

Union Plastic Public Company Limited
Notes to interim financial statements
For the three-month period ended 31 March 2022

1. General information

1.1 Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.2 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2021.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, do not have any significant impact on the Company's financial statements.

2. Related party transactions

During the periods, the Company had significant business transactions with related parties. Such transactions were concluded on commercial terms and bases agreed upon between the Company and those related parties, arose in the ordinary course of business. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

(Unaudited but reviewed)

Summaries significant business transactions with related parties as follows.

(Unit: Million Baht)

| | Financial statements in which the equity method is applied/ Separate financial statements | |
|--|---|------|
| | For the three-month periods ended 31 March | |
| | 2022 | 2021 |
| <u>Transactions with related companies</u> | | |
| Sales of goods and services | 13 | 17 |
| Rental income | 2 | 4 |
| Dividend income | 44 | 24 |
| Purchases of goods and raw materials | 3 | 2 |

The balances of the accounts as at 31 March 2022 and 31 December 2021 between the Company and those related parties are as follows:

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied/ Separate financial statements | |
|--|---|---------------------|
| | 31 March 2022 | 31 December 2021 |
| | | (Audited) |
| Trade and other receivables - related parties | | |
| Related companies (related by common shareholders) | 54,283 | 9,864 |
| Total trade and others receivables - related parties | <u>54,283</u> | <u>9,864</u> |
| Trade and other payables - related parties | | |
| Related companies (related by common shareholders) | 629 | 736 |
| Total trade and other payables - related parties | <u>629</u> | <u>736</u> |

Directors and management's benefits

During the three-month periods ended 31 March 2022 and 2021, the Company had employee benefit expenses to its directors and management as below.

| | (Unit: Thousand Baht) | |
|------------------------------|---|--------------|
| | Financial statements in which the equity method is applied/ Separate financial statements | |
| | 2022 | 2021 |
| Short-term employee benefits | 2,798 | 2,433 |
| Post-employee benefits | 1 | 7 |
| Total | <u>2,799</u> | <u>2,440</u> |

3. Trade and other receivables

| | (Unit: Thousand Baht) | |
|--|---|---------------------|
| | Financial statements in which the equity method is applied/ Separate financial statements | |
| | 31 March 2022 | 31 December 2021 |
| | | (Audited) |
| <u>Trade receivables - related parties</u> | | |
| Aged on the basis of due dates | | |
| Not yet due | 10,529 | 9,631 |
| Total trade receivables - related parties | <u>10,529</u> | <u>9,631</u> |
| <u>Trade receivables - unrelated parties</u> | | |
| Aged on the basis of due dates | | |
| Not yet due | 77,244 | 65,092 |
| Total trade receivables - unrelated parties | <u>77,244</u> | <u>65,092</u> |
| Total trade receivables | <u>87,773</u> | <u>74,723</u> |
| <u>Other receivables</u> | | |
| Amounts due from related parties | 239 | 233 |
| Dividend receivable | 43,515 | - |
| Others | 222 | 49 |
| Total other receivables | <u>43,976</u> | <u>282</u> |
| Total trade and other receivables | <u>131,749</u> | <u>75,005</u> |

4. Other non-current financial assets

Set out below is the movement in other non-current financial assets account.

| | (Unit: Thousand Baht) |
|---|---|
| | Financial statements in which the equity method is applied/ Separate financial statements |
| Net book value as at 1 January 2022 | 97,096 |
| Gain on change in value of investments in equity instruments of non-listed company | 1,858 |
| Net book value as at 31 March 2022 | <u>98,954</u> |

During the current period, the Company received dividend from this company amounting to Baht 44 million (2021: Baht 24 million).

Such financial assets were measured at fair value with hierarchy level 3.

During the current period, the Company has not changed the method and the assumptions, used in estimating the fair value of financial instrument and there is no transfer between the level of the fair value hierarchy.

5. Property, plant and equipment

Set out below is the movement in property, plant and equipment account.

| | (Unit: Thousand Baht) |
|--|---|
| | Financial statements in which the equity method is applied/ Separate financial statements |
| Net book value as at 1 January 2022 | 152,009 |
| Acquisitions during the period - at cost | 14,590 |
| Transfer from investment properties | 117 |
| Depreciation for the period | (8,648) |
| Net book value as at 31 March 2022 | <u>158,068</u> |

6. Segment information

The Company is principally engaged in the manufacture and distribution of thermoplastics. It also engages in the contract manufacture and repair of molds. The Company operates only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profit and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

(Unaudited but reviewed)

The following tables present revenue and profit (loss) information regarding the Company's operating segments for the three-month periods ended 31 March 2022 and 2021.

(Unit: Thousand Baht)

| | For the three-month periods ended 31 March | | | | | | Financial | |
|-----------------------------------|--|----------------|--|------------|------------------------------|----------|--|----------------|
| | Manufacture and distribution of thermoplastics | | Contract manufacture and repair of molds | | Adjustments and eliminations | | statements in which the equity method is applied | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Revenue from external customers | 157,878 | 149,126 | 143 | 944 | - | - | 158,021 | 150,070 |
| Inter-segment revenue | - | - | - | - | - | - | - | - |
| Total revenues | <u>157,878</u> | <u>149,126</u> | <u>143</u> | <u>944</u> | <u>-</u> | <u>-</u> | <u>158,021</u> | <u>150,070</u> |
| Segment operating profit (loss) | 15,912 | 8,056 | (1,985) | (1,015) | - | - | 13,927 | 7,041 |
| Unallocated income and expenses: | | | | | | | | |
| Dividend income | | | | | | | 43,515 | 24,197 |
| Other income | | | | | | | 6,081 | 6,357 |
| Selling and distribution expenses | | | | | | | (6,538) | (5,982) |
| Administrative expenses | | | | | | | (11,134) | (10,711) |
| Share of loss of an associate | | | | | | | (264) | (718) |
| Finance income | | | | | | | 171 | 242 |
| Finance cost | | | | | | | (18) | (33) |
| Profit for the period | | | | | | | <u>45,740</u> | <u>20,393</u> |

7. Commitments

(Unit: Million Baht)

| | Financial statements in which the equity method is applied/ Separate financial statements | |
|--|--|---------------------|
| | 31 March 2022 | 31 December 2021 |
| | | (Audited) |
| Capital commitments | | |
| Acquisition of machinery and equipment | 46 | 36 |
| Service commitments | | |
| Equipment maintenance services | 1 | 1 |
| Transportation services | 1 | 1 |
| Other services | - | 1 |

8. Fair value of financial instrument

Most of the Company's financial instruments are classified as short-term or have interest rates that are close to market rate. Therefore, the carrying amounts of these financial instruments is estimated to approximate their fair value.

9. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's audit committee on 6 May 2022 as assigned by the Company's board of directors.