment property		114,542	141,692
Property, plant and equipment	10, 11	94,279,195	94,585,205
Goodwill	12	29,374,395	28,233,239
Other intangible assets	12	10,050,962	10,573,939
Deferred tax assets	13	1,036,057	852,115
Other non-current assets		951,587	963,278
Total non-current assets		138,288,741	137,125,213
Total assets		198,560,674	197,279,646

For and on behalf of the Board of Directors



(Mr. Prasarn Trairatvorakul)

Chairman



(Mr. Wichan Jitpukdee)

Chief Executive Officer

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

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of financial position

As at 31 December 2023

Liabilities and shareholders' equity	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
<i>Current liabilities</i>			
Bank overdrafts and short-term borrowings			
from financial institutions	<i>15</i>	15,336,715	16,155,140
Trade and other current payables	<i>5</i>	14,808,198	14,281,909
Current portion of long-term borrowings			
from financial institutions	<i>15</i>	6,493,668	1,570,769
Current portion of lease liabilities	<i>5, 15</i>	668,094	587,166
Current portion of debentures	<i>15</i>	5,497,816	-
Corporate income tax payable		1,061,615	572,767
Liabilities related to put options	<i>25</i>	22,313,049	-
Other current liabilities		211,238	310,908
Total current liabilities		66,390,393	33,478,659
<i>Non-current liabilities</i>			
Long-term borrowings from financial institutions	<i>15</i>	8,034,201	14,450,650
Lease liabilities	<i>5, 15</i>	3,089,492	1,920,639
Debentures	<i>15</i>	9,992,878	15,484,603
Deferred tax liabilities	<i>13</i>	4,886,139	5,322,691
Non-current provisions for employee benefits	<i>16</i>	3,629,130	3,595,818
Other non-current liabilities		89,096	59,846
Total non-current liabilities		29,720,936	40,834,247
Total liabilities		96,111,329	74,312,906

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

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of financial position

As at 31 December 2023

Liabilities and shareholders' equity	Note	2023	2022
		<i>(in thousand Baht)</i>	
Shareholders' equity			
Share capital			
<i>Authorized share capital</i>			
<i>(4,500 million ordinary shares, par value</i>			
<i>at Baht 1 per share)</i>			
		4,500,000	4,500,000
<i>Issued and paid share capital</i>			
<i>(4,293 million ordinary shares, par value</i>			
<i>at Baht 1 per share)</i>			
		4,292,920	4,292,920
Share premium		40,860,245	40,860,245
Other deficits		(1,445,045)	(1,445,045)
Retained earnings			
<i>Appropriated</i>			
Legal reserve	17	450,000	450,000
General reserve		3,000	3,000
<i>Unappropriated</i>			
		57,992,632	55,268,983
Other equity interest	25	(23,203,660)	-
Other components of shareholders' equity		(1,627,846)	(2,229,860)
Total equity attributable to owners of the Company		77,322,246	97,200,243
Non-controlling interests		25,127,099	25,766,497
Total shareholders' equity		102,449,345	122,966,740
Total liabilities and shareholders' equity		198,560,674	197,279,646

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

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated income statement

For the year ended 31 December 2023

	<i>Note</i>	2023	2022
<i>(in thousand Baht)</i>			
Revenue from sales	5	129,398,089	146,068,043
Cost of sales	5	(106,273,933)	(121,791,156)
Gross profit		23,124,156	24,276,887
Gain on exchange rate		79,506	143,006
Other income	5	1,043,021	1,321,527
Profit before expenses		24,246,683	25,741,420
Distribution costs	5, 19	(8,700,857)	(9,350,540)
Administrative expenses	5, 20	(6,982,832)	(6,688,289)
Total expenses		(15,683,689)	(16,038,829)
Profit from operations		8,562,994	9,702,591
Finance costs		(2,019,658)	(1,468,123)
Share of profit of associates			
accounted for using equity method	9	38,750	54,819
Profit before income tax		6,582,086	8,289,287
Tax expense	22	(1,153,461)	(1,549,917)
Profit for the year		5,428,625	6,739,370
Profit attributable to			
Owners of the Company		5,248,133	5,800,605
Non-controlling interests		180,492	938,765
		5,428,625	6,739,370
Basic earnings per share (in Baht)			
Attributable to owners of the Company		1.22	1.35

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

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of comprehensive income

For the year ended 31 December 2023

	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
Profit for the year		5,428,625	6,739,370
Other comprehensive income			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translating financial statements		358,119	(3,379,678)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain (loss) on investments in equity instruments measured at fair value		(300)	4,744
Gain on remeasurements of defined benefit plans	<i>16</i>	90,751	272,673
Share of other comprehensive income of associates accounted for using equity method	<i>9</i>	(1,231)	2,654
Income tax relating to items that will not be reclassified subsequently to profit or loss	<i>22</i>	(19,716)	(62,385)
Total items that will not be reclassified subsequently to profit or loss		69,504	217,686
Other comprehensive income for the year, net of tax		427,623	(3,161,992)
Total comprehensive income for the year		5,856,248	3,577,378
Total comprehensive income attributable to			
Owners of the Company		5,901,121	3,153,228
Non-controlling interests		(44,873)	424,150
		5,856,248	3,577,378

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

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of changes in shareholders' equity

For the year ended 31 December 2023

	Retained earnings				Other components of shareholders' equity						
	Appropriated		Unappropriated		Gain (loss) on						
	Legal reserve	General reserve	Other deficits	Share premium	Issued and paid share capital	Exchange differences on translating financial statement (in thousand Baht)	Investments in equity instruments measured at fair value	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Non-controlling interests	Total shareholders' equity
Balance at 1 January 2022	450,000	3,000	(1,445,045)	40,860,245	4,292,920	576,089	(6,473)	569,616	96,837,200	25,462,744	122,299,944
Transactions with owners, recorded directly in shareholders' equity											
<i>Contributions by and distributions to owners</i>											
Dividends	-	-	-	-	-	-	-	-	(2,790,185)	(821,534)	(3,611,719)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(2,790,185)	(821,534)	(3,611,719)
<i>Changes in ownership interests in subsidiaries</i>											
Changes that do not result in an acquisition or a loss of control	-	-	-	-	-	-	-	-	-	-	650,437
Changes that result in an acquisition or a loss of control	-	-	-	-	-	-	-	-	-	50,700	50,700
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	701,137	701,137
Total transactions with owners, recorded directly in shareholders' equity	-	-	-	-	-	-	-	-	(2,790,185)	(120,397)	(2,910,582)
Comprehensive income for the year											
Profit or loss	-	-	-	-	-	-	-	-	5,800,605	938,765	6,739,370
Other comprehensive income	-	-	-	-	-	(2,803,023)	3,547	(2,799,476)	(2,647,377)	(514,615)	(3,161,992)
Total comprehensive income for the year	-	-	-	-	-	(2,803,023)	3,547	(2,799,476)	3,153,228	424,150	3,577,378
Balance at 31 December 2022	450,000	3,000	(1,445,045)	40,860,245	4,292,920	(2,226,934)	(2,926)	(2,229,860)	97,200,243	25,766,497	122,966,740

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

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of changes in shareholders' equity

For the year ended 31 December 2023

	Retained earnings										Other components of shareholders' equity				
	Appropriated					Unappropriated					Loss on				
	Issued and paid share capital	Share premium	Other deficits	Legal reserve	General reserve	Other equity interest	Exchange differences on translating financial statement	Investments in equity instruments measured at fair value	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Non-controlling interests	Total shareholders' equity			
Balance at 1 January 2023	4,292,920	40,860,245	(1,445,045)	450,000	3,000	55,268,983	(2,226,934)	(2,926)	(2,229,860)	97,200,243	25,766,497	122,966,740			
Transactions with owners, recorded directly in shareholders' equity															
<i>Contributions by and distributions to owners</i>															
Dividends	-	-	-	-	-	(2,575,458)	-	-	-	(2,575,458)	(710,894)	(3,286,352)			
Total contributions by and distributions to owners	-	-	-	-	-	(2,575,458)	-	-	-	(2,575,458)	(710,894)	(3,286,352)			
<i>Changes in ownership interests in subsidiaries</i>															
Changes that do not result in an acquisition or a loss of control	-	-	-	-	-	-	-	-	-	-	11,477	11,477			
Changes that result in an acquisition or a loss of control	-	-	-	-	-	-	-	-	-	-	104,892	104,892			
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	116,369	116,369			
Total transactions with owners, recorded directly in shareholders' equity	-	-	-	-	-	(2,575,458)	-	-	-	(2,575,458)	(594,525)	(3,169,983)			
Put options	-	-	-	-	-	-	-	-	-	(23,203,660)	-	(23,203,660)			
Comprehensive income for the year															
Profit or loss	-	-	-	-	-	5,248,133	-	-	-	5,248,133	180,492	5,428,625			
Other comprehensive income	-	-	-	-	-	50,974	602,238	(224)	602,014	652,988	(225,365)	427,623			
Total comprehensive income for the year	-	-	-	-	-	5,299,107	602,238	(224)	602,014	5,901,121	(44,873)	5,856,248			
Balance at 31 December 2023	4,292,920	40,860,245	(1,445,045)	450,000	3,000	57,992,632	(1,624,696)	(3,150)	(1,627,846)	77,322,246	25,127,099	102,449,345			

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

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of cash flows

For the year ended 31 December 2023

	2023	2022
	<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>		
Profit for the year	5,428,625	6,739,370
<i>Adjustments for</i>		
Tax expense	1,153,461	1,549,917
Depreciation and amortization	9,205,704	9,699,145
Loss on expected credit loss	6,376	11,601
Loss on inventories devaluation (reversal)	(93,738)	169,575
Non-current provisions for employee benefit expense	375,993	217,031
Gain on foreign currency exchange	(52,361)	(120,177)
Share of profit of associates accounted for using equity method	(38,750)	(54,819)
Interest income	(376,789)	(197,087)
Finance costs	2,019,658	1,468,123
Loss on impairment of assets (reversal)	20,992	(7,687)
Gain on fair value adjustment and others	(131,995)	(152,379)
Cash flows generated from operations		
before changes in operating assets and liabilities	17,517,176	19,322,613
<i>Decrease (increase) in operating assets</i>		
Trade and other receivables	881,222	3,234,770
Inventories	4,308,946	(405,471)
Other assets	(183,900)	(148,055)
Net decrease in operating assets	5,006,268	2,681,244

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

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of cash flows

For the year ended 31 December 2023

	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
<i>Increase (decrease) in operating liabilities</i>			
Trade and other payables		602,831	(2,631,403)
Non-current provisions for employee benefits		(263,213)	(251,683)
Other liabilities		1,030	(124,519)
Net increase (decrease) in operating liabilities		340,648	(3,007,605)
Net cash flows generated from operations			
Income tax paid		(1,382,187)	(1,762,449)
Net cash flows provided by operating activities		21,481,905	17,233,803
<i>Cash flows from investing activities</i>			
Acquisition of subsidiaries, net of cash acquired	4	(1,303,173)	(7,025,945)
Acquisition of interests in associates		-	(44,210)
Proceeds from sale of short-term investments		764,190	12,475,301
Acquisition of short-term investments		(5,584,964)	(1,711,122)
Proceeds from sale of property, plant and equipment		65,728	166,477
Acquisition of property, plant and equipment		(7,123,982)	(6,861,637)
Acquisition of other intangible assets		(258,906)	(324,124)
Dividends received		9,366	10,862
Interest received		372,063	195,166
Net cash flows used in investing activities		(13,059,678)	(3,119,232)

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

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of cash flows

For the year ended 31 December 2023

	2023	2022
	<i>(in thousand Baht)</i>	
<i>Cash flows from financing activities</i>		
Proceeds from changes in ownership interests		
in subsidiaries that do not result in a loss of control	11,477	650,444
<i>Proceeds from (payments of) borrowings</i>		
Payments of bank overdrafts and short-term borrowings - net	(798,977)	(14,047,168)
Proceeds from long-term borrowings	135,000	-
Payments of long-term borrowings	(1,614,474)	(2,580,001)
Payments of lease liabilities	(745,165)	(625,861)
Proceeds from issuance of debentures	-	10,000,000
Net decrease in borrowings	(3,023,616)	(7,253,030)
<i>Dividends paid</i>		
Dividends paid to owners of the Company	(2,575,458)	(2,790,185)
Dividends paid to non-controlling interests	(710,894)	(821,534)
Total dividends paid	(3,286,352)	(3,611,719)
Interest and other finance costs paid	(2,067,660)	(1,387,234)
Net cash flows used in financing activities	(8,366,151)	(11,601,539)
Net increase in cash and cash equivalents	56,076	2,513,032
Effect of exchange rate changes on cash and cash equivalents	(133,422)	142,589
Cash and cash equivalents at beginning of the year	9,965,933	7,310,312
Cash and cash equivalents at end of the year	9,888,587	9,965,933
<i>Supplementary information for cash flows</i>		
Non-cash from investing and financing transactions		
at end of the year		
Account payables from purchase of assets	459,366	609,484
Accrued investments	508,589	490,907
Liabilities related to put options	22,313,049	-

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

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Notes to the financial statements
For the year ended 31 December 2023

These notes form an integral part of the consolidated financial statements.

The consolidated financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai and English languages and were approved and authorized for issue by the audit committee, as appointed by the Board of Directors of the Company, on 13 February 2024.

1 General information

SCG Packaging Public Company Limited, the “Company”, is incorporated in Thailand. The Company’s registered office is at 1 Siam Cement Road, Bangsue, Bangkok 10800, Thailand.

The parent company is The Siam Cement Public Company Limited, which is incorporated in Thailand.

The Company and its subsidiaries, the “Group”, is a comprehensive packaging solutions providers comprising of three main operating businesses (1) Integrated Packaging Business (2) Fibrous Business and (3) Recycling Business.

Details of the subsidiaries, which were included in the consolidated financial statements, are as follows:

	2023	2022
	Direct / Indirect Holding (%)	
<i>Registered in Thailand</i>		
Siam Kraft Industry Co., Ltd.	100	100
SCG Paper Energy Co., Ltd.	100	100
SCGP Solutions Co., Ltd.	100	100
SCGP Rigid Plastics Co., Ltd.	100	100
International Healthcare Packaging Co., Ltd.	100	100
Invenique Co., Ltd.	100	100
SCGP Excellence Training Center Co., Ltd.	100	100
Vexcel Pack Co., Ltd.	100	100
Precision Print Co., Ltd.	100	100
SKIC International Co., Ltd.	100	100
Thai Cane Paper Public Company Limited	98.20	98.20
Thai Containers Group Co., Ltd.	70	70
Thai Containers Khonkaen Co., Ltd.	70	70
Thai Containers Rayong Co., Ltd.	70	70
Orient Containers Co., Ltd.	70	70
Dyna Packs Co., Ltd.*	70	70
D-In Pack Co., Ltd.*	70	70
Phoenix Pulp & Paper Public Company Limited	69.58	69.58
Phoenix Utilities Co., Ltd.*	69.58	69.58

* Currently in the liquidation process

SCG Packaging Public Company Limited and its Subsidiaries
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	2023	2022
	Direct / Indirect Holding (%)	
Thai Paper Co., Ltd.	69.58	69.58
The Siam Forestry Co., Ltd.	69.58	69.58
Siam Panawes Co., Ltd.	69.58	69.58
Suanpa Rungsaris Co., Ltd.	69.58	69.58
Panas Nimit Co., Ltd.	69.58	69.58
Thai Panaboon Co., Ltd.	69.58	69.58
Thai Panaram Co., Ltd.	69.58	69.58
Thai Panadorn Co., Ltd.	69.58	69.58
Thai Panason Co., Ltd.	69.58	69.58
Thai Wanabhumm Co., Ltd.	69.58	69.58
TC Flexible Packaging Co., Ltd.	52.50	52.50
Prepack Thailand Co., Ltd.	52.38	52.38
SCGP-T Plastics Co., Ltd.	51	51
Tawana Container Co., Ltd.	50.40	50.40
Conimex Co., Ltd.	38.25	38.25
 <i>Registered in Philippines</i>		
United Pulp and Paper Co., Inc.	74.77	74.77
United Industrial Energy Corporation	74.77	74.77
 <i>Registered in Vietnam</i>		
Go-Pak Vietnam Limited	100	100
Go-Pak Paper Products Vietnam Co., Ltd.	100	100
Vina Kraft Paper Co., Ltd.	70	70
New Asia Industries Co., Ltd.	70	70
Alcamax Packaging (Vietnam) Co., Ltd.	70	70
AP Packaging (Hanoi) Co., Ltd.	70	70
Packamex (Vietnam) Co., Ltd.	70	70
Duy Tan Plastics Manufacturing Corporation Joint Stock Company	70	70
Duy Tan Long An Co., Ltd.	70	70
Duy Tan Precision Mold Co., Ltd.	70	70
Mata Plastic Co., Ltd.	70	70
Duy Tan Binh Duong Plastics Co., Ltd.	70	70
Starprint Vietnam JSC	70	-
Bien Hoa Packaging Joint Stock Company	65.88	65.88
Tin Thanh Packing Joint Stock Company	52.49	52.49

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

	2023	2022
	Direct / Indirect Holding (%)	
<i>Registered in Indonesia</i>		
PT Indocorr Packaging Cikarang	70	70
PT Indoris Printingdo	69.97	69.97
PT Primacorr Mandiri	67.90	67.90
PT Fajar Surya Wisesa Tbk.	55.24	55.24
PT Dayasa Aria Prima	55.24	55.24
PT Indonesia Dirtajaya Aneka Industri Box	52.50	52.50
PT Bahana Buana Box	52.50	52.50
PT Rapipack Asritama	52.50	52.50
<i>Registered in Malaysia</i>		
Interpress Printers Sendirian Berhad	68.30	68.30
<i>Registered in Singapore</i>		
SCGP Solutions (Singapore) Pte. Ltd.	100	100
SCGP Rigid Packaging Solutions Pte. Ltd.	100	100
TCG Solutions Pte. Ltd.	70	70
<i>Registered in United Kingdom</i>		
Go-Pak UK Limited	100	100
Peute UK Limited	100	100
Law Print & Packaging Management Limited	100	-
<i>Registered in Spain</i>		
Peute Recycling Spain S.L.	100	100
Detalab Global, S.L.	85	85
Detalab, S.L.	85	85
Keylab, S.L.U.	85	85
Nirco, S.L.	85	85
Envases Farmaceuticos, S.A.	85	85
Equilabo Scientific, S.L.U.	85	85
Sanilabo, S.L.U.	85	85
<i>Registered in Netherlands</i>		
Peute Recycling B.V.	100	100
Peute Papierrecycling B.V.	100	100
Peute Plasticrecycling B.V.	100	100
Peute Recycling International B.V.	100	100
Peute Investments B.V.	100	-
Infiniplast B.V.	100	-

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
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	2023	2022
	Direct / Indirect Holding (%)	
<i>Registered in Portugal</i>		
Peute Portugal, Unipessoal Lda	100	100
<i>Registered in the United States</i>		
Jordan Trading Inc.	90.10	90.10
<i>Registered in Ireland</i>		
Law Print & Packaging Management Limited	100	-
<i>Registered in Italy</i>		
Bicappa Lab S.r.L.	85	-

Most of the above subsidiaries were established in Thailand unless otherwise stated. There was no material change in the percentage of holding from 2022, except during 2023, the Group acquired the ordinary shares of Law Print & Packaging Management Limited in the United Kingdom, Bicappa Lab S.r.L in Italy and Starprint Vietnam JSC in Vietnam. These companies' assets, liabilities and operating results are included in the Group's consolidated financial statements, as discussed in note 4.

2 Basis of preparation of the financial statements

The consolidated financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRSs"); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The consolidated financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

The preparation of consolidated financial statements in conformity with TFRSs requires management to make judgments, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that are described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

The Group has adopted International Tax Reform - Pillar Two Model Rules - Amendments to TAS 12 *Income Taxes*. The amendments provide a temporary mandatory exception for the recognition and disclosure of deferred tax accounting for the top-up tax, which is effective immediately, and accounts for a current tax when it is incurred.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

3 Significant accounting policies

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

(a) Basis of consolidation

The Group applies the acquisition method when the Group assesses that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognized as incurred.

In a business combination achieved in stages, the Group shall remeasure its previously held equity interest of investment in the acquiree to its acquisition-date fair value and recognize the resulting gain or loss in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income shall be recognized on the same basis as would be required if that interest was disposed of.

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the fair value amount of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognized in profit or loss immediately.

Consideration transferred is measured at fair-value includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration and equity interests issued by the Group.

Any contingent consideration is measured at fair value at the date of acquisition and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognized in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event and its fair value can be measured reliably.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted or additional assets or liabilities are recognized during the measurement period to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

(b) *Investment in subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intra-group balances and transactions, and any unrealized income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree when there is a change in the Group's interest in a subsidiary that does not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid from the acquisition or consideration received from disposal is accounted for as other surplus or deficit in shareholders' equity.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities, any related non-controlling interests and other components of equity of the subsidiary. Any resulting gain or loss arising from loss of control in the subsidiary is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(c) *Investments in associates*

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

The Group recognized investments in associates using the equity method in the consolidated financial statements. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include dividend income the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Unrealized gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

(d) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash on hand, saving deposits, current deposits and highly liquid short-term investments which have maturities of three months or less from the date of acquisition and are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

In addition, bank overdrafts that are repayable on demand are component of financing activities for the purpose of the statement of cash flows.

(e) Trade and other receivables

A receivable is recognized when the Group has an unconditional right to receive consideration. A receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find the ECLs rates. This method groups the debtors based on shared credit risk characteristics and past due status by taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the end of the reporting period.

(f) Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is calculated using the weighted average cost.

Cost comprises costs of purchase, costs of conversion or relevant direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

(g) Non-current assets classified as held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use which are available for immediate sale in current condition and measured at the lower of their carrying amount and fair value less cost to sell.

Non-current assets classified as held for sale are no longer depreciated or amortized and any equity-accounted investee is no longer equity accounted.

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(h) *Biological assets*

Biological assets are measured at fair value less costs to sell (the incremental cost directly attributable to the disposal of a biological asset) except for the case where the fair value cannot be measured reliably, there are measured at cost less accumulated depreciation and accumulated impairment losses. Gains or losses on changes in fair value less costs to sell are recognized in profit or loss.

(i) *Investment property*

Investment properties are properties which are held as right-of-use assets, as well as properties that are owned by the Group. Investment properties are held to earn rental income, or capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials, direct labor, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalized borrowing costs of a qualifying assets.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each asset and recognized in profit or loss. No depreciation is charged on freehold land and construction in progress.

The estimated useful lives are as follows:

Land improvements	5, 20 years
Buildings and structures	5, 20 years

Any gains or losses arising from differences between the proceeds from disposal and the carrying amount of investment property are recognized in profit or loss.

Reclassification to property, plant and equipment

When the use of an investment property changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

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Notes to the financial statements
For the year ended 31 December 2023

(j) *Property, plant and equipment*

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labor, any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs of a qualifying asset. Licensed software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Any gains or losses arising from differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognized in profit or loss.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, its carrying amount is recognized and reclassified as investment property.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment, including major inspections, is recognized in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of property, plant and equipment, or other amount substituted for cost, less its residual value.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each asset and recognized in profit or loss. No depreciation is provided on freehold land and construction in progress.

SCG Packaging Public Company Limited and its Subsidiaries
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For the year ended 31 December 2023

The estimated useful lives are as follows:

Land improvements	5 - 30 years
Buildings and structures	5 - 40 years
Machinery and equipment	3 - 30 years
Furniture, fixtures and office equipment	3 - 20 years
Vehicles and equipment	5 - 10 years
Bearer plant	Actual production in each month

Depreciation methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

(k) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3 (a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any assets.

(l) Other intangible assets

Research and development expenditure

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred.

Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Other development expenditure is recognized in profit or loss as incurred.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses. The expenditure cost includes the cost of materials, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use and borrowing costs. Subsequent expenditure is capitalized only when it increases the future economic benefits.

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Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure is capitalized only when it increases the future economic benefits.

Amortization is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognized in profit or loss, from the date that they are available for use. No amortization is provided on development cost.

The estimated useful lives are as follows:

Customer contracts and relationship	5 - 20 years
Trademark	10, 20 years
Technology licenses and patent	4, 15 years
Software licenses	3 - 10 years

Amortization methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

(m) Leases

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. The Group has elected not to separate non-lease components and accounted for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which are recognized as expenses on a straight-line basis over the respective lease terms.

Right-of-use asset is measured at cost, less any accumulated depreciation and accumulated impairment loss, and adjusted for any remeasurements of lease liability.

The cost of right-of-use asset includes the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs and an estimate of restoration costs, less any lease incentives received.

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Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful lives of the underlying asset which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment in the statement of financial position.

(n) *Impairment of non-financial assets*

The carrying amounts of the Group's assets are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group will estimate the assets' recoverable amounts. For goodwill and other intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss of asset recognized in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

SCG Packaging Public Company Limited and its Subsidiaries
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(o) Trade and other payables

Trade and other payables are stated at amortized cost.

(p) Employee benefits

Defined contribution plans

Obligations for contributions to provident fund for the Group's employee are expensed in profit or loss as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods. The defined benefit obligation is discounted to the present value which performed annually by a qualified actuary.

For remeasurements of the net defined benefit liability, actuarial gains or losses are recognized in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, by taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Gain or loss on remeasurements are recognized in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits or when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

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Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(q) Provisions

A provision is recognized if, as a result of a past event, the Group 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 discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(r) Revenue from contracts with customers

(1) Revenue recognition

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Sale of goods and rendering of services

Revenue from sales of goods is recognized at a point in time when the Group transfers control of the goods to customers, generally on delivery of the goods to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognize revenue and cost of sale for the estimated products to be returned.

Revenue for rendering of services is recognized over time based on progress towards complete satisfaction of performance obligation or as the serviced are provided. The progress towards complete satisfaction is assessed based on either output or input method.

For bundled packages, the Group recognizes revenue from sales of products and rendering of services separately if a product or service is separately identifiable from other items and a customer can benefit from it or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Group sells the products and services in separate transactions.

The Group has a timing of revenue recognition mainly from sales of goods which is recognized at a point in time.

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Customer loyalty programme

For customer loyalty programmes that the Group offers to customers, the consideration received is allocated based on the relative stand-alone selling price of the products and the loyalty points. The amount allocated to the loyalty points is recognized as contract liabilities and revenue is recognized when loyalty points are redeemed, the likelihood of the customer redeeming the loyalty points becomes remote or points expire. The stand-alone selling prices of the points is estimated based on discount provided to customers and the likelihood that the customers will redeem the points. The estimate shall be reviewed at the end of the reporting period.

Other income

Other income comprises dividend income, interest income and others that recognized on accrual basis except dividend income is recognized in profit or loss on the date that the Group's right to receive the dividend is established.

Royalty fee income

Royalty fee income is recognized over the royalty term.

(2) *Contract assets and liabilities*

Contract assets are recognized when the Group has recognized revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Group is entitled to, less allowance for expected credit loss. The contract assets are classified as trade receivables when the Group has an unconditional right to receive consideration that usually occurs when the Group issues an invoice to the customer.

Contract liabilities are the obligation to transfer goods or services to the customer. The contract liabilities are recognized when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognizes the related revenue.

(s) *Expenses*

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

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Early retirement expenses

The Group offers certain qualifiable employees the option to take early retirement from the Group. Eligible employees who accept the offer are paid a lump sum amount, which is calculated based on a formula using their final month's pay, number of years of service or the number of remaining months before normal retirement as variables. The Group records expenses on early retirement upon mutual acceptance.

(t) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax is recognized in respect of 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 recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes. Deferred tax is not recognized for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group 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 end of the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. 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 realized.

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(u) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currency transactions and measured in terms of historical cost are translated to the respective functional currencies of each entity in the Group at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currencies at the exchange rates at the end of the reporting period.

Non-monetary assets and liabilities measured at fair value in foreign currencies are translated to the functional currency at the exchange rates at the dates that the fair value was determined.

Foreign currency differences are generally recognized in profit or loss. However, foreign currency differences arising from the translation of an investment in equity securities designated as at FVOCI is recognized in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the end of the reporting period. The revenues and expenses of foreign operations are translated to Thai Baht at the average rates approximating the exchange rates at the dates of the transactions. Foreign exchange differences arising on translation are recognized in other comprehensive income, except to extent that the translation difference is allocated to non-controlling interest, accumulated and presented in other components of equity until disposal of the foreign operation.

When a foreign operation is disposed of in its entirety or partially such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation, recognized in other comprehensive income and presented in other components of equity until disposal of the foreign operation.

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(v) Financial instruments

Classification and measurement

Debt securities issued by the Group are initially recognized when they are originated. Other financial assets and financial liabilities, except trade receivables and trade payables, are initially recognized when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value by taking into account for transaction costs that are directly attributable to its acquisition or issue of the securities, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition or issue of the securities are recognized in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortized cost using the effective interest method, except that the financial liabilities are held for trading or derivative are classified as measured at FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognized in profit or loss.

Financial assets measured at amortized costs are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and gain or loss on derecognition are recognized in profit or loss.

Debt investments measured at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and expected credit loss are recognized in profit or loss. Gains and losses from changes in fair value are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognized as income in profit or loss on the date that the Group's right to receive the dividend is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Gains and losses from changes in fair value are recognized in OCI and never reclassified to profit or loss.

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Derecognition and offset

The Group derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount extinguished and the consideration paid is recognized in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position only when the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Interest rate benchmark reform

When the basis of determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform (IBOR reform), the Group first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by IBOR reform.

Derivatives

Derivatives are recognized at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognized immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting.

Impairment of financial assets

The Group recognizes allowances for expected credit losses (ECLs) on financial assets measured at amortized cost, debt investments measured at FVOCI and lease receivables.

The Group recognizes ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets or trade receivables under simplified approach, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

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The Group considers a financial asset to have low credit risk when its credit rating is the investment grade. The Group recognizes ECLs for low credit risk financial asset as 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group takes action such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

ECLs are remeasured at the end of the reporting period to reflect changes in the financial instrument's credit risk since initial recognition. Increase in loss allowance is recognized as an impairment loss in profit or loss.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Interest

Interest income and expense are recognized in profit or loss using the effective interest method.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to carrying amount of the financial assets after impairment losses. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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(w) 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 market participants at the measurement date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group use observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e., the fair value of the consideration given or received.

(x) Business segment reporting

Segment results that are reported to the Group's Chief Operating Decision Maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(y) Relating parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence.

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4 Acquisitions of business

Year 2023

During 2023, the Group acquired the significant businesses as follows:

(1) Law Print & Packaging Management Limited, the United Kingdom

On 25 October 2023, SCGP Solutions (Singapore) Pte. Ltd., which is a wholly owned subsidiary of the Group, acquired 100% stake in Law Print & Packaging Management Limited (“Law Print”), a prominent packaging solution provider in the United Kingdom. This investment has a total consideration of Pound Sterling 11.1 million or equivalent to Baht 490 million.

Acquisition in Law Print is to enlarge the Group’s sales channels and customer networks with concentration on fast-growing pet food manufacturers in the United Kingdom and across Europe. Moreover, further synergies would include the cross-selling of the Group’s consumer packaging products to Law Print’s clients, especially in multinational companies.

(2) Bicappa Lab S.r.L., Italy

On 26 October 2023, Deltalab, S.L. (“Deltalab”), which is a 85% owned subsidiary of the Group, acquired 85% stake in Bicappa Lab S.r.L. (“Bicappa”), a renowned medical supply and labware manufacturer specialized in pipette tips product in Italy. This investment has a total consideration of Euro 3.2 million or equivalent to Baht 123 million and has the agreement with existing shareholder which grant the right to buy or sell the remaining 15% stake. The pricing and exercise period are in accordance with the conditions specified in the agreement.

Acquisition in Bicappa is a backward integration with their supplier of pipette tips which is the pivotal products in Deltalab’s comprehensive labware portfolio. Moreover, this will enable Deltalab to promptly expand into pipette tips business while also effectively access the know-how of conductive polymer injection technology for auto-pipetting and this would also include sales expansion of other Deltalab’s medical supply and labware products into Bicappa’s clientele base.

(3) Starprint Vietnam JSC, Vietnam

On 18 December 2023, SCGP Solutions (Singapore) Pte. Ltd., which is a wholly owned subsidiary of the Group, acquired 70% stake in Starprint Vietnam JSC (“SPV”), an offset folding carton packaging manufacturer in Vietnam. This investment has a total consideration of Vietnamese Dong 676.1 billion or equivalent to Baht 979 million and has the agreement with existing shareholders which grant the right to buy or sell the remaining 5% stake. The pricing and exercise period are in accordance with the conditions specified in the agreement.

Acquisition in SPV will enhance the Group’s packaging solutions capabilities to serve enlarging customer base in Vietnam and ASEAN while reinforce chain integration. SPV will be the Group’s first rigid boxes facility in ASEAN and the Group’s first offset folding carton production in Vietnam.

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According to the above acquisitions, the Group has engaged independent appraisers to determine the fair values of net assets and liabilities acquired. As at 31 December 2023, the determination of the fair values has not been completed. Therefore, they have been recorded at provisional fair value amounts in the consolidated statement of financial position as at 31 December 2023. The fair values of assets acquired and liabilities assumed and goodwill may be adjusted when the fair values are finally determined.

Assets acquired and liabilities assumed at the acquisition date were as follows:

	<i>Note</i>	Fair Value			Total
		Law Print	Bicappa	SPV	
		<i>(in million Baht)</i>			
Cash and cash equivalents		217	18	27	262
Trade and other current receivables		27	38	179	244
Inventories		14	1	240	255
Property, plant and equipment		19	22	92	133
Other non-current assets		2	-	37	39
Trade and other current payables		(27)	(15)	(126)	(168)
Interest-bearing liabilities		(16)	(4)	(105)	(125)
Other current liabilities		(11)	-	(13)	(24)
Other non-current liabilities		-	-	(12)	(12)
Net identifiable assets and liabilities		225	60	319	604
<i>Less</i> non-controlling interests		-	(9)	(96)	(105)
Recognized value of net assets acquired		225	51	223	499
Goodwill from business acquisition	12	265	72	756	1,093
Total consideration transferred		490	123	979	1,592
Cash acquired					(262)
Total consideration transferred - net					1,330

The assets, liabilities and operating results of these subsidiaries have been included in the Group's consolidated financial statements for the period ended 31 December 2023 since the acquisition date with total revenue from sales of Baht 51 million and profit for the period of Baht 6 million. Revenue from sales of these subsidiaries since 1 January 2023 to the respective acquisition dates amounted to Baht 1,473 million and profit for the period amounted to Baht 90 million.

The Group incurred acquisition costs totaling Baht 29 million which have been included in administrative expenses in the consolidated income statement.

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Year 2022

Acquisitions of business

During 2022, the Group acquired the significant businesses as follows:

(1) *Peute Recycling B.V. and its subsidiaries, the Netherlands*

On 15 July 2022, SCGP Solutions (Singapore) Pte. Ltd., which is a wholly owned subsidiary of the Group, acquired 100% stake in Peute Recycling B.V. (“Peute”), a packaging materials recycling of recovered paper and plastic, registered in the Netherlands. This investment has a total consideration of Euro 84.1 million or equivalent to Baht 3,104 million.

Acquisition in Peute is an expansion of business into the rapidly growing packaging material recycling business. This transaction would strengthen all levels of packaging business from raw material sources and production through to the offering of integrated packaging solutions to customers and improving sourcing capabilities.

(2) *Jordan Trading Inc., the United States*

On 2 September 2022, SKIC International Co., Ltd., which is a wholly owned subsidiary of the Company, acquired 90.1% stake in Jordan Trading Inc. (“Jordan”), a trader and distributor of recovered paper in the United States. This investment has total consideration of US Dollars 1.98 million or equivalent to Baht 73 million.

Acquisition in Jordan is an expansion of business into packaging material recycling business. This investment would augment the Group with direct access to the source of high quality American Old Corrugated Containers (“AOCC”) which is key raw material that strengthen packaging paper and fiber packaging productions. Together with Peute, the addition of Jordan would also enhance sourcing capabilities and international network of recovered materials.

(3) *Acquisition in flexible packaging business from Cyberprint Group Co., Ltd., Thailand*

On 27 December 2022, Prepack Thailand Co., Ltd. (“Prepack”), which is a 99.8% owned subsidiary of the Company, acquired flexible packaging business from Cyberprint Group Co., Ltd. (“Cyber”), a multi-type printing and packaging service provider in Thailand. This investment has a total consideration of Baht 340 million.

Along with the business acquisition, this will increase current flexible packaging production capacity and enhance customer segments in pet food and health supplements products of Prepack. Moreover, the new capacity would also lead to cost-saving opportunities via co-sourcing of raw materials and improved economies of scale. This acquisition is part of SCGP’s medium-term strategic objectives to strengthen the packaging solutions business in ASEAN.

According to the above acquisitions, the Group has engaged an independent appraiser to determine the fair values of net assets and liabilities acquired. As at 31 December 2022, the determination of the fair values has been completed and the carrying amount of the assets acquired and liabilities assumed were recorded accordingly.

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Assets acquired and liabilities assumed at the acquisition date were as follows:

	<i>Note</i>	Fair Value			Total
		Peute	Jordan	Cyber	
			<i>(in million Baht)</i>		
Cash and cash equivalents		230	11	-	241
Trade and other current receivables		1,976	60	-	2,036
Inventories		54	1	35	90
Property, plant and equipment		307	5	273	585
Intangible assets	12	1,448	-	-	1,448
Other non-current assets		8	-	6	14
Trade and other current payables		(1,547)	(33)	-	(1,580)
Interest-bearing liabilities		(74)	(5)	-	(79)
Other current liabilities		(146)	-	-	(146)
Deferred tax liabilities		(397)	-	-	(397)
Net identifiable assets and liabilities		1,859	39	314	2,212
<i>Less</i> non-controlling interests		-	(4)	-	(4)
Recognized value of net assets acquired		1,859	35	314	2,208
Goodwill from business acquisition	12	1,245	38	26	1,309
Total consideration transferred		3,104	73	340	3,517
Cash acquired					(241)
Total consideration transferred - net					3,276

The assets, liabilities, and operating results of these subsidiaries have been included in the Group's consolidated financial statements for the period ended 31 December 2022 since the acquisition date with total revenue from sales of Baht 4,814 million and profit for period of Baht 51 million. Revenue from sales of these subsidiaries since 1 January 2022 to the acquisition date amounting to Baht 8,715 million and profit for period amounted to Baht 71 million.

The Group incurred acquisition costs totaling Baht 84 million which have been included in administrative expenses in the consolidated income statement.

Besides the acquisitions during 2022 as above, the Group had significant transactions related to the business acquisitions in 2021 as follows;

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In the first quarter of 2022, the determination of the fair values of assets acquired and liabilities assumed from acquisition of Deltalab, S.L. (“Deltalab”), Spain, has been completed. The Group recorded the fair value of the assets acquired and liabilities assumed accordingly, mainly from an increase of other intangible assets of Baht 2,105 million, and recognized a decrease in goodwill of Baht 1,770 million. This adjustment is in accordance with the accounting adjustment condition for business acquisition.

In the second quarter of 2022, the Group has reached a final agreement with the former shareholder of Duy Tan Plastics Manufacturing Corporation Joint Stock Company (“Duy Tan”), Vietnam, to pay the remaining amount of Vietnamese Dong 2,340 billion or equivalent to Baht 3,527 million. This resulted in an increase in the remaining of the provision of contingent consideration by Vietnamese Dong 394 billion or equivalent to Baht 582 million, which consists of the recognition an increase of goodwill of Baht 195 million and loss from estimate adjustment of Baht 387 million which presented in administrative expenses in the consolidated income statement. In July 2022, the Group has already paid the remaining amount to the former shareholder.

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5 Related parties

Relationships with related parties were as follows:

Name of entities	Country of incorporation / nationality	Nature of relationships
The Siam Cement Public Company Limited	Thailand	Ultimate parent company
Siam Toppan Packaging Co., Ltd.	Thailand	An associate of SCG Packaging Public Company Limited
Siam Nippon Industrial Paper Co., Ltd.	Thailand	An associate of SCG Packaging Public Company Limited
Sahagreen Forest Co., Ltd.	Thailand	An associate of SCG Packaging Public Company Limited
Packworks Co., Ltd.	Thailand	An associate of SCG Packaging Public Company Limited
P&S Holdings Corporation	Philippines	An associate of SCG Packaging Public Company Limited
ReUse SAS	France	An associate of SCG Packaging Public Company Limited
SCG Cement Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
The Siam Cement (Ta Luang) Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
The Siam Cement (Kaeng Khoi) Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
The Siam Cement (Thung Song) Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
The Siam Cement (Lampang) Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
The Siam Refractory Industry Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
ECO Plant Services Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCI Eco Services Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
Siam Fibre Cement Group Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
The Siam Fibre-Cement Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCG Ceramics Public Company Limited	Thailand	A subsidiary of the Siam Cement Public Company Limited
Sosuco Ceramic Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
SUSUNN Smart Solution Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
Siam Sanitary Ware Industry Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
Siam Sanitary Ware Industry (Nongkae) Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCG International Corporation Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
Panel World Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
Thai Polyethylene Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
Rayong Engineering & Plant Service Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
Nawaplastic Industries Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
Rayong Olefins Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
Map Ta Phut Olefins Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCG Accounting Services Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCG Legal Counsel Limited	Thailand	A subsidiary of the Siam Cement Public Company Limited
SCG Learning Excellence Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited
A.I. Technology Co., Ltd.	Thailand	A subsidiary of the Siam Cement Public Company Limited

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Name of entities	Country of incorporation / nationality	Nature of relationships
PT Siam-Indo Gypsum Industry	Indonesia	A subsidiary of the Siam Cement Public Company Limited
PT SCG International Indonesia	Indonesia	A subsidiary of the Siam Cement Public Company Limited
Prime Trading, Import and Export One Member Limited Liability Company	Vietnam	A subsidiary of the Siam Cement Public Company Limited
Prime Dai Loc Joint Stock Company	Vietnam	A subsidiary of the Siam Cement Public Company Limited
SCG International Vietnam Co., Ltd.	Vietnam	A subsidiary of the Siam Cement Public Company Limited
Long Son Petrochemicals Co., Ltd.	Vietnam	A subsidiary of the Siam Cement Public Company Limited
SCG International (Philippines) Corporation	Philippines	A subsidiary of the Siam Cement Public Company Limited
SCG International USA Inc.	The United States	A subsidiary of the Siam Cement Public Company Limited
SCG International Australia Pty. Ltd.	Australia	A subsidiary of the Siam Cement Public Company Limited
SCG International Hong Kong Limited	China	A subsidiary of the Siam Cement Public Company Limited
SCG International Middle East DMCC	The United Arab Emirates	A subsidiary of the Siam Cement Public Company Limited
SCG International Middle East Trading L.L.C	The United Arab Emirates	A subsidiary of the Siam Cement Public Company Limited
The Siam Gypsum Industry (Saraburi) Co., Ltd.	Thailand	An associate of the Siam Cement Public Company Limited
The Siam Gypsum Industry (Songkhla) Co., Ltd.	Thailand	An associate of the Siam Cement Public Company Limited
SCGJWD Logistics Public Company Limited	Thailand	An associate of the Siam Cement Public Company Limited
Siam Tohcello Co., Ltd.	Thailand	An associate of the Siam Cement Public Company Limited
Thai MFC Co., Ltd.	Thailand	An associate of the Siam Cement Public Company Limited
Siam Polyethylene Co., Ltd.	Thailand	An associate of the Siam Cement Public Company Limited
Siam Synthetic Latex Co., Ltd.	Thailand	An associate of the Siam Cement Public Company Limited
Siam Kubota Corporation Co., Ltd.	Thailand	An associate of the Siam Cement Public Company Limited
IT One Co., Ltd.	Thailand	An associate of the Siam Cement Public Company Limited
PT SCG Barito Logistics	Indonesia	An associate of the Siam Cement Public Company Limited
Green Siam Resources Corporation	Philippines	An associate of the Siam Cement Public Company Limited
Nippon Paper Industries Co., Ltd.	Japan	Common directors with Phoenix Pulp & Paper Public Company Limited
Rengo Co., Ltd.	Japan	Common directors with Thai Containers Group Co., Ltd.
Asia Cement Public Company Limited	Thailand	Common directors with The Siam Cement Public Company Limited
SCG Foundation	Thailand	Common directors with The Siam Cement Public Company Limited

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Significant transactions with related parties for the year ended 31 December and the pricing policies are summarized as follows:

	2023	2022	Pricing policies
	<i>(in thousand Baht)</i>		
<i>Parent</i>			
Revenue	4,685	5,279	Market price
Service fee	857,482	833,227	Cost plus margin method comparable
<i>Associates</i>			
Revenue	510,402	554,092	Market price
Dividend income	9,366	10,862	Upon declaration
Purchases	280,153	341,975	Market price
<i>Others</i>			
Revenue	6,517,377	8,167,566	Market price
Purchases	6,865,509	10,321,189	Market price
Service fee	2,476,009	3,068,514	Market price and contract rate

Balances as at 31 December with related parties were as follows:

	Note	2023	2022
		<i>(in thousand Baht)</i>	
<i>Trade receivables</i>			
Parent		206	886
Associates		69,599	62,563
Others		924,744	864,522
Total	7	994,549	927,971
<i>Other current receivables</i>			
Parent		55,293	55,336
Associates		59,341	50,089
Others		17,089	16,044
Total		131,723	121,469
<i>Other non-current receivables</i>			
Parent		68,100	116,846
Associates		105,312	113,473
Total		173,412	230,319

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	2023	2022
	<i>(in thousand Baht)</i>	
<i>Trade payables</i>		
Associates	35,096	39,019
Others	1,099,259	1,227,599
Total	1,134,355	1,266,618
 <i>Other current payables</i>		
Parent	93,042	63,567
Associates	1,426	1,637
Others	126,276	118,308
Total	220,744	183,512
 <i>Lease liabilities</i>		
<i>Current and non-current portion</i>		
Parent	56,787	86,505
Associates	99,506	100,728
Others	197,690	232,804
Total	353,983	420,037

The Board of Directors and key management compensation

	2023	2022
	<i>(in thousand Baht)</i>	
<i>For the years ended 31 December</i>		
Short-term employee benefits	121,410	131,992
Post-employment benefits	9,834	9,284
Total	131,244	141,276

The Board of Directors and key management compensation comprises the remuneration paid to the directors of SCG Packaging Public Company Limited under the articles of the Company and the remuneration paid to the management as staff expenses in terms of salary, bonus, special remuneration benefit, others and contribution to defined contribution plans.

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6 Cash and cash equivalents

	2023	2022
	<i>(in thousand Baht)</i>	
Cash on hand and at banks	6,678,138	9,176,310
Highly liquid short-term investments	3,210,449	789,623
Total	<u>9,888,587</u>	<u>9,965,933</u>

7 Trade receivables

<i>At 31 December</i>	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
Related parties			
Within credit terms		957,319	872,597
Overdue:			
Less than 1 month		36,182	23,228
1 - 3 months		1,048	31,905
Over 3 - 12 months		-	241
Total	5	<u>994,549</u>	<u>927,971</u>
Other companies			
Within credit terms		16,863,995	17,054,979
Overdue:			
Less than 1 month		1,545,808	1,639,462
1 - 3 months		416,875	664,537
Over 3 - 12 months		164,902	163,919
Over 12 months		180,433	180,470
		<u>19,172,013</u>	<u>19,703,367</u>
<i>Less allowance for expected credit loss</i>		<i>(184,531)</i>	<i>(180,262)</i>
Net		<u>18,987,482</u>	<u>19,523,105</u>
Total		<u>19,982,031</u>	<u>20,451,076</u>

The normal credit term granted by the Group is 30 - 90 days.

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	2023	2022
	<i>(in thousand Baht)</i>	
<i>Allowance for expected credit loss</i>		
At 1 January	180,262	161,886
Acquisitions through business combinations	949	8,098
Addition	19,221	20,941
Reversal	(13,291)	(10,119)
Write-off	(2,368)	(273)
Currency translation differences	(242)	(271)
At 31 December	184,531	180,262

8 Inventories

	2023	2022
	<i>(in thousand Baht)</i>	
Finished goods	6,292,922	7,464,774
Work in progress	1,101,377	1,191,122
Raw materials	6,252,695	9,268,942
Spare parts, stores, supplies and others	3,991,548	4,130,713
Goods in transit	1,939,452	1,659,161
Total	19,577,994	23,714,712
<i>Less allowance for decline in value</i>	<i>(325,401)</i>	<i>(433,913)</i>
Net	19,252,593	23,280,799
Cost of inventories recognized as an expense in cost of sales	106,319,385	121,532,665
Write-down to net realizable value	592,997	739,428
Reversal of write-down	(745,004)	(581,656)
Changes in finished goods and work in progress	1,261,597	(1,635,686)
Raw materials and supplies used	54,691,164	69,016,738

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9 Investments in associates

Movements for the years ended 31 December in investments in associates accounted for using the equity method were as follows:

	2023	2022
	<i>(in thousand Baht)</i>	
At 1 January	1,034,332	873,034
Acquisitions through business combinations	-	7,954
Increase in investment	-	106,733
Share of net profit of investments - equity method	38,750	54,819
Share of other comprehensive income of investment - equity method	(986)	2,654
Dividend income	(9,366)	(10,862)
At 31 December	<u>1,062,730</u>	<u>1,034,332</u>

Investments in associates as at 31 December and dividends from these investments for the years ended at the same date were as follows:

	Total direct/ indirect		Paid-up capital		Cost method		Equity method		Dividend income	
	holding		2023	2022	2023	2022	2023	2022	2023	2022
	(%)		<i>(in thousand Baht)</i>							
Associates										
Siam Toppan										
Packaging Co., Ltd.	49	49	500,000	500,000	245,000	245,000	517,924	499,936	6,027	8,012
Siam Nippon										
Industrial Paper Co., Ltd.	31	31	1,100,000	1,100,000	495,000	495,000	357,434	341,221	-	-
Packworks Co., Ltd.	28	28	1,837	1,837	106,733	106,733	97,985	105,489	-	-
Sahagreen Forest Co., Ltd.	17	17	190,000	190,000	47,500	47,500	79,057	79,732	2,518	2,850
ReUse SAS	45	45	3,673	3,673	2,909	2,909	10,330	7,954	821	-
P&S Holdings Corporation	40	40	262,588	262,588	105,121	105,121	-	-	-	-
Total			<u>2,058,098</u>	<u>2,058,098</u>	<u>1,002,263</u>	<u>1,002,263</u>	<u>1,062,730</u>	<u>1,034,332</u>	<u>9,366</u>	<u>10,862</u>

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10 Property, plant and equipment

	Land and land improvements	Buildings and structures	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles and equipment	Construction in progress	Bearer plant	Total
	<i>(in thousand Baht)</i>							
Cost								
At 1 January 2022	11,554,751	25,687,807	159,727,397	2,355,685	1,621,251	9,600,796	44,007	210,591,694
Acquisitions through business combinations <i>(see note 4)</i>	65,066	230,938	527,324	17,952	107,872	-	-	949,152
Additions	154,920	760,293	1,974,127	161,779	335,379	4,154,618	-	7,541,116
Disposals/written off	(22,012)	(186,740)	(3,454,917)	(182,477)	(343,049)	(5,231)	-	(4,194,426)
Transfer to investment property	(5,068)	(1,820)	-	-	-	-	-	(6,888)
Transfers in (out)	203,380	2,126,820	6,138,304	49,633	33,651	(8,549,423)	842	3,207
Currency translation differences	(300,222)	(285,947)	(2,028,295)	(18,042)	(15,862)	(307,947)	-	(2,956,315)
At 31 December 2022	11,650,815	28,331,351	162,883,940	2,384,530	1,739,242	4,892,813	44,849	211,927,540
Acquisitions through business combinations <i>(see note 4)</i>	-	74,432	41,615	7,560	8,456	627	-	132,690
Additions	307,523	1,387,543	1,951,609	213,503	394,476	4,057,689	-	8,312,343
Disposals/written off	(19,892)	(219,625)	(1,404,727)	(126,003)	(279,819)	(5,614)	-	(2,055,680)
Transfer from investment property	25,757	-	-	-	-	-	-	25,757
Transfers in (out)	51,489	492,935	4,035,260	56,695	36,487	(4,687,348)	4,281	(10,201)
Currency translation differences	(39,936)	(146,202)	(616,974)	(3,503)	(12,637)	(17,522)	-	(836,774)
At 31 December 2023	11,975,756	29,920,434	166,890,723	2,532,782	1,886,205	4,240,645	49,130	217,495,675

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	Land and land improvements	Buildings and structures	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles and equipment	Construction in progress	Bearer plant	Total
								(in thousand Baht)
<i>Accumulated depreciation and accumulated impairment losses</i>								
At 1 January 2022	1,607,293	12,597,335	96,372,235	1,926,873	903,343	-	3,376	113,410,455
Depreciation charge for the year	240,251	1,291,034	6,848,051	176,467	306,898	-	3,242	8,865,943
Reversal of impairment losses	-	(10,896)	(107)	(12)	-	-	-	(11,015)
Disposals/written off	(18,370)	(145,671)	(3,326,488)	(182,141)	(280,093)	-	(29)	(3,952,792)
Transfers in (out)	1,156	44,109	10,964	8,149	26,231	-	-	90,609
Currency translation differences	(7,005)	(133,725)	(889,543)	(15,341)	(15,251)	-	-	(1,060,865)
At 31 December 2022	1,823,325	13,642,186	99,015,112	1,913,995	941,128	-	6,589	117,342,335
Depreciation charge for the year	246,721	1,177,906	6,403,438	184,847	334,179	-	3,074	8,350,165
Impairment losses	178	605	19,214	701	-	-	-	20,698
Disposals/written off	(14,000)	(214,665)	(1,350,993)	(125,567)	(232,932)	-	-	(1,938,157)
Transfers in (out)	(5,934)	9,511	19,029	(18,784)	(2,828)	-	-	994
Currency translation differences	(8,925)	(57,119)	(476,739)	(576)	(16,196)	-	-	(559,555)
At 31 December 2023	2,041,365	14,558,424	103,629,061	1,954,616	1,023,351	-	9,663	123,216,480
<i>Carrying amount</i>								
At 31 December 2022								
Owned assets	7,835,211	13,322,606	63,750,922	378,951	354,144	4,892,813	38,260	90,572,907
Right-of-use assets	1,992,279	1,366,559	117,906	91,584	443,970	-	-	4,012,298
	9,827,490	14,689,165	63,868,828	470,535	798,114	4,892,813	38,260	94,585,205
At 31 December 2023								
Owned assets	7,875,812	13,122,483	63,142,851	429,451	300,651	4,240,645	39,467	89,151,360
Right-of-use assets	2,058,579	2,239,527	118,811	148,715	562,203	-	-	5,127,835
	9,934,391	15,362,010	63,261,662	578,166	862,854	4,240,645	39,467	94,279,195

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In 2023, the right-of-use assets of the Group has increased amounting to Baht 1,848 million (2022: Baht 969 million) and the Group capitalized borrowing costs relating to the acquisition of the property, plant and equipment as part of the cost of construction in progress, amounting to Baht 43 million (2022: Baht 32 million), rates of interest capitalized at 1.00% to 3.75% per annum (2022: 0.70% to 2.70% per annum).

In 2023, subsidiaries in overseas, 5 companies, revisited the residual lives of certain items of buildings and structures and machinery and equipment, which resulted in changes in the estimated useful lives of these assets. The Group estimated these assets would have useful lives of 15 to 40 years from the date of completion of construction and be available for use (previously, 5 to 25 years). As a result of the aforesaid extension of the useful lives of assets, the effect of these changes for the year ended 31 December 2023 was a decreased in depreciation expense of approximately Baht 514 million.

11 Leases

The Group leases land, buildings, vehicles and equipment both in Thailand and overseas. The rental due and rate are as specified in the contract.

<i>For the years ended 31 December</i>	2023	2022
	<i>(in thousand Baht)</i>	
<i>Amounts recognized in profit or loss</i>		
Depreciation of right-of-use assets:		
- Land and land improvements	143,917	134,149
- Buildings and structures	375,314	342,730
- Vehicles and equipment	240,242	210,909
- Others	71,835	66,015
Interest on lease liabilities	110,632	99,100
Expenses relating to short-term leases	196,193	224,956
Expenses relating to leases of low-value assets	108,992	75,432

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12 Goodwill and other intangible assets

	Goodwill	Other intangible assets			
		Customer contracts and relationship	Trademark copyright and patent	Software licenses and others	Total other intangible assets
<i>(in thousand Baht)</i>					
Cost					
At 1 January 2022	29,482,758	5,009,231	2,522,140	1,702,379	9,233,750
Acquisitions through business combinations <i>(see note 4)</i>	(173,993)	2,376,940	1,169,304	5,081	3,551,325
Additions	-	-	-	290,963	290,963
Disposals/written off	-	-	-	(34,629)	(34,629)
Transfers in (out)	-	-	-	24,765	24,765
Currency translation differences	(1,075,526)	(224,080)	(23,026)	206	(246,900)
At 31 December 2022	28,233,239	7,162,091	3,668,418	1,988,765	12,819,274
Acquisitions through business combinations <i>(see note 4)</i>	1,093,569	-	-	1,608	1,608
Additions	-	-	-	247,364	247,364
Disposals/written off	-	-	-	(25,840)	(25,840)
Transfers in (out)	-	-	-	10,563	10,563
Currency translation differences	47,587	83,263	(27,992)	(2,456)	52,815
At 31 December 2023	29,374,395	7,245,354	3,640,426	2,220,004	13,105,784
Accumulated amortization					
At 1 January 2022	-	289,526	140,737	1,053,485	1,483,748
Amortization charge for the year	-	459,886	219,669	145,783	825,338
Disposals/written off	-	-	-	(33,260)	(33,260)
Currency translation differences	-	(15,291)	(5,827)	(9,373)	(30,491)
At 31 December 2022	-	734,121	354,579	1,156,635	2,245,335
Amortization charge for the year	-	455,699	216,585	167,391	839,675
Disposals/written off	-	-	-	(25,645)	(25,645)
Currency translation differences	-	8,986	(8,884)	(4,645)	(4,543)
At 31 December 2023	-	1,198,806	562,280	1,293,736	3,054,822
Carrying amount					
At 31 December 2022	28,233,239	6,427,970	3,313,839	832,130	10,573,939
At 31 December 2023	29,374,395	6,046,548	3,078,146	926,268	10,050,962

Amortization expenses of other intangible assets are included in cost of sales, distribution costs and administrative expenses in the consolidated income statement.

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For the purpose of impairment testing of goodwill of the Group, the recoverable amount was based on value in use, determined by discounting the future cash flows. The Group determined 5-year cash flows forecasts, terminal values thereafter and discount rates derived from weighted average cost of capital of the Group, which were based on estimate and judgments of the management and considering historical data from both external and internal sources. The key assumptions used in the estimation of recoverable amount were discount rates, ranging from 4.40% to 6.91% (2022: 5.38% to 7.87%) and projected revenue growth rates ranging from 4.59% to 14.99% (2022: 0.58% to 15.46%). As the result of the impairment testing of goodwill, the recoverable amounts of the cash-generating units for the Group's assets were determined to be higher than the carrying amounts.

Nevertheless, the key assumptions used in the estimation of recoverable amount are subject to change due to ongoing market uncertainties that could impact the recoverable amount as at 31 December 2023 of a subsidiary, which has the goodwill of Baht 12,770 million and the recoverable amount exceeding the carrying amount by approximately Baht 5,282 million. If the projected revenue growth rate decreases by 2.11%, the recoverable amount will be equal to the carrying amount.

13 Deferred tax assets (deferred tax liabilities)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, and are included in the consolidated statements of financial position as follows:

	2023	2022
	<i>(in thousand Baht)</i>	
Deferred tax assets	1,036,057	852,115
Deferred tax liabilities	(4,886,139)	(5,322,691)
Net	<u>(3,850,082)</u>	<u>(4,470,576)</u>

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Movements in total deferred tax assets and liabilities during the year were as follows:

	At 1 January 2022	Credited (charged) to			Currency translation differences	At 31 December 2022	
		profit or loss	other comprehensive income <i>(Note 22)</i>	Increase through business combinations			
		<i>(in thousand Baht)</i>					
Deferred tax assets							
Loss carry forward	422,264	(13,511)	-	-	(23,098)	385,655	
Investment	56,249	(25,177)	-	-	(20)	31,052	
Trade receivables	27,348	2,868	-	-	(189)	30,027	
Inventories	78,975	24,339	-	-	(652)	102,662	
Property, plant and equipment	24,870	12,307	-	13,296	(2,132)	48,341	
Provisions for employee benefits	796,378	(10,514)	(65,361)	19,673	(14,670)	725,506	
Others	60,103	1,040	-	-	(453)	60,690	
Total	1,466,187	(8,648)	(65,361)	32,969	(41,214)	1,383,933	
Deferred tax liabilities							
Property, plant and equipment	3,538,645	(19,575)	-	116,183	(136,585)	3,498,668	
Intangible assets	1,447,563	34,659	-	898,102	(75,165)	2,305,159	
Others	51,066	590	-	-	(974)	50,682	
Total	5,037,274	15,674	-	1,014,285	(212,724)	5,854,509	
Net	(3,571,087)	(24,322)	(65,361)	(981,316)	171,510	(4,470,576)	

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	At	Credited (charged) to			Currency	At
	1 January	profit	other	Increase	translation	31 December
	2023	or loss	comprehensive	through	differences	2023
		<i>(Note 22)</i>	income	business		
			<i>(in thousand Baht)</i>	combinations		
<i>Deferred tax assets</i>						
Loss carry forward	385,655	532,409	-	-	(12,716)	905,348
Investment	31,052	15	-	-	-	31,067
Trade receivables	30,027	(810)	-	-	(6)	29,211
Inventories	102,662	(20,984)	-	-	724	82,402
Property, plant and equipment	48,341	(25,696)	-	-	2,792	25,437
Provisions for employee benefits	725,506	46,477	(20,712)	2,639	(236)	753,674
Others	60,690	2,846	-	-	1,594	65,130
Total	1,383,933	534,257	(20,712)	2,639	(7,848)	1,892,269
<i>Deferred tax liabilities</i>						
Property, plant and equipment	3,498,668	13,580	-	-	9,302	3,521,550
Intangible assets	2,305,159	(151,620)	-	-	26,294	2,179,833
Others	50,682	(9,698)	-	-	(16)	40,968
Total	5,854,509	(147,738)	-	-	35,580	5,742,351
Net	(4,470,576)	681,995	(20,712)	2,639	(43,428)	(3,850,082)

The United Kingdom Government announced a change in the corporate income tax rate from 19% to 25% (for the companies with profits over GBP 250,000). The change of corporate income tax rate will be effective on 1 April 2023 onwards. The Group has applied in the measurement of deferred tax assets and deferred tax liabilities, which made income tax expense increase amounting to Baht 124 million in the consolidated income statement for the year 2022.

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The deductible temporary differences and unused tax losses that the Group have not been recognized as deferred tax assets (liabilities) are as the following items:

	2023	2022
	<i>(in thousand Baht)</i>	
Temporary differences		
- Property, plant and equipment	68,300	72,814
- Provisions for employee benefits	114,546	117,163
- Others	131,087	185,010
Unused tax losses	676,991	204,294
Total	990,924	579,281

The unused tax losses which the Group has not recognized deferred tax asset, are the tax losses which have not yet expired under tax legislation, and will expire within 2029.

14 Changes in liabilities arising from financing activities

	Bank overdrafts and				
	short-term borrowings	Long-term borrowings	Lease liabilities	Debentures	Total
	<i>(in thousand Baht)</i>				
At 1 January 2022	30,547,449	18,535,667	2,195,075	5,493,051	56,771,242
Changes from financing cash flows	(14,047,168)	(2,580,001)	(625,861)	9,988,040	(7,264,990)
Leases	-	-	897,661	-	897,661
Changes arising from business acquisition (see note 4)	-	-	78,921	-	78,921
The effect of changes in foreign exchange rates	(345,141)	59,912	(37,991)	-	(323,220)
Other non-cash movement	-	5,841	-	3,512	9,353
At 31 December 2022	16,155,140	16,021,419	2,507,805	15,484,603	50,168,967
Changes from financing cash flows	(798,977)	(1,479,474)	(745,165)	-	(3,023,616)
Leases	-	-	1,989,571	-	1,989,571
Changes arising from business acquisition (see note 4)	101,209	3,547	19,590	-	124,346
The effect of changes in foreign exchange rates	(120,657)	(22,998)	(14,215)	-	(157,870)
Other non-cash movement	-	5,375	-	6,091	11,466
At 31 December 2023	15,336,715	14,527,869	3,757,586	15,490,694	49,112,864

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15 Interest-bearing liabilities

	2023	2022
	<i>(in thousand Baht)</i>	
<i>Current</i>		
Bank overdrafts and short-term borrowings from financial institutions		
- Secured	98,749	-
- Unsecured	15,237,966	16,155,140
	<u>15,336,715</u>	<u>16,155,140</u>
Current portion of long-term borrowings from financial institution		
- Unsecured	6,493,668	1,570,769
Current portion of lease liabilities	668,094	587,166
Current portion of debentures	5,497,816	-
Total	<u>27,996,293</u>	<u>18,313,075</u>
<i>Non-current</i>		
Long-term borrowings from financial institutions		
- Unsecured	8,034,201	14,450,650
Lease liabilities	3,089,492	1,920,639
Debentures	9,992,878	15,484,603
Total	<u>21,116,571</u>	<u>31,855,892</u>
Total interest-bearing liabilities	<u>49,112,864</u>	<u>50,168,967</u>

As at 31 December 2023, bank overdrafts and short-term borrowings from financial institutions of the Group had an interest rate from 1.85% to 7.30% per annum (2022: 1.40% to 8.35% per annum) and long-term borrowings from financial institutions of the Group had an interest rate from 0.27% to 7.71% per annum (2022: 0.27% to 9.31% per annum).

On 3 October 2023, the Company signed a Green Loan agreement with a local financial institution amounting to Baht 3,000 million. Term of the loan is for 5 years with a floating interest rate. This loan will be gradually drawn down for investment in projects that align with the Green Financing Framework, such as Renewable Energy, Energy Efficiency, and Water Management projects.

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Debenture

As at 31 December 2023, the Company has unsubordinated and unsecured debentures totaling Baht 15,500 million (2022: Baht 15,500 million) as follows:

Debentures no.	2023	2022	Interest rate	Term	Maturity date
	<i>(in thousand Baht)</i>		<i>(% p.a.)</i>		
1/2021	5,500,000	5,500,000	2.65	3 years 8 months	1 December 2024
1/2022	5,000,000	5,000,000	2.80	2 years 10 months	1 June 2025
2/2022	5,000,000	5,000,000	3.50	4 years	1 December 2026
Total	15,500,000	15,500,000			
<i>Less debentures</i>					
issuing expenses	(9,306)	(15,397)			
Net	15,490,694	15,484,603			

16 Non-current provisions for employee benefits

The Group operates defined benefit plans based on the requirement of the Thai Labor Protection Act B.E. 2541 to provide retirement benefits and other long-term benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, current risk, interest rate risk and market (investment) risk.

Non-current provisions for employee benefits in the consolidated statement of financial position as at 31 December

	2023	2022
	<i>(in thousand Baht)</i>	
Post-employment benefits		
Legal severance payments plan	3,489,780	3,476,113
Pension	36,782	36,631
Other long-term employee benefits	117,368	106,855
Total non-current provisions for defined benefit plans	3,643,930	3,619,599
Other employee benefits	15,031	-
Total	3,658,961	3,619,599
<i>Less plan assets of foreign subsidiaries</i>	(29,831)	(23,781)
Total non-current provisions for employee benefits - net	3,629,130	3,595,818

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Movement in the present value of non-current provisions for defined benefit plans

	2023	2022
	<i>(in thousand Baht)</i>	
Non-current provisions for defined benefit plans at 1 January	3,619,599	3,897,579
<i>Included in profit or loss</i>		
Current service costs	211,290	106,687
Interest on obligation	152,931	122,907
Actuarial losses (gains)	5,669	(1,539)
Others	-	(13,731)
	<u>369,890</u>	<u>214,324</u>
<i>Included in other comprehensive income</i>		
Actuarial gains	(90,751)	(272,673)
Currency translation differences	(2,642)	(64,933)
	<u>(93,393)</u>	<u>(337,606)</u>
<i>Others</i>		
Benefits paid	(252,166)	(251,121)
Acquisitions through business combinations	-	96,423
	<u>(252,166)</u>	<u>(154,698)</u>
Non-current provisions for defined benefit plans at 31 December	<u><u>3,643,930</u></u>	<u><u>3,619,599</u></u>

Actuarial losses (gains) recognized in other comprehensive income as of the end of the reporting period arising from:

	2023	2022
	<i>(in thousand Baht)</i>	
<i>For the years ended 31 December</i>		
Demographic assumptions	224	61,550
Financial assumptions	(79,013)	(405,285)
Experience adjustment	(11,962)	71,062
Total	<u><u>(90,751)</u></u>	<u><u>(272,673)</u></u>

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Actuarial assumptions

Principal actuarial assumptions as of the end of the reporting period

	2023	2022
	(%)	
Discount rate *		
- Thailand	2.79 - 3.62	2.32 - 3.41
- Vietnam	3.17	5.16
- Indonesia	6.55 - 6.90	6.75 - 7.40
- Philippines	6.06	7.30
Salary increase rate	1.39 - 8.00	0.63 - 7.00
Employee turnover rate **	2.00 - 20.00	2.00 - 17.00
Mortality rate ***	50.00, 100.00 of TMO2017	50.00, 100.00 of TMO2017

* Market yields on government's bonds for legal severance payments plan and pension

** Upon the length of service

*** Reference from TMO2017: Thai Mortality Ordinary Table 2017

As at 31 December 2023, the Group has the weighted-average duration for payment of long-term employee benefits approximately 11 to 20 years. (2022: 11 to 21 years).

Sensitivity analysis

Reasonably possible changes at the end of the reporting period to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the non-current provisions for defined benefit plans by the amounts shown below.

Effect on the non-current provisions for defined benefit plans at 31 December

	Increase (decrease)	
	2023	2022
	(in thousand Baht)	
Discount rate		
0.50% increase	(117,168)	(120,365)
0.50% decrease	126,803	130,067
Salary increase rate		
1.00% increase	257,234	257,017
1.00% decrease	(224,185)	(224,882)
Employee turnover rate		
10.00% increase	(53,280)	(53,548)
10.00% decrease	55,096	55,303

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

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17 Legal Reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

18 Business segment information

Segment information is presented in respect of the Group’s business segments, is based on the Group’s management and internal reporting structure.

Segment assets, revenues and results of operations include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments

The Group comprises the following main business segments:

<i>Integrated Packaging Business</i>	Comprises fiber packaging, packaging paper, and consumer and performance packaging. Fiber packaging comprises corrugated containers and retail display packaging. Packaging paper comprises containerboard, coated duplex board, sack kraft, and plasterboard liner. Consumer and performance packaging comprises flexible packaging products, rigid packaging products, and medical supplies and labware
<i>Fibrous Business</i>	Comprises foodservice products and pulp and paper products.
<i>Recycling Business and Others</i>	Comprises packaging materials recycling and investment

The business segment information is used by management to evaluate the performance of segments and to allocate resources. The Group evaluates operating performance based on EBITDA.

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Information relating to business segments for years ended 31 December was as follows:

	Integrated Packaging Business		Fibrous Business		Recycling Business and Others		Intersegment Elimination		Consolidated SCGP	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<i>(in thousand Baht)</i>										
Information from statement of financial position										
Current assets	42,549,002	44,099,250	10,274,087	10,099,245	43,798,508	47,773,773	(36,349,664)	(41,817,835)	60,271,933	60,154,433
Investments in associates	97,985	105,488	436,491	420,953	528,254	507,891	-	-	1,062,730	1,034,332
Investments in equity instrument	11,375	11,783	-	-	49,415,280	48,217,163	(49,415,280)	(48,217,163)	11,375	11,783
Property, plant and equipment	75,665,077	76,904,863	16,861,486	17,516,508	2,071,325	691,163	(318,693)	(527,329)	94,279,195	94,585,205
Others non-current assets	33,398,085	32,418,082	5,992,539	5,789,595	3,816,478	3,551,855	(271,661)	(265,639)	42,935,441	41,493,893
Total assets	151,721,524	153,539,466	33,564,603	33,826,301	99,629,845	100,741,845	(86,355,298)	(90,827,966)	198,560,674	197,279,646
Short-term borrowings	51,477,877	54,664,678	803,026	925,896	11,132,217	3,242,917	(35,416,827)	(40,520,416)	27,996,293	18,313,075
Other current liabilities	34,765,204	11,974,401	2,618,526	2,773,305	1,935,700	1,693,114	(925,330)	(1,275,236)	38,394,100	15,165,584
Long-term borrowings	4,223,685	5,768,905	1,233,281	1,328,069	16,304,971	25,590,925	(645,366)	(832,007)	21,116,571	31,855,892
Other non-current liabilities	6,605,702	6,948,190	1,096,799	1,091,346	901,864	938,819	-	-	8,604,365	8,978,355
Total liabilities	97,072,468	79,356,174	5,751,632	6,118,616	30,274,752	31,465,775	(36,987,523)	(42,627,659)	96,111,329	74,312,906
Shareholders' equity	54,649,056	74,183,292	27,812,971	27,707,685	69,355,093	69,276,070	(49,367,775)	(48,200,307)	102,449,345	122,966,740
Total liabilities and shareholders' equity	151,721,524	153,539,466	33,564,603	33,826,301	99,629,845	100,741,845	(86,355,298)	(90,827,966)	198,560,674	197,279,646
Supplementary information										
Increase in non-current assets	6,522,940	7,489,651	1,374,846	1,210,165	1,755,111	3,457,848	-	-	9,652,897	12,157,664

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	Integrated Packaging Business		Fibrous Business		Recycling Business and Others		Intersegment Elimination		Consolidated SCGP	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<i>Information from income statement</i>										
Revenue from sales										
External customers	97,044,389	117,218,982	24,894,273	24,272,565	7,459,427	4,576,496	-	-	129,398,089	146,068,043
Intersegment	318,484	304,908	1,941,197	2,655,193	1,208,984	237,526	(3,468,665)	(3,197,627)	-	-
Total revenue from sales	97,362,873	117,523,890	26,835,470	26,927,758	8,668,411	4,814,022	(3,468,665)	(3,197,627)	129,398,089	146,068,043
Cost of sales	(80,601,596)	(98,864,978)	(22,704,337)	(22,670,715)	(6,717,857)	(3,622,314)	3,749,857	3,366,851	(106,273,933)	(121,791,156)
Gross profit	16,761,277	18,658,912	4,131,133	4,257,043	1,950,554	1,191,708	281,192	169,224	23,124,156	24,276,887
Other income	966,977	1,286,740	263,897	251,055	5,913,540	6,715,299	(6,021,887)	(6,788,561)	1,122,527	1,464,533
Profit before expenses	17,728,254	19,945,652	4,395,030	4,508,098	7,864,094	7,907,007	(5,740,695)	(6,619,337)	24,246,683	25,741,420
Operating expenses	(10,150,590)	(12,646,889)	(2,638,343)	(2,562,856)	(4,890,472)	(3,702,854)	1,995,716	2,873,770	(15,683,689)	(16,038,829)
Profit before finance cost and income tax	7,577,664	7,298,763	1,756,687	1,945,242	2,973,622	4,204,153	(3,744,979)	(3,745,567)	8,562,994	9,702,591
Finance cost	(1,986,250)	(1,623,346)	(239,533)	(197,098)	(833,306)	(540,294)	1,039,431	892,615	(2,019,658)	(1,468,123)
Profit before income tax	5,591,414	5,675,417	1,517,154	1,748,144	2,140,316	3,663,859	(2,705,548)	(2,852,952)	6,543,336	8,234,468
Tax income (expense)	(1,016,668)	(1,008,496)	(294,970)	(503,466)	164,529	(38,269)	(6,352)	314	(1,153,461)	(1,549,917)
Profit after income tax	4,574,746	4,666,921	1,222,184	1,244,678	2,304,845	3,625,590	(2,711,900)	(2,852,638)	5,389,875	6,684,551
Share of profit (loss) of associates accounted for using equity method	(7,503)	(1,245)	18,071	8,111	28,182	47,953	-	-	38,750	54,819
Profit for the year	4,567,243	4,665,676	1,240,255	1,252,789	2,333,027	3,673,543	(2,711,900)	(2,852,638)	5,428,625	6,739,370

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	Integrated Packaging Business		Fibrous Business		Recycling Business and Others		Intersegment Elimination		Consolidated SCGP	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Profit (loss) attributable to:										
Owners of the Company	5,095,023	4,505,033	1,234,861	1,244,910	2,333,787	3,674,728	(3,415,538)	(3,624,066)	5,248,133	5,800,605
Non-controlling interests	(527,780)	160,643	5,394	7,879	(760)	(1,185)	703,638	771,428	180,492	938,765
	4,567,243	4,665,676	1,240,255	1,252,789	2,333,027	3,673,543	(2,711,900)	(2,852,638)	5,428,625	6,739,370
Interest income	337,479	176,301	17,312	7,329	1,031,131	868,849	(1,009,133)	(855,392)	376,789	197,087
Depreciation and amortization	6,841,595	7,429,917	2,077,578	2,121,081	316,082	181,136	(29,551)	(32,989)	9,205,704	9,699,145
Other non-monetary items:										
- Loss on inventories devaluation (reversal)	(106,380)	207,123	12,642	(37,548)	-	-	-	-	(93,738)	169,575
- Loss on impairment of assets (reversal)	14,144	10,265	6,848	(17,952)	-	-	-	-	20,992	(7,687)

Revenue from sales of Integrated Packaging Business's proportion is 75% of the total revenue from sales including Packaging Paper 38%, Fiber Packaging 24%, and Consumer and Performance Packaging 13%.

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Geographical segment

The Group has expanded its investment and operating in foreign countries. All significant revenue from sales and non-current assets on the basis of geography is presented in this information. Segment revenue is based on the geographical location of customers and segment non-current assets are based on the geographical location of the assets.

Geographical segment information

	Revenue from sales		Non-current assets	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Thailand	53,366,944	59,428,510	52,013,339	52,756,830
Vietnam	19,516,667	21,649,533	19,824,913	20,914,415
Indonesia	18,270,884	25,186,380	41,786,923	41,497,373
China	8,784,636	9,499,418	-	-
Philippines	3,051,321	4,673,716	5,483,043	5,594,798
United Kingdom	1,834,155	1,872,372	5,100,427	4,686,854
Spain	1,655,898	1,668,540	3,658,016	3,801,295
Netherlands	465,604	2,753,114	4,469,195	3,016,651
Others	22,451,980	19,336,460	1,483,238	1,265,859
Total	129,398,089	146,068,043	133,819,094	133,534,075

Major customer

The Group has no revenue from one customer for the amount over 10% of the Group's total revenue from sales.

19 Distribution costs

	2023	2022
	<i>(in thousand Baht)</i>	
Freight and commission expenses	6,228,516	6,887,902
Salary, welfare and employee expenses	1,613,747	1,581,322
Sales promotion and advertising expenses	286,488	267,055
Rent, depreciation and amortization expenses	148,763	190,216
Custom, insurance expense and intellectual property fees	54,583	76,240
Others	368,760	347,805
Total	8,700,857	9,350,540

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20 Administrative expenses

	2023	2022
	<i>(in thousand Baht)</i>	
Salary, welfare and employee expenses	3,558,245	3,177,046
Rent, depreciation and amortization expenses	1,229,323	1,111,114
Professional and consultant fees	699,839	704,289
IT fees	418,107	377,723
Service expenses	303,821	294,317
Loss on contingent consideration adjustment	-	387,313
Others	773,497	636,487
Total	<u>6,982,832</u>	<u>6,688,289</u>

21 Employee benefit expenses

	2023	2022
	<i>(in thousand Baht)</i>	
Salaries and wages	11,310,297	11,267,851
Welfares and others	1,731,789	1,584,042
Contribution to defined contribution plans	487,432	465,199
Contribution to defined benefit plans	369,890	214,324
Early retirement expenses	102,550	10,908
Total	<u>14,001,958</u>	<u>13,542,324</u>

The Group has provident fund plans to provide retirement and gratuity benefits to employees upon resignation at 5% to 10% of the employee's salaries, depending on the length of employment.

The defined contribution plans comprise provident funds established by the Group for its employees in addition to the above provident fund. The provident funds were registered with the Ministry of Finance under the Provident Fund Act B.E. 2530. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at 2% to 15% of their basic salaries and by the Company at 5% to 13% of the members' basic salaries, depending on the length of employment.

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22 Income tax

	<i>Note</i>	2023 <i>(in thousand Baht)</i>	2022
<i>Income tax recognized in profit or loss</i>			
Current tax			
Current tax		1,850,542	1,551,152
Over provided in prior years		(15,086)	(25,557)
		<u>1,835,456</u>	<u>1,525,595</u>
Deferred tax			
Movements in temporary differences	<i>13</i>	(681,995)	(99,183)
Change in corporate income tax rate	<i>13</i>	-	123,505
		<u>(681,995)</u>	<u>24,322</u>
Total		<u>1,153,461</u>	<u>1,549,917</u>
<i>Income tax recognized in other comprehensive income</i>			
Gains on remeasurement of defined benefit plan		19,716	62,385
Total		<u>19,716</u>	<u>62,385</u>

Reconciliation of effective tax rate

		2023 <i>(in thousand Baht)</i>		2022 <i>(in thousand Baht)</i>
	Rate <i>(%)</i>		Rate <i>(%)</i>	
Profit before income tax expense		6,582,086		8,289,287
Share of profit of associates accounted for using equity method		(38,750)		(54,819)
		<u>6,543,336</u>		<u>8,234,468</u>
Income tax using the Thai corporation tax rate	20	1,308,667	20	1,646,894
Effect of different tax rates in foreign jurisdictions		(59,520)		19,980
Income not subject to tax		(8,211)		(18,120)
Tax privileges		(203,615)		(221,125)
Expenses deductible at a greater amount		(53,245)		(34,934)
Expenses not deductible for tax purposes and others		209,211		235,130
Tax losses		657,255		(76,673)
Current tax		<u>1,850,542</u>		<u>1,551,152</u>
Over provided in prior years		(15,086)		(25,557)
Movement in temporary differences		(681,995)		24,322
Income tax expense	18	<u>1,153,461</u>	19	<u>1,549,917</u>

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23 Promotional privileges

By virtue of the provisions of the Investment Promotion Act of B. E. 2520, the Group was granted the following privileges.

	Exemption from corporate income tax for 8 years from	50% Deduction of normal corporate income tax for 5 years from
Vexcel Pack Co., Ltd.		
Manufacture of plastic containers	18 July 2013	18 July 2021
Manufacture of plastic containers	4 July 2014	4 July 2022
Manufacture of plastic containers	29 August 2015	29 August 2023
Manufacture of plastics sheet and plastics product	6 July 2018	6 July 2026
		Exemption from corporate income tax for 8 years from
SCG Paper Energy Co., Ltd.		
Power management		1 November 2017
Electricity production		19 October 2018
Electricity production		4 June 2019
Electricity production		17 March 2020
Electricity production		17 June 2020
Electricity production		22 December 2020
Electricity production		24 February 2021
Electricity production		12 March 2021
Electricity production		19 January 2022
Electricity production		27 July 2022
Electricity production		29 July 2022
Electricity production		23 August 2022
Electricity production		23 September 2022
Electricity production		14 November 2022
Electricity production		27 December 2022
Electricity production		9 February 2023
Electricity production		25 April 2023
Electricity production		14 May 2023
Electricity production		22 September 2023
Electricity production		9 November 2023
Precision Print Co., Ltd.		
Manufacture of printing		28 October 2015

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	Exemption from corporate income tax for 5 years from
Thai Paper Co., Ltd.	
Manufacture of hygienic food packaging	23 August 2022
Prepack Thailand Co., Ltd.	
Manufacture of printing	2 May 2023
	Exemption from corporate income tax for 4 years from
Thai Containers Group Co., Ltd.	
Manufacture of pulp product	26 September 2022
	50% Deduction of normal corporate income tax for 3 years from
Thai Containers Group Co., Ltd.	
Manufacture of performance paper product	28 September 2023

Alcamax Packaging (Vietnam) Co., Ltd. obtained privileges from a government agency in Vietnam to pay income tax at a reduced rate of 15% of taxable profits.

AP Packaging (Hanoi) Co., Ltd. obtained privileges from a government agency in Vietnam to pay income tax at a reduced rate of 10% of taxable profits.

Tin Thanh Packing Joint Stock Company obtained privileges from a government agency in Vietnam by exemption from income tax for investment of new plant expansion of taxable profits in 2020 to 2021 and pay income tax at a reduced rate of 10% of taxable profits in 2022 to 2025.

Duy Tan Long An Co., Ltd. obtained privileges from a government agency in Vietnam to pay income tax at a reduced rate of 17% of taxable profits until 2029, and exemption from corporate income tax for 2 years from the year that profit is first reported in 2020 and 50% deduction of the said corporate income tax for 4 years thereafter.

Duy Tan Binh Duong Plastics Co., Ltd. obtained privileges from a government agency in Vietnam to pay income tax at a reduced rate of 10% of taxable profits until 2024.

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Duy Tan Precision Mold Co., Ltd. obtained privileges from a government agency in Vietnam to pay income tax at a reduced rate of 10% of taxable profits for the first 15 years starting from the first year of operation until 2034, and exemption from corporate income tax for 4 years from the year that profit is first reported in 2020 and 50% deduction of the said corporate income tax for 9 years thereafter.

United Pulp and Paper Co., Inc. obtained privileges from a government agency in Philippines by exempting from corporate income tax for expanding capacity project No.3 from 2019 to 2026.

As promoted companies, the Group must comply with certain conditions and restrictions provided for in the promotional certificates.

24 Dividends

The dividends paid by the Company to shareholders were as follows:

	Approval date	Payment schedule	Dividend rate per share (in Baht)	Amount (in million Baht)
2023				
Annual dividend 2022	28 March 2023	24 April 2023	0.35	1,502
Interim dividend 2023	25 July 2023	22 August 2023	0.25	1,073
Total			0.60	2,575
2022				
Annual dividend 2021	29 March 2022	25 April 2022	0.40	1,717
Interim dividend 2022	26 July 2022	24 August 2022	0.25	1,073
Total			0.65	2,790

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25 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortized cost if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			Fair value				Total
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total	Level 1	Level 2	Level 3	
<i>Balance at 31 December 2023</i>								
Financial assets								
Cash and cash equivalents	-	-	9,888,587	9,888,587				
Short-term investments								
- Deposit at financial institutions	-	-	2,238,221	2,238,221				
- Funds	5,051,900	-	-	5,051,900	-	5,051,900	-	5,051,900
- Investments in equity instruments	2,130	-	-	2,130	2,130	-	-	2,130
Trade receivables	-	-	19,982,031	19,982,031				
Derivatives assets	224,752	-	-	224,752	-	224,752	-	224,752
Long-term investments								
- Deposit at financial institutions	-	-	1,022	1,022				
- Investments in equity instruments	-	11,375	-	11,375	-	-	11,375	11,375
Total financial assets	5,278,782	11,375	32,109,861	37,400,018				
Financial liabilities								
Bank overdrafts and short-term borrowings	-	-	15,336,715	15,336,715				
Trade payables	-	-	11,324,954	11,324,954				
Derivatives liabilities	24,136	-	-	24,136	-	24,136	-	24,136
Liabilities related to put options	-	-	22,313,049	22,313,049				
Long-term borrowings	-	-	14,527,869	14,527,869				
Lease liabilities	-	-	3,757,586	3,757,586				
Debentures	-	-	15,490,694	15,490,694	-	15,557,927	-	15,557,927
Total financial liabilities	24,136	-	82,750,867	82,775,003				

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

	Carrying amount			Fair value				
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Balance at 31 December 2022								
Financial assets								
Cash and cash equivalents	-	-	9,965,933	9,965,933				
Short-term investments								
- Deposit at financial institutions	-	-	2,378,495	2,378,495				
- Investments in equity instruments	1,668	-	-	1,668	1,668	-	-	1,668
Trade receivables	-	-	20,451,076	20,451,076				
Derivatives assets	294,901	-	-	294,901	-	294,901	-	294,901
Long-term investments								
- Deposit at financial institutions	-	-	2,310	2,310				
- Investments in convertible loan and debentures	110,233	-	-	110,233	-	-	110,233	110,233
- Investments in equity instruments	-	11,783	-	11,783	-	-	11,783	11,783
Total financial assets	406,802	11,783	32,797,814	33,216,399				
Financial liabilities								
Bank overdrafts and short-term borrowings	-	-	16,155,140	16,155,140				
Trade payables	-	-	10,798,183	10,798,183				
Derivatives liabilities	40,921	-	-	40,921	-	40,921	-	40,921
Long-term borrowings	-	-	16,021,419	16,021,419				
Lease liabilities	-	-	2,507,805	2,507,805				
Debentures	-	-	15,484,603	15,484,603	-	15,681,197	-	15,681,197
Total financial liabilities	40,921	-	60,967,150	61,008,071				

In the first quarter of 2023, the Company invested in a mutual fund with an asset management company amounting to Baht 5,000 million which is measured at FVTPL with an average rate of return of approximately 1.7% per annum and holding period of approximately 1 year.

SCG Packaging Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

The Group has agreements which grant the right to buy or sell the remaining ordinary shares (Put/Call options) with existing shareholders of subsidiaries from business acquisitions (8 companies). The pricing and exercise period are in accordance with the conditions specified in the agreements. In the second quarter of 2023, the Group recognized the right to buy or sell the remaining 44.48% of the ordinary shares of a subsidiary, PT Fajar Surya Wisesa Tbk., with the present value of the exercise price, as a financial liability in the consolidated statement of financial position of the Group because the possibility of the option being exercised is probably determined. As at 31 December 2023, this financial liability amount was approximately Baht 22,313 million. The right can be exercised from June 2024 onwards.

Financial instruments measured at fair value

The Group determined Level 2 fair values for financial assets and financial liabilities using valuation techniques as follows:

- Investment in funds which are simple over-the-counter securities were based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar financial instrument at the measurement date. Fair values reflect the credit risk of the financial instrument and include adjustments to take account of the credit risk of the Group and counterparty when appropriate.
- Derivatives assets and liabilities such as forward exchange contracts were calculated using the rates initially quoted by the Group's bankers which were based on market conditions existing at the end of the reporting period to reflect current fair values of the contracts. The fair value of interest rate swap is calculated from the difference between the present value of future cash flows based on the yield curve of the contractual interest rate and the expected interest rate based on observable market for similar financial instruments.

The Group determined Level 3 fair values for investments in equity and debt instruments which are not actively traded in market were calculated using valuation techniques based on the latest reporting net assets adjusted by relevant factors. This was because the equity and debt instruments were not listed on any stock exchanges and there were no recent observable arm's length transactions in the instruments.

Financial instruments measured at amortized cost

The Group determined Level 2 fair values for debentures based on quoted selling price from the Thai Bond Market Association at the closing price on the end of the reporting period.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

(b) *Financial risk management policies*

Risk management framework

The Group's management has responsibility for the establishment of financial risk management policies and guidelines including foreign currency risk related to capital expenditure, investment, borrowing, deposit and international trade transaction. This also includes establishing policies and overseeing the process of financial derivatives and cash management for efficiency of the Group's financial operation under risk appetite and consistent practice. The policies are appropriately reviewed to the changing situation. The Group's management monitors financial status and reports regularly to Management Committee.

(1) *Credit risk*

Credit risk is the risk of Group's financial loss if a customer or a financial counterparty fails to meet its contractual obligations.

(1.1) Cash and cash equivalents and derivatives

The Group's credit risk arising from cash and cash equivalents and derivatives is limited because the counterparties are banks and financial institutions which the Group considers having low credit risk.

(1.2) Investment in debt instruments

The Group's credit risk is limited by investing only in high liquidity and credibility debt instruments.

(1.3) Trade receivables

The Group's credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before credit limit, credit term and trade terms are offered. In case of sales exceeding the limits, it must be approval by authorized person.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade receivables are disclosed in note 7.

(2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management for the Group's operations including payment of liabilities that are due and to mitigate the risk from the lack of future liquidity.

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature were as follows:

	Effective interest rates (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
		(in million Baht)			
Year 2023					
Bank overdraft and short-term borrowings	1.85 - 7.30 Cost of Funds plus (0.65 - 1.75) SOFR plus 1.25 EURIBOR plus (0.70 - 2.75)	15,337	-	-	15,337
Long-term borrowings	0.27 - 2.25 THOR plus 0.70 JIBOR plus 1.21 Cost of Funds plus (0.65, 1.75) Compounded RFR Rate plus (1.25, 1.75)	6,494	8,034	-	14,528
Lease liabilities	0.87 - 12.12	821	2,099	2,016	4,936
Debentures	2.65 - 3.50	5,498	9,993	-	15,491
Total		28,150	20,126	2,016	50,292
Less Deferred interest - lease liabilities					(1,179)
Net					49,113

SCG Packaging Public Company Limited and its Subsidiaries
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	Effective interest rates (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
		(in million Baht)			
Year 2022					
Bank overdraft and short-term borrowings	1.40 - 8.35				
	Cost of Funds plus (0.65 - 1.50)				
	LIBOR plus (1.00 - 1.50)				
	BOE plus 1.80	16,155	-	-	16,155
Long-term borrowings	0.27 - 9.31				
	Cost of Funds plus (0.65, 1.75)				
	LIBOR plus (1.25, 1.75)				
	JIBOR plus (1.15, 1.30)	1,571	14,140	311	16,022
Lease liabilities	0.87 - 12.12	672	1,415	1,005	3,092
Debentures	2.65 - 3.50	-	15,485	-	15,485
Total		18,398	31,040	1,316	50,754
Less Deferred interest - lease liabilities					(585)
Net					50,169

(3) Market risk

The Group has the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(3.1) Interest rate benchmark reform

As a result of the interest rate benchmark reform and the cessation of LIBOR in the second quarter of 2023, the Group undertook amendments to the contractual terms with the counterparties. The outstanding contracts with interest rates that reference LIBOR with maturity date after 30 June 2023 have been transitioned to SOFR. The amendments have no material impact to the Group's financial risks and consolidated financial statements.

(3.2) Foreign currency risk

Foreign exchange risk arises from the fluctuation of foreign exchange rate.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

The Group has foreign exchange risk arisen from the fluctuation of foreign exchange rate from purchases, sales, payment of machines and equipment and other receipt and payment which are denominated in foreign currencies. The Group manages that risk by entering forward exchange contracts to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the end of the reporting period also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

At 31 December, the Group had significant foreign currency risk from foreign currency assets and liabilities were as follows:

	2023	2022
	US Dollars	
	<i>(in thousand Baht)</i>	
Trade and other receivables	4,164,856	3,970,273
Interest-bearing liabilities	(3,593,136)	(4,190,984)
Trade and other payables	(2,496,693)	(2,254,362)
Net statement of financial position exposure	(1,924,973)	(2,475,073)
Forward exchange selling contracts	(2,830,586)	(1,985,285)
Forward exchange purchase contracts	2,885,663	3,498,508
Net exposure	(1,869,896)	(961,850)

A subsidiary has entered into cross currency swap contracts with a foreign bank to hedge against the risk arisen from payment on long-term borrowings of US Dollars 39 million or equivalent to approximately Baht 1,339 million, whereby exchanging currency from US Dollars to functional currency. These contracts will be due within January 2027.

Sensitivity analysis

A reasonably possible strengthening and weakening of functional currency against foreign currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

<i>Impact to profit or loss</i>	Movement	Strengthening	Weakening
	<i>(%)</i>	<i>(in thousand Baht)</i>	
2023			
US Dollars	1	18,699	(18,699)
2022			
US Dollars	1	9,619	(9,619)

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

(3.3) Interest rate risk

Interest rate risk is the risk caused from future movements in market interest rates that will affect the results of the Group's operations and its cash flows certainty. The Group is exposed to interest rate risk which mainly came from its borrowings from financial institution. The Group mitigates this risk by entering into interest rate swap contracts in order to manage exposure to fluctuations in interest rates on specific borrowings.

<i>Exposure to interest rate risk at 31 December</i>	2023	2022
	<i>(in thousand Baht)</i>	
<i>Financial instruments with variable interest rates</i>		
Financial assets	-	2,310
Financial liabilities	(18,702,532)	(19,859,272)
Net statement of financial position exposure	(18,702,532)	(19,856,962)
Interest rate swap contracts	1,338,745	1,776,491
Net exposure	(17,363,787)	(18,080,471)

A subsidiary has entered into interest rate swap contracts with a foreign bank to hedge against the risk of interest on long-term borrowings of US Dollars 39 million or equivalent to approximately Baht 1,339 million, whereby exchanging floating interest rates based on SOFR (2022: LIBOR) with fixed interest rates at 0.27% per annum (2022: 0.27% per annum). These contracts will be due within January 2027.

Cash flow sensitivity analysis for variable-rate financial instruments

A reasonable possible change of 1% in interest rates at 31 December would have affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss	
	1% increase in interest rate	1% decrease in interest rate
	<i>(in thousand Baht)</i>	
2023		
Financial instruments		
with variable interest rate	(187,025)	187,025
Interest rate swaps contracts	13,387	(13,387)
Cash flow sensitivity (net)	(173,638)	173,638
2022		
Financial instruments		
with variable interest rate	(198,570)	198,570
Interest rate swaps contracts	17,765	(17,765)
Cash flow sensitivity (net)	(180,805)	180,805

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

26 Commitments and contingent liabilities

As at 31 December, the Group had:

- (a) Commitments for lease and purchase of property, plant and equipment of Baht 1,956 million (2022: Baht 4,835 million).
- (b) Commitments for purchase of inventories, raw materials and others of Baht 4,333 million (2022: Baht 4,371 million).
- (c) A subsidiary has entered into agreements with foreign company for the delivery and loading of Woodchips to Vessel. The subsidiary is committed to sell and deliver the Woodchips in volume equivalent to approximately 48,000 BDMT per year. The agreement period is for 12 years with the expiration date in December 2034.
- (d) A subsidiary has entered into agreements with local company for provide Biofuel to delivery point. The subsidiary is committed to sell and deliver the Biofuel in volume equivalent to approximately 73,000 tons per year. The agreement period is for 25 years with the expiration date in August 2037.

27 Capital management

The management of the Group has a capital management policy with the objective to maintain a strong capital base by emphasizing on planning and determining operating strategies that will ensure a sustainable business performance and cash flow management. In addition, the Group also considers to have a strong financial foundation. Therefore, the Group have considered in investing in projects that have good rate of return, maintaining appropriate working capital, as well as having a sufficient cash reserves and an appropriate investment structure to have a firm operating business in the future and maintain the confidence of shareholders, investors, creditors, and other stakeholders.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

28 Events after the reporting period

At the Board of Directors' Meeting of the Company held on 23 January 2024, the directors approved the following matters:

- (a) To submit for approval at the Annual General Meeting of Shareholders, the payment of a dividend for 2023 at the rate of Baht 0.55 per share, totaling approximately Baht 2,361 million. An interim dividend of Baht 0.25 per share was paid on 22 August 2023, as disclosed in note 24. The final dividend will be at the rate of Baht 0.30 per share, payable to shareholders entitled to receive dividends totaling approximately Baht 1,288 million and is scheduled for payment on 22 April 2024. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 26 March 2024.
- (b) To issue and offer the debenture No. 1/2024 on 1 April 2024, in the amount of not exceeding Baht 5,000 million and the additional greenshoe of not exceeding Baht 100 million. Term of the new debenture is 3 years and 8 months with fixed interest rate at 3.40% per annum, and due for redemption on 1 December 2027. The objective is for investment and/or working capital for business operations.

29 Thai Financial Reporting Standards (TFRSs) that have been issued but are not yet effective

The Federation of Accounting Professions has revised TFRSs which are effective for accounting periods beginning on or after 1 January 2024 and have not been adopted in the preparation of these consolidated financial statements because they are not yet effective. The Group has assessed the potential initial impact on the consolidated financial statements of these revised TFRSs and expected that there will be no material impact on the consolidated financial statements in the year of initial application. Except for TAS 12 *Income Taxes*, the Group is in the process of assessing the impact of the minimum top-up tax in the countries where the Group operates.



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Independent auditor’s report

To the Shareholders of SCG Packaging Public Company Limited

Opinion

I have audited the financial statements of SCG Packaging Public Company Limited (the “Company”), which comprise the statement of financial position as at 31 December 2023, the income statement and statements of comprehensive income, changes in shareholders’ equity and cash flows 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 December 2023, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

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.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



Impairment testing of investments in associates and subsidiaries	
Refer to Notes 3(i), 6 and 7 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
The management assessed the impairment indicators of investments in associates and subsidiaries given rise to impairment testing by focusing on the business that its performance was below expectations. The impairment testing of investments in associates and subsidiaries involves management judgments in identifying whether there are impairment indicators on the investment, including estimating the recoverable amount, in particular the forecasting of future cash flows derived from financial budget of the associates and subsidiaries, expected growth rates and discount rates. Therefore, this is an area of focus in my audit.	<p>My audit procedures included, among others:</p> <ul style="list-style-type: none"> • obtaining understanding of the identification of impairment indicators and impairment testing procedures of the management; • assessing reasonableness of the identification of impairment indicators and the key assumptions which underpinned the recoverable amount of investment in associates and subsidiaries and testing the appropriateness of significant assumptions which supported discounted cash flows projection such as cash flow forecasts, long-term growth rates and discount rates used by management with reference to recent performance and trend analysis, and comparing with market situations and operating environment, industry knowledge and other information obtained during the audit; including evaluating the reasonableness of the forecasting of financial performances by comparing historical estimation to the actual operating results; • evaluating the appropriateness of the valuation methodology used by management and testing the mathematical accuracy of the recoverable amount and impairment calculations; and • considering the adequacy of the disclosures in accordance with the financial reporting standard.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor’s report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, 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.

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

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in blue ink, appearing to read 'Pornthip R'.

(Pornthip Rimdusit)
Certified Public Accountant
Registration No. 5565

KPMG Phoomchai Audit Ltd.
Bangkok
13 February 2024


SCG Packaging Public Company Limited

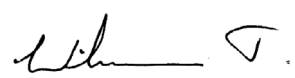
Statement of financial position

As at 31 December 2023

Assets	Note	2023	2022
		<i>(in thousand Baht)</i>	
<i>Current assets</i>			
Cash and cash equivalents		1,202,322	4,890,048
Short-term investments	21	5,051,900	-
Other current receivables	4, 5	334,412	504,717
Short-term loans to related parties	4	35,201,275	40,387,271
Other current assets		63,706	88,304
Total current assets		<u>41,853,615</u>	<u>45,870,340</u>
<i>Non-current assets</i>			
Investments in associates	6	350,121	350,121
Investments in subsidiaries	7	49,415,280	48,217,163
Investment property	8	303,865	306,023
Property, plant and equipment	9	307,766	344,528
Intangible assets	11	466,374	352,049
Deferred tax assets	12	175,900	109,588
Other non-current assets		80,693	73,441
Total non-current assets		<u>51,099,999</u>	<u>49,752,913</u>
Total assets		<u>92,953,614</u>	<u>95,623,253</u>

For and on behalf of the Board of Directors


 (Mr. Prasarn Trairatvorakul)
 Chairman


 (Mr. Wichan Jitpukdee)
 Chief Executive Officer

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

SCG Packaging Public Company Limited

Statement of financial position

As at 31 December 2023

Liabilities and shareholders' equity	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
<i>Current liabilities</i>			
Short-term borrowings from financial institutions	14	-	2,940,000
Other current payables	4, 13	393,778	292,620
Current portion of long-term borrowings			
from financial institution	14	4,999,030	-
Current portion of lease liabilities	4, 14	57,439	61,699
Current portion of debenture	14	5,497,816	-
Short-term borrowings from related parties	4, 14	203,399	120,736
Other current liabilities		30,351	29,589
Total current liabilities		11,181,813	3,444,644
<i>Non-current liabilities</i>			
Long-term borrowings from financial institutions	14	5,126,475	9,992,551
Lease liabilities	4, 14	65,141	93,455
Debentures	14	9,992,878	15,484,603
Non-current provisions for employee benefits	15	511,960	535,634
Other non-current liabilities		13,547	12,494
Total non-current liabilities		15,710,001	26,118,737
Total liabilities		26,891,814	29,563,381

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

SCG Packaging Public Company Limited

Statement of financial position

As at 31 December 2023

Liabilities and shareholders' equity	Note	2023	2022
		<i>(in thousand Baht)</i>	
Shareholders' equity			
Share capital			
<i>Authorized share capital</i>			
<i>(4,500 million ordinary shares, par value at Baht 1 per share)</i>			
		<u>4,500,000</u>	<u>4,500,000</u>
<i>Issued and paid share capital</i>			
<i>(4,293 million ordinary shares, par value at Baht 1 per share)</i>			
		4,292,920	4,292,920
Share premium		40,860,245	40,860,245
Retained earnings			
<i>Appropriated</i>			
Legal reserve	16	450,000	450,000
General reserve		3,000	3,000
<i>Unappropriated</i>			
		<u>20,455,635</u>	<u>20,453,707</u>
Total shareholders' equity		<u>66,061,800</u>	<u>66,059,872</u>
Total liabilities and shareholders' equity		<u>92,953,614</u>	<u>95,623,253</u>

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

SCG Packaging Public Company Limited

Income statement

For the year ended 31 December 2023

	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
Dividend income	4, 6, 7	2,743,562	2,858,172
Service income	4	1,686,063	1,990,288
Interest income	4	1,031,127	868,849
Other income	4	374,129	674,191
Total income		5,834,881	6,391,500
Administrative expenses	4, 17	(2,677,714)	(2,466,711)
Profit from operations		3,157,167	3,924,789
Finance costs	4	(686,293)	(484,860)
Profit before income tax		2,470,874	3,439,929
Tax income (expense)	19	81,190	(6,079)
Profit for the year		2,552,064	3,433,850
Basic earning per share (in Baht)		0.59	0.80

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

SCG Packaging Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2023

	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
Profit for the year		2,552,064	3,433,850
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain (loss) on remeasurements of defined benefit plans	15	32,063	(37,536)
Income tax relating to items that will not be reclassified subsequently to profit or loss	19	<u>(6,741)</u>	<u>7,507</u>
Other comprehensive income for the year, net of tax		<u>25,322</u>	<u>(30,029)</u>
Total comprehensive income for the year		<u><u>2,577,386</u></u>	<u><u>3,403,821</u></u>

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

SCG Packaging Public Company Limited
Statement of changes in shareholders' equity
For the year ended 31 December 2023

	Note	Issued and paid share capital	Share premium	Retained earnings			Total shareholders' equity
				Legal reserve (in thousand Baht)	Appropriated General reserve	Unappropriated	
Balance at 1 January 2022		4,292,920	40,860,245	450,000	3,000	19,840,071	65,446,236
Transactions with owners, recorded directly in shareholders' equity <i>Contributions by and distributions to owners of the Company</i>							
Dividends	20	-	-	-	-	(2,790,185)	(2,790,185)
<i>Total contributions by and distributions to owners of the Company</i>		-	-	-	-	(2,790,185)	(2,790,185)
Total transactions with owners, recorded directly in shareholders' equity		-	-	-	-	(2,790,185)	(2,790,185)
Comprehensive income for the year							
Profit or loss		-	-	-	-	3,433,850	3,433,850
Other comprehensive income		-	-	-	-	(30,029)	(30,029)
Total comprehensive income for the year		-	-	-	-	3,403,821	3,403,821
Balance at 31 December 2022		4,292,920	40,860,245	450,000	3,000	20,453,707	66,059,872

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

SCG Packaging Public Company Limited
Statement of changes in shareholders' equity
For the year ended 31 December 2023

	Note	Issued and paid share capital	Share premium	Retained earnings			Total shareholders' equity
				Legal reserve (in thousand Baht)	Appropriated General reserve	Unappropriated	
Balance at 1 January 2023		4,292,920	40,860,245	450,000	3,000	20,453,707	66,059,872
Transactions with owners, recorded directly in shareholders' equity <i>Contributions by and distributions to owners of the Company</i>							
Dividends	20	-	-	-	-	(2,575,458)	(2,575,458)
<i>Total contributions by and distributions to owners of the Company</i>		-	-	-	-	(2,575,458)	(2,575,458)
Total transactions with owners, recorded directly in shareholders' equity		-	-	-	-	(2,575,458)	(2,575,458)
Comprehensive income for the year							
Profit or loss		-	-	-	-	2,552,064	2,552,064
Other comprehensive income		-	-	-	-	25,322	25,322
Total comprehensive income for the year		-	-	-	-	2,577,386	2,577,386
Balance at 31 December 2023		4,292,920	40,860,245	450,000	3,000	20,455,635	66,061,800

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

SCG Packaging Public Company Limited

Statement of cash flows

For the year ended 31 December 2023

	2023	2022
	<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>		
Profit for the year	2,552,064	3,433,850
<i>Adjustments for</i>		
Tax (income) expense	(81,190)	6,079
Depreciation and amortization	120,492	95,658
Non-current provisions for employee benefit expense (reversal)	43,589	(6,661)
Loss (gain) on foreign currency exchange	42	(302,292)
Gain on measured at fair value	(51,900)	(15,952)
Dividend income	(2,743,562)	(2,858,172)
Interest income	(1,031,127)	(868,849)
Finance costs and others	686,087	484,510
Cash flows generated from operations		
before changes in operating assets and liabilities	(505,505)	(31,829)
<i>Decrease (increase) in operating assets</i>		
Other current receivables	165,270	50,348
Other assets	13,477	18,893
Net decrease in operating assets	178,747	69,241
<i>Increase (decrease) in operating liabilities</i>		
Other current payables	104,452	(5,446)
Non-current provisions for employee benefits	(35,200)	(20,059)
Other liabilities	1,816	3,009
Net increase (decrease) in operating liabilities	71,068	(22,496)
Net cash flows generated from (used in) operations	(255,690)	14,916
Income tax received (paid)	12,006	(37,944)
Net cash flows used in operating activities	(243,684)	(23,028)

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

SCG Packaging Public Company Limited

Statement of cash flows

For the year ended 31 December 2023

	2023	2022
	<i>(in thousand Baht)</i>	
<i>Cash flows from investing activities</i>		
Payments of investments in subsidiaries	(1,198,117)	(1,472,100)
Proceeds from sale of short-term investments	-	12,122,301
Acquisition of short-term investments	(5,000,000)	-
Proceeds from sale of property, plant and equipment	6	60
Acquisition of property, plant and equipment	(19,228)	(42,893)
Proceeds from sale of intangible assets	-	2,334
Acquisition of intangible assets	(144,552)	(200,193)
Proceeds from repayment of (payments for) short-term loans to related parties, net	5,185,996	(2,867,452)
Dividends received	2,743,562	2,858,172
Interest received	1,029,173	881,940
Net cash flows provided by investing activities	2,596,840	11,282,169
<i>Cash flows from financing activities</i>		
<i>Proceeds from (payments of) borrowings</i>		
Payments of short-term borrowings from financial institutions, net	(2,940,000)	(13,440,000)
Proceeds from short-term borrowings from related parties, net	82,663	2,663
Proceeds from long-term borrowings from financial institution	135,000	-
Payments of lease liabilities	(62,289)	(55,528)
Proceeds from issuance of debentures	-	10,000,000
Net decrease in borrowings	(2,784,626)	(3,492,865)
Dividends paid	(2,575,458)	(2,790,185)
Interest and other finance costs paid	(680,798)	(417,951)
Net cash flows used in financing activities	(6,040,882)	(6,701,001)
Net increase (decrease) in cash and cash equivalents	(3,687,726)	4,558,140
Cash and cash equivalents at beginning of the year	4,890,048	331,908
Cash and cash equivalents at end of the year	1,202,322	4,890,048
<i>Supplementary information for cash flows</i>		
Non-cash from investing transaction at end of the year		
Account payables from purchase of assets	5,220	9,923

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

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2023

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SCG Packaging Public Company Limited

Notes to the financial statements

For the year ended 31 December 2023

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 and English languages and were approved and authorized for issue by the audit committee, as appointed by the Board of Directors of the Company, on 13 February 2024.

1 General information

SCG Packaging Public Company Limited, the “Company”, is incorporated in Thailand. The Company’s registered office is at 1 Siam Cement Road, Bangsue, Bangkok 10800, Thailand.

The parent company is The Siam Cement Public Company Limited. It is incorporated in Thailand.

The Company is engaged in investment.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRSs”); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

The preparation of financial statements in conformity with TFRSs 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 that are described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

3 Significant accounting policies

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

(a) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash on hand, saving deposits, current deposits and highly liquid short-term investments which have maturities of three months or less from the date of acquisition and are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

In addition, bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2023

(b) Other receivables

A receivable is recognized when the Company has an unconditional right to receive consideration. A receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Company estimates lifetime expected credit losses (ECLs), using a provision matrix to find the ECLs rates. This method groups the debtors based on shared credit risk characteristics and past due status, by taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the end of the reporting period.

(c) Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at cost less accumulated impairment losses.

(d) Investment property

Investment properties are properties which are held as right-of-use assets, as well as properties that are owned by the Company. Investment properties are held to earn rental income, or capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials, direct labor, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalized borrowing costs of a qualifying asset.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each asset and recognized in profit or loss. No depreciation is charged on freehold land and construction in progress.

The estimated useful lives are as follows:

Land improvements	20 years
Building	20 years

Any gains or losses arising from differences between the proceeds from disposal and the carrying amount of investment property are recognized in profit or loss.

Reclassification to property, plant and equipment

When the use of an investment property changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2023

(e) Property, plant and equipment

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labor, any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs of a qualifying asset. Licensed software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Any gains or losses arising from differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognized in profit or loss.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, its carrying amount is recognized and reclassified as investment property.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of property, plant and equipment, or other amount substituted for cost, less its residual value.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each asset and recognized in profit or loss. No depreciation is provided on freehold land and construction in progress.

The estimated useful lives are as follows:

Land improvements	5, 20	years
Building and structures	5 - 20	years
Machinery and equipment	5 - 20	years
Vehicles and equipment	5, 10	years
Furniture, fixtures and office equipment	3 - 20	years

Depreciation methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

(f) Intangible assets

Research and development expenditure

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2023

Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Other development expenditure is recognized in profit or loss as incurred.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses. The expenditure cost includes the cost of materials, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use, and borrowing costs. Subsequent expenditure is capitalized only when it increases the future economic benefits.

Other intangible assets

Other intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure is capitalized only when it increases the future economic benefits.

Amortization is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognized in profit or loss, from the date that they are available for use. No amortization is provided on development cost.

The estimated useful lives are as follows:

Software licenses and others	3 - 20 years
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Amortization methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

(g) Leases

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

At commencement or on modification of a contract, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. The Company has elected not to separate non-lease components and accounted for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which are recognized as an expenses on a straight-line basis over the respective lease terms.

Right-of-use asset is measured at cost, less any accumulated depreciation and accumulated impairment loss, and adjusted for any remeasurements of lease liability.

The cost of right-of-use asset includes the initial amount of the lease liability, any lease payments made at or before the commencement date, plus any initial direct costs and an estimate of restoration costs, less any lease incentives received.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2023

Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful lives of the underlying asset which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Company uses the Company's incremental borrowing rate to discount the lease payments to the present value. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a lease modification or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment in the statement of financial position.

(h) Lessor

At inception or on modification of a contract, the Company allocates the consideration in the contract to each component on the basis of their relative stand-alone selling prices.

At lease inception, the Company considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

The Company recognizes lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as other income in the accounting period in which they are earned.

(i) Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Company will estimate the assets' recoverable amounts. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2023

An impairment loss of asset recognized in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(j) Other payables

Other payables are stated at amortized cost.

(k) Employee benefits

Defined contribution plans

Obligations for contributions to provident fund for the Company's employee are expensed in profit or loss as the related service is provided.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods. The defined benefit obligation is discounted to the present value, which performed annually by a qualified actuary.

For remeasurements of the net defined benefit liability, actuarial gains or losses are recognized in other comprehensive income. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, by taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Gain or loss on remeasurement is recognized in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits or when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2023

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(l) Provisions

A provision is recognized 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 discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(m) Revenue from contracts with customers

(1) Revenue recognition

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties and value added tax.

Service fee income

Service income is recognized over time as the services are provided.

Dividend income

Dividend income is recognized in profit or loss on the date that the Company's right to receive the dividend is established.

Other income

Other income comprising intellectual property income is recognized on an accrual basis in accordance with the terms of agreement, rental income and others is recognized on accrual basis.

(2) Contract assets and liabilities

Contract assets are recognized when the Company has recognized revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Company is entitled to, less allowance for expected credit loss. The contract assets are classified as receivables when the Company has an unconditional right to receive consideration that usually occurs when the Company issues an invoice to the customer.

Contract liabilities are the obligation to transfer goods or services to the customer. The contract liabilities are recognized when the Company receives or has an unconditional right to receive non-refundable consideration from the customer before the Company recognizes the related revenue.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2023

(n) Expenses

Finance costs

Finance costs comprise interest expense on borrowings and unwinding of the discount on provision.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Early retirement expenses

The Company offers certain qualifiable employees the option to take early retirement from the Company. Eligible employees who accept the offer are paid a lump sum amount which is calculated based on a formula using their final month's pay, number of years of service or the number of remaining months before normal retirement as variables. The Company records expenses on early retirement upon mutual acceptance.

(o) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax is recognized in respect of the taxable income or loss for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes. Deferred tax is not recognized for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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 end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. 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 realized.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2023

(p) Foreign currency transactions

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currency transactions and measured in terms of historical cost are translated to the functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the foreign exchange rates at the end of the reporting period.

Foreign exchange differences are generally recognized in profit or loss.

(q) Financial instruments

Classification and measurement

Debt securities issued by the Company are initially recognized when they are originated. Other financial assets and financial liabilities, except trade receivables and trade payables, are initially recognized when the Company becomes a party to the contractual provisions of the instrument, and measured at fair value by taking into account for transaction costs that are directly attributable to its acquisition or issue of the securities, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition or issue of the securities are recognized in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortized cost using the effective interest method, except that the financial liabilities are held for trading or derivatives, which are classified as measured at FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are also recognized in profit or loss.

Financial assets measured at amortized costs are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and gain or loss on derecognition are recognized in profit or loss.

Derecognition and offset

The Company derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2023

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount extinguished and the consideration paid is recognized in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position only when the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Derivatives

Derivatives are recognized at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognized immediately in profit or loss.

Impairment of financial assets

The Company recognizes allowances for expected credit losses (ECLs) on financial assets measured at amortized cost.

The Company recognizes ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets or trade receivables under simplified approach, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Company considers a financial asset to have low credit risk when its credit rating is the investment grade. The Company recognizes ECLs for low credit risk financial asset as 12-month ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Company.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company takes action such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

ECLs are remeasured at the end of the reporting period to reflect changes in the financial instrument's credit risk since initial recognition. Increase in loss allowance is recognized as an impairment loss in profit or loss.

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Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Interest

Interest income and expense are recognized in profit or loss using the effective interest method.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to carrying amount of the financial assets after impairment losses. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(r) 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 market participants at the measurement date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Company use observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received.

(s) Related parties

Parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa; a person or entity that are under common control or the same significant influence as the Company.

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4 Related parties

Relationships with related parties that the Company had significant transactions with during the year were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
The Siam Cement Public Company Limited	Thailand	Ultimate parent company
Siam Kraft Industry Co., Ltd.	Thailand	Subsidiary, direct ownership interest
Phoenix Pulp & Paper Public Company Limited	Thailand	Subsidiary, direct ownership interest
Thai Cane Paper Public Company Limited	Thailand	Subsidiary, direct ownership interest
Thai Containers Group Co., Ltd.	Thailand	Subsidiary, direct ownership interest
Invenique Co., Ltd.	Thailand	Subsidiary, direct ownership interest
SCGP Excellence Training Center Co., Ltd.	Thailand	Subsidiary, direct ownership interest
SCG Paper Energy Co., Ltd.	Thailand	Subsidiary, direct ownership interest
SCGP Solutions Co., Ltd.	Thailand	Subsidiary, direct ownership interest
SCGP-T Plastics Co., Ltd.	Thailand	Subsidiary, direct ownership interest
SCGP Rigid Plastics Co., Ltd.	Thailand	Subsidiary, direct ownership interest
International Healthcare Packaging Co., Ltd.	Thailand	Subsidiary, direct ownership interest
SKIC International Co., Ltd.	Thailand	Subsidiary, direct ownership interest
Phoenix Utilities Co., Ltd. *	Thailand	Subsidiary, indirect ownership interest
Thai Containers Khonkaen Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Containers Rayong Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
The Siam Forestry Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Paper Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Wanabhum Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Siam Panawes Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Panaboon Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Panaram Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Panas Nimit Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Suanpa Rungstris Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Panadorn Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Panason Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Tawana Container Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Orient Containers Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Dyna Packs Co., Ltd. *	Thailand	Subsidiary, indirect ownership interest
D-In Packs Co., Ltd. *	Thailand	Subsidiary, indirect ownership interest
TC Flexible Packaging Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Prepack Thailand Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Precision Print Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Conimex Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Vexcel Pack Co., Ltd.	Thailand	Subsidiary, indirect ownership interest

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Name of entities	Country of incorporation/ nationality	Nature of relationships
Vina Kraft Paper Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
New Asia Industries Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
Alcamax Packaging (Vietnam) Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
AP Packaging (Hanoi) Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
Packamex (Vietnam) Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
Tin Thanh Packing Joint Stock Company	Vietnam	Subsidiary, indirect ownership interest
Bien Hao Packaging Joint Stock Company	Vietnam	Subsidiary, indirect ownership interest
Duy Tan Plastics Manufacturing Corporation	Vietnam	Subsidiary, indirect ownership interest
Duy Tan Long An Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
Duy Tan Precision Mold Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
Mata Plastic Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
Duy Tan Binh Duong Plastics Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
Go-Pak Vietnam Limited	Vietnam	Subsidiary, indirect ownership interest
Go-Pak Paper Products Vietnam Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
United Pulp and Paper Co., Inc.	Philippines	Subsidiary, direct ownership interest
SCGP Solutions (Singapore) Pte. Ltd.	Singapore	Subsidiary, direct ownership interest
SCGP Rigid Packaging Solutions Pte. Ltd.	Singapore	Subsidiary, direct ownership interest
TCG Solutions Pte. Ltd.	Singapore	Subsidiary, indirect ownership interest
PT Primacorr Mandiri	Indonesia	Subsidiary, indirect ownership interest
PT Indoris Printingdo	Indonesia	Subsidiary, indirect ownership interest
PT Indocorr Packaging Cikarang	Indonesia	Subsidiary, indirect ownership interest
PT Fajar Surya Wisesa Tbk.	Indonesia	Subsidiary, indirect ownership interest
PT Dasaya Aria Prima	Indonesia	Subsidiary, indirect ownership interest
PT Indonesia Dirtajaya Aneka Industri Box	Indonesia	Subsidiary, indirect ownership interest
PT Bahana Buana Box	Indonesia	Subsidiary, indirect ownership interest
PT Rapi-pack Asritama	Indonesia	Subsidiary, indirect ownership interest
Interpress Printers Sendirian Berhad	Malaysia	Subsidiary, indirect ownership interest
Jordan Trading Inc.	The United States	Subsidiary, indirect ownership interest
Peute Recycling B.V.	Netherlands	Subsidiary, indirect ownership interest
Peute Papierrecycling B.V.	Netherlands	Subsidiary, indirect ownership interest
Peute Plasticrecycling B.V.	Netherlands	Subsidiary, indirect ownership interest
Peute Recycling International B.V.	Netherlands	Subsidiary, indirect ownership interest
Peute Investments B.V.	Netherlands	Subsidiary, indirect ownership interest
Infiniplast B.V.	Netherlands	Subsidiary, indirect ownership interest
Peute UK Limited	United Kingdom	Subsidiary, indirect ownership interest
Go-Pak UK Limited	United Kingdom	Subsidiary, indirect ownership interest
Law Print & Packaging Management Limited	United Kingdom	Subsidiary, indirect ownership interest

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Name of entities	Country of incorporation/ nationality	Nature of relationships
Law Print & Packaging Management Limited	Ireland	Subsidiary, indirect ownership interest
Bicappa Lab S.r.L.	Italy	Subsidiary, indirect ownership interest
Peute Portugal, Unipessoal Lda	Portugal	Subsidiary, indirect ownership interest
Peute Recycling Spain S.L.	Spain	Subsidiary, indirect ownership interest
Detalab Global, S.L.	Spain	Subsidiary, indirect ownership interest
Detalab, S.L.	Spain	Subsidiary, indirect ownership interest
Keylab, S.L.U.	Spain	Subsidiary, indirect ownership interest
Envases Farmaceuticos, S.A.	Spain	Subsidiary, indirect ownership interest
Nirco, S.L.	Spain	Subsidiary, indirect ownership interest
Sanilabo, S.L.U.	Spain	Subsidiary, indirect ownership interest
Equilabo Scientific, S.L.U.	Spain	Subsidiary, indirect ownership interest
Siam Toppan Packaging Co., Ltd.	Thailand	Associate, direct ownership interest
Siam Nippon Industrial Paper Co., Ltd.	Thailand	Associate, indirect ownership interest
P&S Holdings Corporation	Philippines	Associate, direct ownership interest
SCG Legal Counsel Limited	Thailand	Subsidiary of The Siam Cement Public Company Limited
SCG Learning Excellence Co., Ltd.	Thailand	Subsidiary of The Siam Cement Public Company Limited
SCG Chemicals Public Company Limited	Thailand	Subsidiary of The Siam Cement Public Company Limited
SCG Distribution Co., Ltd.	Thailand	Subsidiary of The Siam Cement Public Company Limited
SCG Building and Living Care Consulting Co., Ltd.	Thailand	Subsidiary of The Siam Cement Public Company Limited
PT SCG Indonesia	Indonesia	Subsidiary of The Siam Cement Public Company Limited
SCG Vietnam Co., Ltd.	Vietnam	Subsidiary of The Siam Cement Public Company Limited
IT One Co., Ltd.	Thailand	Associate of The Siam Cement Public Company Limited

* Currently in the liquidation process.

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Significant transactions with related parties for the years ended 31 December and the pricing policies are summarized as follows:

	2023	2022	Pricing Policies
	<i>(in thousand Baht)</i>		
<i>Parent</i>			
Service fee and lease-related expense	240,328	216,608	Cost plus method and contract rate
<i>Subsidiaries</i>			
Rental income	30,158	33,470	Contract rate
Intellectual property income	265,984	255,840	Percentage of net sales
Service charges income	1,677,282	1,981,915	Cost plus method and contract rate
Dividend income	2,737,535	2,850,160	Upon declaration
Interest income	1,008,144	855,199	Contract rate
Interest expense	989	194	Contract rate
<i>Associates</i>			
Dividend income	6,027	8,012	Upon declaration

Balances as at 31 December with related parties were as follows:

	Note	2023	2022
		<i>(in thousand Baht)</i>	
<i>Other current receivables</i>			
Parent		3,994	3,865
Subsidiaries		293,813	467,108
Associates		556	620
Others		32	9
Total	5	<u>298,395</u>	<u>471,602</u>
<i>Short-term loans</i>			
Subsidiaries		<u>35,201,275</u>	<u>40,387,271</u>
<i>Short-term loans to related parties</i>			
At 1 January		40,387,271	43,384,481
Increase		1,767,756	9,893,169
Decrease		(6,953,752)	(12,890,379)
At 31 December		<u>35,201,275</u>	<u>40,387,271</u>
<i>Other non-current assets</i>			
Parent		<u>4,276</u>	<u>6,324</u>

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	2023	2022
	<i>(in thousand Baht)</i>	
<i>Other current payables</i>		
Parent	36,553	11,173
Subsidiaries	6,004	7,918
Others	9,904	8,323
Total	52,461	27,414
<i>Short-term borrowings</i>		
Subsidiaries	203,399	120,736
<i>Short-term borrowings from related parties</i>		
At 1 January	120,736	118,073
Increase	197,902	173,956
Decrease	(115,239)	(171,293)
At 31 December	203,399	120,736
<i>Lease Liabilities</i>		
<i>Current and non-current portion</i>		
Parent	32,631	57,185
Subsidiaries	16,310	17,180
Total	48,941	74,365

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The Board of Directors and key management compensation

	2023	2022
	<i>(in thousand Baht)</i>	
<i>For the years ended 31 December</i>		
Short-term employee benefits	102,145	104,763
Post-employment benefits	8,909	7,661
Total	<u>111,054</u>	<u>112,424</u>

The Board of Directors and key management compensation comprises the remuneration paid to the directors of SCG Packaging Public Company Limited under the articles of the Company and the remuneration paid to the management as staff expenses in terms of salary, bonus, special remuneration benefit, others and contribution to defined contribution plans.

5 Other current receivables

	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
Related parties	4	298,395	471,602
Other parties		36,017	33,115
Total		<u>334,412</u>	<u>504,717</u>

Other current receivables as at 31 December were as follows:

	2023	2022
	<i>(in thousand Baht)</i>	
Accrued service income	276,848	443,861
Accrued interest income	30,653	28,700
Others	26,911	32,156
Total	<u>334,412</u>	<u>504,717</u>

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6 Investments in associates

Investments in associates as at 31 December and dividends from these investments for the years ended at the same date were as follows:

	Total holding		Paid-up capital		Cost method		Dividend income	
	2023	2022	2023	2022	2023	2022	2023	2022
	<i>(%)</i>				<i>(in thousand Baht)</i>			
Siam Toppan Packaging Co., Ltd.	49	49	500,000	500,000	245,000	245,000	6,027	8,012
P&S Holdings Corporation	40	40	262,588	262,588	105,121	105,121	-	-
Total			<u>762,588</u>	<u>762,588</u>	<u>350,121</u>	<u>350,121</u>	<u>6,027</u>	<u>8,012</u>

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7 Investments in subsidiaries

Movements for the years ended 31 December in investments in subsidiaries accounted for using the cost method were as follows:

	2023	2022
	<i>(in thousand Baht)</i>	
At 1 January	48,217,163	40,577,172
Acquisitions and additional investments	<u>1,198,117</u>	<u>7,639,991</u>
At 31 December	<u>49,415,280</u>	<u>48,217,163</u>

In June 2022, Thai Containers Group Co., Ltd. had increase share capital for 19,600,000 shares or approximately Baht 1,960 million. The Company subscribed to the portion of its shareholdings of 13,720,000 shares totaling Baht 1,372 million. The Company has already been registered with the Ministry of Commerce on 9 June 2022.

In June 2022, Invenique Co., Ltd. had increase share capital for 1,000,000 shares or approximately Baht 100 million. The Company entirely subscribed of share capital. The Company has already been registered with The Ministry of Commerce on 16 June 2022.

In August 2022, the Company purchased all shares held in SKIC International Company Limited from Siam Kraft Industry Co., Ltd. for 1,000 shares at 100 Baht per share totaling Baht 0.1 million.

In August 2022, SCGP Rigid Packaging Solutions Pte. Ltd. which is a wholly owned subsidiary of the Company had increased the share capital for 236,202,920 shares, amounting to US Dollars 171 million or equivalent to Baht 6,168 million. The Company entirely subscribed of share capital. The Company has already been registered with the relevant authorities on 10 October 2022.

In October 2022, SCGP Solutions (Singapore) Pte. Ltd. has increase share capital for 321,891,886 shares, amounting to US Dollars 233 million or equivalent to Baht 8,405 million. The Company had not paid-up increased of the share capital. The Company's holdings in SCGP Solutions (Singapore) Pte. Ltd. then decrease from 10.29% to 7.71% and SCGP Solutions (Singapore) Pte. Ltd. will remain an investment in subsidiary of the Company because the Company has control through indirect shareholding by the subsidiary of the Company.

In July 2023, SKIC International Co., Ltd. had increase share capital for 1,119,000 shares or approximately Baht 112 million. The Company entirely subscribed of share capital. The Company has already been registered with The Ministry of Commerce on 17 July 2023.

In November 2023, SCGP Solutions (Singapore) Pte. Ltd. has increase share capital for 42,744,290 shares, amounting to US Dollars 31 million or equivalent to Baht 1,086 million. The Company had paid-up increased of the share capital. The Company has already been registered with the relevant authorities on 23 November 2023. The Company's holdings in SCGP Solutions (Singapore) Pte. Ltd. then increase from 7.71% to 10.68% and SCGP Solutions (Singapore) Pte. Ltd. will remain an investment in subsidiary of the Company because the Company has control through indirect shareholding by the subsidiary of the Company.

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Investments in subsidiaries as at 31 December and dividend income from these investments for the years ended at the same date were as follows:

	Total holding (%)		Paid-up capital		Cost method		Accumulated impairment losses (in thousand Baht)		Net		Dividend income	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Phoenix Pulp & Paper Public Company Limited	69.58	69.58	2,462,812	2,462,812	13,439,561	13,439,561	-	-	13,439,561	13,439,561	1,035,036	692,309
SCGP Rigid Packaging Solutions Pte. Ltd.	100	100	8,900,291	8,900,291	8,900,291	8,900,291	-	-	8,900,291	8,900,291	-	-
Thai Cane Paper Public Company Limited	98.20	98.20	3,582,537	3,582,537	5,007,375	5,007,375	-	-	5,007,375	5,007,375	439,739	527,687
SCGP Rigid Plastics Company Limited	100	100	4,403,200	4,403,200	4,403,200	4,403,200	-	-	4,403,200	4,403,200	-	-
Siam Kraft Industry Co., Ltd.	100	100	3,450,000	3,450,000	3,982,680	3,982,680	-	-	3,982,680	3,982,680	793,500	1,035,000
International Healthcare Packaging Co., Ltd.	100	100	3,361,000	3,361,000	3,360,834	3,360,834	-	-	3,360,834	3,360,834	-	-
United Pulp and Paper Co., Inc.	57.99	57.99	5,567,661	5,567,661	2,963,899	2,963,899	-	-	2,963,899	2,963,899	-	-
Thai Containers Group Co., Ltd.	70	70	3,344,000	3,344,000	2,385,805	2,385,805	-	-	2,385,805	2,385,805	175,560	150,164
SCGP Solutions (Singapore) Pte. Ltd.	10.68	7.71	31,227,311	30,141,095	3,411,158	2,324,941	-	-	3,411,158	2,324,941	-	-
SCG Paper Energy Co., Ltd.	100	100	890,000	890,000	890,000	890,000	-	-	890,000	890,000	293,700	445,000
SCGP-T Plastics Co., Ltd.	51	51	385,900	385,900	196,812	196,812	-	-	196,812	196,812	-	-
SCGP Solutions Co., Ltd.	100	100	170,000	170,000	170,000	170,000	-	-	170,000	170,000	-	-
Invenique Co., Ltd.	100	100	206,700	206,700	206,700	206,700	64,035	64,035	142,665	142,665	-	-
SCGP Excellence Training Center Co., Ltd.	100	100	49,000	49,000	49,000	49,000	-	-	49,000	49,000	-	-
SKIC International Company Limited	100	100	112,000	100	112,000	100	-	-	112,000	100	-	-
Total			68,112,412	66,914,296	49,479,315	48,281,198	64,035	64,035	49,415,280	48,217,163	2,737,535	2,850,160

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2023

8 Investment property

	Land and land improvements	Buildings <i>(in thousand Baht)</i>	Total
<i>Cost</i>			
At 1 January 2022	317,356	36,993	354,349
Additions	4,559	-	4,559
Transfers from property, plant and equipment	4,435	-	4,435
At 31 December 2022	326,350	36,993	363,343
Additions	9,446	-	9,446
At 31 December 2023	335,796	36,993	372,789
<i>Accumulated depreciation</i>			
At 1 January 2022	30,700	20,876	51,576
Depreciation charge for the year	3,905	1,839	5,744
At 31 December 2022	34,605	22,715	57,320
Depreciation charge for the year	9,765	1,839	11,604
At 31 December 2023	44,370	24,554	68,924
<i>Carrying amount</i>			
At 31 December 2022	291,745	14,278	306,023
At 31 December 2023	291,426	12,439	303,865

The Company determined fair value of investment properties at open market values on an existing use basis. As at 31 December 2023, the fair value was Baht 903 million (2022: Baht 372 million).

The fair value measurement for investment property has been categorized as a Level 3 fair value based on the inputs to the valuation technique used, which is discounted cash flows and market approach.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2023

9 Property, plant and equipment

	Land and land improvements	Buildings and structures	Machinery and equipment	Vehicles and equipment	Furniture, fixtures and office equipment	Construction in progress	Total
<i>(in thousand Baht)</i>							
Cost							
At 1 January 2022	62,228	223,931	367,981	86,796	74,819	29,499	845,254
Additions	-	2,878	15,499	23,534	43,168	21,303	106,382
Disposals / written off	-	(1,114)	(31,433)	(44,197)	(3,716)	-	(80,460)
Transfers to investment property	-	-	-	-	-	(4,435)	(4,435)
Transfers in (out)	-	5,685	14,199	-	127	(21,188)	(1,177)
At 31 December 2022	62,228	231,380	366,246	66,133	114,398	25,179	865,564
Additions	-	351	5,258	20,183	10,599	7,486	43,877
Disposals / written off	-	(4,228)	(48)	(27,536)	-	-	(31,812)
Transfers in (out)	-	4,336	6,918	-	858	(6,681)	5,431
At 31 December 2023	62,228	231,839	378,374	58,780	125,855	25,984	883,060
Accumulated depreciation							
At 1 January 2022	13,813	115,266	279,815	34,147	57,461	-	500,502
Depreciation charge for the year	970	26,879	17,365	20,861	11,161	-	77,236
Disposals / written off	-	(752)	(31,192)	(21,042)	(3,716)	-	(56,702)
At 31 December 2022	14,783	141,393	265,988	33,966	64,906	-	521,036
Depreciation charge for the year	970	26,816	18,548	16,139	14,888	-	77,361
Disposals / written off	-	(2,802)	(47)	(20,254)	-	-	(23,103)
At 31 December 2023	15,753	165,407	284,489	29,851	79,794	-	575,294
Carrying amount							
At 31 December 2022							
Owned assets	31,264	45,029	100,258	123	1,986	25,179	203,839
Right-of-use assets	16,181	44,958	-	32,044	47,506	-	140,689
	47,445	89,987	100,258	32,167	49,492	25,179	344,528
At 31 December 2023							
Owned assets	31,245	44,899	93,885	35	2,777	25,984	198,825
Right-of-use assets	15,230	21,533	-	28,894	43,284	-	108,941
	46,475	66,432	93,885	28,929	46,061	25,984	307,766

In 2023, the right-of-use assets of the Company has increased amounting to Baht 30 million (2022: Baht 67 million).

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10 Leases

The Company leases land, buildings, vehicles and office equipment. The rental due and rate are as specified in the contract.

For the year ended 31 December

2023 2022
(in thousand Baht)

Amounts recognized in profit or loss

Depreciation of right-of-use assets:

- Land and land improvements	951	951
- Buildings and structures	21,998	22,528
- Vehicles and equipment	16,051	20,766
- Furniture, fixtures and office equipment	13,791	9,953
Interest on lease liabilities	3,622	4,214
Expenses relating to short-term leases	88	120
Expenses relating to leases of low-value assets	20,279	18,381

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11 Intangible assets

	Software licenses and others	Development cost <i>(in thousand Baht)</i>	Total
<i>Cost</i>			
At 1 January 2022	121,393	136,374	257,767
Additions	9,339	190,020	199,359
Disposals / written off	(4,559)	-	(4,559)
Transfer in (out)	29,554	(28,377)	1,177
At 31 December 2022	155,727	298,017	453,744
Additions	23,892	120,553	144,445
Disposals / written off	(4,973)	-	(4,973)
Transfer in (out)	168,746	(167,314)	1,432
At 31 December 2023	343,392	251,256	594,648
<i>Accumulated amortization</i>			
At 1 January 2022	91,122	-	91,122
Amortization charge for the year	13,021	-	13,021
Disposals / written off	(2,448)	-	(2,448)
At 31 December 2022	101,695	-	101,695
Amortization charge for the year	31,552	-	31,552
Disposals / written off	(4,973)	-	(4,973)
At 31 December 2023	128,274	-	128,274
<i>Carrying amount</i>			
At 31 December 2022	54,032	298,017	352,049
At 31 December 2023	215,118	251,256	466,374

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12 Deferred tax assets (deferred tax liabilities)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, and are included in the statement of financial position as follows:

	2023	2022
	<i>(in thousand Baht)</i>	
Deferred tax assets	179,663	114,157
Deferred tax liabilities	<u>(3,763)</u>	<u>(4,569)</u>
Net	<u>175,900</u>	<u>109,588</u>

Movements in total deferred tax assets and liabilities during the years were as follows:

	At 1 January 2022	Credited (charged) to other profit or loss comprehensive income		At 31 December 2022
		<i>(Note 19)</i>		
		<i>(in thousand Baht)</i>		
<i>Deferred tax assets</i>				
Provisions for employee benefits	104,963	2,664	5,418	113,045
Lease liabilities	-	1,112	-	1,112
Total	<u>104,963</u>	<u>3,776</u>	<u>5,418</u>	<u>114,157</u>
<i>Deferred tax liabilities</i>				
Financial liabilities	(3,496)	(1,073)	-	(4,569)
Others	(1,446)	1,446	-	-
Total	<u>(4,942)</u>	<u>373</u>	<u>-</u>	<u>(4,569)</u>
Net	<u>100,021</u>	<u>4,149</u>	<u>5,418</u>	<u>109,588</u>

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	At 1 January 2023	Credited (charged) to profit or loss other comprehensive income (Note 19) (in thousand Baht)		At 31 December 2023
<i>Deferred tax assets</i>				
Provisions for employee benefits	113,045	2,158	(6,741)	108,462
Loss carry forward	-	70,226	-	70,226
Lease liabilities	1,112	(137)	-	975
Total	114,157	72,247	(6,741)	179,663
<i>Deferred tax liabilities</i>				
Financial liabilities	(4,569)	809	-	(3,760)
Others	-	(3)	-	(3)
Total	(4,569)	806	-	(3,763)
Net	109,588	73,053	(6,741)	175,900

The deductible temporary differences that the Company has not recognized as deferred tax assets are as the follow:

	2023	2022
	(in thousand Baht)	
Temporary differences		
- Other current receivables	16,963	16,963
- Investment in subsidiaries	64,035	64,035
Total	80,998	80,998

13 Other current payables

	2023	2022
	(in thousand Baht)	
Accrued expenses	117,665	24,962
Accrued interest	113,304	111,854
Withholding tax payable	76,355	70,722
Value added tax payable	6,009	14,492
Account payables from purchases of assets	5,220	9,923
Others	75,225	60,667
Total	393,778	292,620

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14 Interest-bearing liabilities

	2023	2022
	<i>(in thousand Baht)</i>	
Current		
- Unsecured		
Short-term borrowings from financial institutions	-	2,940,000
Current portion of long-term borrowings	4,999,030	-
Current portion of lease liabilities	57,439	61,699
Current portion of debenture	5,497,816	-
Short-term borrowings from relates parties	203,399	120,736
	<u>10,757,684</u>	<u>3,122,435</u>
Non-current		
- Unsecured		
Long-term borrowings from financial institutions	5,126,475	9,992,551
Lease liabilities	65,141	93,455
Debentures	9,992,878	15,484,603
	<u>15,184,494</u>	<u>25,570,609</u>
Total interest-bearing liabilities	<u>25,942,178</u>	<u>28,693,044</u>

As at 31 December 2023, long-term borrowings from financial institutions of the Company has an average interest rate from 1.72% to 3.20% per annum (2022: 1.72% to 2.25% per annum). These agreements will be due within October 2028.

On 3 October 2023, the Company signed a Green Loan agreement with a local financial institution amounting to Baht 3,000 million. Term of the loan is the 5 years with a floating interest rate. This loan will be gradually drawn down for investment in projects that align with Green Financing Framework, such as Renewable Energy, Energy Efficiency, and Water Management projects.

Debentures

As at 31 December 2023, the Company has unsubordinated and unsecured debentures totaling Baht 15,500 million (2022: Baht 15,500 million) as follows:

Debentures no.	2023	2022	Interest rate	Term	Maturity date
	<i>(in thousand Baht)</i>		<i>(%p.a.)</i>		
1/2021	5,500,000	5,500,000	2.65	3 years 8 months	1 December 2024
1/2022	5,000,000	5,000,000	2.80	2 years 10 months	1 June 2025
2/2022	5,000,000	5,000,000	3.50	4 years	1 December 2026
Total	<u>15,500,000</u>	<u>15,500,000</u>			
Less debentures issuing expenses	<u>(9,306)</u>	<u>(15,397)</u>			
Net	<u>15,490,694</u>	<u>15,484,603</u>			

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15 Non-current provisions for employee benefits

The Company operates defined benefits plans based on the requirement of the Thai Labour Protection Act B.E. 2541 to provide retirement benefits and other long-term benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

Non-current provisions for employee benefits in statement of financial position as at 31 December

	2023	2022
	<i>(in thousand Baht)</i>	
Post-employment benefits - legal severance payments plan	492,829	519,448
Other long-term employee benefits	19,131	16,186
Total	<u>511,960</u>	<u>535,634</u>

Movements in the present value of non-current provisions for defined benefit plans

	2023	2022
	<i>(in thousand Baht)</i>	
Non-current provisions for defined benefit plans at 1 January	535,634	524,818
Included in profit or loss		
Current service costs	26,418	26,095
Interest on obligation	15,480	10,435
Actuarial losses	1,691	1,584
Transfer of non-current provisions for employee benefits to related party	-	(44,775)
	<u>43,589</u>	<u>(6,661)</u>
Included in other comprehensive income		
Actuarial losses (gains)	(32,063)	37,536
Others		
Benefits paid	(35,200)	(20,059)
Non-current provisions for defined benefit plans at 31 December	<u>511,960</u>	<u>535,634</u>

Actuarial losses (gains) recognized in other comprehensive income as of the end of the reporting period arising from:

	2023	2022
	<i>(in thousand Baht)</i>	
<i>For the years ended 31 December</i>		
Demographic assumptions	-	53,148
Financial assumptions	(10,905)	(50,523)
Experience adjustment	(21,158)	34,911
Total	<u>(32,063)</u>	<u>37,536</u>

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Actuarial assumptions

Principal actuarial assumptions as of the end of the reporting period

	2023	2022
		(%)
Discount rate *	3.39 - 3.49	2.92 - 3.02
Salary increase rate	1.39 - 8.00	0.63 - 7.00
Employee turnover rate **	2.00 - 8.00	2.00 - 8.00
Mortality rate ***	100.00 of TMO 2017	100.00 of TMO 2017

* Market yields on government's bonds for legal severance payments plan

** Upon the length of service

*** Reference from TMO2017: Thai Mortality Ordinary Table 2017

As at 31 December 2023, the Company has the weighted-average duration for payment of long-term employee benefits approximately 15 years (2022: 14 years).

Sensitivity analysis

Reasonably possible changes at the end of the reporting period to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the non-current provisions for defined benefit plans by the amounts shown below.

Effect on the non-current provisions for defined benefit plans at 31 December

	Increase (decrease)	
	2023	2022
	(in thousand Baht)	
Discount rate		
0.5% increase	(26,730)	(27,247)
0.5% decrease	29,047	29,503
Salary increase rate		
1.0% increase	59,208	58,679
1.0% decrease	(51,189)	(51,154)
Employee turnover rate		
10.0% increase	(11,802)	(11,741)
10.0% decrease	12,192	12,106

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

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16 Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

17 Administrative expenses

	2023	2022
	<i>(in thousand Baht)</i>	
Salary, welfare and personnel expenses	1,868,912	1,858,357
Rent, depreciation and amortization expenses	149,050	126,166
Service expenses	147,860	138,709
IT fees	114,255	97,183
Research and development expenses	102,357	16,084
Professional and consultant fees	87,948	72,717
Others	207,332	157,495
Total	<u>2,677,714</u>	<u>2,466,711</u>

18 Employee benefit expenses

	2023	2022
	<i>(in thousand Baht)</i>	
Salaries and wages	1,439,432	1,464,713
Welfares and others	237,262	201,511
Contribution to defined contribution plans	117,800	118,121
Contribution to defined benefit plans	43,589	(6,661)
Total	<u>1,838,083</u>	<u>1,777,684</u>

The defined contribution plans comprise provident funds established by the Company for its employees. The provident funds were registered with the Ministry of Finance under the Provident Fund Act B.E. 2530. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at 2% to 15% of their basic salaries and by the Company at 5% to 13% of the members’ basic salaries, depending on the length of employment.

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19 Income tax

	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
<i>Income tax recognized in profit or loss</i>			
Current tax			
Current year		-	10,228
Over provided in prior years		(8,137)	-
		<u>(8,137)</u>	<u>10,228</u>
Deferred tax			
Movements in temporary differences	12	(73,053)	(4,149)
Total		<u>(81,190)</u>	<u>6,079</u>
<i>Income tax recognized in other comprehensive income</i>			
Gains (losses) on remeasurement of defined benefit plans		<u>6,741</u>	<u>(7,507)</u>
<i>Reconciliation of effective tax rate</i>			
		2023	2022
	Rate	<i>(in thousand</i>	<i>Rate</i>
	<i>(%)</i>	<i>Baht)</i>	<i>(in thousand</i>
		<i>(%)</i>	<i>Baht)</i>
Profit before income tax expense		2,470,874	3,439,929
Income tax using the Thai corporation tax rate	20	494,175	687,986
Income not subject to tax		(548,712)	(571,634)
Expenses deductible at a greater amount		(16,440)	(11,555)
Expenses not deductible for tax purposes and others		7,526	15,561
Tax losses increase (decrease)		63,451	(110,130)
Current tax		-	10,228
Over provided in prior years		(8,137)	-
Movement in temporary differences		(73,053)	(4,149)
Income tax expense (benefit)	-	<u>(81,190)</u>	<u>6,079</u>

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20 Dividends

The dividends paid by the Company to shareholders were as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
2023				
Annual dividend 2022	28 March 2023	24 April 2023	0.35	1,502
Interim dividend 2023	25 July 2023	22 August 2023	0.25	1,073
Total			0.60	2,575
2022				
Annual dividend 2021	29 March 2022	25 April 2022	0.40	1,717
Interim dividend 2022	26 July 2022	24 August 2022	0.25	1,073
Total			0.65	2,790

21 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortized cost if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			Total	Fair Value Level 2
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost (in thousand Baht)		
Balance at 31 December 2023					
Financial assets					
Cash and cash equivalents	-	-	1,202,322	1,202,322	
Short-term investments	5,051,900	-	-	5,051,900	5,051,900
Loans to related parties	-	-	35,201,275	35,201,275	
Total financial assets	5,051,900	-	36,403,597	41,455,497	
Financial liabilities					
Borrowings from financial institutions	-	-	10,125,505	10,125,505	
Borrowings from related parties	-	-	203,399	203,399	
Lease liabilities	-	-	122,580	122,580	
Debentures	-	-	15,490,694	15,490,694	15,557,927
Total financial liabilities	-	-	25,942,178	25,942,178	

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	Fair value through profit or loss	Carrying amount		Total	Fair Value Level 2
		Fair value through other comprehensive income	Amortized cost		
<i>(in thousand Baht)</i>					
Balance at 31 December 2022					
Financial assets					
Cash and cash equivalents	-	-	4,890,048	4,890,048	
Loans to related parties	-	-	40,387,271	40,387,271	
Total financial assets	<u>-</u>	<u>-</u>	<u>45,277,319</u>	<u>45,277,319</u>	
Financial liabilities					
Borrowings from financial institutions	-	-	12,932,551	12,932,551	
Borrowings from related parties	-	-	120,736	120,736	
Lease liabilities	-	-	155,154	155,154	
Debentures	-	-	15,484,603	15,484,603	15,681,197
Total financial liabilities	<u>-</u>	<u>-</u>	<u>28,693,044</u>	<u>28,693,044</u>	

In the first quarter of 2023, the Company invested in a mutual fund with an asset management company amounting to Baht 5,000 million which is measured at FVTPL with an average return of approximately 1.7% per year and holding period of approximately 1 year.

Financial instruments measured at fair value

The Company determined Level 2 fair values for investment in mutual fund which is simple over-the-counter securities were based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar financial instrument at the measurement date. Fair values reflect the credit risk of the financial instrument and include adjustments to take account of the credit risk of the Company and counterparty when appropriate.

Financial instruments measured at amortized cost

The Company determined Level 2 fair values for debentures based on quoted selling price from the Thai Bond Market Association at the closing price on the end of the reporting period.

(b) Financial risk management policies

Risk management framework

The Company's management has responsibility for the establishment of financial risk management policies and guidelines including foreign currency risk related to capital expenditures, investment, borrowing, deposit and international trade transaction. This also includes establishing policies and overseeing the process of financial derivatives and cash management for efficiency of the Company's financial operation under risk appetite and consistent practice. The policies are appropriately reviewed to the changing situation. The Company's management monitors financial status and reports regularly to the Company's Management Committee.

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(1) Credit risk

Credit risk is the risk of Company's financial loss if a customer or a financial counterparty fails to meet its contractual obligations.

(1.1) Cash and cash equivalent

The Company's credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions which the Company considers having low credit risk.

(1.2) Investment in debt instruments

The Company's credit risk is limited by investing only in high liquidity and credibility debt instruments.

(2) Liquidity risk

The Company oversees its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management for the Company's operations including payment of liabilities that are due and to mitigate the risk from the lack of future liquidity.

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature were as follows:

	Effective interest rates (%p.a.)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2023					
Short-term borrowings from related parties	1.00	203,399	-	-	203,399
Long-term borrowings from financial institutions	1.72 - 3.20	4,999,030	5,126,475	-	10,125,505
Finance lease liabilities	2.02 - 3.84	60,142	56,920	14,969	132,031
Debentures	2.65 - 3.50	5,497,816	9,992,878	-	15,490,694
Total		10,760,387	15,176,273	14,969	25,951,629
Less Deferred interest expense - finance lease liabilities					(9,451)
Net					25,942,178

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	Effective interest rates (%p.a.)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2022					
Short-term borrowings from financial institutions	1.40	2,940,000	-	-	2,940,000
Short-term borrowings from related parties	0.30	120,736	-	-	120,736
Long-term borrowings from financial institutions	1.72 - 2.25	-	9,992,551	-	9,992,551
Finance lease liabilities	2.02 - 3.84	64,883	84,951	16,329	166,163
Debentures	2.65 - 3.50	-	15,484,603	-	15,484,603
Total		3,125,619	25,562,105	16,329	28,704,053
Less Deferred interest expense - finance lease liabilities					(11,009)
Net					28,693,044

(3) Market risk

The Company has to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(3.1) Foreign currency risk

Foreign exchange risk arises from the fluctuation of foreign exchange rate.

The Company has foreign exchange risk arises from the fluctuation of foreign exchange rate from purchases, sales, payment of machines and equipment and other receipt and payment which are denominated in foreign currencies. The Company manage that risk by entering forward exchange contracts to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the end of the reporting period also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

As at 31 December, the Company has significant foreign currency risk from foreign currency assets and liabilities are as follows:

	US Dollars	Others (in thousand Baht)	Total
2023			
Other receivables	5,994	-	5,994
Other payables	(72,950)	(752)	(73,702)
Net statement of financial position exposure	(66,956)	(752)	(67,708)

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	US Dollars	Others <i>(in thousand Baht)</i>	Total
2022			
Other payables	<u>(2,752)</u>	<u>(1,481)</u>	<u>(4,233)</u>
Net statement of financial position exposure	<u>(2,752)</u>	<u>(1,481)</u>	<u>(4,233)</u>

Sensitivity analysis

A reasonably possible strengthening and weakening of functional currency against foreign currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

<i>Impact to profit or loss</i>	Movement (%)	Strengthening <i>(in thousand Baht)</i>	Weakening
2023			
US Dollars	1	669	(669)
Other	1	7	(7)
2022			
US Dollars	1	27	(27)
Other	1	15	(15)

(3.2) Interest rate risk

Interest rate risk is the risk caused from future movements in market interest rates that will affect the results of the Company's operations and its cash flows certainly. The Company is exposed to interest rate risk which mainly come from its borrowings from financial institution. The Company mitigates this risk by ensuring that the majority of borrowings are at fixed interest rates to manage exposure to fluctuations in interest rates on specific borrowings.

<i>Exposure to interest rate risk at 31 December</i>	2023	2022
	<i>(in thousand Baht)</i>	
Financial instruments with variable interest rates		
Financial assets	35,201,275	40,387,271
Financial liabilities	<u>(333,217)</u>	<u>(3,060,736)</u>
Net statement of financial position exposure	<u>34,868,058</u>	<u>37,326,535</u>

Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 1% in interest rates at 31 December would have affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

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<i>Impact to profit or loss</i>	1% increase in interest rate	1% decrease in interest rate
	<i>(in thousand Baht)</i>	
2023		
Financial instruments with variable interest rate	348,681	(348,681)
Cash flow sensitivity	348,681	(348,681)
2022		
Financial instruments with variable interest rate	373,265	(373,265)
Cash flow sensitivity	373,265	(373,265)

22 Capital management

The management of the Company has a capital management policy with the objective to maintain a strong capital base by emphasizing on planning and determining operating strategies that will ensure a sustainable business performance and cash flow management. In addition, the Company also considers to have a strong financial foundation. Therefore, the Company have considered in investing in projects that have good rate of return, maintaining appropriate working capital, as well as having a sufficient cash reserves and an appropriate investment structure to have a firm operating business in the future and maintain the confidence of shareholders, investors, creditors, and other stakeholders.

23 Events after the reporting period

At the Board of Directors' Meeting of the Company held on 23 January 2024, the directors approved the following matters:

- (a) To submit for approval at the Annual General Meeting of Shareholders, the payment of a dividend for 2023 at the rate of Baht 0.55 per share, totaling approximately Baht 2,361 million. An interim dividend of Baht 0.25 per share was paid on 22 August 2023, as disclosed in note 20. The final dividend will be at the rate of Baht 0.30 per share, payable to shareholders entitled to receive dividends totaling approximately Baht 1,288 million and is scheduled for payment on 22 April 2024. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 26 March 2024.
- (b) To issue the debenture No. 1/2024 on 1 April 2024, with an offer value not exceeding Baht 5,000 million and there are reserve debentures for additional offers with a value not exceeding Baht 100 million. Term of the new debenture is 3 years and 8 months with fixed interest rate at 3.40% per annum, and due for redemption on 1 December 2027. The objective is for investment and/or working capital for business operations.

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24 Thai Financial Reporting Standards (TFRSs) that have been issued but are not yet effective

The Federation of Accounting Professions has revised TFRSs which are effective for annual accounting periods beginning on or after 1 January 2024 and have not been adopted in the preparation of these financial statements because they are not yet effective. The Company has assessed the potential initial impact on the financial statements of these revised TFRSs and expected that there will be no material impact on the financial statements in the year of initial application. Except for TAS 12 Income Taxes, the Company is in the process of assessing the impact of the minimum top-up tax in the countries where the Company's investment operates.



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