

Independent Auditor's report

To the Shareholders of Union Plastic Public Company Limited

Opinion

I have audited the accompanying financial statements in which the equity method is applied of Union Plastic Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2023, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Union Plastic Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Union Plastic Public Company Limited as at 31 December 2023, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. 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 are 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 Matter

Key audit matter is the matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was 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 this matter.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to this matter. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for the matter is described below.

Revenue recognition

The Company's main business is the production of plastic parts for industry and the majority of revenue comes from the automotive industry. Revenue is a key measure of the Company's operating performance because any increase or decrease in revenue affects the profitability of the Company. As a result of the high competition in the industry, there are risks with respect to the appropriate amount and timing of revenue recognition from production of plastic parts.

I have examined the revenue recognition of the Company by:

- Assessing and testing the Company's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, and with special consideration given to expanding the scope of the testing of the internal controls which respond to the above risks.
- Performing analytical procedures on the relation of revenue, trade receivables and cash receipt. In addition, applying a sampling method to select transactions to examine supporting documents for sales and cash receipt.
- On a sampling basis, examining supporting documents for actual sales transactions occurring near the end of the accounting period.
- Reviewing credit notes that the Company issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions near the end of the accounting period.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company is expected to be made available to me after the date of this auditor's report.

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 the other information 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.

When I read the annual report of the Company, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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 Thai Financial Reporting Standards, 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 Thai Standards on Auditing 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 Thai Standards on Auditing, I exercise professional judgement 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, related safeguards.

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.

I am responsible for the audit resulting in this independent auditor's report.



Kosum Cha-em

Certified Public Accountant (Thailand) No. 6011

EY Office Limited

Bangkok: 22 February 2024

Union Plastic Public Company Limited

Statement of financial position

As at 31 December 2023

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	7	97,910,111	32,146,681	97,910,111	32,146,681
Trade and other receivables	6, 8	73,591,179	71,657,898	73,591,179	71,657,898
Inventories	9	36,673,701	47,290,363	36,673,701	47,290,363
Advance payment for goods		3,871,000	19,736,708	3,871,000	19,736,708
Other current financial assets	10	164,289,231	145,000,000	164,289,231	145,000,000
Other current assets		1,706,837	1,518,210	1,706,837	1,518,210
Total current assets		378,042,059	317,349,860	378,042,059	317,349,860
Non-current assets					
Restricted financial assets	11	10,017,975	9,936,962	10,017,975	9,936,962
Other non-current financial assets	12	110,010,606	109,406,278	110,010,606	109,406,278
Investment in associate	13	6,708,028	7,671,186	2,499,990	2,499,990
Investment properties	14	7,721,930	7,821,840	7,721,930	7,821,840
Property, plant and equipment	15	191,005,627	189,547,226	191,005,627	189,547,226
Intangible assets	16	709,626	899,467	709,626	899,467
Withholding income tax	17	32,784,863	32,874,815	32,784,863	32,874,815
Total non-current assets		358,958,655	358,157,774	354,750,617	352,986,578
Total assets		737,000,714	675,507,634	732,792,676	670,336,438

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

Union Plastic Public Company Limited
Statement of financial position (continued)
As at 31 December 2023

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2023	2022	2023	2022
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	6, 18	98,212,979	80,118,464	98,212,979	80,118,464
Current portion of lease liabilities	19	598,881	567,408	598,881	567,408
Other current liabilities		225,000	2,977,000	225,000	2,977,000
Total current liabilities		99,036,860	83,662,872	99,036,860	83,662,872
Non-current liabilities					
Lease liabilities, net of current portion	19	1,110,573	1,709,031	1,110,573	1,709,031
Provision for long-term employee benefits	20	27,259,872	31,564,174	27,259,872	31,564,174
Deferred tax liabilities	23	22,002,121	21,881,256	22,002,121	21,881,256
Total non-current liabilities		50,372,566	55,154,461	50,372,566	55,154,461
Total liabilities		149,409,426	138,817,333	149,409,426	138,817,333
Shareholders' equity					
Share capital					
Registered					
25,000,000 ordinary shares of Baht 10 each		250,000,000	250,000,000	250,000,000	250,000,000
Issued and fully paid					
25,000,000 ordinary shares of Baht 10 each		250,000,000	250,000,000	250,000,000	250,000,000
Share premium		167,200,000	167,200,000	167,200,000	167,200,000
Retained earnings					
Appropriated - statutory reserve	21	62,500,000	62,500,000	62,500,000	62,500,000
Unappropriated		39,885,003	(10,532,521)	35,676,965	(15,703,717)
Other components of shareholders' equity		68,006,285	67,522,822	68,006,285	67,522,822
Total shareholders' equity		587,591,288	536,690,301	583,383,250	531,519,105
Total liabilities and shareholders' equity		737,000,714	675,507,634	732,792,676	670,336,438

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

Directors

Union Plastic Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2023

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2023	2022	2023	2022
Profit or loss:					
Revenues					
Revenue from sales and services	25	657,821,545	601,297,374	657,821,545	601,297,374
Dividend income	12	49,194,096	43,514,778	49,194,096	43,514,778
Other income		26,191,692	24,678,684	26,191,692	24,678,684
Total revenues		733,207,333	669,490,836	733,207,333	669,490,836
Expenses					
Cost of sales and services		610,691,154	566,630,713	610,691,154	566,630,713
Selling and distribution expenses		31,350,708	27,349,593	31,350,708	27,349,593
Administrative expenses		48,037,600	47,270,864	48,037,600	47,270,864
Total expenses		690,079,462	641,251,170	690,079,462	641,251,170
Operating profit		43,127,871	28,239,666	43,127,871	28,239,666
Share of loss from associate	13	(963,158)	(1,038,857)	-	-
Finance income		2,423,791	876,090	2,423,791	876,090
Finance cost		(111,015)	(71,366)	(111,015)	(71,366)
Profit for the year	23	44,477,489	28,005,533	45,440,647	29,044,390
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain	20	5,940,035	2,517,283	5,940,035	2,517,283
Gain on change in value of investments in equity designated at fair value through other comprehensive income - net of income tax	12, 23	483,463	9,848,008	483,463	9,848,008
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		6,423,498	12,365,291	6,423,498	12,365,291
Other comprehensive income for the year		6,423,498	12,365,291	6,423,498	12,365,291
Total comprehensive income for the year		50,900,987	40,370,824	51,864,145	41,409,681
Basic earnings per share					
Profit for the year	24	1.78	1.12	1.82	1.16

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