

FINANCIAL REPORT 2024

(Form 56-1 One Report)

SCG Packaging Public Company Limited



EVOLVING SUSTAINABLE PACKAGING SOLUTIONS



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 5555 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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Financial Statements 2024
of SCG Packaging Public Company Limited



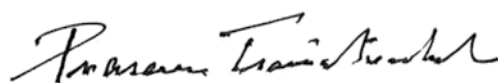
Report on the Board of Directors' responsibilities for financial statements

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, 2024 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)

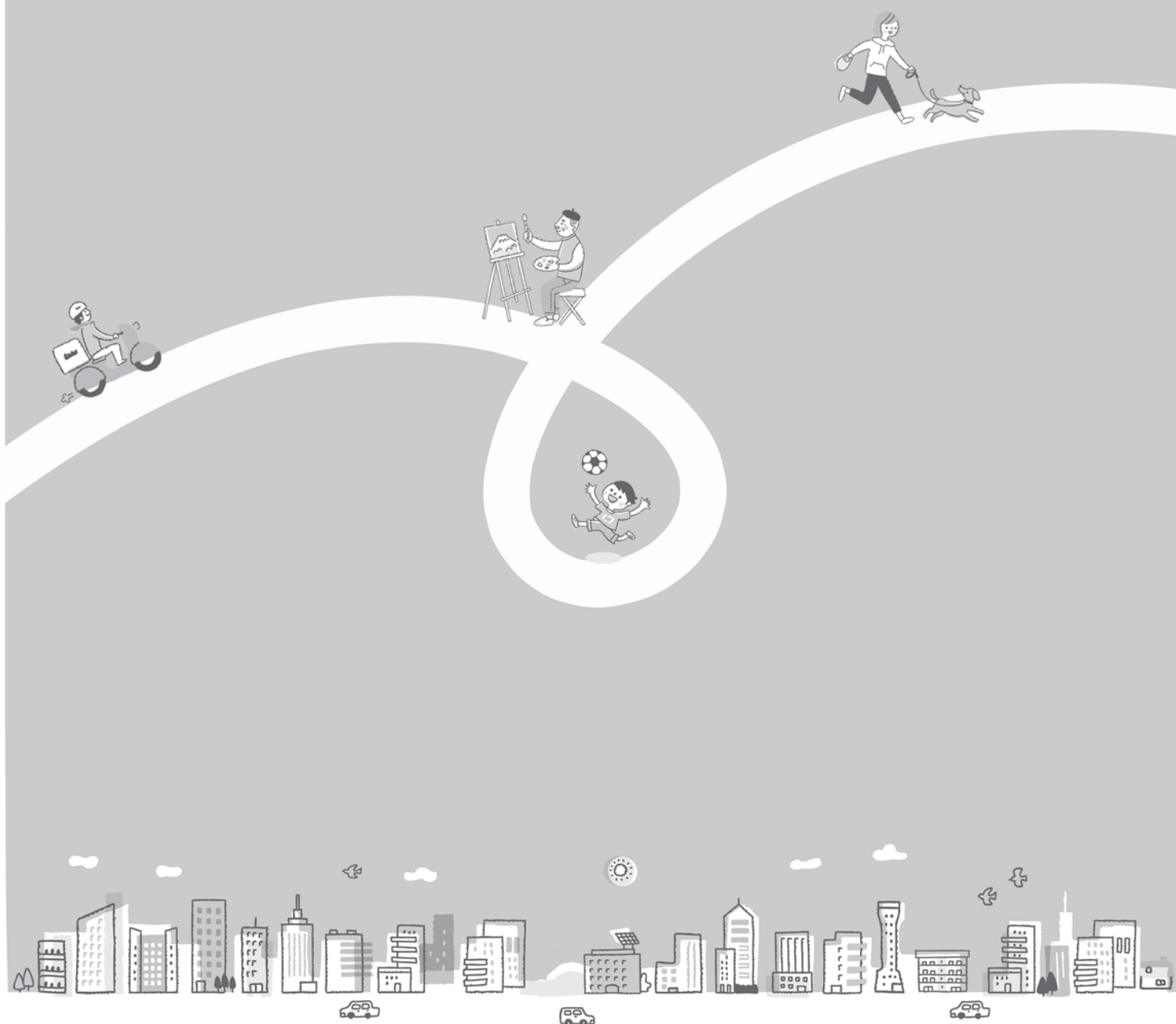
Chairman



(Mr. Wichan Jitpukdee)

Chief Executive Officer

Consolidated Financial Statements of SCG Packaging Public Company Limited And its subsidiaries





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Website home.kpmg/th

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ชั้น 50 เอ็มไพร์ทาวเวอร์
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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 2024, 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 material 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 2024, 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 impairment testing of goodwill | |
| Refer to Notes 3 (b) 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. |



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.

(Pornthip Rimdusit)
Certified Public Accountant
Registration No. 5565

KPMG Phoomchai Audit Ltd.
Bangkok
14 February 2025


SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of financial position

As at 31 December 2024

| Assets | <i>Note</i> | 2024 | 2023 |
|-------------------------------------|-------------|---------------------------|--------------------|
| | | <i>(in thousand Baht)</i> | |
| <i>Current assets</i> | | | |
| Cash and cash equivalents | 6 | 9,849,022 | 9,888,587 |
| Short-term investments | 25 | 2,433,411 | 7,292,251 |
| Trade and other current receivables | 5, 7 | 23,551,126 | 23,331,192 |
| Inventories | 8 | 19,026,909 | 19,252,593 |
| Other current assets | | 443,100 | 507,310 |
| Total current assets | | 55,303,568 | 60,271,933 |
| <i>Non-current assets</i> | | | |
| Investments in associates | 9 | 1,193,344 | 1,062,730 |
| Other non-current receivables | | 1,228,691 | 1,419,273 |
| Property, plant and equipment | 10, 11 | 91,013,574 | 94,279,195 |
| Goodwill | 12 | 28,242,428 | 29,374,395 |
| Other intangible assets | 12 | 9,097,807 | 10,050,962 |
| Deferred tax assets | 13 | 1,351,368 | 1,036,057 |
| Other non-current assets | | 1,148,797 | 1,066,129 |
| Total non-current assets | | 133,276,009 | 138,288,741 |
| Total assets | | 188,579,577 | 198,560,674 |

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 2024

| Liabilities and shareholders' equity | Note | 2024 | 2023 |
|--|-------|-------------------|-------------------|
| <i>(in thousand Baht)</i> | | | |
| <i>Current liabilities</i> | | | |
| Bank overdrafts and short-term borrowings | | | |
| from financial institutions | 15 | 24,492,827 | 15,336,715 |
| Trade and other current payables | 5 | 15,677,860 | 14,808,198 |
| Current portion of long-term borrowings | | | |
| from financial institutions | 15 | 6,371,420 | 6,493,668 |
| Current portion of lease liabilities | 5, 15 | 768,969 | 668,094 |
| Current portion of debentures | 15 | 4,998,974 | 5,497,816 |
| Corporate income tax payable | | 925,294 | 1,061,615 |
| Liabilities related to put options | 4, 25 | 3,140,668 | 22,313,049 |
| Other current liabilities | | 227,219 | 211,238 |
| Total current liabilities | | 56,603,231 | 66,390,393 |
| <i>Non-current liabilities</i> | | | |
| Long-term borrowings from financial institutions | 15 | 9,836,188 | 8,034,201 |
| Lease liabilities | 5, 15 | 2,924,519 | 3,089,492 |
| Debentures | 15 | 15,483,952 | 9,992,878 |
| Deferred tax liabilities | 13 | 4,014,376 | 4,886,139 |
| Non-current provisions for employee benefits | 16 | 3,949,808 | 3,629,130 |
| Other non-current liabilities | 25 | 480,914 | 89,096 |
| Total non-current liabilities | | 36,689,757 | 29,720,936 |
| Total liabilities | | 93,292,988 | 96,111,329 |

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 2024

| Liabilities and shareholders' equity | Note | 2024 | 2023 |
|---|-------|---------------------------|--------------------|
| | | <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 | 4 | (19,328,180) | (1,445,045) |
| Retained earnings | | | |
| <i>Appropriated</i> | | | |
| Legal reserve | 17 | 450,000 | 450,000 |
| General reserve | | 3,000 | 3,000 |
| <i>Unappropriated</i> | | | |
| | | 59,147,316 | 57,992,632 |
| Other equity interests | 4, 25 | (3,487,475) | (23,203,660) |
| Other components of shareholders' equity | | (5,259,366) | (1,627,846) |
| Total equity attributable to owners of the Company | | 76,678,460 | 77,322,246 |
| Non-controlling interests | 4 | 18,608,129 | 25,127,099 |
| Total shareholders' equity | | 95,286,589 | 102,449,345 |
| Total liabilities and shareholders' equity | | 188,579,577 | 198,560,674 |

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 2024

| | <i>Note</i> | 2024 | 2023 |
|--|-------------|---------------------|---------------------|
| <i>(in thousand Baht)</i> | | | |
| Revenue from sales | 5 | 132,783,687 | 129,398,089 |
| Cost of sales | 5 | (110,381,011) | (106,273,933) |
| Gross profit | | 22,402,676 | 23,124,156 |
| Gain on exchange rate | | - | 79,506 |
| Other income | 5 | 994,731 | 1,043,021 |
| Profit before expenses | | 23,397,407 | 24,246,683 |
| Distribution costs | 5, 19 | (9,106,353) | (8,700,857) |
| Administrative expenses | 5, 20 | (7,211,811) | (6,982,832) |
| Loss on exchange rate | | (211,152) | - |
| Total expenses | | (16,529,316) | (15,683,689) |
| Profit from operations | | 6,868,091 | 8,562,994 |
| Finance costs | | (2,428,884) | (2,019,658) |
| Share of profit of associates accounted for using equity method | 9 | 113,282 | 38,750 |
| Profit before income tax | | 4,552,489 | 6,582,086 |
| Tax expense | 22 | (825,325) | (1,153,461) |
| Profit for the year | | 3,727,164 | 5,428,625 |
| Profit attributable to | | | |
| Owners of the Company | | 3,699,083 | 5,248,133 |
| Non-controlling interests | | 28,081 | 180,492 |
| | | <u>3,727,164</u> | <u>5,428,625</u> |
| Basic earnings per share (in Baht) | | | |
| Attributable to owners of the Company | | 0.86 | 1.22 |

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 2024

| | <i>Note</i> | 2024 | 2023 |
|---|-------------|---------------------------|------------------|
| | | <i>(in thousand Baht)</i> | |
| Profit for the year | | 3,727,164 | 5,428,625 |
| Other comprehensive income | | | |
| <i>Items that will be reclassified subsequently to profit or loss</i> | | | |
| Exchange differences on translating financial statements | | (4,114,325) | 358,119 |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | |
| Gain (loss) on investments in equity instruments | | | |
| measured at fair value | | 956 | (300) |
| Gain (loss) on remeasurements of defined benefit plans | 16 | (256,687) | 90,751 |
| Share of other comprehensive income of associates | | | |
| accounted for using equity method | 9 | (591) | (1,231) |
| Income tax relating to items that will not be reclassified | | | |
| subsequently to profit or loss | 22 | 50,380 | (19,716) |
| Total items that will not be reclassified | | | |
| subsequently to profit or loss | | (205,942) | 69,504 |
| Other comprehensive income for the year, net of tax | | (4,320,267) | 427,623 |
| Total comprehensive income for the year | | (593,103) | 5,856,248 |
| Total comprehensive income attributable to | | | |
| Owners of the Company | | (116,017) | 5,901,121 |
| Non-controlling interests | | (477,086) | (44,873) |
| | | (593,103) | 5,856,248 |

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 2024

| | Retained earnings | | | | Other components of shareholders' equity | | | | | |
|---|-------------------|-----------------|----------------|---------------|--|--|--|--|---------------------------|----------------------------|
| | Appropriated | | Unappropriated | | Exchange differences on translating financial statement (in thousand Baht) | Loss on investments 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 |
| | Legal reserve | General reserve | Other deficits | Share premium | | | | | | |
| Issued and paid share capital | | | | | | | | | | |
| Balance at 1 January 2023 | 450,000 | 3,000 | (1,445,045) | 40,860,245 | (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) | (710,894) | (3,286,352) |
| <i>Total contributions by and distributions to owners</i> | - | - | - | - | - | - | - | (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 |
| <i>Total changes in ownership interests in subsidiaries</i> | - | - | - | - | - | - | - | - | 116,369 | 116,369 |
| Total transactions with owners, recorded directly in shareholders' equity | - | - | - | - | - | - | - | (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 | 180,492 | 5,428,625 |
| Other comprehensive income | - | - | - | - | 602,238 | (224) | 602,014 | 652,988 | (225,365) | 427,623 |
| <i>Total comprehensive income for the year</i> | - | - | - | - | 602,238 | (224) | 602,014 | 5,901,121 | (44,873) | 5,856,248 |
| Balance at 31 December 2023 | 450,000 | 3,000 | (1,445,045) | 40,860,245 | (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 changes in shareholders' equity

For the year ended 31 December 2024

| | Issued and paid share capital | Share premium | Other deficits | Legal reserve | Retained earnings | | Other components of shareholders' equity | | | | | | |
|---|-------------------------------|-------------------|---------------------|----------------|-------------------|--------------------|---|--|---------------------------------------|--|--|---------------------------|----------------------------|
| | | | | | Appropriated | Unappropriated | Exchange differences on translating financial statement | Gain (loss) on investments | | Total other components of shareholders' equity | Total equity attributable to owners of the Company | Non-controlling interests | Total shareholders' equity |
| | | | | | | | | in equity instruments measured at fair value | on instruments measured at fair value | | | | |
| Balance at 1 January 2024 | 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 | |
| Transactions with owners, recorded directly in shareholders' equity | | | | | | | | | | | | | |
| <i>Contributions by and distributions to owners</i> | | | | | | | | | | | | | |
| Dividends | 24 | - | - | - | - | (2,360,819) | - | - | - | (2,360,819) | (967,955) | (3,328,774) | |
| Total contributions by and distributions to owners | | | | | | (2,360,819) | | | | (2,360,819) | (967,955) | (3,328,774) | |
| <i>Changes in ownership interests in subsidiaries</i> | | | | | | | | | | | | | |
| Changes that do not result in an acquisition or a loss of control | 4 | - | (17,883,135) | - | - | - | - | - | - | (17,883,135) | (5,136,694) | (23,019,829) | |
| Changes that result in an acquisition or a loss of control | | | | | | | | | | | 62,765 | 62,765 | |
| Total changes in ownership interests in subsidiaries | | | | | | | | | | (17,883,135) | (5,073,929) | (22,957,064) | |
| Total transactions with owners, recorded directly in shareholders' equity | | | | | | (2,360,819) | | | | (20,243,954) | (6,041,884) | (26,285,838) | |
| Put options | 4, 25 | - | - | - | - | - | - | - | - | 19,716,185 | - | 19,716,185 | |
| Comprehensive income for the year | | | | | | | | | | | | | |
| Profit or loss | | - | - | - | - | 3,699,083 | - | - | - | 3,699,083 | 28,081 | 3,727,164 | |
| Other comprehensive income | | - | - | - | - | (183,580) | - | 715 | (3,631,520) | (3,815,100) | (505,167) | (4,320,267) | |
| Total comprehensive income for the year | | | | | | 3,515,503 | | 715 | (3,631,520) | (116,017) | (477,086) | (593,103) | |
| Balance at 31 December 2024 | 4,292,920 | 40,860,245 | (19,328,180) | 450,000 | 3,000 | 59,147,316 | (5,256,031) | (2,435) | (5,259,366) | 76,678,460 | 18,608,129 | 95,286,589 | |

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 2024

| | 2024 | 2023 |
|--|---------------------------|-------------------|
| | <i>(in thousand Baht)</i> | |
| <i>Cash flows from operating activities</i> | | |
| Profit for the year | 3,727,164 | 5,428,625 |
| <i>Adjustments for</i> | | |
| Tax expense | 825,325 | 1,153,461 |
| Depreciation and amortization | 9,258,662 | 9,205,704 |
| Expected credit loss | 12,861 | 6,376 |
| Reversal of loss on inventories devaluation | (4,942) | (93,738) |
| Non-current provisions for employee benefit expense | 394,536 | 375,993 |
| Loss (gain) on foreign currency exchange | 261,952 | (52,361) |
| Share of profit of associates accounted for using equity method | (113,282) | (38,750) |
| Interest income | (519,468) | (376,789) |
| Finance costs | 2,428,884 | 2,019,658 |
| Gain on fair value adjustments and others | (46,400) | (111,003) |
| Cash flows generated from operations | 16,225,292 | 17,517,176 |
| before changes in operating assets and liabilities | 16,225,292 | 17,517,176 |
| <i>Decrease (increase) in operating assets</i> | | |
| Trade and other receivables | (1,242,717) | 881,222 |
| Inventories | (184,010) | 4,308,946 |
| Other assets | (25,204) | (183,900) |
| Net decrease (increase) in operating assets | (1,451,931) | 5,006,268 |

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 2024

| | 2024 | 2023 |
|--|---------------------------|---------------------|
| | <i>(in thousand Baht)</i> | |
| <i>Increase (decrease) in operating liabilities</i> | | |
| Trade and other payables | 1,200,824 | 602,831 |
| Non-current provisions for employee benefits | (270,544) | (263,213) |
| Other liabilities | 4,764 | 1,030 |
| Net increase in operating liabilities | 935,044 | 340,648 |
| Net cash flows generated from operations | 15,708,405 | 22,864,092 |
| Income tax paid | (1,954,461) | (1,382,187) |
| Net cash flows provided by operating activities | 13,753,944 | 21,481,905 |
| <i>Cash flows from investing activities</i> | | |
| Acquisition of subsidiaries, net of cash acquired | (454,582) | (1,303,173) |
| Acquisition of interests in associates | (30,008) | - |
| Proceeds from sale of short-term investments | 6,344,341 | 764,190 |
| Acquisition of short-term investments | (1,313,152) | (5,584,964) |
| Proceeds from sale of property, plant and equipment | 41,117 | 65,728 |
| Acquisition of property, plant and equipment | (5,428,540) | (7,123,982) |
| Acquisition of other intangible assets | (211,507) | (258,906) |
| Dividends received | 10,901 | 9,366 |
| Interest received | 530,950 | 372,063 |
| Net cash flows used in investing activities | (510,480) | (13,059,678) |

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 2024

| | <i>Note</i> | 2024 | 2023 |
|--|-------------|---------------------|--------------------|
| <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 |
| Payments of changes in ownership interests in subsidiaries | | | |
| that do not result in a loss of control | 4 | (23,195,350) | - |
| <i>Proceeds from (payments of) borrowings</i> | | | |
| Proceeds from (payments of) bank overdrafts | | | |
| and short-term borrowings - net | | 9,804,306 | (798,977) |
| Proceeds from long-term borrowings | | 8,441,889 | 135,000 |
| Payments of long-term borrowings | | (6,635,167) | (1,614,474) |
| Payments of lease liabilities | | (814,873) | (745,165) |
| Proceeds from issuance of debentures | | 10,500,000 | - |
| Redemption of debentures | | (5,500,000) | - |
| Net increase (decrease) in borrowings | | 15,796,155 | (3,023,616) |
| <i>Dividends paid</i> | | | |
| Dividends paid to owners of the Company | | (2,360,819) | (2,575,458) |
| Dividends paid to non-controlling interests | | (967,709) | (710,894) |
| Total dividends paid | | (3,328,528) | (3,286,352) |
| Interest and other finance costs paid | | (2,453,519) | (2,067,660) |
| Net cash flows used in financing activities | | (13,181,242) | (8,366,151) |
| Net increase in cash and cash equivalents | | 62,222 | 56,076 |
| Effect of exchange rate changes on cash and cash equivalents | | (101,787) | (133,422) |
| Cash and cash equivalents at beginning of the year | | 9,888,587 | 9,965,933 |
| Cash and cash equivalents at end of the year | | 9,849,022 | 9,888,587 |
| <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 | | 427,500 | 459,366 |
| Accrued investments | | 234,678 | 508,589 |
| Liabilities related to put options | | 3,487,475 | 22,313,049 |

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

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

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SCG Packaging Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2024

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 14 February 2025.

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 ultimate 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:

| | 2024 | 2023 |
|--|-------------------------------|------|
| | 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 | 98.2 | 98.2 |
| VEM (Thailand) Co., Ltd. | 90 | - |
| 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 | 69.6 | 69.6 |

* Currently in the liquidation process

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

| | 2024 | 2023 |
|---|-------------------------------|------|
| | Direct / Indirect Holding (%) | |
| <i>Registered in Thailand</i> | | |
| Thai Paper Co., Ltd. | 69.6 | 69.6 |
| The Siam Forestry Co., Ltd. | 69.6 | 69.6 |
| Siam Panawes Co., Ltd. | 69.6 | 69.6 |
| Suanpa Rungsaris Co., Ltd. | 69.6 | 69.6 |
| Panas Nimit Co., Ltd. | 69.6 | 69.6 |
| Thai Panaboon Co., Ltd. | 69.6 | 69.6 |
| Thai Panaram Co., Ltd. | 69.6 | 69.6 |
| Thai Panadorn Co., Ltd. | 69.6 | 69.6 |
| Thai Panason Co., Ltd. | 69.6 | 69.6 |
| Thai Wanabhum Co., Ltd. | 69.6 | 69.6 |
| TC Flexible Packaging Co., Ltd. | 52.5 | 52.5 |
| Prepack Thailand Co., Ltd. | 52.4 | 52.4 |
| SCGP-T Plastics Co., Ltd. | 51 | 51 |
| Tawana Container Co., Ltd. | 50.4 | 50.4 |
| Conimex Co., Ltd. | 38.3 | 38.3 |
| Phoenix Utilities Co., Ltd. * | - | 69.6 |
| <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 |
| 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 |
| Duy Tan Binh Duong Plastics Co., Ltd. | 70 | 70 |
| Mata Plastic Co., Ltd. | 70 | 70 |
| Starprint Vietnam Joint Stock Company | 70 | 70 |
| Vina Corrugated Packaging Co., Ltd. (Formerly “Alcamax Packaging (Vietnam) Co., Ltd.”) | 70 | 70 |
| Bien Hoa Packaging Joint Stock Company | 65.9 | 65.9 |
| Tin Thanh Packing Joint Stock Company | 52.5 | 52.5 |
| New Asia Industries Co., Ltd. ** | - | 70 |
| AP Packaging (Hanoi) Co., Ltd. ** | - | 70 |
| Packamex (Vietnam) Co., Ltd. ** | - | 70 |

* The liquidation process was completed on 29 August 2024

** Transferred of entire business to Vina Corrugated Packaging Co., Ltd. on 1 May 2024

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

| | 2024 | 2023 |
|--|-------------------------------|------|
| | Direct / Indirect Holding (%) | |
| <i>Registered in Indonesia</i> | | |
| PT Fajar Surya Wisesa Tbk. | 99.7 | 55.2 |
| PT Dayasa Aria Prima | 99.7 | 55.2 |
| PT Indocorr Packaging Cikarang | 70 | 70 |
| PT Indoris Printingdo | 70 | 70 |
| PT Primacorr Mandiri | 67.9 | 67.9 |
| PT Indonesia Dirtajaya Aneka Industri Box | 60.6 | 52.5 |
| PT Bahana Buana Box | 60.6 | 52.5 |
| PT Rapipack Asritama | 60.6 | 52.5 |
| <i>Registered in Philippines</i> | | |
| United Pulp and Paper Co., Inc. | 74.8 | 74.8 |
| United Industrial Energy Corporation | 74.8 | 74.8 |
| <i>Registered in Malaysia</i> | | |
| Interpress Printers Sendirian Berhad | 68.3 | 68.3 |
| <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 | 100 |
| <i>Registered in Spain</i> | | |
| Peute Recycling Spain S.L. | 100 | 100 |
| Detalab Global, S.L. | 89.1 | 85 |
| Detalab, S.L. | 89.1 | 85 |
| Keylab, S.L.U. | 89.1 | 85 |
| Nirco, S.L. | 89.1 | 85 |
| Envases Farmaceuticos, S.A. | 89.1 | 85 |
| Equilabo Scientific, S.L.U. | 89.1 | 85 |
| Sanilabo, S.L.U. * | - | 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 |

* The liquidation process was completed on 21 August 2024

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

| | 2024 | 2023 |
|---|-------------------------------|------|
| | Direct / Indirect Holding (%) | |
| <i>Registered in Netherlands</i> | | |
| Peute Investments B.V. | 100 | 100 |
| Infiniplast B.V. | 100 | 100 |
| <i>Registered in Portugal</i> | | |
| Peute Portugal, Unipessoal Lda | 100 | 100 |
| <i>Registered in the United States</i> | | |
| Jordan Trading Inc. | 90.1 | 90.1 |
| <i>Registered in Ireland</i> | | |
| Law Print & Packaging Management Limited | 100 | 100 |
| <i>Registered in Italy</i> | | |
| Bicappa Lab S.r.L. | 75.7 | 72.3 |

Most of the above subsidiaries were established in Thailand unless otherwise stated. There was no material change in the percentage of holding from 2023, except during 2024, the Group acquired the ordinary shares of VEM (Thailand) Co., Ltd. This company's assets, liabilities and operating results are included in the Group's consolidated financial statements. In addition, the Group increased its interests in subsidiaries, including PT Fajar Surya Wisesa Tbk. and PT Indonesia DIRTAJAYA Aneka Industri Box, PT Bahana Buana Box and PT Rapipack Asritama (collectively, "Intan Group") in Indonesia and Deltalab Global, S.L. in Spain as discussed in note 4.

SCG Packaging Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2024

2 Basis of preparation of the financial statements

The consolidated financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRSs”), which are based on International Financial Reporting Standards (IFRSs) (TFRSs are effective within 1 year after the effective date of IFRSs), 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.

TAS 1 Presentation of Financial Statements - Disclosure of Accounting Policies

The Group has adopted *Disclosure of Accounting Policies - Amendments to TAS 1* since 1 January 2024. The amendments require the disclosure of ‘material’ rather than ‘significant’, accounting policies. The Group has revisited the accounting policy information it has been disclosing and made updates to the information disclosed in note 3 Material accounting policies.

TAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has adopted *Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to TAS 12* since 1 January 2024. The amendments narrow the scope of the initial recognition exemption by excluding transactions that give rise to equal and offsetting temporary differences - e.g. leases and decommissioning liabilities. Following the amendments, the Group has recognized separately the deferred tax asset in relation to its lease liabilities and the deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offsetting in accordance with TAS 12. There was also no impact on the opening retained earnings as at 1 January 2023 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognized which presented in note 13 Deferred tax assets (deferred tax liabilities).

SCG Packaging Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2024

3 Material 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. 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.

(b) *Investment in subsidiaries*

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.

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.

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.

(c) *Investments in associates*

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 or losses arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

(d) Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is calculated using the weighted average cost. In the case of manufactured inventories and work in process, 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.

(e) Property, plant and equipment

Owned assets

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

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 - 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 the end of each reporting period and adjusted if appropriate.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

(f) 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.

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 the end of each reporting period and adjusted if appropriate.

(g) 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.

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 assets.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

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 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 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.

(h) *Impairment of non-financial assets*

The carrying amounts of the Group's assets are reviewed at the end of 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.

(i) *Employee benefits*

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.

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.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

(j) 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.

(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.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

(k) 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.

The Group has determined that the global minimum top-up tax which it is required to pay under Pillar Two legislation is an income tax in the scope of TAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts for the top-up tax and accounts for it as a current tax when it is incurred.

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 or at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences 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 period.

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 the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(l) 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.

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.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

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.

(m) *Financial instruments*

Classification and measurement

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 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.

SCG Packaging Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2024

Derivatives

Derivatives are recognized at fair value and remeasured at fair value at the end of each reporting period. 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 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.

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.

SCG Packaging Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2024

4 Acquisitions of business and changes in ownership interests of subsidiaries

Year 2024

(a) *Acquisitions of business*

On 29 June 2024, SCGP Solutions (Singapore) Pte. Ltd., which is a wholly owned subsidiary of the Group, acquired 90% stake in VEM (Thailand) Co., Ltd. (“VEM-TH”), a manufacturer of high-performance polymer injection molding parts, registered in Thailand. This investment has a total consideration of US Dollars 5.2 million or equivalent to Baht 193 million. The payment was divided by the first payment of US Dollars 2.8 million or equivalent to Baht 103 million and the remaining payment will be considered when the conditions are met within 4 years from the acquisition date; and contingent consideration which is based on the incremental financial performance of 2025 to 2027. At the acquisition date, the net assets acquired were recognized at a fair value of Baht 126 million and goodwill from the business acquisition of Baht 67 million.

The acquisition in VEM-TH is part of the Group’s strategy to expand its healthcare packaging and supplies business. VEM-TH has plastic injection mold production lines that comply with the global standard for medical device quality management system including certified cleanrooms. VEM-TH currently serves clients in the medical, aircraft, electrical parts and automotive industries, with a market coverage including Thailand and overseas. Additionally, this will enhance and add production capabilities of Deltalab, S.L. and Bicappa Lab S.r.L., while fulfilling surging demands in Southeast Asia in the future.

According to the above acquisition, the Group has engaged independent appraisers to determine the fair values of net assets and liabilities acquired. As at 31 December 2024, the determination of the fair values has been completed and the Group recorded the fair value of the assets acquired and liabilities assumed in the consolidated statement of financial position.

Besides, in the second quarter of 2024, the determination of the fair values of assets acquired and liabilities assumed from acquisition of Law Print & Packaging Management Limited, the United Kingdom, Bicappa Lab S.r.L., Italy and Starprint Vietnam Joint Stock Company, Vietnam, in the fourth quarter of 2023 has been completed. The Group recorded the fair value of the assets acquired and liabilities assumed accordingly, mainly from an increase in property, plant and equipment of Baht 199 million, an increase in intangible assets of Baht 54 million, and recognized a decrease in goodwill of Baht 139 million. This adjustment is in accordance with the accounting adjustment condition for business acquisition.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

(b) Changes in ownership interests of subsidiaries

In the third quarter of 2024, the Group increased its interests in subsidiaries, PT Fajar Surya Wisesa Tbk. by 44.48% (from 55.23% to 99.71%) and Deltalab Global, S.L. by 4.06% (from 85% to 89.06%). Subsequently, in the fourth quarter of 2024, the Group acquired additional shares in subsidiaries, PT Indonesia Dirtajaya Aneka Industri Box, PT Bahana Buana Box and PT Rapipack Asritama (collectively, “Intan Group”) by 11.5% (from 75% to 86.5%). These increases in subsidiaries’ ordinary shares were acquired from existing shareholders who had exercised the put options, totaling Baht 23,195 million. The effects of the change in the Group’s ownership interests in subsidiaries were summarized as follows:

| | |
|---|--------------------------|
| | <i>(in million Baht)</i> |
| Carrying amount of non-controlling interests acquired | 5,312 |
| Less Consideration paid to non-controlling interests | (23,195) |
| Increase in other deficits | <u>(17,883)</u> |

The Group reversed liabilities related to put options and other equity interests totaling Baht 23,204 million due to the purchase of the ordinary shares of the subsidiaries mentioned above.

SCG Packaging Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2024

Year 2023

In the fourth quarter of 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 Joint Stock Company, 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 Joint Stock Company (“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.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

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

SCG Packaging Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2024

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 |

SCG Packaging Public Company Limited and its Subsidiaries
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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 |
| SCG International Corporation 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 (Cambodia) Co., Ltd. | Cambodia | 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 |
| SCG International Vietnam Co., Ltd. | Vietnam | An associate of the Siam Cement Public Company Limited |
| A.J. Plast (Vietnam) Company Limited | Vietnam | 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 Packaging Public Company Limited and its Subsidiaries
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For the year ended 31 December 2024

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

| | 2024 | 2023 | Pricing policies |
|------------------------|---------------------------|-----------|---------------------------------------|
| | <i>(in thousand Baht)</i> | | |
| <i>Ultimate parent</i> | | | |
| Revenue from sales | 5,515 | 4,685 | Market price |
| Service fee | 874,172 | 857,482 | Cost plus margin method comparable |
| <i>Associates</i> | | | |
| Revenue from sales | 566,531 | 510,402 | Market price |
| Dividend income | 11,380 | 9,366 | Upon declaration |
| Purchases | 361,620 | 280,153 | Market price |
| <i>Others</i> | | | |
| Revenue from sales | 6,652,228 | 6,738,018 | Market price |
| Purchases | 7,165,967 | 6,865,509 | Market price |
| Service fee | 2,310,320 | 2,476,009 | Market price and contract rate |

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

| | Note | 2024 | 2023 |
|--------------------------------------|------|---------------------------|----------------|
| | | <i>(in thousand Baht)</i> | |
| <i>Trade receivables</i> | | | |
| Ultimate parent | | 835 | 206 |
| Associates | | 61,652 | 69,599 |
| Others | | 491,880 | 924,744 |
| Total | 7 | 554,367 | 994,549 |
| <i>Other current receivables</i> | | | |
| Ultimate parent | | 48,953 | 55,293 |
| Associates | | 52,686 | 59,341 |
| Others | | 18,531 | 17,089 |
| Total | | 120,170 | 131,723 |
| <i>Other non-current receivables</i> | | | |
| Ultimate parent | | 25,780 | 68,100 |
| Associates | | 91,985 | 105,312 |
| Total | | 117,765 | 173,412 |

SCG Packaging Public Company Limited and its Subsidiaries
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For the year ended 31 December 2024

| | 2024 | 2023 |
|--|---------------------------|------------------|
| | <i>(in thousand Baht)</i> | |
| <i>Trade payables</i> | | |
| Associates | 38,889 | 35,096 |
| Others | 914,061 | 1,099,259 |
| Total | 952,950 | 1,134,355 |
| <i>Other current payables</i> | | |
| Ultimate parent | 71,894 | 93,042 |
| Associates | 7 | 1,426 |
| Others | 74,922 | 126,276 |
| Total | 146,823 | 220,744 |
| <i>Lease liabilities</i> | | |
| <i>Current and non-current portion</i> | | |
| Ultimate parent | 99,489 | 56,787 |
| Associates | 92,032 | 99,506 |
| Others | 108,108 | 197,690 |
| Total | 299,629 | 353,983 |

The Board of Directors and key management compensation

| | 2024 | 2023 |
|---|---------------------------|----------------|
| | <i>(in thousand Baht)</i> | |
| <i>For the years ended 31 December</i> | | |
| Short-term employee benefits | 138,016 | 121,410 |
| Post-employment benefits | 12,193 | 9,834 |
| Total | 150,209 | 131,244 |

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.

SCG Packaging Public Company Limited and its Subsidiaries
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6 Cash and cash equivalents

| | 2024 | 2023 |
|--------------------------------------|---------------------------|-------------------------|
| | <i>(in thousand Baht)</i> | |
| Cash on hand and at banks | 5,477,220 | 6,678,138 |
| Highly liquid short-term investments | 4,371,802 | 3,210,449 |
| Total | <u>9,849,022</u> | <u>9,888,587</u> |

7 Trade receivables

| <i>At 31 December</i> | <i>Note</i> | 2024 | 2023 |
|--|-------------|---------------------------|--------------------------|
| | | <i>(in thousand Baht)</i> | |
| Related parties | | | |
| Within credit terms | | 507,739 | 957,319 |
| Overdue: | | | |
| Less than 1 month | | 46,508 | 36,182 |
| 1 - 3 months | | 120 | 1,048 |
| Total | 5 | <u>554,367</u> | <u>994,549</u> |
| Other companies | | | |
| Within credit terms | | 18,202,877 | 16,863,995 |
| Overdue: | | | |
| Less than 1 month | | 1,423,564 | 1,545,808 |
| 1 - 3 months | | 266,666 | 416,875 |
| Over 3 - 12 months | | 117,380 | 164,902 |
| Over 12 months | | 174,074 | 180,433 |
| | | <u>20,184,561</u> | <u>19,172,013</u> |
| <i>Less allowance for expected credit loss</i> | | <i>(169,715)</i> | <i>(184,531)</i> |
| Net | | <u>20,014,846</u> | <u>18,987,482</u> |
| Total | | <u>20,569,213</u> | <u>19,982,031</u> |

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

| | 2024 | 2023 |
|--|---------------------------|-----------------------|
| | <i>(in thousand Baht)</i> | |
| <i>Allowance for expected credit loss</i> | | |
| At 1 January | 184,531 | 180,262 |
| Addition | 9,842 | 20,170 |
| Reversal | (6,823) | (13,291) |
| Write-off | (14,158) | (2,368) |
| Currency translation differences | (3,677) | (242) |
| At 31 December | <u>169,715</u> | <u>184,531</u> |

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
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8 Inventories

| | 2024 | 2023 |
|---|---------------------------|-------------------|
| | <i>(in thousand Baht)</i> | |
| Finished goods | 6,379,149 | 6,292,922 |
| Work in progress | 1,008,781 | 1,101,377 |
| Raw materials | 5,731,974 | 6,252,695 |
| Spare parts, stores, supplies and others | 3,833,667 | 3,991,548 |
| Goods in transit | 2,310,504 | 1,939,452 |
| Total | 19,264,075 | 19,577,994 |
| <i>Less</i> allowance for decline in value | <i>(237,166)</i> | <i>(325,401)</i> |
| Net | 19,026,909 | 19,252,593 |
| | | |
| Cost of inventories recognized as an expense in cost of sales | 110,260,915 | 106,319,385 |
| Write-down to net realizable value | 552,163 | 592,997 |
| Reversal of write-down | (559,719) | (745,004) |
| | | |
| Changes in finished goods and work in progress | 6,369 | 1,261,597 |
| Raw materials and supplies used | 60,143,945 | 54,691,164 |

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
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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:

| | 2024 | 2023 |
|--|---------------------------|-------------------------|
| | <i>(in thousand Baht)</i> | |
| At 1 January | 1,062,730 | 1,034,332 |
| Increase in investment | 30,008 | - |
| Share of net profit of investments - equity method | 113,282 | 38,750 |
| Share of other comprehensive income of investment - equity method | (1,296) | (986) |
| Dividend income | (11,380) | (9,366) |
| At 31 December | <u>1,193,344</u> | <u>1,062,730</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 | |
|----------------------------|---------------------------|------|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|----------------------|---------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | (<i>%</i>) | | <i>(in thousand Baht)</i> | | | | | | | |
| Associates | | | | | | | | | | |
| Siam Toppan | | | | | | | | | | |
| Packaging Co., Ltd. | 49 | 49 | 500,000 | 500,000 | 245,000 | 245,000 | 575,655 | 517,924 | 9,947 | 6,027 |
| Siam Nippon | | | | | | | | | | |
| Industrial Paper Co., Ltd. | 31 | 31 | 1,100,000 | 1,100,000 | 495,000 | 495,000 | 407,762 | 357,434 | - | - |
| Packworks Co., Ltd. | 31 | 28 | 1,381 | 1,087 | 136,741 | 106,733 | 118,136 | 97,985 | - | - |
| Sahagreen Forest Co., Ltd. | 17 | 17 | 190,000 | 190,000 | 47,500 | 47,500 | 82,414 | 79,057 | 950 | 2,518 |
| ReUse SAS | 45 | 45 | 3,673 | 3,673 | 2,909 | 2,909 | 9,377 | 10,330 | 483 | 821 |
| P&S Holdings Corporation | 40 | 40 | 262,588 | 262,588 | 105,121 | 105,121 | - | - | - | - |
| Total | | | <u>2,057,642</u> | <u>2,057,348</u> | <u>1,032,271</u> | <u>1,002,263</u> | <u>1,193,344</u> | <u>1,062,730</u> | <u>11,380</u> | <u>9,366</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> | | | | | | | |
| <i>Cost</i> | | | | | | | | |
| At 1 January 2023 | 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/Write-off | (19,892) | (219,625) | (1,404,727) | (126,003) | (279,819) | (5,614) | - | (2,055,680) |
| Transfer from other non-current assets | 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 |
| Acquisitions through business combinations | 43,000 | 194,800 | 77,199 | 1,690 | 1,844 | - | - | 318,533 |
| Increase from the fair value adjustment <i>(see note 4)</i> | 116,057 | 31,285 | 51,043 | 379 | - | - | - | 198,764 |
| Additions | 185,627 | 601,504 | 1,746,483 | 116,531 | 465,571 | 3,721,991 | 265 | 6,837,972 |
| Disposals/Write-off | (35,529) | (166,805) | (734,173) | (88,786) | (242,684) | (714) | - | (1,268,691) |
| Transfer from other non-current assets | 1,484 | - | - | - | - | - | - | 1,484 |
| Transfers in (out) | 70,521 | 626,083 | 2,995,687 | 10,862 | 35,683 | (3,703,869) | 527 | 35,494 |
| Currency translation differences | (346,682) | (596,485) | (2,848,365) | (34,437) | (50,761) | (88,394) | - | (3,965,124) |
| At 31 December 2024 | 12,010,234 | 30,610,816 | 168,178,597 | 2,539,021 | 2,095,858 | 4,169,659 | 49,922 | 219,654,107 |

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For the year ended 31 December 2024

| | 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> | | | | | | | |
| <i>Accumulated depreciation</i> | | | | | | | | |
| <i>and accumulated</i> | | | | | | | | |
| <i>impairment losses</i> | | | | | | | | |
| At 1 January 2023 | 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/Write-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 |
| Depreciation | | | | | | | | |
| charge for the year | 260,897 | 1,242,182 | 6,339,070 | 192,109 | 354,024 | - | 7,012 | 8,395,294 |
| Impairment losses | - | - | 4,100 | - | - | - | - | 4,100 |
| Disposals/Write-off | (33,282) | (138,796) | (705,330) | (63,777) | (217,269) | - | - | (1,158,454) |
| Transfers in (out) | 7,307 | 4,972 | (3,897) | (16,618) | 5,020 | - | - | (3,216) |
| Currency translation | | | | | | | | |
| differences | (18,693) | (220,401) | (1,511,203) | (23,047) | (40,327) | - | - | (1,813,671) |
| At 31 December 2024 | 2,257,594 | 15,446,381 | 107,751,801 | 2,043,283 | 1,124,799 | - | 16,675 | 128,640,533 |
| <i>Carrying amount</i> | | | | | | | | |
| 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 |
| At 31 December 2024 | | | | | | | | |
| Owned assets | 7,633,358 | 13,083,563 | 60,335,852 | 380,895 | 361,695 | 4,169,659 | 33,247 | 85,998,269 |
| Right-of-use assets | 2,119,282 | 2,080,872 | 90,944 | 114,843 | 609,364 | - | - | 5,015,305 |
| | 9,752,640 | 15,164,435 | 60,426,796 | 495,738 | 971,059 | 4,169,659 | 33,247 | 91,013,574 |

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In 2024, the right-of-use assets of the Group has increased amounting to Baht 957 million (2023: Baht 1,848 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 47 million (2023: Baht 43 million), rates of interest capitalized at 1.40 % to 2.95 % per annum (2023: 1.00% to 3.75% 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> | 2024 | 2023 |
|---|---------------------------|---------|
| | <i>(in thousand Baht)</i> | |
| <i>Amounts recognized in profit or loss</i> | | |
| Depreciation of right-of-use assets: | | |
| – Land and land improvements | 162,437 | 143,917 |
| – Buildings and structures | 439,941 | 375,314 |
| – Vehicles and equipment | 255,317 | 240,242 |
| – Others | 85,761 | 71,835 |
| Interest on lease liabilities | 176,690 | 110,632 |
| Expenses relating to short-term leases | 172,079 | 196,193 |
| Expenses relating to leases of low-value assets | 82,152 | 70,286 |

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12 Goodwill and other intangible assets

| | Goodwill | Other intangible assets | | | |
|---|-------------------|-------------------------------------|----------------------|------------------------------|-------------------------------|
| | | Customer contracts and relationship | Trademark and patent | Software licenses and others | Total other intangible assets |
| <i>(in thousand Baht)</i> | | | | | |
| Cost | | | | | |
| At 1 January 2023 | 28,233,239 | 7,162,091 | 3,668,418 | 1,988,765 | 12,819,274 |
| Acquisitions through business combinations (see note 4) | 1,093,569 | - | - | 1,608 | 1,608 |
| Additions | - | - | - | 247,364 | 247,364 |
| Disposals/Write-off | - | - | - | (25,840) | (25,840) |
| Transfers in | - | - | - | 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 |
| Acquisitions through business combinations (see note 4) | 66,873 | 2,100 | - | 308 | 2,408 |
| Increase (decrease) from the fair value adjustment (see note 4) | (138,942) | 43,937 | 10,527 | - | 54,464 |
| Additions | - | - | 215 | 198,456 | 198,671 |
| Disposals/Write-off | - | - | - | (32,424) | (32,424) |
| Transfers in | - | - | - | 20,730 | 20,730 |
| Currency translation differences | (1,059,898) | (328,445) | (150,789) | (33,280) | (512,514) |
| At 31 December 2024 | 28,242,428 | 6,962,946 | 3,500,379 | 2,373,794 | 12,837,119 |
| Accumulated amortization | | | | | |
| At 1 January 2023 | - | 734,121 | 354,579 | 1,156,635 | 2,245,335 |
| Amortization charge for the year | - | 455,699 | 216,585 | 167,391 | 839,675 |
| Disposals/Write-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 |
| Amortization charge for the year | - | 456,509 | 214,075 | 179,158 | 849,742 |
| Disposals/Write-off | - | - | - | (32,233) | (32,233) |
| Currency translation differences | - | (79,662) | (30,975) | (22,382) | (133,019) |
| At 31 December 2024 | - | 1,575,653 | 745,380 | 1,418,279 | 3,739,312 |
| Carrying amount | | | | | |
| At 31 December 2023 | 29,374,395 | 6,046,548 | 3,078,146 | 926,268 | 10,050,962 |
| At 31 December 2024 | 28,242,428 | 5,387,293 | 2,754,999 | 955,515 | 9,097,807 |

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

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 5.11% to 7.70%, projected revenue growth rates ranging from 0.78% to 11.07% and terminal values growth rates ranging from 0.83% to 5.50%. 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 2024 of two subsidiaries in Indonesia and Netherlands, which have the goodwill of Baht 12,120 million and Baht 1,201 million, respectively, and the recoverable amount exceeding the carrying amount by approximately Baht 15,955 million and Baht 1,520 million, respectively. If the key assumptions, such as the projected revenue growth rates decrease by 5.52% and 5.50% or terminal values growth rates decrease by 1.18% and 1.05%, 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:

| | 2024 | 2023 |
|--------------------------|---------------------------|---------------------------|
| | <i>(in thousand Baht)</i> | |
| Deferred tax assets | 1,351,368 | 1,036,057 |
| Deferred tax liabilities | (4,014,376) | (4,886,139) |
| Net | <u>(2,663,008)</u> | <u>(3,850,082)</u> |

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

| | At 1 January 2023 | Credited (charged) to | | | Currency translation differences | At 31 December 2023 |
|--|-------------------------|---------------------------------------|----------------------------------|---|--|---------------------------|
| | | profit or loss <i>(Note 22)</i> | other comprehensive income | Increase through business combinations | | |
| <i>(in thousand Baht)</i> | | | | | | |
| <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 | 38,055 | (32,034) | - | - | 2,967 | 8,988 |
| Lease liabilities | 448,032 | 309,340 | - | - | 1,750 | 759,122 |
| 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 | 1,821,679 | 837,259 | (20,712) | 2,639 | (5,923) | 2,634,942 |
| <i>Deferred tax liabilities</i> | | | | | | |
| Property, plant and equipment | (3,497,906) | (13,270) | - | - | (9,307) | (3,520,483) |
| Right of use assets | (438,508) | (303,312) | - | - | (1,920) | (743,740) |
| Intangible assets | (2,305,159) | 151,620 | - | - | (26,294) | (2,179,833) |
| Others | (50,682) | 9,698 | - | - | 16 | (40,968) |
| Total | (6,292,255) | (155,264) | - | - | (37,505) | (6,485,024) |
| Net | (4,470,576) | 681,995 | (20,712) | 2,639 | (43,428) | (3,850,082) |

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| | At 1 January 2024 | Credited (charged) to | | | Currency translation differences | At 31 December 2024 |
|-------------------------------------|-------------------------|--------------------------------|----------------------------------|---|--|---------------------------|
| | | profit or loss (Note 22) | other comprehensive income | Increase through business combinations | | |
| <i>(in thousand Baht)</i> | | | | | | |
| Deferred tax assets | | | | | | |
| Loss carry forward | 905,348 | 921,319 | - | - | (90,423) | 1,736,244 |
| Investment | 31,067 | 44 | - | - | - | 31,111 |
| Trade receivables | 29,211 | 211 | - | - | (82) | 29,340 |
| Inventories | 82,402 | (16,175) | - | 721 | (1,825) | 65,123 |
| Property, plant and equipment | 8,988 | 1,363 | - | - | (800) | 9,551 |
| Lease liabilities | 759,122 | 192,931 | - | 708 | (51,429) | 901,332 |
| Provisions for employee benefits | 753,674 | 28,609 | 36,379 | 234 | (3,335) | 815,561 |
| Others | 65,130 | 10,421 | - | - | (4,367) | 71,184 |
| Total | 2,634,942 | 1,138,723 | 36,379 | 1,663 | (152,261) | 3,659,446 |
| Deferred tax liabilities | | | | | | |
| Property, plant and equipment | (3,520,483) | (34,122) | - | (32,445) | 75,424 | (3,511,626) |
| Right of use assets | (743,740) | (175,338) | - | (26,257) | 50,594 | (894,741) |
| Intangible assets | (2,179,833) | 134,804 | - | (13,553) | 180,686 | (1,877,896) |
| Others | (40,968) | 2,518 | - | - | 259 | (38,191) |
| Total | (6,485,024) | (72,138) | - | (72,255) | 306,963 | (6,322,454) |
| Net | (3,850,082) | 1,066,585 | 36,379 | (70,592) | 154,702 | (2,663,008) |

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:

| | 2024 | 2023 |
|------------------------------------|----------------|----------------|
| <i>(in thousand Baht)</i> | | |
| Temporary differences | | |
| – Provisions for employee benefits | 129,930 | 114,546 |
| – Others | 259,727 | 199,387 |
| Unused tax losses | 329,330 | 228,604 |
| Total | 718,987 | 542,537 |

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.

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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 2023 | 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 (<i>see note 4</i>) | 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 |
| Changes from financing cash flows | 9,804,306 | 1,789,466 | (814,873) | 4,984,846 | 15,763,745 |
| Leases | - | - | 868,895 | - | 868,895 |
| Changes arising from business acquisition | 84,403 | 103,703 | 7,181 | - | 195,287 |
| The effect of changes in foreign exchange rates | (732,597) | (218,598) | (125,301) | - | (1,076,496) |
| Other non-cash movement | - | 5,168 | - | 7,386 | 12,554 |
| At 31 December 2024 | 24,492,827 | 16,207,608 | 3,693,488 | 20,482,926 | 64,876,849 |

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15 Interest-bearing liabilities

| | 2024 | 2023 |
|--|---------------------------|--------------------------|
| | <i>(in thousand Baht)</i> | |
| <i>Current</i> | | |
| Bank overdrafts and short-term borrowings from financial institutions | | |
| – Secured | - | 98,749 |
| – Unsecured | 24,492,827 | 15,237,966 |
| | <u>24,492,827</u> | <u>15,336,715</u> |
| Current portion of long-term borrowings from financial institution | | |
| – Unsecured | 6,371,420 | 6,493,668 |
| Current portion of lease liabilities | 768,969 | 668,094 |
| Current portion of debentures | 4,998,974 | 5,497,816 |
| Total | <u>36,632,190</u> | <u>27,996,293</u> |
| <i>Non-current</i> | | |
| Long-term borrowings from financial institutions | | |
| – Unsecured | 9,836,188 | 8,034,201 |
| Lease liabilities | 2,924,519 | 3,089,492 |
| Debentures | 15,483,952 | 9,992,878 |
| Total | <u>28,244,659</u> | <u>21,116,571</u> |
| Total interest-bearing liabilities | <u>64,876,849</u> | <u>49,112,864</u> |

As at 31 December 2024, bank overdrafts and short-term borrowings from financial institutions of the Group had an interest rate from 2.28% to 8.90% per annum (2023: 1.85% to 8.90% per annum) and long-term borrowings from financial institutions of the Group had an interest rate from 0.80% to 7.85% per annum (2023: 0.75% to 7.71% per annum).

During 2024, the Company and its overseas subsidiaries signed long-term loan agreements with financial institutions with total contracts amounting to Baht 10,752 million. Term of the loans are from 4 to 7 years with a floating interest rate. As at 31 December 2024, the loans amounting to Baht 8,179 million was drawn down. The objectives are to refinance long-terms loan to be due and working capital for business operations.

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Debenture

As at 31 December 2024, the Company has unsubordinated and unsecured debentures totaling Baht 20,500 million (2023: Baht 15,500 million) as follows:

| Debentures no. | 2024 <i>(in thousand Baht)</i> | 2023 <i>(in thousand Baht)</i> | Interest rate <i>(% p.a.)</i> | Term | Maturity date |
|------------------------|-----------------------------------|-----------------------------------|----------------------------------|---------------------------|-----------------|
| 1/2021 | - | 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 |
| 1/2024 | 5,000,000 | - | 3.40 | 3 years 8 months | 1 December 2027 |
| 2/2024 | 5,500,000 | - | 3.30 | 3 years 11 months 29 days | 1 December 2028 |
| Total | 20,500,000 | 15,500,000 | | | |
| <i>Less debentures</i> | | | | | |
| issuing expenses | (17,074) | (9,306) | | | |
| Net | 20,482,926 | 15,490,694 | | | |

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, currency 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

| | 2024 <i>(in thousand Baht)</i> | 2023 <i>(in thousand Baht)</i> |
|---|-----------------------------------|-----------------------------------|
| Post-employment benefits | | |
| Legal severance payments plan | 3,783,979 | 3,489,780 |
| Pension | 23,623 | 36,782 |
| Other long-term employee benefits | 169,898 | 117,368 |
| Total non-current provisions for defined benefit plans | 3,977,500 | 3,643,930 |
| Other employee benefits | - | 15,031 |
| Total | 3,977,500 | 3,658,961 |
| <i>Less plan assets of foreign subsidiaries</i> | (27,692) | (29,831) |
| Total non-current provisions for employee benefits - net | 3,949,808 | 3,629,130 |

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

| | 2024 | 2023 |
|--|---------------------------|------------------|
| | <i>(in thousand Baht)</i> | |
| Non-current provisions for defined benefit plans at 1 January | 3,643,930 | 3,619,599 |
| <i>Included in profit or loss</i> | | |
| Current service costs | 210,607 | 211,290 |
| Interest on obligation | 158,760 | 152,931 |
| Actuarial losses | 48,063 | 5,669 |
| Non-current provisions for defined benefit plans transfer to the related parties | (22,894) | - |
| | 394,536 | 369,890 |
| <i>Included in other comprehensive income</i> | | |
| Actuarial losses (gains) | 256,687 | (90,751) |
| Currency translation differences | (62,554) | (2,642) |
| | 194,133 | (93,393) |
| <i>Others</i> | | |
| Benefits paid | (270,544) | (252,166) |
| Acquisitions through business combinations | 2,636 | - |
| Others | 12,809 | - |
| | (255,099) | (252,166) |
| Non-current provisions for defined benefit plans at 31 December | 3,977,500 | 3,643,930 |

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

| | 2024 | 2023 |
|---|---------------------------|-----------------|
| | <i>(in thousand Baht)</i> | |
| <i>For the years ended 31 December</i> | | |
| Demographic assumptions | 1,154 | 224 |
| Financial assumptions | 196,184 | (79,013) |
| Experience adjustment | 59,349 | (11,962) |
| Total | 256,687 | (90,751) |

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Actuarial assumptions

Principal actuarial assumptions as of the end of the reporting period

| | 2024 | 2023 |
|---------------------------|--------------------------|--------------------------|
| | (%) | |
| Discount rate * | | |
| – Thailand | 2.19 - 2.81 | 2.79 - 3.62 |
| – Vietnam | 2.81 | 3.17 |
| – Indonesia | 7.00 - 7.15 | 6.55 - 6.90 |
| – Philippines | 6.14 | 6.06 |
| Salary increase rate | 1.00 - 9.00 | 1.39 - 8.00 |
| Employee turnover rate ** | 2.00 - 22.00 | 2.00 - 20.00 |
| 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 2024, the Group has the weighted-average duration for payment of long-term employee benefits approximately 10 to 19 years. (2023: 11 to 20 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) | |
|------------------------|---------------------|-----------|
| | 2024 | 2023 |
| | (in thousand Baht) | |
| Discount rate | | |
| 0.50% increase | (133,756) | (117,168) |
| 0.50% decrease | 144,906 | 126,803 |
| Salary increase rate | | |
| 1.00% increase | 291,196 | 257,234 |
| 1.00% decrease | (253,634) | (224,185) |
| Employee turnover rate | | |
| 10.00% increase | (60,321) | (53,280) |
| 10.00% decrease | 62,395 | 55,096 |

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 Corporate</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 Corporate | | Intersegment Elimination | | Consolidated | |
|---|-------------------------------|--------------------|-------------------|-------------------|----------------------------------|-------------------|--------------------------|---------------------|--------------------|--------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| <i>Information from statement of financial position</i> | | | | | | | | | | |
| Current assets | 43,227,918 | 42,549,002 | 11,105,593 | 10,274,087 | 57,881,797 | 43,798,508 | (56,911,740) | (36,349,664) | 55,303,568 | 60,271,933 |
| Investments in associates | 118,136 | 97,985 | 490,176 | 436,491 | 585,032 | 528,254 | - | - | 1,193,344 | 1,062,730 |
| Investments in equity instrument | 11,705 | 11,375 | - | - | 49,415,280 | 49,415,280 | (49,415,280) | (49,415,280) | 11,705 | 11,375 |
| Property, plant and equipment | 73,123,037 | 75,665,077 | 16,337,601 | 16,861,486 | 2,021,808 | 2,071,325 | (468,872) | (318,693) | 91,013,574 | 94,279,195 |
| Others non-current assets | 31,510,433 | 33,398,085 | 5,943,265 | 5,992,539 | 3,879,838 | 3,816,478 | (276,150) | (271,661) | 41,057,386 | 42,935,441 |
| Total assets | 147,991,229 | 151,721,524 | 33,876,635 | 33,564,603 | 113,783,755 | 99,629,845 | (107,072,042) | (86,355,298) | 188,579,577 | 198,560,674 |
| Short-term borrowings | 72,229,502 | 51,477,877 | 807,965 | 803,026 | 19,522,483 | 11,132,217 | (55,927,760) | (35,416,827) | 36,632,190 | 27,996,293 |
| Other current liabilities | 16,414,702 | 34,765,204 | 2,726,069 | 2,618,526 | 1,813,490 | 1,935,700 | (983,220) | (925,330) | 19,971,041 | 38,394,100 |
| Long-term borrowings | 5,116,891 | 4,223,685 | 1,475,778 | 1,233,281 | 22,458,438 | 16,304,971 | (806,448) | (645,366) | 28,244,659 | 21,116,571 |
| Other non-current liabilities | 6,392,260 | 6,605,702 | 1,129,199 | 1,096,799 | 923,639 | 901,864 | - | - | 8,445,098 | 8,604,365 |
| Total liabilities | 100,153,355 | 97,072,468 | 6,139,011 | 5,751,632 | 44,718,050 | 30,274,752 | (57,717,428) | (36,987,523) | 93,292,988 | 96,111,329 |
| Shareholders' equity | 47,837,874 | 54,649,056 | 27,737,624 | 27,812,971 | 69,065,705 | 69,355,093 | (49,354,614) | (49,367,775) | 95,286,589 | 102,449,345 |
| Total liabilities and shareholders' equity | 147,991,229 | 151,721,524 | 33,876,635 | 33,564,603 | 113,783,755 | 99,629,845 | (107,072,042) | (86,355,298) | 188,579,577 | 198,560,674 |
| <i>Supplementary information</i> | | | | | | | | | | |
| Increase in non-current assets | 5,735,973 | 6,522,940 | 1,395,687 | 1,374,846 | 416,571 | 1,755,111 | - | - | 7,548,231 | 9,652,897 |

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| | Integrated Packaging Business | | Fibrous Business | | Recycling Business and Corporate | | Intersegment Elimination | | Consolidated | |
|--|-------------------------------|------------------|------------------|------------------|----------------------------------|------------------|--------------------------|--------------------|------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | <i>(in thousand Baht)</i> | | | | | | | | | |
| Information from income statement | | | | | | | | | | |
| Revenue from sales | | | | | | | | | | |
| External customers | 99,693,448 | 97,044,389 | 25,321,010 | 24,894,273 | 7,769,229 | 7,459,427 | - | - | 132,783,687 | 129,398,089 |
| Intersegment | 381,381 | 318,484 | 1,825,762 | 1,941,197 | 935,331 | 1,208,984 | (3,142,474) | (3,468,665) | - | - |
| Total revenue from sales | 100,074,829 | 97,362,873 | 27,146,772 | 26,835,470 | 8,704,560 | 8,668,411 | (3,142,474) | (3,468,665) | 132,783,687 | 129,398,089 |
| Cost of sales | (83,561,414) | (80,601,596) | (22,871,318) | (22,704,337) | (7,410,730) | (6,717,857) | 3,462,451 | 3,749,857 | (110,381,011) | (106,273,933) |
| Gross profit | 16,513,415 | 16,761,277 | 4,275,454 | 4,131,133 | 1,293,830 | 1,950,554 | 319,977 | 281,192 | 22,402,676 | 23,124,156 |
| Other income | 905,726 | 966,977 | 253,318 | 263,897 | 6,404,865 | 5,913,540 | (6,569,178) | (6,021,887) | 994,731 | 1,122,527 |
| Profit before expenses | 17,419,141 | 17,728,254 | 4,528,772 | 4,395,030 | 7,698,695 | 7,864,094 | (6,249,201) | (5,740,695) | 23,397,407 | 24,246,683 |
| Operating expenses | (10,909,562) | (10,150,590) | (2,987,242) | (2,638,343) | (4,854,717) | (4,890,472) | 2,222,205 | 1,995,716 | (16,529,316) | (15,683,689) |
| Profit from operations | 6,509,579 | 7,577,664 | 1,541,530 | 1,756,687 | 2,843,978 | 2,973,622 | (4,026,996) | (3,744,979) | 6,868,091 | 8,562,994 |
| Finance cost | (2,299,828) | (1,986,250) | (257,534) | (239,333) | (1,117,523) | (833,306) | 1,246,001 | 1,039,431 | (2,428,884) | (2,019,658) |
| Share of profit (loss) of associates accounted for using equity method | (9,857) | (7,503) | 55,226 | 18,071 | 67,913 | 28,182 | - | - | 113,282 | 38,750 |
| Profit before income tax | 4,199,894 | 5,583,911 | 1,339,222 | 1,535,225 | 1,794,368 | 2,168,498 | (2,780,995) | (2,705,548) | 4,552,489 | 6,582,086 |
| Tax income (expense) | (847,466) | (1,016,668) | (249,986) | (294,970) | 276,872 | 164,529 | (4,745) | (6,352) | (825,325) | (1,153,461) |
| Profit for the year | 3,352,428 | 4,567,243 | 1,089,236 | 1,240,255 | 2,071,240 | 2,333,027 | (2,785,740) | (2,711,900) | 3,727,164 | 5,428,625 |

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| | Integrated Packaging Business | | Fibrous Business | | Recycling Business and Corporate | | Intersegment Elimination | | Consolidated | |
|--|-------------------------------|------------------|------------------|------------------|----------------------------------|------------------|--------------------------|--------------------|------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Profit (loss) attributable to: | | | | | | | | | | |
| Owners of the Company | 3,885,528 | 5,095,023 | 1,080,670 | 1,234,861 | 2,073,860 | 2,333,787 | (3,340,975) | (3,415,538) | 3,699,083 | 5,248,133 |
| Non-controlling interests | (533,100) | (527,780) | 8,566 | 5,394 | (2,620) | (760) | 555,235 | 703,638 | 28,081 | 180,492 |
| | 3,352,428 | 4,567,243 | 1,089,236 | 1,240,255 | 2,071,240 | 2,333,027 | (2,785,740) | (2,711,900) | 3,727,164 | 5,428,625 |
| | | | | | | | | | | |
| Interest income | 262,329 | 337,479 | 33,908 | 17,312 | 1,433,694 | 1,031,131 | (1,210,463) | (1,009,133) | 519,468 | 376,789 |
| Depreciation and amortization | 6,777,921 | 6,841,595 | 2,133,850 | 2,077,578 | 371,241 | 316,082 | (24,350) | (29,551) | 9,258,662 | 9,205,704 |
| | | | | | | | | | | |
| Other non-monetary items: | | | | | | | | | | |
| - Loss on inventories devaluation (reversal) | 4,758 | (106,380) | (9,700) | 12,642 | - | - | - | - | (4,942) | (93,738) |
| - Loss on impairment of assets | 4,100 | 14,144 | - | 6,848 | - | - | - | - | 4,100 | 20,992 |

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 | |
|--------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | <i>(in thousand Baht)</i> | | | |
| Thailand | 56,072,521 | 53,366,944 | 51,448,701 | 52,013,339 |
| Vietnam | 20,972,407 | 19,516,667 | 18,561,573 | 19,824,913 |
| Indonesia | 18,445,180 | 18,270,884 | 39,363,138 | 41,786,923 |
| China | 7,629,038 | 8,784,636 | - | - |
| Others | 29,664,541 | 29,458,958 | 19,089,254 | 20,193,919 |
| Total | <u>132,783,687</u> | <u>129,398,089</u> | <u>128,462,666</u> | <u>133,819,094</u> |

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

| | 2024 | 2023 |
|--|---------------------------|-------------------------|
| | <i>(in thousand Baht)</i> | |
| Freight and commission expenses | 6,566,986 | 6,228,516 |
| Salary, welfare, personnel and employee development expenses | 1,726,037 | 1,613,747 |
| Sales promotion and advertising expenses | 284,967 | 286,488 |
| Depreciation and amortization expenses | 118,909 | 119,902 |
| Custom, insurance expense and intellectual property fees | 27,618 | 54,583 |
| Others | 381,836 | 397,621 |
| Total | <u>9,106,353</u> | <u>8,700,857</u> |

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20 Administrative expenses

| | 2024 | 2023 |
|--|---------------------------|-------------------------|
| | <i>(in thousand Baht)</i> | |
| Salary, welfare, personnel and employee development expenses | 3,466,976 | 3,496,285 |
| Depreciation and amortization expenses | 1,075,516 | 1,028,639 |
| Professional and consultant fees | 765,629 | 638,271 |
| Service expenses | 444,387 | 426,789 |
| IT fees | 422,417 | 418,107 |
| Tax license fees and others | 201,580 | 191,902 |
| Outside wages | 123,772 | 115,497 |
| Others | 711,534 | 667,342 |
| Total | <u>7,211,811</u> | <u>6,982,832</u> |

21 Employee benefit expenses

| | 2024 | 2023 |
|--|---------------------------|--------------------------|
| | <i>(in thousand Baht)</i> | |
| Salaries and wages | 11,758,972 | 11,364,563 |
| Welfares and others | 1,941,233 | 1,854,358 |
| Contribution to defined contribution plans | 497,433 | 487,432 |
| Contribution to defined benefit plans | 417,430 | 369,890 |
| Early retirement expenses | 11,468 | 102,550 |
| Total | <u>14,626,536</u> | <u>14,178,793</u> |

The defined contribution plans comprise provident funds established by the Group 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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22 Income tax

| | <i>Note</i> | 2024 <i>(in thousand Baht)</i> | 2023 |
|---|-------------|-----------------------------------|---------------------|
| <i>Income tax recognized in profit or loss</i> | | | |
| Current tax | | | |
| Current tax | | 1,791,269 | 1,850,542 |
| Under (over) provided in prior years | | 100,641 | (15,086) |
| | | 1,891,910 | 1,835,456 |
| Deferred tax | | | |
| Movements in temporary differences | 13 | (1,066,585) | (681,995) |
| Total | | 825,325 | 1,153,461 |
| <i>Income tax recognized in other comprehensive income</i> | | | |
| Gains (loss) on remeasurement of defined benefit plan | | (50,380) | 19,716 |
| Total | | (50,380) | 19,716 |
| <i>Reconciliation of effective tax rate</i> | | | |
| | | 2024 | 2023 |
| | Rate | <i>(in thousand</i> | Rate |
| | (%) | <i>Baht)</i> | <i>(in thousand</i> |
| | | (%) | <i>Baht)</i> |
| Profit before income tax expense | | 4,552,489 | 6,582,086 |
| Share of profit of associates | | | |
| accounted for using equity method | | (113,282) | (38,750) |
| | | 4,439,207 | 6,543,336 |
| Income tax using the Thai corporation tax rate | 20 | 887,841 | 1,308,667 |
| Effect of different tax rates in foreign jurisdictions | | (103,673) | (59,520) |
| Income not subject to tax | | (7,033) | (8,211) |
| Tax privileges | | (273,197) | (203,615) |
| Expenses deductible at a greater amount | | (54,180) | (53,245) |
| Expenses not deductible for tax purposes and others | | 327,128 | 209,211 |
| Tax losses | | 1,014,383 | 657,255 |
| Current tax | | 1,791,269 | 1,850,542 |
| Under (over) provided in prior years | | 100,641 | (15,086) |
| Movement in temporary differences | | (1,066,585) | (681,995) |
| Income tax expense | 19 | 825,325 | 1,153,461 |

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The Group operates in several jurisdictions which have enacted top-up tax legislations as part of the international tax reform under the Pillar Two Model Rules to impose a global minimum tax at an effective tax rate of no less than 15% in each jurisdiction. This will impact the consolidated financial statements of the Group for the year starting from 1 January 2024, onwards. The Group also operates in other several jurisdictions which the legislations will affect the consolidated financial statement of the Group for the reporting period starting from 1 January 2025, onwards.

The ultimate parent company is responsible for the impact assessment of these legislations and has engaged an advisory firm specializing in Pillar Two Model Rules to provide advice and guidance. Based on the impact assessment from financial information for the year ended 31 December 2024, the Group has no material impact to the consolidated financial statement. For the jurisdictions where the legislations will be effective from 1 January 2025 onwards, the ultimate parent company is currently assessing the potential impact on the consolidated financial statements.

23 Promotional privileges

The Group has been granted investment promotion privileges from the Board of Investment, and has received various benefits as an investment promotion recipient under the Investment Promotion Act B.E. 2520 as follows:

Vexcel Pack Co., Ltd. has been granted investment promotion for the manufacture of plastic sheets and plastic containers. The company is exempt from corporate income tax on net profits for a period of 8 years from the commencement date of revenue generation until 2026, and received a 50% deduction of normal corporate income tax for a period of 5 years until 2031.

SCG Paper Energy Co., Ltd. has been granted investment promotion for the electricity generation from non-hazardous industrial waste, electricity generation from solar power, and energy management services, and is exempt from corporate income tax on net profits for a period of 8 years from the commencement date of revenue generation until 2032.

Thai Paper Co., Ltd. has been granted investment promotion for the manufacture of hygienic food packaging, and is exempt from corporate income tax on net profits for a period of 5 years from the commencement date of revenue generation until 2027.

Prepack Thailand Co., Ltd. has been granted investment promotion for the manufacture of printing, and is exempt from corporate income tax on net profits for a period of 5 years from the commencement date of revenue generation until 2028.

Orient Container Co., Ltd. has been granted investment promotion for the manufacture of performance paper products, and is exempt from corporate income tax on net profits for a period of 5 years from the commencement date of revenue generation until 2029.

Thai Containers Group Co., Ltd. has been granted investment promotion for the manufacture products of pulp or paper that have environmentally friendly, manufacture products of pulp or recycled paper and manufacture of performance paper product. The company is exempt from corporate income tax on net profits for a period of 4 years from the commencement date of revenue generation until 2026, and received a 50% deduction of normal corporate income tax for a period of 3 years until 2027.

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Tawana Container Co., Ltd. has been granted investment promotion for the manufacture of paper products, and received a 50% deduction of normal corporate income tax until 2027.

Siam Kraft Industry Co., Ltd. has been granted investment promotion for the manufacture of kraft paper, and received a 50% deduction of normal corporate income tax for a period of 3 years until 2027.

Vina Corrugated Packaging Co., Ltd. obtained privileges from a government agency in Vietnam to pay corporate income tax at a reduced rate of 15% until 2050 for investment projects operating in the economic zones designated by the government.

Tin Thanh Packing Joint Stock Company obtained privileges from a government agency in Vietnam by exemption from corporate 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 from 2022 to 2025.

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

Duy Tan Precision Mold Co., Ltd. obtained privileges from a government agency in Vietnam to pay corporate 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 2028.

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

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24 Dividends

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

| | Approval date | Payment schedule | Dividend rate per share <i>(in Baht)</i> | Amount <i>(in million Baht)</i> |
|-----------------------|---------------|------------------|--|------------------------------------|
| 2024 | | | | |
| Annual dividend 2023 | 26 March 2024 | 22 April 2024 | 0.30 | 1,288 |
| Interim dividend 2024 | 23 July 2024 | 21 August 2024 | 0.25 | 1,073 |
| Total | | | 0.55 | 2,361 |
| 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 |

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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 | | | Total | Fair value | | | Total |
|---|-----------------------------------|---|-------------------|-------------------|------------|------------|---------|------------|
| | Fair value through profit or loss | Fair value through other comprehensive income | Amortized cost | | Level 1 | Level 2 | Level 3 | |
| <i>Balance at 31 December 2024</i> | | | | | | | | |
| Financial assets | | | | | | | | |
| Cash and cash equivalents | - | - | 9,849,022 | 9,849,022 | | | | |
| Short-term investments | | | | | | | | |
| - Bank deposit | - | - | 2,432,497 | 2,432,497 | | | | |
| - Investments in equity instruments | 914 | - | - | 914 | 914 | - | - | 914 |
| Cash in escrow account | - | - | 131,637 | 131,637 | | | | |
| Trade receivables | - | - | 20,569,213 | 20,569,213 | | | | |
| Long-term investments | | | | | | | | |
| - Bank deposit | - | - | 971 | 971 | | | | |
| - Investments in equity instruments | - | 11,705 | - | 11,705 | - | - | 11,705 | 11,705 |
| Derivatives assets | 177,496 | - | - | 177,496 | - | 177,496 | - | 177,496 |
| Total financial assets | 178,410 | 11,705 | 32,983,340 | 33,173,455 | | | | |
| Financial liabilities | | | | | | | | |
| Bank overdrafts and short-term borrowings | - | - | 24,492,827 | 24,492,827 | | | | |
| Trade payables | - | - | 11,915,867 | 11,915,867 | | | | |
| Accrued investments | 45,189 | - | 189,489 | 234,678 | - | - | 45,189 | 45,189 |
| Liabilities related to put options | - | - | 3,487,475 | 3,487,475 | | | | |
| Long-term borrowings | - | - | 16,207,608 | 16,207,608 | | | | |
| Lease liabilities | - | - | 3,693,488 | 3,693,488 | | | | |
| Debentures | - | - | 20,482,926 | 20,482,926 | - | 20,713,583 | - | 20,713,583 |
| Derivatives liabilities | 40,350 | - | - | 40,350 | - | 40,350 | - | 40,350 |
| Total financial liabilities | 85,539 | - | 80,469,680 | 80,555,219 | | | | |

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| | 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 | | | | | | | | |
| - Bank deposit | - | - | 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 |
| Cash in escrow account | - | - | 445,727 | 445,727 | | | | |
| Trade receivables | - | - | 19,982,031 | 19,982,031 | | | | |
| Long-term investments | | | | | | | | |
| - Bank deposit | - | - | 1,022 | 1,022 | | | | |
| - Investments in equity instruments | - | 11,375 | - | 11,375 | - | - | 11,375 | 11,375 |
| Derivatives assets | 224,752 | - | - | 224,752 | - | 224,752 | - | 224,752 |
| Total financial assets | 5,278,782 | 11,375 | 32,555,588 | 37,845,745 | | | | |
| Financial liabilities | | | | | | | | |
| Bank overdrafts and short-term borrowings | - | - | 15,336,715 | 15,336,715 | | | | |
| Trade payables | - | - | 11,324,954 | 11,324,954 | | | | |
| Accrued investments | - | - | 508,589 | 508,589 | | | | |
| 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 |
| Derivatives liabilities | 24,136 | - | - | 24,136 | - | 24,136 | - | 24,136 |
| Total financial liabilities | 24,136 | - | 83,259,456 | 83,283,592 | | | | |

In the first quarter of 2024, the Company received the proceeds amounting to Baht 5,084 million from selling back its investment in a mutual fund with an asset management company.

In the third quarter of 2024, the Group recognized liabilities related to put options as the possibility of the options being exercised is probably determined by existing shareholders of the subsidiaries from business acquisitions. This financial liability was recognized in the consolidated statement of financial position of the Group as at 31 December 2024, with the present value of the exercise price amounting to approximately Baht 3,487 million. The right can be exercised from July 2024 onwards.

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Financial instruments measured at fair value

The Group determined Level 1 fair values for investment in equity instruments which quoted prices in active markets, based on the bid price at the end of the reporting period.

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

- Investment in mutual 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 financial assets and financial liabilities using valuation techniques as follows:

- Investments in equity 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 instruments were not listed on any stock exchange and there were no recent observable arm's length transactions in the instruments.
- Contingent consideration using the discounted cash flow technique: significant unobservable inputs such as expected cash flows and risk-adjusted discount rate.

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 2024

(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 2024

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 following table shows the remaining contractual maturities of interest-bearing financial liabilities at the end of the reporting period. The amounts are gross and undiscounted.

| <i>At 31 December</i> | Carrying amount | Contractual cash flows | | | Total |
|---|-----------------|------------------------|--|-------------------|---------------|
| | | 1 year or less | More than 1 year but less than 5 years | More than 5 years | |
| <i>(in million Baht)</i> | | | | | |
| 2024 | | | | | |
| Bank overdrafts and short-term borrowings | 24,493 | 24,493 | - | - | 24,493 |
| Long-term borrowings | 16,207 | 6,375 | 8,042 | 1,814 | 16,231 |
| Lease liabilities | 3,694 | 936 | 2,104 | 1,758 | 4,798 |
| Debentures | 20,483 | 5,000 | 15,500 | - | 20,500 |
| | 64,877 | 36,804 | 25,646 | 3,572 | 66,022 |
| 2023 | | | | | |
| Bank overdrafts and short-term borrowings | 15,337 | 15,337 | - | - | 15,337 |
| Long-term borrowings | 14,528 | 6,496 | 8,044 | - | 14,540 |
| Lease liabilities | 3,757 | 821 | 2,099 | 2,016 | 4,936 |
| Debentures | 15,491 | 5,500 | 10,000 | - | 15,500 |
| | 49,113 | 28,154 | 20,143 | 2,016 | 50,313 |

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

(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) Foreign currency risk

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

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.

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

| | 2024 | 2023 |
|---|---------------------------|--------------------|
| | US Dollars | |
| | <i>(in thousand Baht)</i> | |
| Trade and other receivables | 4,125,688 | 4,498,947 |
| Trade and other payables | (3,648,080) | (2,830,784) |
| Interest-bearing liabilities | (2,650,118) | (3,593,136) |
| Net statement of financial position exposure | (2,172,510) | (1,924,973) |
| Forward exchange selling contracts | (2,248,519) | (2,830,586) |
| Forward exchange purchase contracts | 2,116,583 | 1,546,918 |
| Cross currency swap | 922,189 | 1,338,745 |
| Net exposure | (1,382,257) | (1,869,896) |

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 27 million or equivalent to Baht 922 million, whereby exchanging currency from US Dollars to functional currency. These contracts will be due within January 2027.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

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> | <i>Movement (%)</i> | <i>Strengthening (in thousand Baht)</i> | <i>Weakening</i> |
|---------------------------------|-------------------------|---|------------------|
| 2024 | | | |
| US Dollars | 1 | 13,823 | (13,823) |
| 2023 | | | |
| US Dollars | 1 | 18,699 | (18,699) |

(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 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> | <i>2024</i> | <i>2023</i> |
|---|---------------------------|---------------------|
| | <i>(in thousand Baht)</i> | |
| Financial instruments with variable interest rates | | |
| Financial liabilities | (34,923,118) | (18,702,532) |
| Net statement of financial position exposure | (34,923,118) | (18,702,532) |
| Interest rate swap contracts | 922,189 | 1,338,745 |
| Net exposure | (34,000,929) | (17,363,787) |

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 27 million or equivalent to Baht 922 million, whereby exchanging floating interest rates based on SOFR with fixed interest rates at 0.27% per annum. These contracts will be due within January 2027.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

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> | |
| 2024 | | |
| Financial instruments | | |
| with variable interest rate | (349,231) | 349,231 |
| Interest rate swaps contracts | 9,222 | (9,222) |
| Cash flow sensitivity (net) | (340,009) | 340,009 |
| 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 |

26 Commitments and contingent liabilities

As at 31 December, the Group had:

- Commitments for lease and purchase of property, plant and equipment of Baht 1,606 million (2023: Baht 1,956 million).
- Commitments for purchase of inventories, raw materials and others of Baht 4,014 million (2023: Baht 4,333 million).
- A subsidiary has entered into agreements with a 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 48,000 BDMT per year. The agreement period is for 12 years with the expiration date in December 2034.
- A subsidiary has entered into agreements with a local company for provide Biofuel to delivery point in volume equivalent to 73,000 tons per year. The agreement period is for 25 years with the expiration date in August 2037.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

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.

28 Events after the reporting period

On 28 January 2025, at the Board of Directors' Meeting of the Company, the directors proposed for approval at the Annual General Meeting of Shareholders, the payment of a dividend for 2024 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 21 August 2024, 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 21 April 2025. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 25 March 2025.

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 2025 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.

Financial Statements of SCG Packaging Public Company Limited





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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 2024, 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 material 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 2024, 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(f), 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 black ink, appearing to read 'Pornthip R.' with a stylized flourish at the end.

(Pornthip Rimdusit)
Certified Public Accountant
Registration No. 5565

KPMG Phoomchai Audit Ltd.
Bangkok
14 February 2025

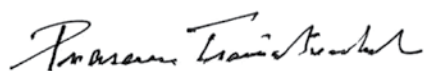
SCG Packaging Public Company Limited

Statement of financial position

As at 31 December 2024

| Assets | Note | 2024 | 2023 |
|-------------------------------------|------|--------------------|-------------------|
| <i>(in thousand Baht)</i> | | | |
| Current assets | | | |
| Cash and cash equivalents | | 432,664 | 1,202,322 |
| Short-term investments | 21 | - | 5,051,900 |
| Other current receivables | 4, 5 | 371,012 | 334,412 |
| Short-term loans to related parties | 4 | 55,441,051 | 35,201,275 |
| Other current assets | | 35,383 | 63,706 |
| Total current assets | | 56,280,110 | 41,853,615 |
| Non-current assets | | | |
| Investments in associates | 6 | 350,121 | 350,121 |
| Investments in subsidiaries | 7 | 49,415,280 | 49,415,280 |
| Investment property | 8 | 301,792 | 303,865 |
| Property, plant and equipment | 9 | 370,270 | 307,766 |
| Intangible assets | 11 | 515,627 | 466,374 |
| Deferred tax assets | 12 | 191,477 | 175,900 |
| Other non-current assets | | 56,056 | 80,693 |
| Total non-current assets | | 51,200,623 | 51,099,999 |
| Total assets | | 107,480,733 | 92,953,614 |

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 2024

| Liabilities and shareholders' equity | <i>Note</i> | 2024 | 2023 |
|---|--------------|---------------------------|--------------------------|
| | | <i>(in thousand Baht)</i> | |
| <i>Current liabilities</i> | | | |
| Short-term borrowings from financial institutions | <i>14</i> | 8,500,000 | - |
| Other current payables | <i>4, 13</i> | 348,550 | 393,778 |
| Current portion of long-term borrowings | | | |
| from financial institution | <i>14</i> | 4,998,559 | 4,999,030 |
| Current portion of lease liabilities | <i>4, 14</i> | 56,730 | 57,439 |
| Current portion of debenture | <i>14</i> | 4,998,974 | 5,497,816 |
| Short-term borrowings from related parties | <i>4, 14</i> | 473,446 | 203,399 |
| Other current liabilities | | 27,188 | 30,351 |
| Total current liabilities | | <u>19,403,447</u> | <u>11,181,813</u> |
| <i>Non-current liabilities</i> | | | |
| Long-term borrowings from financial institution | <i>14</i> | 5,389,105 | 5,126,475 |
| Lease liabilities | <i>4, 14</i> | 106,958 | 65,141 |
| Debentures | <i>14</i> | 15,483,952 | 9,992,878 |
| Non-current provisions for employee benefits | <i>15</i> | 561,754 | 511,960 |
| Other non-current liabilities | | 14,428 | 13,547 |
| Total non-current liabilities | | <u>21,556,197</u> | <u>15,710,001</u> |
| Total liabilities | | <u>40,959,644</u> | <u>26,891,814</u> |

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

SCG Packaging Public Company Limited

Statement of financial position

As at 31 December 2024

| Liabilities and shareholders' equity | Note | 2024 | 2023 |
|---|------|---------------------------|--------------------------|
| <i>(in thousand Baht)</i> | | | |
| Shareholders' equity | | | |
| Share capital | | | |
| <i>Authorized share capital</i> | | | |
| <i>(4,500 million ordinary shares,</i> | | | |
| <i>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,</i> | | | |
| <i>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>20,914,924</u> | <u>20,455,635</u> |
| Total shareholders' equity | | <u>66,521,089</u> | <u>66,061,800</u> |
| Total liabilities and shareholders' equity | | <u>107,480,733</u> | <u>92,953,614</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 2024

| | <i>Note</i> | 2024 | 2023 |
|---|-------------|---------------------------|-------------------------|
| | | <i>(in thousand Baht)</i> | |
| Dividend income | 4, 6, 7 | 2,815,168 | 2,743,562 |
| Service income | 4 | 1,755,624 | 1,686,063 |
| Interest income | 4 | 1,432,493 | 1,031,127 |
| Other income | 4 | 488,139 | 374,129 |
| Total income | | 6,491,424 | 5,834,881 |
| Administrative expenses | 4, 17 | <u>(2,725,867)</u> | <u>(2,677,714)</u> |
| Profit from operations | | 3,765,557 | 3,157,167 |
| Finance costs | 4 | <u>(905,418)</u> | <u>(686,293)</u> |
| Profit before income tax | | 2,860,139 | 2,470,874 |
| Tax income | 19 | <u>5,017</u> | <u>81,190</u> |
| Profit for the year | | <u>2,865,156</u> | <u>2,552,064</u> |
| Basic earning per share <i>(in Baht)</i> | | <u>0.67</u> | <u>0.59</u> |

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 2024

| | <i>Note</i> | 2024 | 2023 |
|---|-------------|--------------------------------|--------------------------------|
| | | <i>(in thousand Baht)</i> | |
| Profit for the year | | 2,865,156 | 2,552,064 |
| 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 | (55,608) | 32,063 |
| Income tax relating to items that will not be reclassified subsequently to profit or loss | 19 | <u>10,560</u> | <u>(6,741)</u> |
| Other comprehensive income for the year, net of tax | | <u>(45,048)</u> | <u>25,322</u> |
| Total comprehensive income for the year | | <u><u>2,820,108</u></u> | <u><u>2,577,386</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 2024

| | Note | Issued and paid share capital | Share premium | Retained earnings | | | Total shareholders' equity |
|--|------|-------------------------------------|-------------------|--|--------------------|--------------------|----------------------------------|
| | | | | Appropriated Legal reserve (in thousand Baht) | 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> | | - | - | - | - | (2,575,458) | (2,575,458) |
| Dividends | 20 | - | - | - | - | - | - |
| Total contributions by and distributions to owners of the Company | | - | - | - | - | (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 changes in shareholders' equity
For the year ended 31 December 2024

| | Note | Issued and paid share capital | Share premium | Retained earnings | | | Total shareholders' equity |
|--|------|-------------------------------------|-------------------|--|--------------------|--------------------|----------------------------------|
| | | | | Appropriated Legal reserve (in thousand Baht) | General reserve | Unappropriated | |
| Balance at 1 January 2024 | | 4,292,920 | 40,860,245 | 450,000 | 3,000 | 20,455,635 | 66,061,800 |
| Transactions with owners, recorded directly in shareholders' equity <i>Contributions by and distributions to owners of the Company</i> | | - | - | - | - | (2,360,819) | (2,360,819) |
| Dividends | 20 | - | - | - | - | (2,360,819) | (2,360,819) |
| Total contributions by and distributions to owners of the Company | | - | - | - | - | (2,360,819) | (2,360,819) |
| Total transactions with owners, recorded directly in shareholders' equity | | - | - | - | - | (2,360,819) | (2,360,819) |
| Comprehensive income for the year | | - | - | - | - | 2,865,156 | 2,865,156 |
| Profit or loss | | - | - | - | - | (45,048) | (45,048) |
| Other comprehensive income | | - | - | - | - | 2,820,108 | 2,820,108 |
| Total comprehensive income for the year | | - | - | - | - | 2,820,108 | 2,820,108 |
| Balance at 31 December 2024 | | 4,292,920 | 40,860,245 | 450,000 | 3,000 | 20,914,924 | 66,521,089 |

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 2024

| | 2024 | 2023 |
|--|---------------------------|------------------|
| | <i>(in thousand Baht)</i> | |
| <i>Cash flows from operating activities</i> | | |
| Profit for the year | 2,865,156 | 2,552,064 |
| <i>Adjustments for</i> | | |
| Tax income | (5,017) | (81,190) |
| Depreciation and amortization | 129,749 | 120,492 |
| Non-current provisions for employee benefit expense | 29,926 | 43,589 |
| Loss (gain) on foreign currency exchange | (1,535) | 42 |
| Gain on fair value adjustment | (32,401) | (51,900) |
| Dividend income | (2,815,168) | (2,743,562) |
| Interest income | (1,432,493) | (1,031,127) |
| Finance costs and others | 904,909 | 686,087 |
| Cash flows generated from operations | | |
| before changes in operating assets and liabilities | (356,874) | (505,505) |
| <i>Decrease (increase) in operating assets</i> | | |
| Other current receivables | (26,383) | 165,270 |
| Other assets | 12,057 | 13,477 |
| Net decrease (increase) in operating assets | (14,326) | 178,747 |
| <i>Increase (decrease) in operating liabilities</i> | | |
| Other current payables | (71,615) | 104,452 |
| Non-current provisions for employee benefits | (35,740) | (35,200) |
| Other liabilities | (2,283) | 1,816 |
| Net increase (decrease) in operating liabilities | (109,638) | 71,068 |
| Net cash flows used in operations | (480,838) | (255,690) |
| Income tax received | 40,904 | 12,006 |
| Net cash flows used in operating activities | (439,934) | (243,684) |

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 2024

| | 2024 | 2023 |
|--|---------------------------|--------------------|
| | <i>(in thousand Baht)</i> | |
| <i>Cash flows from investing activities</i> | | |
| Payments of investments in subsidiaries | - | (1,198,117) |
| Proceeds from sale of short-term investments | 5,084,301 | - |
| Acquisition of short-term investments | - | (5,000,000) |
| Proceeds from sale of property, plant and equipment | 673 | 6 |
| Acquisition of property, plant and equipment | (41,485) | (19,228) |
| Acquisition of intangible assets | (95,619) | (144,552) |
| Proceeds from repayment of (payments for) | | |
| short-term loans to related parties, net | (20,240,223) | 5,185,996 |
| Dividends received | 2,815,168 | 2,743,562 |
| Interest received | 1,422,956 | 1,029,173 |
| Net cash flows provided by (used in) investing activities | (11,054,229) | 2,596,840 |
| <i>Cash flows from financing activities</i> | | |
| <i>Proceeds from (payments of) borrowings</i> | | |
| Proceeds from (payments of) short-term borrowings | | |
| from financial institutions, net | 8,500,000 | (2,940,000) |
| Proceeds from short-term borrowings from related parties, net | 270,047 | 82,663 |
| Proceeds from long-term borrowings from financial institution | 5,263,000 | 135,000 |
| Payments of long-term borrowings from financial institution | (5,000,000) | - |
| Payments of lease liabilities | (58,488) | (62,289) |
| Proceeds from issuance of debentures | 10,500,000 | - |
| Redemption of debenture | (5,500,000) | - |
| Net increase (decrease) in borrowings | 13,974,559 | (2,784,626) |
| Dividends paid to owners of the Company | (2,360,819) | (2,575,458) |
| Interest and other finance costs paid | (889,235) | (680,798) |
| Net cash flows provided by (used in) financing activities | 10,724,505 | (6,040,882) |
| Net decrease in cash and cash equivalents | (769,658) | (3,687,726) |
| Cash and cash equivalents at beginning of the year | 1,202,322 | 4,890,048 |
| Cash and cash equivalents at end of the year | 432,664 | 1,202,322 |
| <i>Supplementary information for cash flows</i> | | |
| Non-cash from investing transaction at end of the year | | |
| Account payables from purchase of assets | 8,684 | 5,220 |

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 2024

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SCG Packaging Public Company Limited

Notes to the financial statements

For the year ended 31 December 2024

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 14 February 2025.

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 ultimate 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”), which are based on International Financial Reporting Standards (IFRSs) (TFRSs are effective within 1 year after the effective date of IFRSs), 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.

TAS 1 Presentation of Financial Statements - Disclosure of Accounting Policies

The Company has adopted Disclosure of Accounting Policies - Amendments to TAS 1 since 1 January 2024. The amendments require the disclosure of ‘material’ rather than ‘significant’, accounting policies. The Company has revisited the accounting policy information it has been disclosing and made updates to the information disclosed in note 3 Material accounting policies.

TAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Company has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to TAS 12 since 1 January 2024. The amendments narrow the scope of the initial recognition exemption by excluding transactions that give rise to equal and offsetting temporary differences - e.g. leases and decommissioning liabilities.

SCG Packaging Public Company Limited
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Following the amendments, the Company has recognized separately the deferred tax asset in relation to its lease liabilities and the deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offsetting in accordance with TAS 12. There was also no impact on the opening retained earnings as at 1 January 2023 as a result of the change. The key impact for the Company relates to disclosure of the deferred tax assets and liabilities recognized which presented in note 12 Deferred tax assets (deferred tax liabilities).

3 Material accounting policies

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

(a) Investments in subsidiaries and associates

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

(b) Investment property

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

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 |

(c) Property, plant and equipment

Owned assets

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

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
Notes to the financial statements
For the year ended 31 December 2024

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 the end of each reporting period and adjusted if appropriate.

(d) Intangible assets

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

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 |
|------------------------------|--------|-------|

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

(e) 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.

(f) Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at the end of 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.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2024

(g) Employee benefits

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.

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.

(h) 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.

(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 2024

(i) 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.

The Company has determined that the global minimum top-up tax which it is required to pay under Pillar Two legislation is an income tax in the scope of TAS 12. The Company has applied a temporary mandatory relief from deferred tax accounting for the impacts for the top-up tax and accounts for it as a current tax when it is incurred.

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 or at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences 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.

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 the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(j) 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 recognized in profit or loss.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2024

(k) 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 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 fair value through profit or loss (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; FVOCI; or 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.

Derivatives

Derivatives are recognized at fair value and remeasured at fair value at the end of each reporting period. 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.

SCG Packaging Public Company Limited

Notes to the financial statements

For the year ended 31 December 2024

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.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2024

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 |
| 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 Rungsrir Co., Ltd. | Thailand | Subsidiary, indirect ownership interest |
| Thai Panadorn Co., Ltd. | Thailand | Subsidiary, indirect ownership interest |
| Thai Panasonic 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 |
| VEM (Thailand) Co., Ltd. | Thailand | Subsidiary, indirect ownership interest |
| Vina Kraft Paper Co., Ltd. | Vietnam | Subsidiary, indirect ownership interest |
| Vina Corrugated Packaging Company Limited** (Formerly: “Alcamax Packaging (Vietnam) Co., Ltd.”) | Vietnam | Subsidiary, indirect ownership interest |

* Currently in the liquidation process.

** Vina Corrugated Packaging Company Limited amalgamate with New Asia Industries Co., Ltd., AP Packaging (Hanoi) Co., Ltd. and Packamex (Vietnam) Co., Ltd. on 1 May 2024. The new company is named “Vina Corrugated Packaging Company Limited”.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2024

| Name of entities | Country of incorporation/ nationality | Nature of relationships |
|---|--|---|
| 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 Joint Stock Company | 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 |
| Starprint Vietnam Joint Stock Company | Vietnam | Subsidiary, indirect ownership interest |
| United Pulp and Paper Co., Inc. | The Philippines | Subsidiary, direct ownership interest |
| United Industrial Energy Corporation | The Philippines | Subsidiary, indirect 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 | The United Kingdom | Subsidiary, indirect ownership interest |
| Go-Pak UK Limited | The United Kingdom | Subsidiary, indirect ownership interest |
| Law Print & Packaging Management Limited | The United Kingdom | Subsidiary, indirect ownership interest |
| 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 |

SCG Packaging Public Company Limited
Notes to the financial statements
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| Name of entities | Country of incorporation/ nationality | Nature of relationships |
|--|--|--|
| 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 | The 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 |
| 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 |

* Liquidation was completed on 21 August 2024.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2024

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

| | 2024 | 2023 | Pricing Policies |
|-------------------------------|---------------------------|-----------|------------------------------------|
| | <i>(in thousand Baht)</i> | | |
| <i>Ultimate parent</i> | | | |
| Service fee | 201,950 | 205,649 | Cost plus method |
| <i>Subsidiaries</i> | | | |
| Rental income | 45,890 | 30,158 | Contract rate |
| Intellectual property income | 272,098 | 265,984 | Percentage of net sales |
| Service charges income | 1,748,603 | 1,677,282 | Cost plus method and contract rate |
| Dividend income | 2,805,221 | 2,737,535 | Upon declaration |
| Interest income | 1,207,390 | 1,008,144 | Contract rate |
| Interest expense | 3,073 | 989 | Contract rate |
| Service fee | 15,797 | 18,439 | Cost plus method |
| <i>Associates</i> | | | |
| Dividend income | 9,947 | 6,027 | Upon declaration |
| <i>Others</i> | | | |
| Service fee | 60,466 | 56,807 | Cost plus method and contract rate |

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

| | Note | 2024 | 2023 |
|---|----------|---------------------------|--------------------------|
| | | <i>(in thousand Baht)</i> | |
| <i>Other current receivables</i> | | | |
| Ultimate parent | | 3,508 | 3,994 |
| Subsidiaries | | 327,914 | 293,813 |
| Associates | | 758 | 556 |
| Others | | 4 | 32 |
| Total | 5 | <u>332,184</u> | <u>298,395</u> |
| <i>Short-term loans</i> | | | |
| Subsidiaries | | <u>55,441,051</u> | <u>35,201,275</u> |
| <i>Short-term loans to related parties</i> | | | |
| At 1 January | | 35,201,275 | 40,387,271 |
| Increase | | 25,269,761 | 1,767,756 |
| Decrease | | (5,029,985) | (6,953,752) |
| At 31 December | | <u>55,441,051</u> | <u>35,201,275</u> |

As of 31 December 2024, the Company has short-term loans to related parties in the form of promissory notes, bearing interest rates ranging from 2.70% to 2.95% per annum (2023: 2.70% per annum), which are repayable on demand.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2024

| | 2024 | 2023 |
|---|---------------------------|-----------------------|
| | <i>(in thousand Baht)</i> | |
| <i>Other non-current assets</i> | | |
| Ultimate parent | <u>2,120</u> | <u>4,276</u> |
| <i>Other current payables</i> | | |
| Ultimate parent | 24,396 | 36,553 |
| Subsidiaries | 10,398 | 6,004 |
| Others | 9,180 | 9,904 |
| Total | <u>43,974</u> | <u>52,461</u> |
| <i>Short-term borrowings</i> | | |
| Subsidiaries | <u>473,446</u> | <u>203,399</u> |
| <i>Short-term borrowings from related parties</i> | | |
| At 1 January | 203,399 | 120,736 |
| Increase | 512,662 | 197,902 |
| Decrease | <u>(242,615)</u> | <u>(115,239)</u> |
| At 31 December | <u>473,446</u> | <u>203,399</u> |

As of 31 December 2024, the Company had short-term borrowings from related parties in the form of promissory notes bearing interest rates ranging from 0.75% to 1.00% per annum (2023: 0.30% to 1.00% per annum), which are repayable on demand.

| | 2024 | 2023 |
|--|---------------------------|----------------------|
| | <i>(in thousand Baht)</i> | |
| <i>Lease liabilities</i> | | |
| <i>Current and non-current portion</i> | | |
| Ultimate parent | 67,465 | 32,631 |
| Subsidiaries | 15,788 | 16,310 |
| Total | <u>83,253</u> | <u>48,941</u> |

The Board of Directors and key management compensation

| | 2024 | 2023 |
|---|---------------------------|-----------------------|
| | <i>(in thousand Baht)</i> | |
| <i>For the years ended 31 December</i> | | |
| Short-term employee benefits | 97,794 | 102,145 |
| Post-employment benefits | 8,773 | 8,909 |
| Total | <u>106,567</u> | <u>111,054</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.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2024

5 Other current receivables

| | <i>Note</i> | 2024 | 2023 |
|-----------------|-------------|---------------------------|-----------------------|
| | | <i>(in thousand Baht)</i> | |
| Related parties | 4 | 332,184 | 298,395 |
| Other parties | | 38,828 | 36,017 |
| Total | | <u>371,012</u> | <u>334,412</u> |

Other current receivables as at 31 December were as follows:

| | 2024 | 2023 |
|-------------------------|---------------------------|-----------------------|
| | <i>(in thousand Baht)</i> | |
| Accrued service income | 298,438 | 276,848 |
| Accrued interest income | 40,190 | 30,653 |
| Others | 32,384 | 26,911 |
| Total | <u>371,012</u> | <u>334,412</u> |

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2024

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 | |
|---------------------------------|---------------|------|--------------------|----------------|----------------|----------------|-----------------|--------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | (%) | | (in thousand Baht) | | | | | |
| Siam Toppan Packaging Co., Ltd. | 49 | 49 | 500,000 | 500,000 | 245,000 | 245,000 | 9,947 | 6,027 |
| P&S Holdings Corporation | 40 | 40 | 262,588 | 262,588 | 105,121 | 105,121 | - | - |
| Total | | | 762,588 | 762,588 | 350,121 | 350,121 | 9,947 | 6,027 |

7 Investments in subsidiaries

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

| | 2024 | 2023 |
|---|--------------------|-------------------|
| | (in thousand Baht) | |
| At 1 January | 49,415,280 | 48,217,163 |
| Acquisitions and additional investments | - | 1,198,117 |
| At 31 December | 49,415,280 | 49,415,280 |

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 of the increased share capital. The Company has already been registered with the relevant authorities on 23 November 2023. The Company's holdings in this company then increase from 7.71% to 10.68% and this company will remain an investment in subsidiary of the Company because the Company has control through indirect shareholding by the subsidiary of the Company.

In August 2024, SCGP Solutions (Singapore) Pte. Ltd. has increase share capital for 291,500,865 shares, amounting to IDR 292 million or equivalent to Baht 6,706 million. The Company had not paid-up of the increased share capital. The Company's holdings in this company then decrease from 10.68% to 8.76% and this company will remain an investment in subsidiary of the Company because the Company has control through indirect shareholding by the subsidiary of the Company.

SCG Packaging Public Company Limited

Notes to the financial statements

For the year ended 31 December 2024

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 | | Net | | Dividend income | |
|--|--------------------|-------|-------------------|-------------------|-------------------|-------------------|-------------------------------|---------------|-------------------|-------------------|------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | (in thousand Baht) | | | | | | | | | | | |
| 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 | 795,128 | 1,035,036 |
| 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 | 351,791 | 439,739 |
| 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 | 1,035,000 | 793,500 |
| 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 | 198,968 | 175,560 |
| SCGP Solutions (Singapore) Pte. Ltd. | 8.76 | 10.68 | 37,933,062 | 31,227,311 | 3,411,158 | 3,411,158 | - | - | 3,411,158 | 3,411,158 | - | - |
| SCG Paper Energy Co., Ltd. | 100 | 100 | 890,000 | 890,000 | 890,000 | 890,000 | - | - | 890,000 | 890,000 | 378,250 | 293,700 |
| SCGP-T Plastics Co., Ltd. | 51 | 51 | 385,900 | 385,900 | 196,812 | 196,812 | - | - | 196,812 | 196,812 | 5,904 | - |
| 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 | 40,180 | - |
| SKIC International Company Limited | 100 | 100 | 112,000 | 112,000 | 112,000 | 112,000 | - | - | 112,000 | 112,000 | - | - |
| Total | | | 49,479,315 | 49,479,315 | 49,479,315 | 49,479,315 | 64,035 | 64,035 | 49,415,280 | 49,415,280 | 2,805,221 | 2,737,535 |

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2024

8 Investment property

| | Land and land improvements | Buildings <i>(in thousand Baht)</i> | Total |
|----------------------------------|----------------------------------|--|----------------|
| <i>Cost</i> | | | |
| At 1 January 2023 | 326,350 | 36,993 | 363,343 |
| Additions | 9,446 | - | 9,446 |
| At 31 December 2023 | 335,796 | 36,993 | 372,789 |
| Additions | 9,487 | - | 9,487 |
| At 31 December 2024 | 345,283 | 36,993 | 382,276 |
| <i>Accumulated depreciation</i> | | | |
| At 1 January 2023 | 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 |
| Depreciation charge for the year | 9,721 | 1,839 | 11,560 |
| At 31 December 2024 | 54,091 | 26,393 | 80,484 |
| <i>Carrying amount</i> | | | |
| At 31 December 2023 | 291,426 | 12,439 | 303,865 |
| At 31 December 2024 | 291,192 | 10,600 | 301,792 |

The Company determined fair value of investment properties at open market values on an existing use basis. As at 31 December 2024, the fair value was Baht 902 million (2023: Baht 903 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 2024

9 Property, plant and equipment

| | Land and land improvements | Buildings and structures | Machinery and equipment | Vehicles and equipment <i>(in thousand Baht)</i> | Furniture, fixtures and office equipment | Construction in progress | Total |
|----------------------------------|----------------------------|--------------------------|-------------------------|---|--|--------------------------|----------------|
| <i>Cost</i> | | | | | | | |
| At 1 January 2023 | 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 |
| Additions | - | 56,953 | 4,602 | 21,766 | 18,802 | 36,441 | 138,564 |
| Disposals / written off | - | - | (238) | (23,891) | (7,518) | (661) | (32,308) |
| Transfers in (out) | - | (605) | 12,477 | - | 1,845 | (9,530) | 4,187 |
| At 31 December 2024 | 62,228 | 288,187 | 395,215 | 56,655 | 138,984 | 52,234 | 993,503 |
| <i>Accumulated depreciation</i> | | | | | | | |
| At 1 January 2023 | 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 |
| Depreciation charge for the year | 973 | 25,740 | 19,712 | 11,483 | 18,102 | - | 76,010 |
| Disposals / written off | - | - | (178) | (20,375) | (7,518) | - | (28,071) |
| At 31 December 2024 | 16,726 | 191,147 | 304,023 | 20,959 | 90,378 | - | 623,233 |
| <i>Carrying amount</i> | | | | | | | |
| 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 |
| At 31 December 2024 | | | | | | | |
| Owned assets | 31,226 | 39,056 | 91,192 | 27 | 5,521 | 52,234 | 219,256 |
| Right-of-use assets | 14,276 | 57,984 | - | 35,669 | 43,085 | - | 151,014 |
| | 45,502 | 97,040 | 91,192 | 35,696 | 48,606 | 52,234 | 370,270 |

In 2024, the right-of-use assets of the Company has increased amounting to Baht 38 million (2023: Baht 30 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

2024 2023
(in thousand Baht)

Amounts recognized in profit or loss

| | | |
|---|--------|--------|
| Depreciation of right-of-use assets: | | |
| - Land and land improvements | 954 | 951 |
| - Buildings and structures | 20,412 | 21,998 |
| - Vehicles and equipment | 11,475 | 16,051 |
| - Furniture, fixtures and office equipment | 16,723 | 13,791 |
| Interest on lease liabilities | 4,274 | 3,622 |
| Expenses relating to short-term leases | 23 | 88 |
| Expenses relating to leases of low-value assets | 8,865 | 5,986 |

11 Intangible assets

Software licenses and others Development costs Total
(in thousand Baht)

Cost

| | | | |
|----------------------------|----------------|----------------|----------------|
| At 1 January 2023 | 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 |
| Additions | 15,088 | 80,531 | 95,619 |
| Transfer in (out) | 125,970 | (130,157) | (4,187) |
| At 31 December 2024 | 484,450 | 201,630 | 686,080 |

Accumulated amortization

| | | | |
|----------------------------------|----------------|----------|----------------|
| At 1 January 2023 | 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 |
| Amortization charge for the year | 42,179 | - | 42,179 |
| At 31 December 2024 | 170,453 | - | 170,453 |

Carrying amount

| | | | |
|----------------------------|----------------|----------------|----------------|
| At 31 December 2023 | 215,118 | 251,256 | 466,374 |
| At 31 December 2024 | 313,997 | 201,630 | 515,627 |

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2024

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:

| | 2024 | 2023 |
|--------------------------|---------------------------|----------------|
| | <i>(in thousand Baht)</i> | |
| Deferred tax assets | 228,958 | 203,244 |
| Deferred tax liabilities | (37,481) | (27,344) |
| Net | 191,477 | 175,900 |

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

| | At 1 January 2023 | Credited (charged) to profit or loss other comprehensive income | | At 31 December 2023 |
|--|-------------------------|--|----------------|---------------------------|
| | | <i>(Note 19)</i> | | |
| | | <i>(in thousand Baht)</i> | | |
| <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 | 31,080 | (6,524) | - | 24,556 |
| Total | 144,125 | 65,860 | (6,741) | 203,244 |
| <i>Deferred tax liabilities</i> | | | | |
| Right-of-use assets | (29,968) | 6,387 | - | (23,581) |
| Financial liabilities | (4,569) | 809 | - | (3,760) |
| Others | - | (3) | - | (3) |
| Total | (34,537) | 7,193 | - | (27,344) |
| Net | 109,588 | 73,053 | (6,741) | 175,900 |

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| | At 1 January 2024 | Credited (charged) to | | At 31 December 2024 |
|--|-------------------------|---------------------------|----------------------------------|---------------------------|
| | | profit or loss | other comprehensive income | |
| | | <i>(Note 19)</i> | | |
| | | <i>(in thousand Baht)</i> | | |
| <i>Deferred tax assets</i> | | | | |
| Provisions for employee benefits | 108,462 | (1,290) | 10,560 | 117,732 |
| Loss carry forward | 70,226 | 8,178 | - | 78,404 |
| Lease liabilities | 24,556 | 8,266 | - | 32,822 |
| Total | 203,244 | 15,154 | 10,560 | 228,958 |
| <i>Deferred tax liabilities</i> | | | | |
| Right-of-use assets | (23,581) | (8,409) | - | (31,990) |
| Financial liabilities | (3,760) | (1,722) | - | (5,482) |
| Others | (3) | (6) | - | (9) |
| Total | (27,344) | (10,137) | - | (37,481) |
| Net | 175,900 | 5,017 | 10,560 | 191,477 |

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

| | 2024 | 2023 |
|----------------------------------|---------------------------|---------------|
| | <i>(in thousand Baht)</i> | |
| Deductible 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

| | 2024 | 2023 |
|--|---------------------------|----------------|
| | <i>(in thousand Baht)</i> | |
| Accrued interest expense | 136,085 | 113,304 |
| Accrued expenses | 73,019 | 117,665 |
| Withholding tax payable | 61,162 | 76,355 |
| Account payables from purchase of assets | 8,684 | 5,220 |
| Value added tax payable | 7,754 | 6,009 |
| Others | 61,846 | 75,225 |
| Total | 348,550 | 393,778 |

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2024

14 Interest-bearing liabilities

| | 2024 | 2023 |
|---|---------------------------|--------------------------|
| | <i>(in thousand Baht)</i> | |
| <i>Current</i> | | |
| - Unsecured | | |
| Short-term borrowings from financial institutions | 8,500,000 | - |
| Current portion of long-term borrowings | 4,998,559 | 4,999,030 |
| Current portion of lease liabilities | 56,730 | 57,439 |
| Current portion of debenture | 4,998,974 | 5,497,816 |
| Short-term borrowings from related parties | 473,446 | 203,399 |
| | <u>19,027,709</u> | <u>10,757,684</u> |
| <i>Non-current</i> | | |
| - Unsecured | | |
| Long-term borrowings from financial institution | 5,389,105 | 5,126,475 |
| Lease liabilities | 106,958 | 65,141 |
| Debentures | 15,483,952 | 9,992,878 |
| | <u>20,980,015</u> | <u>15,184,494</u> |
| Total interest-bearing liabilities | <u>40,007,724</u> | <u>25,942,178</u> |

As at 31 December 2024, short-term borrowings from financial institutions of the Company has an average interest rate at 2.28% to 2.30% per annum.

As at 31 December 2024, long-term borrowings from financial institution of the Company has an average interest rate from 1.72% to 3.14% per annum (2023: 1.72% to 3.20% per annum). These agreements will be due within October 2028.

On 6 September 2024, the Company signed a long-term loan agreement with a local financial institution amounting to Baht 5,000 million. Term of the loan is for 4 years with a floating interest rate. The objective is to refinance long-term loan to be due. As at 31 December 2024, the Company had already fully drawn down the loan.

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Debentures

As at 31 December 2024, the Company has unsubordinated and unsecured debentures totaling Baht 20,500 million (2023: Baht 15,500 million) as follows:

| Debentures no. | 2024 <i>(in thousand Baht)</i> | 2023 | Interest rate <i>(%p.a.)</i> | Term | Maturity date |
|----------------------------------|-----------------------------------|-------------------|---------------------------------|---------------------------|-----------------|
| 1/2021 | - | 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 |
| 1/2024 | 5,000,000 | - | 3.40 | 3 years 8 months | 1 December 2027 |
| 2/2024 | 5,500,000 | - | 3.30 | 3 years 11 months 29 days | 1 December 2028 |
| Total | 20,500,000 | 15,500,000 | | | |
| Less debentures issuing expenses | (17,074) | (9,306) | | | |
| Net | 20,482,926 | 15,490,694 | | | |

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

| | 2024 | 2023 |
|--|---------------------------|----------------|
| | <i>(in thousand Baht)</i> | |
| Post-employment benefits - legal severance payments plan | 535,542 | 492,829 |
| Other long-term employee benefits | 26,212 | 19,131 |
| Total | 561,754 | 511,960 |

SCG Packaging Public Company Limited
Notes to the financial statements
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Movements in the present value of non-current provisions for defined benefit plans

| | 2024 | 2023 |
|---|---------------------------|-----------------------|
| | <i>(in thousand Baht)</i> | |
| Non-current provisions for defined benefit plans at 1 January | 511,960 | 535,634 |
| Included in profit or loss | | |
| Current service costs | 28,054 | 26,418 |
| Interest on obligation | 18,629 | 15,480 |
| Actuarial losses | 6,137 | 1,691 |
| Transfer of non-current provisions for employee benefits to related party | (22,894) | - |
| | <u>29,926</u> | <u>43,589</u> |
| Included in other comprehensive income | | |
| Actuarial losses (gains) | 55,608 | (32,063) |
| Others | | |
| Benefits paid | (35,740) | (35,200) |
| Non-current provisions for defined benefit plans at 31 December | <u><u>561,754</u></u> | <u><u>511,960</u></u> |

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

| | 2024 | 2023 |
|---|---------------------------|------------------------|
| | <i>(in thousand Baht)</i> | |
| <i>For the years ended 31 December</i> | | |
| Demographic assumptions | (53) | - |
| Financial assumptions | 45,562 | (10,905) |
| Experience adjustment | 10,099 | (21,158) |
| Total | <u><u>55,608</u></u> | <u><u>(32,063)</u></u> |

Actuarial assumptions

Principal actuarial assumptions as of the end of the reporting period

| | 2024 | 2023 |
|---------------------------|--------------------|--------------------|
| | (%) | |
| Discount rate * | 2.54 - 2.63 | 3.39 - 3.49 |
| Salary increase rate | 1.00 - 9.00 | 1.39 - 8.00 |
| 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 2024, the Company has the weighted-average duration for payment of long-term employee benefits approximately 15 years (2023: 15 years).

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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) | |
|------------------------|---------------------------|----------|
| | 2024 | 2023 |
| | <i>(in thousand Baht)</i> | |
| Discount rate | | |
| 0.5% increase | (28,514) | (26,730) |
| 0.5% decrease | 30,990 | 29,047 |
| Salary increase rate | | |
| 1.0% increase | 62,520 | 59,208 |
| 1.0% decrease | (54,111) | (51,189) |
| Employee turnover rate | | |
| 10.0% increase | (12,479) | (11,802) |
| 10.0% decrease | 12,888 | 12,192 |

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

| | 2024 | 2023 |
|--|---------------------------|-------------------------|
| | <i>(in thousand Baht)</i> | |
| Salary, welfare and personnel expenses | 1,743,300 | 1,868,912 |
| Rent, depreciation and amortization expenses | 155,107 | 149,050 |
| Service expenses | 139,164 | 147,860 |
| IT fees | 118,301 | 114,255 |
| Professional and consultant fees | 107,053 | 87,948 |
| Research and development expenses | 81,785 | 102,357 |
| Others | 381,157 | 207,332 |
| Total | <u>2,725,867</u> | <u>2,677,714</u> |

18 Employee benefit expenses

| | 2024 | 2023 |
|--|---------------------------|-------------------------|
| | <i>(in thousand Baht)</i> | |
| Salaries and wages | 1,332,273 | 1,439,432 |
| Welfares and others | 216,838 | 237,262 |
| Contribution to defined contribution plans | 111,717 | 117,800 |
| Contribution to defined benefit plans | 29,926 | 43,589 |
| Total | <u>1,690,754</u> | <u>1,838,083</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> | 2024 <i>(in thousand Baht)</i> | 2023 |
|---|-------------|-----------------------------------|------------------------|
| <i>Income tax recognized in profit or loss</i> | | | |
| Current tax | | | |
| Over provided in prior years | | - | (8,137) |
| Deferred tax | | | |
| Movements in temporary differences | 12 | (5,017) | (73,053) |
| Total | | <u>(5,017)</u> | <u>(81,190)</u> |
| <i>Income tax recognized in other comprehensive income</i> | | | |
| Gains (losses) on remeasurement of defined benefit plans | | <u>(10,560)</u> | <u>6,741</u> |

Reconciliation of effective tax rate

| | 2024 | | 2023 | |
|---|-------------|-------------------------------|-------------|-------------------------------|
| | Rate (%) | <i>(in thousand Baht)</i> | Rate (%) | <i>(in thousand Baht)</i> |
| Profit before income tax expense | | 2,860,139 | | 2,470,874 |
| Income tax using the Thai corporation tax rate | 20 | 572,028 | 20 | 494,175 |
| Income not subject to tax | | (569,514) | | (559,092) |
| Expenses deductible at a greater amount | | (7,022) | | (6,060) |
| Expenses not deductible for tax purposes and others | | (1,852) | | 7,526 |
| Tax losses | | 6,360 | | 63,451 |
| Current tax | | - | | - |
| Over provided in prior years | | - | | (8,137) |
| Movement in temporary differences | | (5,017) | | (73,053) |
| Income tax benefit | - | <u>(5,017)</u> | - | <u>(81,190)</u> |

The Company operates in Thailand and has investments in several jurisdictions which their ultimate parent company is in-scope for top-up tax legislations as part of the international tax reform under the Pillar Two Model Rules to impose a global minimum tax at an effective tax rate of no less than 15% of Thailand. This will impact the financial statements of the Company for the year starting from 1 January 2025, onwards.

The ultimate parent company is responsible for the impact assessment of these legislations and has engaged an advisory firm specializing in Pillar Two Model Rules to provide advice and guidance. The ultimate parent company is currently assessing the potential impact on the Company's financial statements.

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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) |
|-----------------------|---------------|------------------|--------------------------------------|-----------------------------|
| 2024 | | | | |
| Annual dividend 2023 | 26 March 2024 | 22 April 2024 | 0.30 | 1,288 |
| Interim dividend 2024 | 23 July 2024 | 21 August 2024 | 0.25 | 1,073 |
| Total | | | 0.55 | 2,361 |
| 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 |

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.

| | Fair value through profit or loss | Carrying amount | | Fair Value Level 2 |
|---|---|---|-------------------|--------------------------|
| | | Amortized cost (in thousand Baht) | Total | |
| Balance at 31 December 2024 | | | | |
| Financial assets | | | | |
| Cash and cash equivalents | - | 432,664 | 432,664 | |
| Loans to related parties | - | 55,441,051 | 55,441,051 | |
| Total financial assets | - | 55,873,715 | 55,873,715 | |
| Financial liabilities | | | | |
| Borrowings from financial institutions | - | 18,887,664 | 18,887,664 | |
| Borrowings from related parties | - | 473,446 | 473,446 | |
| Lease liabilities | - | 163,688 | 163,688 | |
| Debentures | - | 20,482,926 | 20,482,926 | 20,713,583 |
| Total financial liabilities | - | 40,007,724 | 40,007,724 | |

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| | Fair value through profit or loss | Carrying amount | | Fair Value Level 2 |
|---|--|--|-------------------|------------------------------|
| | | Amortized cost <i>(in thousand Baht)</i> | Total | |
| 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 related parties | - | 203,399 | 203,399 | |
| Borrowings from financial institutions | - | 10,125,505 | 10,125,505 | |
| 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 | |

In the first quarter of 2024, the Company received the proceeds amounting to Baht 5,084 million from selling back its investment in a mutual fund with an asset management company.

Financial instruments measured at fair value

The Company determined Level 2 fair values for investments in debt instruments 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 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 following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

| <i>At 31 December</i> | Carrying amount | Contractual cash flows | | | Total |
|---|-------------------|------------------------|--|-------------------|-------------------|
| | | 1 year or less | More than 1 years but less than 5 years <i>(in thousand Baht)</i> | More than 5 years | |
| 2024 | | | | | |
| Short-term borrowings from financial institutions | 8,500,000 | 8,500,000 | - | - | 8,500,000 |
| Short-term borrowings from related parties | 473,446 | 473,446 | - | - | 473,446 |
| Long-term borrowings from financial institution | 10,387,664 | 5,000,000 | 5,398,000 | - | 10,398,000 |
| Lease liabilities | 163,688 | 61,610 | 101,550 | 13,608 | 176,768 |
| Debentures | 20,482,926 | 5,000,000 | 15,500,000 | - | 20,500,000 |
| | 40,007,724 | 19,035,056 | 20,999,550 | 13,608 | 40,048,214 |
| 2023 | | | | | |
| Short-term borrowings from related parties | 203,399 | 203,399 | - | - | 203,399 |
| Long-term borrowings from financial institution | 10,125,505 | 5,000,000 | 5,135,000 | - | 10,135,000 |
| Lease liabilities | 122,580 | 60,142 | 56,920 | 14,969 | 132,031 |
| Debentures | 15,490,694 | 5,500,000 | 10,000,000 | - | 15,500,000 |
| | 25,942,178 | 10,763,541 | 15,191,920 | 14,969 | 25,970,430 |

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(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:

| | 2024 | | 2023 | |
|---|------------------------|------------------------------|------------------------|---------------------|
| | US Dollars | Others (in thousand Baht) | US Dollars | Others |
| Other receivables | 19,131 | - | 5,994 | - |
| Other payables | <u>(37,287)</u> | <u>(1,073)</u> | <u>(72,950)</u> | <u>(752)</u> |
| Net statement of financial position exposure | <u>(18,156)</u> | <u>(1,073)</u> | <u>(66,956)</u> | <u>(752)</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 (in thousand Baht) | Weakening |
|---------------------------------|-----------------|-------------------------------------|-----------|
| 2024 | | | |
| US Dollars | 1 | 182 | (182) |
| Other | 1 | 11 | (11) |
| 2023 | | | |
| US Dollars | 1 | 669 | (669) |
| Other | 1 | 7 | (7) |

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(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> | 2024 | 2023 |
|--|---------------------------|--------------------------|
| | <i>(in thousand Baht)</i> | |
| <i>Financial instruments with variable interest rates</i> | | |
| Financial assets | 55,441,051 | 35,201,275 |
| Financial liabilities | <u>(14,362,551)</u> | <u>(333,217)</u> |
| Net statement of financial position exposure | <u>41,078,500</u> | <u>34,868,058</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.

| <i>Impact to profit or loss</i> | 1% increase in interest rate | 1% decrease in interest rate |
|---|---------------------------------|---------------------------------|
| | <i>(in thousand Baht)</i> | |
| 2024 | | |
| Financial instruments with variable interest rate | 410,785 | (410,785) |
| Cash flow sensitivity | <u>410,785</u> | <u>(410,785)</u> |
| 2023 | | |
| Financial instruments with variable interest rate | 348,681 | (348,681) |
| Cash flow sensitivity | <u>348,681</u> | <u>(348,681)</u> |

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.

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23 Events after the reporting period

On 28 January 2025, at the Board of Directors' Meeting of the Company, the directors proposed for approval at the Annual General Meeting of Shareholders, the payment of a dividend for 2024 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 21 August 2024, 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 21 April 2025. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 25 March 2025.

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 2025 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.

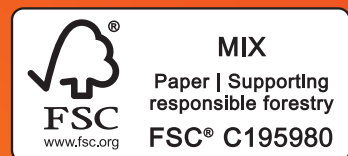


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