



SETTING NEW STANDARDS ON PERFORMANCE, SUSTAINABILITY AND CIRCULARITY



Polyplex Thailand



Polyplex Turkey



Polyplex USA



Polyplex Indonesia



Ecoblue Limited, Thailand

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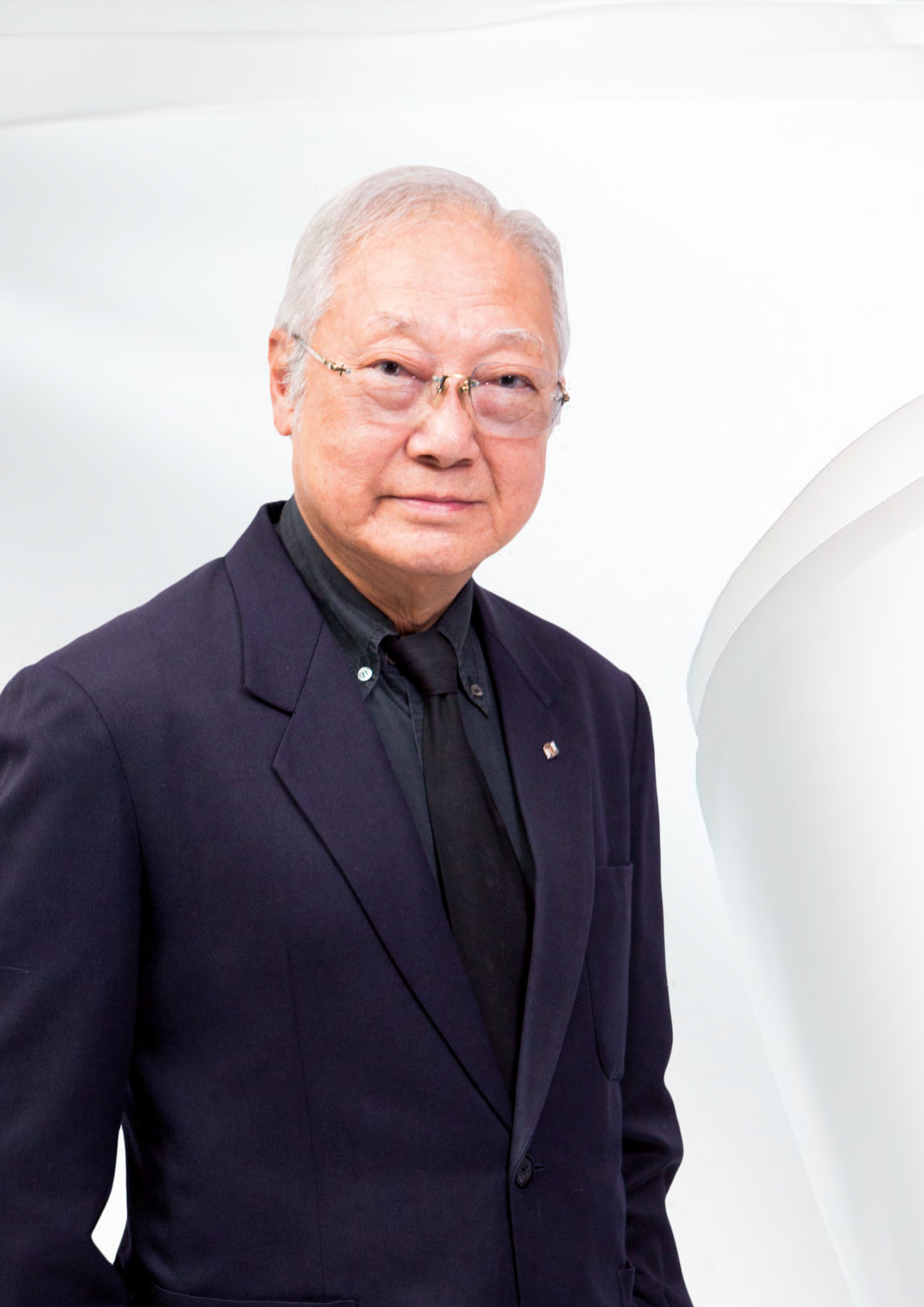
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Message from the Chairman

Dear Valued Shareholders,

The year gone by was marked by normalization of economic activities across the Globe post the Covid-19 pandemic. However, it also witnessed various challenges like high level of inflation and interest rates impacting disposable incomes and commodity prices, swift reversal in freight rates, high energy prices arising from geo-political disturbances like Ukraine-Russia war etc. The Turkish economy was also impacted by the earthquakes in February'23.

Arising from the above, demand for plastic films has been impacted, mainly due to fear of recession, high food inflation and lower disposable incomes. The apparent demand has been further muted due to destocking across the value chain. Further, as anticipated, the bunching up of new capacity start-ups in the recent past, mainly in China and India, have created a situation of oversupply and the margins of all plastic film producers have come under pressure, across all geographies.

The diverse geographical presence of the Company along with an extensive product offering and wide customer base, focus on operational efficiencies and a competitive cost structure has helped the Company to perform better than the industry peers and would continue to help the Company to do so in the future as well. The investments made by the Company in expanding the Specialty films' capabilities and capacity in the last 1-2 years are being ramped up and will help gradually improve profitability.

In comparison to the previous year, sales at 26.3 Billion THB have increased by 23% and Normalized Net profits of 2.1 Billion THB, after adjusting for the foreign exchange losses, is a decline of 35%.

Sustainability has been another key area of focus for Polyplex. We have been driving sustainability initiatives for a long time, way ahead of any regulatory requirements. The investment in Ecoblue limited in 2012, the recent start-up of the expansion for recycling post-consumer PET and Polyolefin waste in 2022 and the investments in chemical recycling capability at Turkey and Thailand demonstrate the Company's continued commitment to Sustainability & Innovation.

Polyplex understands the importance of Corporate Social Responsibility and recently demonstrated its commitment to this cause by extending full support in cash and kind, to the relief and recovery measures for the earthquake victims in Turkey.

The expansion project in the US is progressing well and expected to start commercial operation in Q2 FY 2024-25. With this expansion, Polyplex would be the most cost competitive producer in the US.

Notwithstanding the difficult market conditions expected over the next few quarters and the necessity to conserve cash for the ongoing US project, the Directors have proposed a dividend of THB 0.84 per share for the year 2022-23 @ 35% of the Company's consolidated profits on normalized basis.

The Company's balance sheet remains strong with a low Debt-Equity ratio and sufficient liquidity. The Company continues to evaluate opportunities for further profitable growth as it is confident about the long-term potential of the polyester film industry.

On behalf of the Board, I would like to take this opportunity to thank all the shareholders, business partners and the employees of the Company for their constant support, without which, we could not have achieved all that we did, in the last more than 2 decades of our operations.



Board of Directors



Mr. Manu Leopairote

Chairman / Board and Audit Committee



Mr. Shiraz Erach Poonevala

Director and Member / Audit Committee



Mr. Sanjiv Saraf

Vice-Chairman



Mr. Amit Prakash
Managing Director



Mr. Praphad Phodhivorakhun
Director and Member / Audit Committee



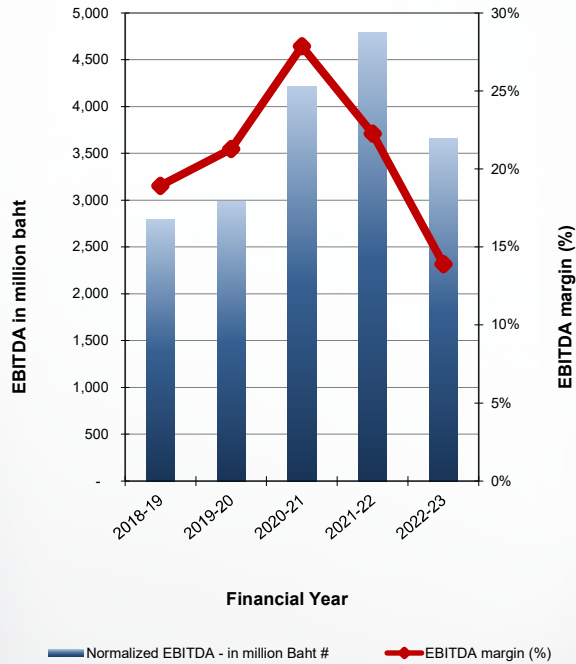
Mr. Ranjit Singh
Director



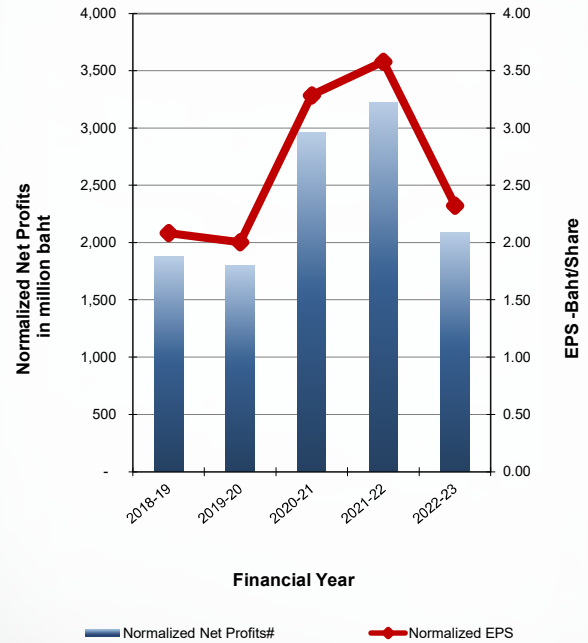
Mrs. Sakhi Saraf
Director

Key Financial Indicators

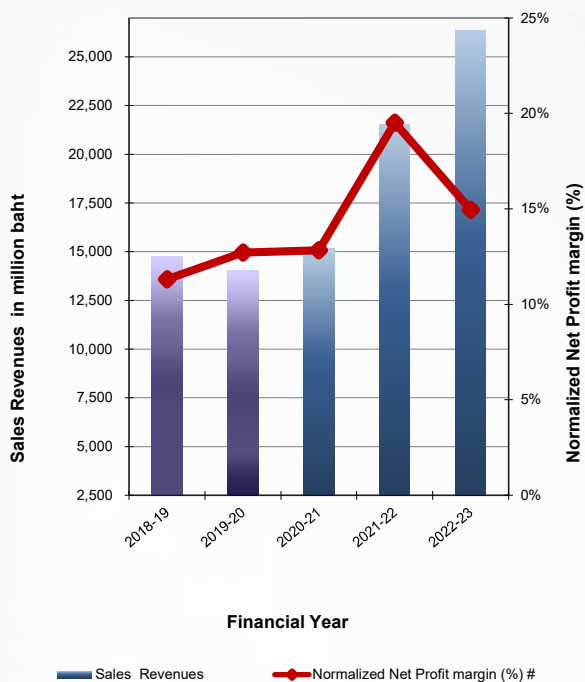
Normalized EBITDA



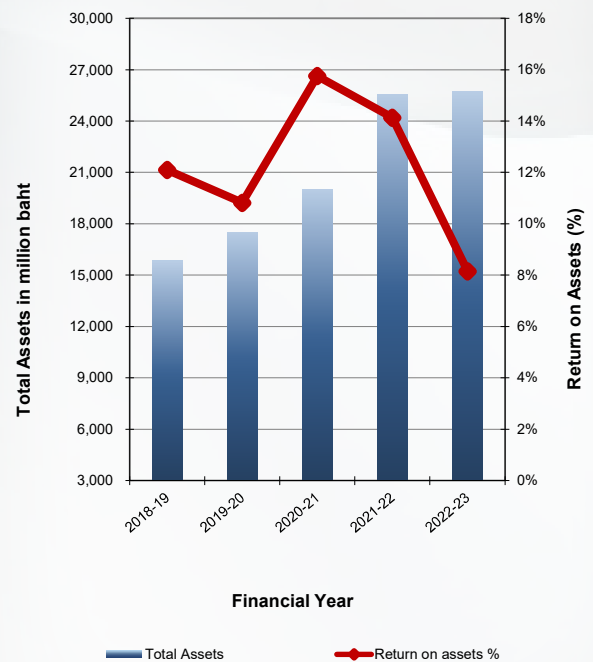
Normalized Net Profits and EPS



Sales Revenues



Total Assets



Financial Highlights

	2020-21	2021-22	2022-23
Progression (Thousand Baht)			
Net Sales	15,144,388	21,544,823	26,340,656
Total Revenues [#]	15,192,545	21,956,808	26,607,027
Gross Profit	4,711,157	6,245,463	4,762,044
Net Profit (Loss)*	2,956,693	3,221,796	3,221,796
Total Assets	20,029,334	25,561,881	25,722,284
Total Liabilities	4,690,194	7,640,063	6,454,008
Shareholder's equity	15,339,140	17,921,818	19,268,276
Financial Ratios*			
Net Profit Margin (%)	19.52%	14.95%	7.94%
Return on Equity (%)	21.00%	19.46%	11.32%
Return on Assets (%)	15.76%	14.13%	8.15%
Per Share Data (Baht)			
No. of shares	900,000,000	900,000,000	900,000,000
Dividend per share (Baht)	1.00	1.31	0.84**
Earnings per share*	3.29	3.58	2.32
Par value	1	1	1

Note:

Above figures and ratios are on consolidated basis, including the Company's subsidiaries in USA, Turkey, Indonesia, Singapore, Netherlands and Thailand.

* Normalized for FX fluctuations in all years

** As proposed by the Board of Directors for consideration and approval in the 2023 Annual General meeting of the Shareholders

Including Finance Income

Part 1

Business Operation and Operating Results

Organizational Structure and operation of Group Companies

1. Policy and Overview of Business Operation

VISION, MISSION, OBJECTIVE AND STRATEGY OF THE COMPANY



VISION

**Continuously grow
and create value in all
businesses and establish
global leadership in the
polymeric film business.**



MISSION

**Create value for stakeholders
(Investors, Customers,
Employees, Community)
through delivering profitable
value to customers and
maximizing their satisfaction.**

VALUES

OUR CORE VALUES, ENUNCIATED IN THE ACRONYM **S.C.O.R.E.**,
INSPIRE OUR INTERNAL AND EXTERNAL INTERACTIONS.

SEAMLESSNESS	We leverage synergies across hierarchies, functions and locations.
CARE	We value our people and are committed to their development. We take a long-term approach to all our relationships.
OWNERSHIP & RESPONSIBILITY	We honor our commitments towards internal and external stake-holders.
EXCELLENCE	We stretch ourselves continuously to improve the way we work. We constantly pursue newer and better ideas, processes, products and practices.

Background of the Company and key developments

Polyplex is a leading BOPET Film Producer with a Global Footprint in an attractive Industry and it has the 2nd largest capacity (including ongoing expansions) for Thin BOPET film (excluding China). On 26th March 2002 Polyplex Corporation Limited (PCL), a company based in India and listed on the Bombay Stock Exchange and the National Stock Exchange incorporated Polyplex (Thailand) Plc. ("the Company") as a private company to manufacture and distribute PET Film. Over the years, the Company has established several manufacturing and distribution companies ('PTL' or the 'Group') across the globe. PTL is the flagship Company of Polyplex and all global manufacturing locations outside India are owned by PTL.

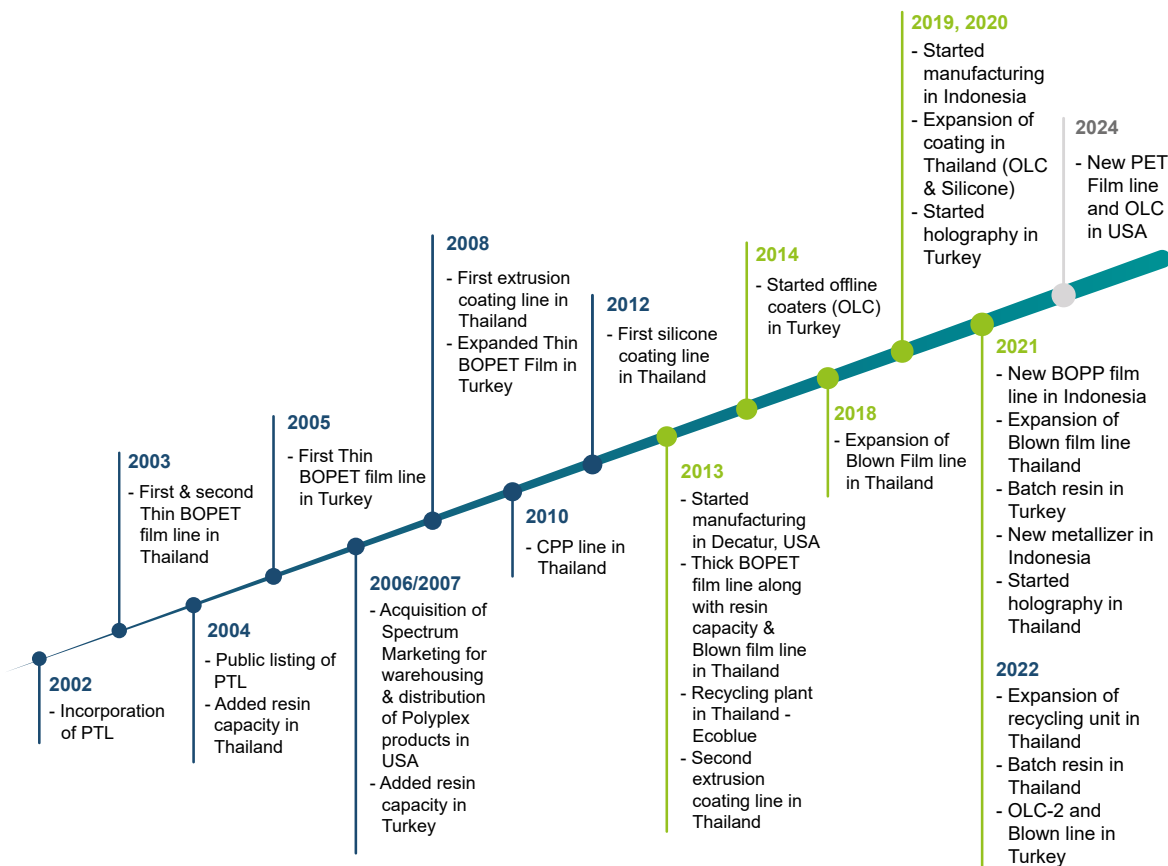
Polyplex has always been a first mover and Trend Setter in the Industry. Given below are some of our achievements and our key strengths:

- 1) First Indian headquartered film producer to set-up overseas operations in 2002
 - a) This was a unique and bold step for a single location producer with a modest turnover and balance sheet to make a greenfield investment in a PET film line in Thailand
 - b) This was followed quickly with another PET film line (financial commitment made even before the first line started up in Apr'2003) and resin plants at the same location
 - c) In 2004, the PTL was listed on the SET in Thailand (among the fastest to list from start-up of operations) and decided to invest into another greenfield site in Turkey
 - d) This was followed by regular growth capex in all existing locations besides addition of two new countries – USA in 2011 and Indonesia in 2017.
- 2) First in the industry to
 - a) Invest in forward integration into Metalizing
 - b) Run 10.6 meter PET film line at speed of 675 mpm with Direct Melt Casting
 - c) Strategically invest in assets and product development to broad base the portfolio resulting in Polyplex having an unmatched and most diversified portfolio of products
- 3) First producer to
 - a) Have Direct Melt Casting facility for better productivity and lower energy costs
 - b) Introduce several specialty products in the market including very high barrier metalized films , twist films, etc.
- 4) Perhaps the only player to have integrated resin and film manufacturing across all locations.
- 5) Long before industrywide concern and efforts around sustainability and recycling plastic waste, in 2013, PTL invested in mechanical recycling of post-industrial and post-consumer plastic waste through its subsidiary EcoBlue in Thailand. As a next big step in this direction, a new state-of-the-art mechanical recycling facility which uses post-consumer baled bottles as input has started in Ecoblue in early 22. It would cater to high-end applications in PET Bottles and Polyester Filament Yarn, supporting brand owners to meet their sustainability targets. Complementing this, PTL has also invested in self-developed, chemical recycling process whereby post-consumer PET bottle waste is converted to food grade Resin which is used with varying concentration in PET films. PTL has products in portfolio which have up to 100% PCR content. With ongoing investment to expand chemical recycling capacities in Turkey and Thailand, PTL leads the way towards achieving circularity in flexible Packaging.

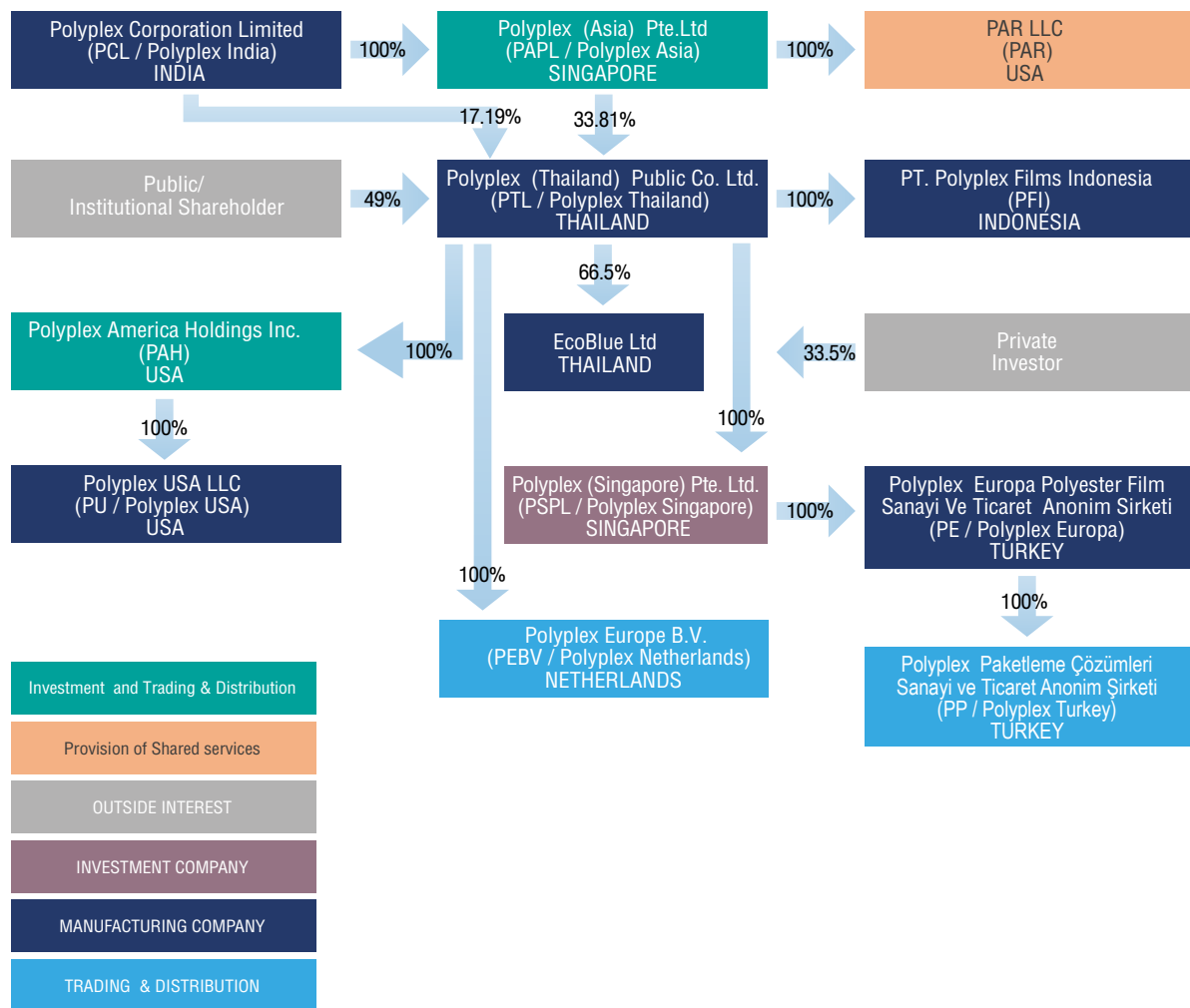
In addition, in 2022, EcoBlue has also built capacity to recycle post-consumer Olefin based waste to enable Global Brands to meet their sustainability targets around usage of recyclable material and recycled content in their plastic consumption.

PTL has grown as an integrated and diversified manufacturer of various polymeric film substrates including BOPET (thin & thick), BOPP, CPP and Blown PP / PE. PTL has a wide offering of specialty, innovative and differentiated products across a variety of packaging, electrical & electronic and other industrial applications. PTL offers a unique value proposition of on-shoring, off-shoring and near-shoring for a global customer base, while maintaining cost leadership. Its superior sales & distribution network and strong technical support in key demand centers is driving deep customer relationships and expanding its customer base. PTL is currently the largest producer of Thin BOPET film in SE Asia.

PTL's journey and key developments are outlined as follows:



Group shareholding structure

**MANUFACTURING COMPANIES**

Polyplex Corporation Limited (PCL / Polyplex India) INDIA

Incepted in 1988, PCL has been in the plastics manufacturing and distributing business for over 35 years. Listed in both the Bombay Stock Exchange as well as the National Stock Exchange in India, its paid-up capital is INR 319.7 million (approximately Bt. 132.5 million)

Holding Information: The aggregate of its indirect and direct shareholding in the Company is 51% of PTL's paid up capital

Market Segmentation Policy: Given that both PCL and PTL and its subsidiaries overlap in business segments and operate in both the domestic and export markets, the Group has developed an equitable policy for distribution of markets. Factors such as product range, delivered cost to customer, supply lead times and preferential duty access are among those considered for this purpose.

Investment Related Policy: The Group has further developed a policy regarding future investments in polyester film or related areas between PTL and its parent company. Investments in India/SAARC regions would be decided and made by PCL and its other subsidiaries (excluding the Company), while investments in all other countries would be made by PTL or its subsidiaries

Polyplex Europa Polyester Film Sanayi Ve Tikaret Anonim Sirketi (PE / Polyplex Europa) | TURKEY

PSPL had incorporated a 100% owned subsidiary company, PE in Turkey for setting up a Greenfield polyester film plant to cater to the European and other proximate markets. The commercial operations started in December, 2005 with the start-up of the first thin PET film line

The issued and paid up capital of PE, including Additional Contribution from PSPL, as of March 31, 2023 stands at Euro 8.8 million

Polyplex USA LLC | (PU / Polyplex USA) | USA

Polyplex USA LLC, Decatur, Alabama, was established in FY 2011-12 as a 100% subsidiary of PAH. This is the first manufacturing base of Polyplex in USA. The thin PET film line has started commercial production in April, 2013 and the PET Resins plant project commenced commercial production in October 2014. The members' contribution which represents the paid-up capital as on 31st March'23 is USD 46.2 million

PT Polyplex Films Indonesia | (PFI / Polyplex Indonesia) | INDONESIA

In October, 2017, PT. Polyplex Films Indonesia (PT PFI) was established with an Authorized and Registered Share Capital of IDR 540 billion. PT PFI is owned 99.99% by PTL and 1 share is held by Mr. Amit Prakash, to comply with a regulatory requirement in Indonesia, of having a minimum of 2 shareholders

The Thin PET line start-up was in November 2019 and the resin plant in March 2020. In June 2019, the PTL board additionally approved the investment into a BOPP line in Indonesia which started commercial operations in December 2021.

As at 31st March, 2023, the Called up and Paid up Share capital of PT PFI is IDR 540 billion

EcoBlue Ltd. | THAILAND

In 2013, PTL has made an investment to provide sustainable solutions for film-based process waste was one of its first major steps towards this direction. The operations were implemented in Thailand, under a subsidiary called Ecoblue Limited (EB). PTL currently owns 66.5% stake in this subsidiary, balance being held by a minority shareholder who is also the Managing Director of the Company.

Ecoblue has invested into a state-of-art PET and PP Recycling facility which has commenced commercial operations in 2022.

As at 31st March, 2023 the Paid-up Capital of EB is Baht 137.65 million.

INVESTMENT AND TRADING AND DISTRIBUTION**Polyplex Asia (PTE Ltd.) | (PAPL / Polyplex Asia) | SINGAPORE**

PAPL, a 100% subsidiary of PCL, established in 2004, is a major shareholder of the Company, holding 33.81% as on March 31, 2023

Polyplex America Holdings Inc. | (PAH) | USA

In FY 2011-12, PTL invested in setting up a 100% Investment and Trading & Distribution Company in USA. PAH has further invested in Polyplex (USA) LLC, a manufacturing facility. The issued and paid up capital of PAH (including the Additional Paid-In Capital) as on 31st March'2023 is USD 46.62 million.

INVESTMENT COMPANY

Polyplex Singapore Pte Ltd. | (PSPL Polyplex Singapore) | SINGAPORE

PSPL, a 100% subsidiary of PTL, was established as a wholly owned investment company in 2004. The investments in Polyplex Europa (PE) and the trading company in China (PTSL) were made via this entity. PTSL was subsequently liquidated in June 2020. The issued and paid up capital of PSPL (including Preference Share Capital) as of March 31, 2023 stands at Euro 9.14 million

TRADING AND DISTRIBUTION

Polyplex Paketleme Cozumleri Sanayi Ve Tikaret Anonim Sirketi (PP / Polyplex Europa) | TURKEY

In FY 2013-14, Polyplex Europa Polyester Film Sanayi ve Ticaret Anonim Şirketi (PE) had established a company in Turkey, named Polyplex Paketleme Çözümleri Sanayi ve Ticaret A.Ş. holding 100% of its share capital. This company is mainly engaged in trading of PET Film, PET chips and other products of the Company. The Registered Share capital of this company is TRY 100,000 as of March 31, 2023, which has been fully called and paid up.

Polyplex Europe B.V. | (PEBV / Polyplex Netherlands) | NETHERLANDS

Polyplex Europe B.V was established in April 2013 as a 100% subsidiary of Polyplex (Thailand) Plc. The registered capital at the time of set up of 3 million Euro has been restructured in 2021/22 (30,000 shares of Euro 100/share restructured to be 30,000 shares of Euro 1/each) and Paid up Capital of Euro 0.2 million until till 31st March'22 adjusted as Euro 30,000 towards Paid up Capital and balance of Euro 170,000 towards Share Premium Reserve.

This company is mainly engaged in the warehousing and distribution of different products of the Company in the European market.

Business Strategy

Over the years, Polyplex has been working towards developing a strategy which would enable it to become one of the Leading One-stop Innovative polymeric film suppliers, the preferred Global Packaging Solution providers, offering a wide range of polymeric films.

Polyplex seeks sustained and profitable growth i.e. a judicious balance between revenue enhancement and benchmark return on capital employed.

Key elements of our business strategy

- 1) Investment in versatile state-of-the art film plants and other assets
- 2) Sustained focus on operational excellence to maintain global cost leadership
- 3) Upstream and forward integration to broaden product portfolio and enhance competitiveness
- 4) Focus on increasing the share of speciality films (based on cost- effective R&D, open innovation, backward integration and multi-level customer collaboration) underlying which is a substantial base of standard films to position ourselves as Tier -1 supplier leading to increased margin with reduced volatility. Standard films are essential as most customers (especially in flexible packaging segment) buy both standard and speciality films. This also helps defray costs optimally through scale. The dynamic nature of what constitutes “speciality” means that this would always be a relatively small (but essential and profitable) component of the business portfolio. It is true that the erstwhile “majors” are almost exclusively focused on the higher end of the market – e.g. the electronics segment. Such an approach requires a very high level of technological competence and investment and at the same time it has resulted in their diminishing market share and presence in the overall PET film industry.

- 5) Strengthening market leadership by converting and dedicating older lines to speciality film production (with rationalised production for global niche markets) making them highly cost effective
- 6) A strong and growing volume of standard films in markets where there is a clear competitive advantage and an ability to differentiate from other local producers.
- 7) A unique value proposition to the customers which combines the benefits of on-shoring, off-shoring and near-shoring (combination of core values of cost competitiveness, customer intimacy, innovation and a safe, reliable and responsive supply chain)
- 8) Building global leadership position in value-added film segments like silicone coating where backward integration, customer synergies, economies of scale and global market reach provide significant competitive advantage
- 9) Product diversification across different types of polymeric films
- 10) Maintaining a conservative financial profile
- 11) Continuously evaluating growth / acquisition opportunities in niche value- added film segments to consolidate our position
- 12) Post-industrial and Post-consumer waste recycling to support global initiative towards sustainability and circular economy

Working on this strategy, we have over the years, built a business model which is very difficult to replicate and have established ourselves as a Supplier of choice for all the innovative product needs of our customers globally. Key pillars of Business model are as under:

Integration

This ensures supply chain efficiency, cost optimization & lower time to access and market new Products and Applications

Backward integration into resin at all our film manufacturing locations is unique to Polyplex among the large global producers as others either do not have any captive resin facility or even if they do have, it may be at one location only and may not cover their entire requirement.

Among the key benefits of Forward and Backward Integration are:

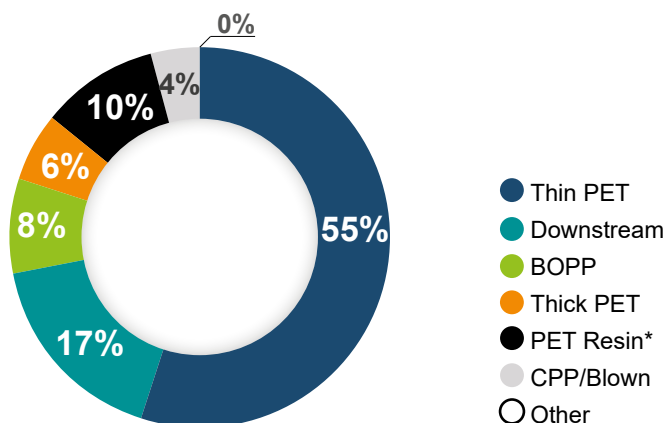
 Backward integration into captive PET resin production at all film manufacturing locations is unique to Polyplex in this industry	Forward integration to downstream capabilities results in superior market positioning and higher returns 
 Assured and consistent availability of quality raw material	Wider product and application range 
 Reduced costs with adequate and secured return on incremental investment	Diversified customer base 
 Protects proprietary composition and helps in film product development, especially for D PAC portfolio	Increase customer and market penetration 
 Significant premium saved in buy v/s make for specialty resin	Increased ability to provide customized and more technical products 
 Direct Melt Casting (DMC) ensures better quality and energy management, while being cost competitive	Increasing proportion of value added films with corresponding reduction in standard film sales 
 Chemical recycling of post consumer & post industrial waste	Substantial savings including freight, packing costs, wastage, fixed costs and technical development 
 Opens merchandizing opportunities	Provides platform for future growth 

Diversification

1) By Product

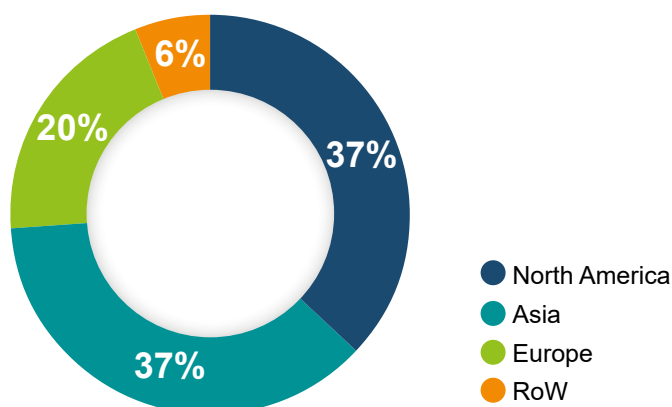
- Range of base films – thin PET, thick PET, BOPP, CPP, Blown PP/PE
- Certain downstream processed films like Silicone Coated, Thermal Extrusion Coated and Offline Coated films has been grouped as Coated Films.

Business wise Sales Revenue Split (FY 2022-23)



- 2) By Geography
 - a) With five manufacturing locations globally – three catering to Asia, one each to Europe and North America, PTL has positioned itself as an on-shore or near-shore supplier to all the key regional markets
 - b) A well-diversified sales portfolio insulates the performance against market specific factors

Region wise Revenue Split (FY 2022-23)



- 3) By Customer

We have a large and geographically diversified customer base of about 2,028 customers. So there is no dependency on any single customer or a single region. Top 10 customers' / customer groups accounts for less than 27% of the Sales revenue. Further, we have a large base of smaller customers in all the key regional market who buy less than a container load and would therefore source domestically at a higher price.

Well spread Sales & Distribution network

- 1) Polyplex sales & distribution network is unmatched in the industry even when compared to other multi locational producers. Except Africa and South America where we do not have any direct local presence and sell either directly or through some commission agents, we have direct presence mostly through employees of local origin in all the key regional markets.
- 2) Direct sales presence through employees of local origin in key geographies in Asia, Europe and North America
 - Local presence in China, Japan, Korea, Malaysia, Vietnam, Philippines, Singapore besides Thailand and Indonesia
 - Physical presence of European sales team comprising of more than 8 nationalities in many countries of the EU
 - North America sales team physically located in different US cities
 - Customers in African and South American markets are catered directly or through commission agents

- 3) Knowledge of local language, cultural affinity and physical presence play an important role in developing strong customer relationships and is a key differentiator for Polyplex in the competition landscape.

Particulars	Other Asia	Europe	North America
Sales and Marketing Team Size	19	28	13
# of Locations	9	9	6



Note: Europe Includes major distributor

As explained above, Polyplex sales & distribution network is unmatched in the industry even when compared to other multi locational producers. So the product distribution is being made directly to the end users using its own marketing arms in USA, Turkey and Netherlands, its Representative offices in Korea and Japan, Own Sales Representatives in China, Malaysia, Vietnam and Philippines, as well as commission agents across the globe. The indirect channel is mainly through distributors in designated areas. The sales through distributors and commission agents help support and even boost the sale volumes as these distributors and agents are in close proximity of the target markets, hence allowing for closer service provision to the customers with rapid delivery, and also better market penetration to access small customers.

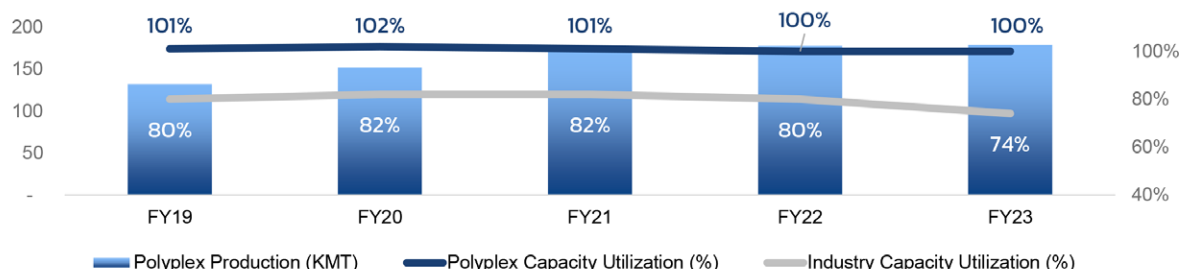
Value of total film sales to end users and distributors are as follows. Sales made through commission agents are included in 'End Users' segment.

CONSOLIDATED SALES	2020-21		2021-22		2022-23	
Customers	Bt. Million	%	Bt. Million	%	Bt. Million	%
End Users	10,000.27	68.25	14,588.50	72.43	17,615.64	74.26
Distributors	4,652.82	31.75	5,553.47	27.57	6,105.78	25.74
Total	14,653.09	100.00	20,141.97	100.00	23,721.42	100.00

Industry leading Cost & Operational Efficiency

Polyplex has consistently improved capacity utilization through debottlenecking and outperformed the industry

(Thin BOPET Film utilization)



Note: Industry CUF for 2022 is based on internal estimates and is reported as per CY while PTL CUF is based on financial year.

Key Drivers for Strong Capacity Utilization

Deep customer access and higher market penetration in key demand centers due to multi location manufacturing	Higher and increasing proportion of specialty films	Extensive sales and distribution network with local warehousing	Ability to move material between different regions depending on local market conditions	Diversification across packaging and industrial segment and in-house downstream businesses with varying market conditions	Consistent improvement in productivity and cost competitiveness
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Quality of Assets / Constant upgradation

Polyplex has remained ahead of the Industry in adopting the technical enhancement and manufacturing capabilities as can be seen below:

Line Size	Width in mm	1950 - 1990	1990 - 2005	2005 - 2007	2007 - 2017	2017 - Onwards
	Speed for 12 Micron	3.0 – 4.5m	6.5 - 7.2m	8.2 - 8.7m	8.2 - 8.7m	10.4 – 10.6m
Annual Output (MT / Line)		150 – 250 mpm	350 – 400 mpm	400 – 450 mpm	450 – 550 mpm	550 – 675 mpm
		4,000 - 10,000	15,000 - 20,000	20,000 - 30,000	30,000 - 36,000	40,000 - 55,000
Polyplex Leads the Way			 First globally to invest in 7.2m line when typical line size was 6.5m	 Second in the world to commission an 8.7m line	 Polyplex India and Polyplex USA - early adopters of 550 mpm speed capacity	 First globally to invest in a 10.6m line and achieve an operating speed of 675 mpm

- Industry wide increase in the width and speed of lines with significantly high output rendered the smaller lines cost ineffective and uneconomical to produce standard films
 - Polyplex has been consistently repurposing its older assets for producing specialty films
- Other technological improvements like direct melt casting lines, upgrades and debottlenecking have helped Polyplex to remain cost competitive

We are continuously investing not only in new lines – base film as well as upstream / downstream, but also in upgrading and modernizing our older assets as under:

- a) BOPET Thin film Line in Thailand (to be made operational soon), BOPET Thin film line in Turkey, and BOPET Thin Film line in Indonesia have been provided with a Direct Melt facility from the resin plant for cost efficiency and better product quality
- b) Twin Screw Extruder (TSE) for the BOPET Thin Film line (Co-ex) in Thailand and in Turkey have started in 2021 and will help to expand the speciality product range and improve operational efficiency
- c) A TSE (Co-ex) had been installed at Thick film line in Thailand a few years back for the same benefits

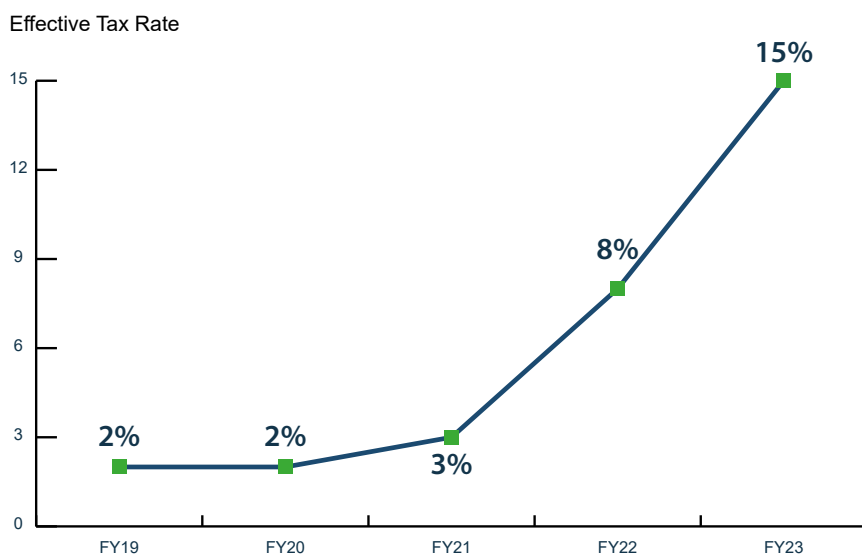
Investment in Inline process inspection and monitoring systems ensures superior quality and productivity. This also enables expansion of Specialty portfolio and customer base.

Intellectual Property Rights (IPR)

- 1) Polyplex has developed many products in the last few years and, for relevant markets, has filed patent applications. While filing for the patent, a careful study of potential impact of such products, competition threat, relevant markets, one time and recurring cost, etc. is done and a decision whether to go for patent protection or not is taken. Currently Polyplex has been granted 26 patents across various products/ processes/ countries and has filed application for 12 more patents.
- 2) Polyplex also owns brands like Sarafil, Saracote, etc. and has got them registered as trademark in key geographies besides the Polyplex logo and wordmark.

Tax Structure

We have favourable Tax status in many entities resulting in low rates of taxation on a consolidated basis. The following chart illustrates the low tax incidence in the Group:



The increase in effective tax rate in current year is mainly due to the impact of an additional Corporate Income tax of 10% in Turkey, imposed on account of the earthquake.

Competitive Advantages from Ongoing strategy

- 1) Standard products
 - a) Much better placed than most of our competition which helps get better & more stable prices / margin as well as volumes due to:
 - i) Multiple locations, near-shore or onshore presence in all key markets resulting in quick deliveries and supply chain dependability
 - ii) Competitive delivered cost due to logistics / duty differentials
 - iii) Cost leadership through investment in state-of-the-art contemporary assets with multiple lines / facilities in one location for economies of scale, highest productivity and operational excellence
 - iv) Benefits of Integration – captive resin as well as downstream assets complement the product range, enable product development and a complete supplier image
 - v) Consistent and good quality
 - vi) Customer intimacy with our Sales & distribution teams, technical services and R&D / innovation efforts
 - b) Higher sales in more sophisticated, quality and service conscious markets with entry barriers like USA and Europe (with some supplies from low-cost manufacturing locations) has helped us deliver better EBITDA/kg as well as EBITDA margin as compared to industry peers
- 2) Value Added & Speciality products
 - a) A substantial portfolio of value added and speciality / D-PAC products has been created which acts as a twin-layer moat for preserving the profitability / margins on the entire business
 - b) An ever-expanding range of products covering metallised films, offline coated films – extrusion coated, silicone coated as well as general purpose coatings, inline coated films and holography have helped to counter partially the drop in margins on account of standard films
 - c) Large potential for further growth with a healthy pipeline of products under various stages of development, supplemented by additional investments, strong relationships with potential anchor customers, engagement of consultants and expertise built up over the years. New trends are visible not only in flexible packaging (such as retort and see through applications) but also industrial (such as paper replacement), electrical (Solar, energy storage applications) and electronic applications (industry focus on size reduction, flexible electronics etc).
 - d) A large proportion of the downstream investments / value added and speciality products have been introduced in the last few years only and these businesses are yet to mature fully giving significant headroom for growth.

The above strengths are reflected in the strong relationships Polyplex has developed with most international multi locational customers

- 1) Polyplex is one of the major suppliers on a global basis to many of its global customer groups who are leading flexible packaging substrate suppliers in the world. With sales in all key regional markets – North America, Europe, Turkey, SE Asia, India, South & Central America and ANZ, not only is Polyplex able to match the geographical presence of its global customers; an expanded product portfolio including several specialty products and a long track record of quality & service besides commercial competitiveness has strengthened the relationship over the years.
- 2) Being a multi locational supplier with ability to give deliveries quickly and in small lots besides several other factors mentioned above has enabled Polyplex to become a Tier-1 / strategic supplier for most customers. Except a few, most of the competition including all the Chinese producers have single location / country manufacturing capability which results in customers being uncertain of the supply chain dependability. The challenges in last 2-3 years from supply disturbances like unavailability of containers as well as steep increase in freight rates, pandemics like Covid, increasing geopolitical risks like trade wars between USA & China, Russia & Ukraine, sanctions on Iran, India-China stand-off, etc. have forced entire industries to have a relook at their supply chain models and to ensure that domestic / nearshore sourcing is an important element of entire plan to ensure supply security.

1.2 Nature of Business

Company Overview

Excluding the parent company in India, PTL has a global manufacturing footprint across 5 locations in 4 countries –Thailand, Indonesia, Turkey, and the US. With an extensive sales & distribution network in key demand centers, Polyplex has achieved an even distribution of sales globally across Americas, Europe, South Asia and other Asia and services about 2,028 customers in about 79 countries. Polyplex sales & distribution network is unmatched in the industry even when compared to other multi locational producers. Except Africa and South America where we do not have any direct local presence and sell either directly or through some commission agents, we have direct presence mostly through employees of local origin in all the key regional markets.

An appropriate combination of integrated operations, contemporary assets, repurposed older lines, consistent improvement in productivity and cost structure securing long term cost competitiveness on a delivered basis has been one of the key differentiators of Polyplex. A well-staffed R&D team at Polyplex, ensuring multiple levels of customer engagement for product and application development has helped to develop a strong and growing portfolio of Specialty films and in turn drives deep and long-term customer relationships.

PTL has integrated operations with Upstream integration for captive resin at all manufacturing sites with merchandising opportunities and Downstream integration with an array of offline processing assets for various functional coatings and other applications. We are perhaps the only player to have integrated resin and film manufacturing across all locations which enables consistent PET film quality and new product development, in addition to cost benefits. Integrated operations helps bring about stability in earnings and unique market access and is hence, considered to be an essential component of our overall business strategy. Vertical Integration from resin to film to downstream investments in value added and specialty products further mitigates the volatility by capturing a larger part of the value chain.

PTL has the widest product portfolio in the industry across several polymeric film substrates and further downstream processing through various types of coatings resulting in an industry leading range of offerings and a growing composition of specialty products.

In addition, there is an ongoing and increasing pipeline of products at various stages of development which are brought on to the market every few years.

Revenue Structure

PTL's consolidated sales value classified by regions is shown below:

CONSOLIDATED	2020-21		2021-22		2022-23	
Customers	Bt. Million	%	Bt. Million	%	Bt. Million	%
Exports						
Asia	2,847.20	18.74	3,744.70	17.35	3,928.10	14.78
North America	2,922.57	19.24	4,658.80	21.58	5,440.83	20.48
Europe	2,952.31	19.43	3,512.42	16.27	3,444.05	12.96
Others	987.76	6.50	1,034.67	4.79	1,609.69	6.06
Total exports	9,709.84	63.91	12,950.59	60.00	14,422.68	54.28

CONSOLIDATED	2020-21		2021-22		2022-23	
Customers	Bt. Million	%	Bt. Million	%	Bt. Million	%
<u>Domestic sales</u>						
- PTL (Thailand)	783.40	5.16	806.70	3.74	790.68	2.97
- PE (Turkey)	952.29	6.27	1,178.04	5.46	1,684.92	6.34
- PUL (USA)	2,230.38	14.68	2,719.20	12.60	3,174.63	11.95
- PFI (Indonesia)	977.18	6.43	2,487.44	11.52	3,648.51	13.73
Total Domestic sales	4,943.25	32.54	7,191.38	33.32	9,298.74	34.99
Sale of chips/others ¹	491.30	3.23	1,402.85	6.50	2,619.24	9.86
Total sales revenues	15,144.39	99.68	21,544.82	99.81	26,340.66	99.13
Other revenues ²	48.16	0.32	392.09	0.19	231.36	0.87
Grand total	15,192.54	100.00	21,936.91	100.00	26,572.01	100.00

Note:

1) Sale of chips/others includes both domestic and export sales.

2) Includes Exchange gain (if any), Export Incentive, interest received, etc.

Business Operations by Each Product Line including Product Descriptions, Characteristics and Applications

The key product line of PTL continues to be BOPET films. Base films manufactured by using petrochemical raw materials like PET (Polyester) resin and PP (polypropylene) resin are grouped under Sarafil range of polymeric films. Apart from the Sarafil range of Base films, PTL also has several downstream coated film businesses.

Sarafil®

Sarafil Base Films are suitable for a range of applications with their inherent properties of being clear, transparent, flexible, sealable, chemical inertness, high barrier, superior mechanical properties and high heat resistance

BOPET

It is a flexible, clear, translucent or at times opaque material produced from PET polymer, a linear, thermoplastic polyester resin. PET film is a high-performance polymeric film and is generally more expensive than other polymeric films with several unique properties that are required for various end-uses. PET film has certain inherent desirable qualities such as high tensile strength, high heat resistance, excellent gas-barrier properties, dimensional stability, chemical inertness and clarity.

PET film is available commercially in varying thicknesses, widths, and properties depending upon the needs of end users. It can be produced as a single layer (mono) or can be coextruded with other co-polymers into a multilayer film with various functional properties encompassing the desired characteristics of each material. PET film is available from the production line in varying widths with new lines going up to 10.6 meters (mill roll) and in thickness ranging from about 4 micron up to 400 micron. In normal industry parlance, film upto 50 micron is classified as Thin and more than 50 micron is classified as Thick.

The surface finish is one of the most specialized properties in several applications, because it permits better adhesion by various materials to the surface of the film. Various surface finishes can be created by the inclusion of microscopic particles of specific sizes and concentrations in the molten polymer, or by externally treating one or both surfaces of the film. Chemical, physical, and thermal characteristics are imparted using proprietary chemicals and/or unique combinations of the extrusion, heating, stretching, annealing, cooling, and surface treatment steps.

These distinct physical properties can be imparted into the product either:

- a) During the polymerization of the PET resin with the addition of additives such as slip modifiers (surface modifiers), colour additives or chemicals like co-polymers or
- b) By introducing masterbatches during extrusion process or
- c) Subsequently during the PET film production process
 - i) By varying processing conditions and / or
 - ii) By externally treating the films' surface(s) for various surface finishes

Difference in properties among types of PET film include film thickness, surface treatment, optical properties (haze), surface characteristics and mechanical properties. The chemical base of polyethylene terephthalate is the same for all PET film and the addition of minor amounts of additive chemicals does not change the basic chemistry. The production process of resin – either batch or continuous – is essentially the same and results in film that has identical basic chemistry but not necessarily equal performance characteristics. All PET film represents gradations along a spectrum of attributes ranging from the thinnest to the thickest, the clearest to the most opaque, or the most balanced to standard biaxial orientation.

Thin PET

We have internally categorized the end use of thin PET films in different applications as follows:

1) **Flexible Packaging**

a) **Food Packaging**

- i) Sugar & Chocolate Confectionary
- ii) Cheese and Dairy Products
- iii) Tea & Coffee
- iv) Frozen Foods
- v) Crisps, Snacks & Nuts
- vi) Dried, Dehydrated Foods & Cereals
- vii) Biscuits & wafers
- viii) Staples like sugar, rice, flour, spices, cooking oil, etc
- ix) Other foods e.g. ketchup, juice, water cup lidding, ice cream cones, etc.

b) **Cigarettes & Tobacco** e.g. cigars, chewing tobacco, etc.

c) **Medical & Pharmaceutical** e.g. transdermal patches, gel patches, etc.

d) **Personal care & hygiene** e.g. wet wipes, shampoo, hand soap, etc.

e) **Kitchen & Home care** e.g. detergents, fabric softeners, refill packs, kitchen sponge, etc.

f) **Pet Foods**

g) **Garden and Outdoor** e.g. insect control, fertilizers, seeds, pesticides, etc.

h) **Miscellaneous** including balloons, car freshener, bag in box, gift wraps, garment packaging etc.

- 2) **Labels**
Barcode, outdoor labels (shipping / retail), QR code, Liquor bottle, shampoo, etc.
- 3) **Carton packaging**
Liquor Boxes, Tetra Pak, laminated cartons, susceptor pouches, perfume, chocolate boxes, etc
- 4) **Electrical & Electronics**
 - a) ESD Bags
 - b) Cable insulation
- 5) **Other Industrial**
 - a) Flexible duct
 - b) Hot Stamping Foil
 - c) Adhesive Tape
 - d) Construction Industry e.g. shingle tape, etc.
 - e) Release and transfer application e.g. FRP, textile transfer films, printed wood panels, etc.
 - f) Others - emergency blanket, textile yarn, glitter, reflective insulation, blackout blinds, etc.
- 6) **Digital**
Wide format, photo album, signage, tags, Calendar, display / menu cards, etc,
- 7) **Thermal Lamination**
Book lamination, ID card lamination, cigarette carton, lamination pouch, etc.

Thick PET

Key applications for thick films are as follows:

- 1) **Media & Decoration Films** e.g. Backlit, Banners, Window ads, graphic arts
- 2) **Release Liner Films** e.g. liner for electronics, protection films, etc.
- 3) **Window**
 - a) Safety Films
 - b) Sun-Control Films
- 4) **Specialty Liner** e.g. Medical Patch
- 5) **Electronic Segment** e.g. Membrane Touch Switches "MTS", Keypad, mobile protection films, etc.
- 6) **Electrical Segment** e.g. motor and transformer insulation, heating films,
- 7) **Photovoltaic (PV) Back-sheet**
- 8) **Construction Segment** e.g. Fiber Reinforced Plastic

BOPP (or OPP)

Sarafil BOPP films are transparent bi-oriented polypropylene films designed to offer high performance, great appearance and easy converting for flexible packaging and other applications.

Like BOPET film, BOPP is also a biaxially oriented film with good mechanical and physical properties. It is a clear, flexible, transparent or translucent material produced from PP polymer, a linear, thermoplastic polypropylene resin. BOPP film is available commercially in a range of widths, thicknesses and properties depending upon the end use requirements. The subsidiary in Indonesia has implemented a project for BOPP film which just started commercial operations in December 2021.

Like PET films, we have internally categorized the end use of BOPP films in different applications as follows:

- 1) **Flexible Packaging**
 - a) **Food Packaging**
 - i) Confectionery
 - ii) Ice cream
 - iii) Crisps, Snacks
 - iv) Biscuits
 - b) **Personal care & hygiene** e.g. shampoo, soap overwrap, etc.
 - c) **Garden and Outdoor** e.g. flower overwrap
- 2) **Labels** including Wrap around labels, Pressure sensitive labels and In-mould labels
- 3) **Carton packaging** including lamination and overwrap
- 4) **Textile Bags**
- 5) **Adhesive Tape**
- 6) **Graphics Lamination film** - Covers, Menu Cards, Photo album, Visiting Cards, Diaries, etc.

CPP

Sarafil CPP films are transparent cast polypropylene films designed to offer high performance, great appearance and easy converting for flexible packaging and other applications.

CPP films are also produced from a combination of various grades of PP polymer. Various constructions of CPP are available (multi-layer options) which are used to cater to several applications in specialty packaging, as a sealant layer in conjunction with other plastic substrates for packaging of food products, twist wrap usage in candies, etc.

Based on internal categorization, the end use of CPP films in different applications as follows:

- 1) **Flexible Packaging (Plain and Metalized)**
 - a) **Traditional applications**
 - i) Sealing
 - ii) Barrier
 - iii) Overwrap / bread bags
 - iv) Lidding films
 - b) **Non-conventional / specialty applications**
 - i) Retort CPP film
 - ii) Medical
 - iii) Anti-fog films

- 2) **Industrial**
 - a) Decorative lamination
 - b) Carrier film for printed circuit board
- 3) **Labels**
 - a) Protection films for labels
- 4) **Others**
 - a) Flower wrap

Blown PP/PE

BLOWN PP and PE film are available in a wide variety of features and properties used in specialty flexible and other applications

BLOWN PP, another variant of PP based film are used in pressure sensitive applications

Another variant of PP based film; this film would be silicone coated either on one or two sides for usage as a carrier film for pressure sensitive applications. Available in various colors, this kind of PP film is mainly used in the peel & stick waterproofing membranes where low release property at very high temperature is required. The Blown PP film is a niche product requiring specialized assets with unique flatness and low shrinkage requirements to enable optimum film processing on variety of coating machines.

The end use of Blown (PP/PE) films in different applications as follows:

- 1) **Flexible Packaging** (Plain and Metalized)
 - a) Traditional applications
 - i) Sealing Layer
 - b) Non-conventional / specialty applications
 - i) Retort PP film
 - ii) Metalized PE films
 - iii) High Barrier films – meat, seafood, etc.
- 2) **Industrial**
 - a) Release Liner for water proofing underlayment
 - b) Laser die-cutting for safety airbags
 - c) Container liners
 - d) Vapor Corrosion Inhibitor (VCI) films for metal protection
- 3) **Agricultural Application**
 - a) Mulch Film for moisture & insect protection and fumigant retention
 - b) Silage films

Examples of some end use applications of our films are given below:

Flexible Packaging - Food¹

Sugar & Confectionary	Frozen Food	Cheese & Dairy
		
Snacks & Cookies	Tea & Coffee	Cereals
		
Food Staples	Soups	Liquids
		
Specialty	Food	Others
		

¹ Sarafil Thin BOPET (Primarily).

● BOPP Specific

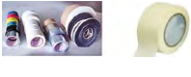
Flexible Packaging – Non- Food¹

Medical & Pharmaceutical	Kitchen & Home Care	Cigarettes & Tobacco
		
Personal Care & Hygiene	Pet Food	Garden & Outdoor
		
Electronics Packaging	Miscellaneous	Personal Care & Hygiene
		
Shrink Films	Textile Bags	Tapes
		

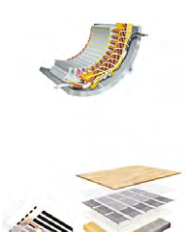
¹ Sarafil Thin BOPET, BOPP and CPP film.

● BOPP Specific

Industrial**Thin Films¹**

Flexible Ducting	Hot Stamping Foil	Tapes	Release Liners ^{1, 2}	EV Battery
				
MLCC	Construction, FRP 1,2	Window Films 1,2	Electronics 1,2	Others
				

Thick Films²

PV Solar	Electricals	Media & Decoration	Screen Protection	Face Shield	Electronic Liner
					

¹ Sarafil Thin BOPET; ² Sarafil Thick BOPET

CPP	Food	Food Overwrap	Flower Overwrap
	 Retort Anti-fog		
Blown PP	Construction Underlayment	Metalized PE, Sealant, Labels & Speciality	Safety Air Bags
			
	Retort PP	Mulch	Metal Protection
			
			Container Liner
			
			Stretch Wrap
			

SARACOTE - Silicone Coated Films

The Saracote range of silicone coated films (PET/PP) is designed to provide an excellent carrier to pressure sensitive material. The typical applications are in labels, tapes, roofing shingles and peel & stick underlayments

Silicone coated films are widely used in pressure sensitive adhesive applications as a carrier film. Polyplex offers a wide variety of film thicknesses with custom release levels to suit individual application needs. These REACH compliant films provide excellent silicone anchorage, smooth silicone lay down and flat release profile both at various de-lamination speeds and a wide range of temperatures. With products across clear, colored, metallized and matte category, Polyplex offers one or two-sided coated films using both 100% solids and solvent-based technologies. Custom printing and slitting are also offered as a part of the total solution.

The end use of Saracote films is for following applications:

- 1) Roofing and Construction Industry in North America**
 - a) Shingles Tapes
 - b) Release liners Water proofing underlayment ("Peel and Stick" – Blown PP film)
- 2) Industrial/ Others**
 - a) Label Liner
 - i) FMCG/ Beverage, etc.
 - ii) Medical & Hygiene products
 - b) Liner for Adhesive tapes
 - c) Electronic applications e.g. liner during mobile phone assembly process
 - d) Liner for Window films

SARALAM - Thermal Extrusion film

The Saralam range of extrusion coated film products cater to a variety of end use such as thermal lamination products like book covers, identity cards, etc besides carton lamination, wide format commercial films, etc.

Saralam films are extrusion coated with adhesive resins like LDPE or EVA to make lamination films which cater to applications like Thermal Lamination of documents or printed media, Reflective Insulation, Flexible packaging intermediates and Rigid packing using printed corrugated carton board. Polyplex can offer a range of BOPP, BOPET and Nylon based extrusion coated films.

BOPET thermal lamination films are used to get some properties which are typical in polyester like a high gloss and high stiffness. A wide variety of PET thermal lamination films is available in a range of thickness from 25mic to 250mic. Other key features of PET thermal lamination films include High bond strength, UV coating on the surface and high tensile strength.

Metallized BOPET lamination films cater to two very important industries - Reflective Insulation in the construction industry, also termed as "Roof Insulation" and "Carton Lamination", in the Offset Printing industry.

Metallized lamination films are gaining strong grounds in the following applications:

- In UV OFFSET PRINTING: For its advantages to offer higher press productivity, superior adhesion to paper/ board lamination, as a process saving tool & most important to print houses, as a "TIME" saving tool
- In ROOF INSULATION: As an economical lamination substitute and a highly user-friendly material, to very high cost Aluminum foils.

BOPP films have a wide range of aesthetics and hence it is easily possible to have various looks of laminating films. Main features of BOPP thermal lamination films are higher yield (m2 per kgs) in the same cost with comparison to some other films like BOPET films, reasonable strength for lamination purpose, excellent gloss, high transparency, good moisture barrier and good chemical resistance. Typical applications of BOPP thermal lamination films include Textbook covers, Brochures, Leaflets, Sweet boxes, Cosmetics, Shopping bags, Diaries.

Holography

Holographic range of films are PET and BOPP base film with a wide range of design and features for use in Brand protection, Aesthetic, Decoration, Packaging, and Gift Wrap applications.

Holography film is widely used for brand protection, increases the brand value and protects against counterfeiting of the end products by making it completely holographic.

The film gives the product that perfect shine and highlights its brand looks.

The end uses of holographic films are as follows:

- 1) Flexible Packaging
- 2) Carton Packaging
- 3) Gift Wrap

Examples of some applications of Downstream Coated films are given below:



Recycled Resin from EcoBlue (ECB)

Polyplex sustainable range of films aim to reduce the carbon footprint for a greener earth.

Key characteristic of sustainable films are:

- Source Reduction
- Low GHG emission
- Biodegradable
- Bio-Based
- Post-consumer Recycle (PCR) Content

Major end uses of recycled resin produced by ECB are:

- 1) Bottles and PET films for food packaging
- 2) High end sports and other fabrics
- 3) Fiber
- 4) PET straps
- 5) Compounding, Automotive and Sheet Applications
- 6) Personal Care Products Like Laundry and Shampoo Bottles

Examples of some end applications of Recycled resins are as below:

EcoBlue is a specialist in recycling a wide spectrum of materials		
Recycling Unrecyclable Materials	rPET for Virgin Replacement	Recycled Polyolefin for Virgin Replacement
 EcoBlue Strap2Strap Solution	 Bottles <i>US FDA approved</i>	 rHD for Bottles (under development)
 Metallized BOPET Film Recycling (Patented)	 BOPET Film <i>US FDA approved</i>	 rPP COPO with High Impact
 EcoBlue CircuLiner Solution	 High Quality Fiber	 rPP Clear HOPO Injection Molding & Filaments
 EcoBlue Laminate Solution		

Segmental Break-up of Sales Revenue

The segmental break-up of revenue (PTL Consolidated) from all Film sales are as follows:

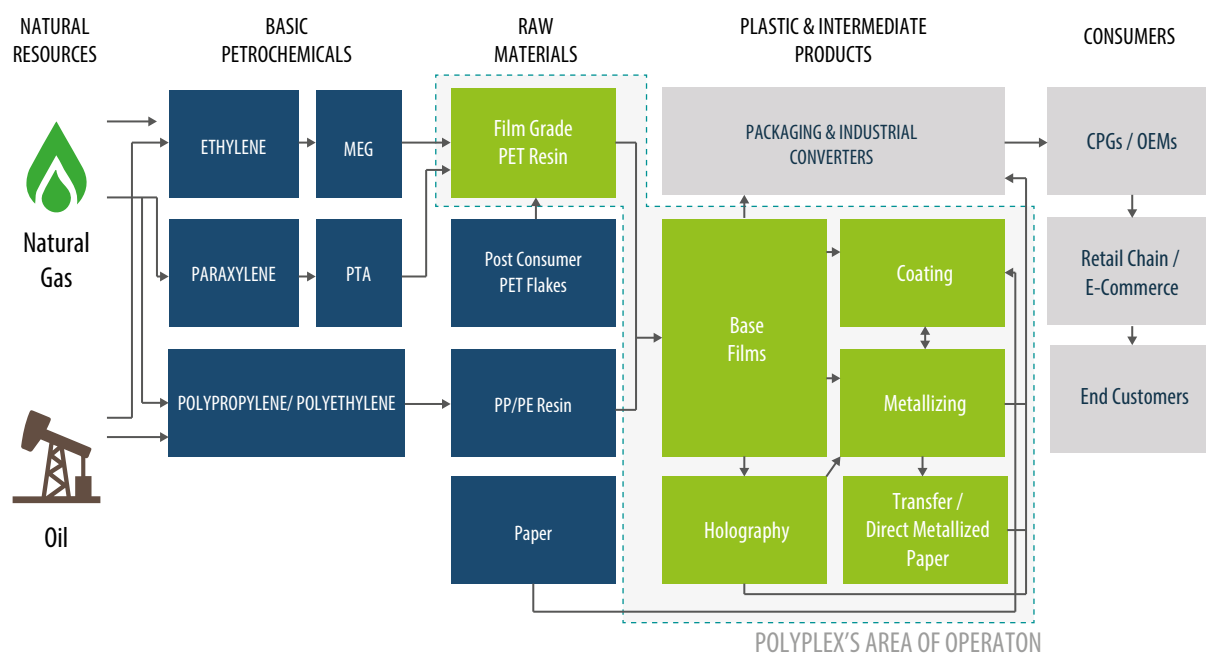
CONSOLIDATED SALES	2020-21		2021-22		2022-23	
Segment	Bt. Mn	%	Bt. Mn	%	Bt. Mn	%
Packaging Use	10,341.04	70.57	13,503.21	67.04	15,904.19	67.05
Industrial Use	4,312.05	29.43	6,638.77	32.96	7,817.23	32.95
Total Film Sales	14,653.09	100.00	20,141.97	100.00	23,721.42	100.00

Note:

Sales of all types of films have been segregated above, depending on end use application of each type of product sold.

Value Chain and Manufacturing Capabilities

The value chain for the Company's business is depicted below:



Production capacity

Capacity of Polyplex group is as follows:

	Resin		Base Films					Value Added Films			
	PET Film Resin ¹ (MT)	Mechanically Recycled Resin ² (MT)	BOPET Thin (MT)	BOPET Thick (MT)	BOPP (MT)	CPP (MT)	Blown PP / PE (MT)	Metallized (MT)	Holography (MT)	Coated ³ (mm SQM)	TMP (mm SQM)
India	77,600		55,000		35,000			32,500	4,080	257	83
Thailand	106,050	43,000	42,000	28,800		10,000	13,645	21,700	960	985	
Turkey	75,850		58,000				4,392	20,700	460	320	
USA	28,400 57,600		50,000 31,000					9,250		120	
Indonesia	90,000		48,000		60,000			18,000			
Group Total	435,500	43,000	284,000	28,800	95,000	10,000	18,037	102,150	5,520	1,682	83
PTL Consol	357,900	43,000	229,000	28,800	60,000	10,000	18,037	69,650	1,440	1,425	-

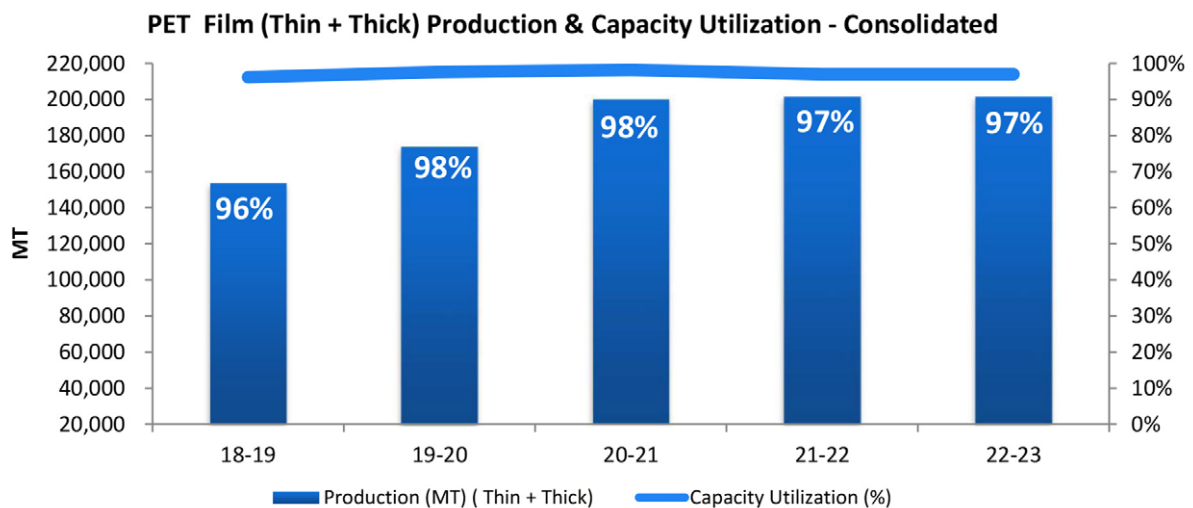
Total Resin Capacity (incl. upcoming capacities):
478,500 in MTPA

Total Base Films Capacity (incl. upcoming capacities):
435,837 in MTPA

■ Upcoming capacity

Note: ¹ Includes capacities for Chemical recycling; ² Represents extrusion capacity for Ecoblue Thailand; ³ Includes Saracote, Saralam and OLC (including Saraprint).

The capacity utilization rates for the Plain PET film lines (Thin + Thick) of PTL (Consolidated) are as follows:



Capacity and Production of any new line is included in above graphs for proportionate period, since start of commercial production

Major raw materialsPET resin

PET Resin (polyethylene terephthalate resin) is the major raw material in the production process for PET films. It has been the strategy of Polyplex to produce its own Resins at all the manufacturing locations. Accordingly, every location has its own Resin plant with sufficient capacity to meet its requirement.

Purified Terephthalic Acid (PTA) and Mono Ethylene Glycol (MEG):

The major raw materials for PET resin production are purified terephthalic acid (PTA) and mono ethylene glycol (MEG). To ensure uninterrupted procurement of raw materials the Company has currently tied up with local suppliers for PTA and MEG for PTL. In Turkey, the company procures bulk of PTA & MEG from 2-3 global suppliers through long term / yearly contracts and also explores spot opportunities for some part of the business as and when the market conditions are favorable to leverage on the surplus situation on these raw materials from time to time. The subsidiary in USA and in Indonesia are largely procuring their requirements from local suppliers.

The company enters into Annual contracts as per which 100% of the company's requirements would be supplied as per the specified price formula throughout the contractual period(s).

Major Raw materials for the BOPP and Cast Polypropylene Film production:

The major raw materials for the BOPP and Cast Polypropylene film production are Homo Polymer and Co-Polymer. Homopolymer is being procured regionally while Co-Polymer is sourced from imports within the region and from middle-east / India.

Major Raw materials for the Silicone Coated Film production:

For the Silicone Coating line, the main raw material is PET film which is transferred from the Company's in-house production and also imported from the Group companies (at Arm's length pricing). Silicone and other chemicals are being imported from USA and Europe from leading suppliers.

Major Raw materials for the Blown PP Film production:

For Blown PP film line, the main raw material is PP resins (Homopolymer, Co-Polymer and PP Color master batches). These are sourced from local suppliers as well as imports from within this region.

Major Raw materials for the Extrusion Coated Film production:

Apart from PET film, which comes mostly from the company's in house production and imports from the group company (at Arm's length pricing), the major raw materials for the Extrusion Coated film production are BOPP base film and Coating chemicals such as LDPE and EVA. All these are sourced from various manufacturers / traders from within Thailand as well as imports from within the region.

Markets and competitive environment

Our core business is BOPET films, which is a very well established industry with emerging end uses ensuring consistent healthy growth rates and a significant Potential. It is an attractive, vibrant and growing \$10bn industry with > 2.5x of global GDP growth rates since the turn of the millennium and > 3x in the last decade.

Some of the key features of this industry which ensures such a healthy growth rate is as under:

- The products' versatility ensures a continuous stream of new applications
- Largely consistent increase in demand, almost de-linked from broader economic cycles as many applications including flexible packaging are non-discretionary in nature
- Low per capita consumption of flexible packaging and end use consumer applications for electrical & electronics and other industrial films in developing countries to assure sustained growth for the foreseeable future

Over the years, the BOPET industry has evolved across the breadth of product usage, cost-efficient manufacturing technology as well as capacities and geographies. Some key structural changes brought about by this evolution is as under:

- An inexorable move to the East with Asia accounting for ~80% of both demand and capacity
 - Chinese producers turned to manufacturing at scale to serve a rapidly growing domestic demand with a few of them backward integrated into feedstock
 - China accounts for almost half of the world's demand and supply for both Thin and Thick Films
 - India emerges as strong demand center with consumption levels higher than North America, Europe and Central & East Asia (excluding China)
 - Indian owned businesses have enhanced capacity and global footprint
- Packaging has become the largest application constituting ~63% of demand. Flexible packaging continues to spur growth, further aided by new applications across electrical (PV) & electronics and other industrial films
- A dispersion of technology with progressive orientation towards higher productivity assets for standard films
- Gradual regionalization with domestic producers meeting requirements in large demand centers

Global Demand and supply

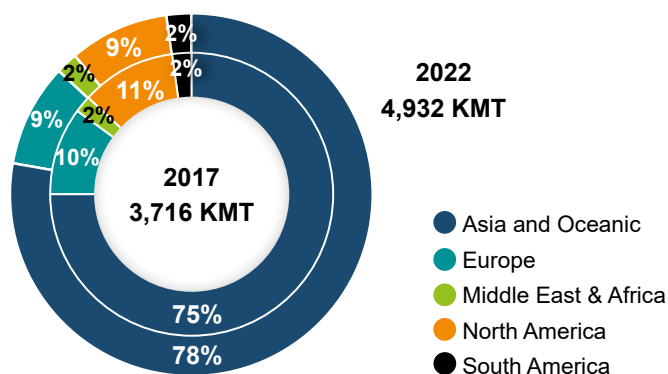
Thin PET Film

Thin BOPET Film Demand is expected to stay resilient and accounts for more than 80% of Global BOPET Film Demand.

Some of the key trends in Demand, Supply and Utilization are as under:

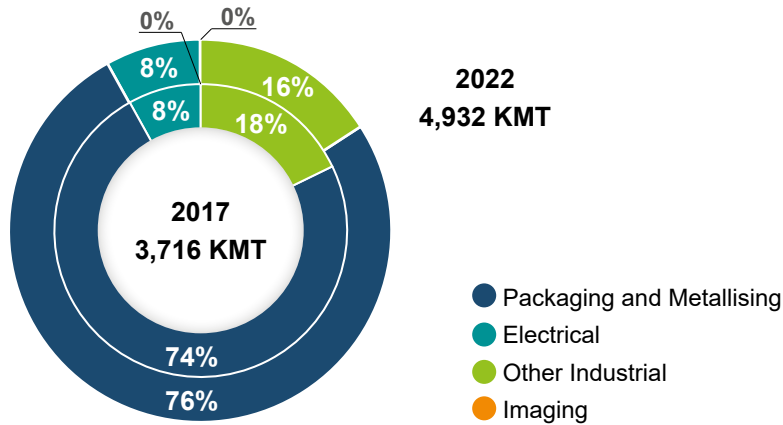
Key Trends - Demand	Key Trends – Supply and Utilization
 Global thin film growth expected at 5-6% in the next few years	 A large proportion of the new capacity targets standard product range, with a focus on productivity and cost
 Growth drivers include population growth, increasing urbanization, changing demographics, trend towards nuclear families and increase in purchasing power in developing countries	 New capacity additions expected to result in industry CUF being impacted in 2022-23 and improving during 2024-27
 Ageing population, evolving retail formats and penetration of e-commerce, together with focus on safety and hygiene has led to rise in per capita packaging material consumption. There is a continued shift from rigid to flexible packaging, and from loose to packaged products. Demand driven by higher disposable income	 Deferment / delay in new capacity additions and the expected closure / underutilization of older lines due to changing cost dynamics and impact of Covid-19 are expected to positively impact the outlook on utilization rates and has not been factored in the demand supply outlook
 Technological developments are leading to accelerated demand in electrical, electronics and other industrial applications, along with new applications like Lithium Ion Battery for EVs, which is expected to further increase demand	 Incremental demand over the next 5-6 years would exceed the new capacity added for most of the key demand centers

Global Thin PET Film demand by Region



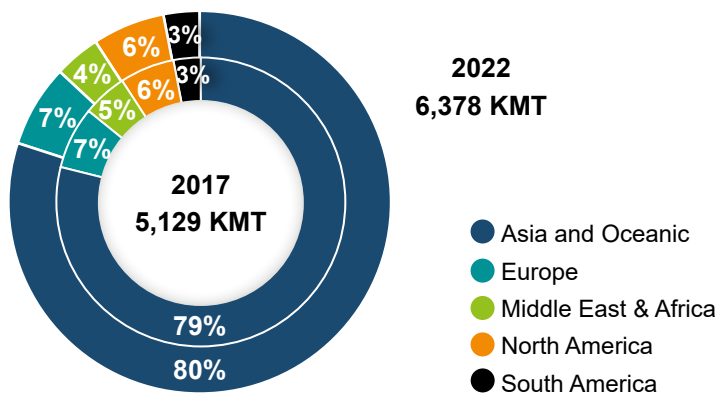
Source: Company estimates from Industry /Market study reports

Global Thin PET Film demand by End Use



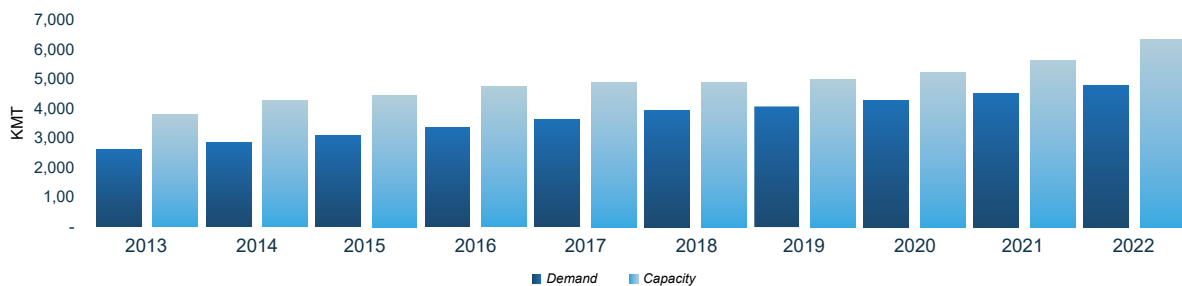
Source: Company estimates from Industry /Market study reports

Global Thin PET Film capacity by Region



Basis our estimates from market research and industry reports, the historic Global Demand Supply balance for BOPET Thin film industry is as under:

Global Thin PET Film Demand-supply



The PET film industry has witnessed significant capacity additions in last 1-2 years and some of the newly announced capacities are yet to come on stream. Majority of these new capacities are being installed in the low-cost countries – especially in China and India. With these new capacities, the industry has stepped into competitive era where producers with cost efficient production, attractive product basket with high share of specialty products, low leverage and sufficient cash reserves would have an edge over other players.

Some key points to note:

- China constitutes 45% of demand and capacity and more than half of new capacity is estimated to be added in China
- Excluding impact of China, the industry CUF rates are steadier

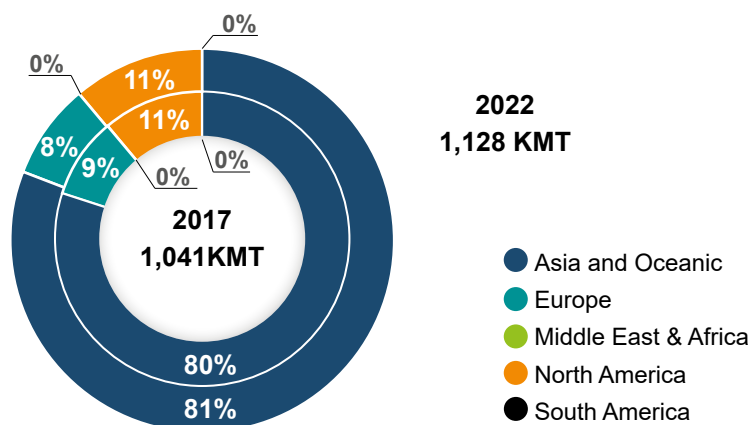
Thick PET Film

Electrical and Industrial are the key segments in Thick film industry. In the last few years the demand of Thick PET film has been growing at a CAGR of about 4-5% and demand growth for Thick BOPET Films going forward is also expected to remain steady.

Global Capacity Utilization for Thick BOPET Film has recently ranged between 60-70% and is expected to remain steady. Majority of Thick BOPET Films capacity is concentrated in Asia. Capacity addition for Thick BOPET Film in China has been significant on the back of investments in PV and electronic industry.

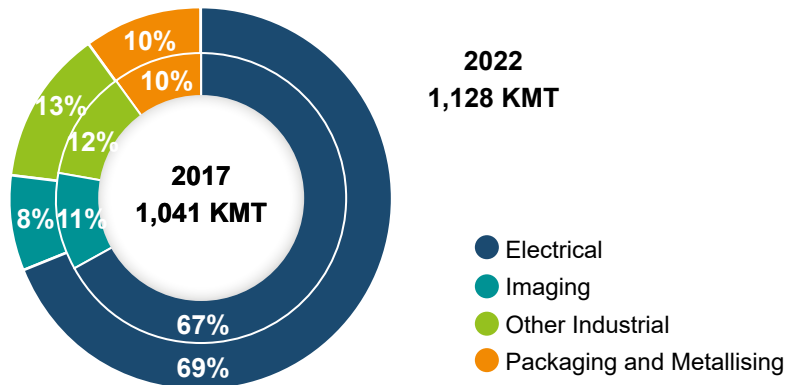
Key Trends - Demand	Key Trends – Supply and Utilization
 Increase in photovoltaic (PV), flat panel display (FPD), liner for electronic applications and flexible electronics are expected to be the major contributors in driving growth of Thick BOPET Films	CUF levels are expected to be lower than the historical trends at 60% levels going forward 
 Typically, demand for electrical & electronics and other industrial applications grows steadily and provides stability to earnings. Demand in 2020 was however impacted by Covid-19, has recovered substantially in 2021 and will likely be better than pre-Covid-19 levels in 2022	Due to high quality standards required by the customers, there is high level of wastage resulting in low utilization levels in the industry; as a result, thick film lines often operate at ~70% utilization levels 

Global Thick PET Film demand by Region



Source: Company estimates from Industry /Market study reports

Global Thick PET Film demand by End Use

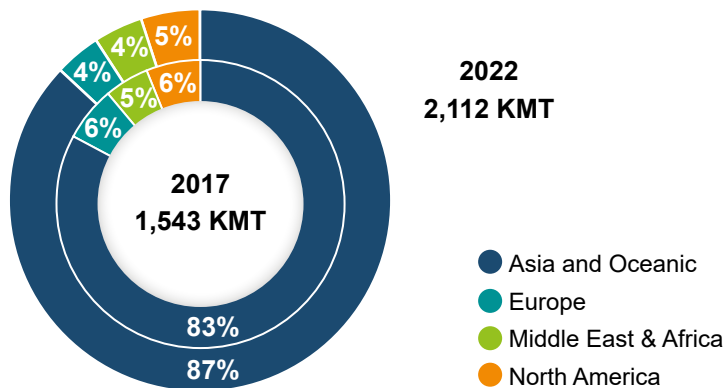


Source: Company estimates from Industry /Market study reports

Similar to Thin Film industry, the additions in the capacity of Thick PET film has mostly been done mainly by countries within Asia like China, South Korea and Japan, resulting is Asia having 87% of the Global capacities.

China has emerged as the largest market for thick BOPET films with a market share of 49%; Japan, Korea and Taiwan contribute to another 25% of global demand

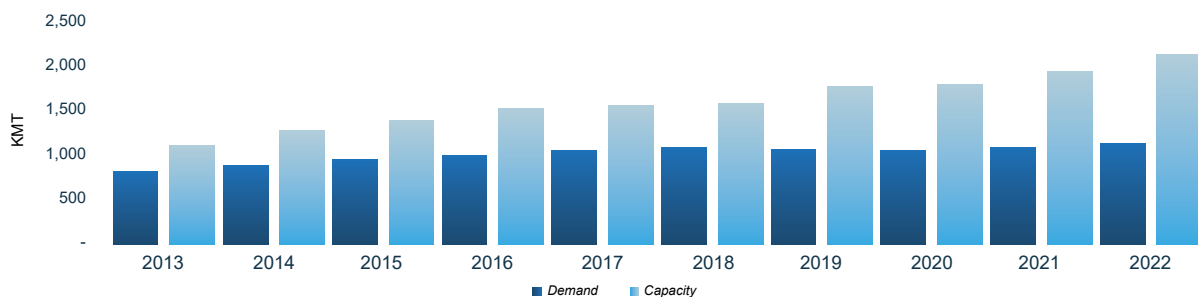
Global Thick PET Film capacity by Region



Source: Company estimates from Industry /Market study reports

Basis our estimates from market research and industry reports, the historic Global Demand Supply balance for BOPET Thick film industry is as under:

Global Thick PET Film Demand-supply



Global competition

PTL is the only Thick Film producer in Thailand and one of the very few in SEA. Regional demand in South East Asia, is met by Chinese, Korean, Taiwanese and Japanese producers besides PTL.

PTL has only one Thick PET film line, hence is not highly exposed to the Global competitive environment and can optimize product, application and market mix to ensure stable margins.

As far as Thin BOPET film is concerned, despite the new capacity additions, the Industry still remains quite fragmented with the top player having only 9% capacity share and the top 10 players accounting for 50% capacity share.

Producer	% Capacity share*
Hengli Petrochemical (Dalian) Co., Ltd.	11.6%
Jiangsu Shuangxing Color Plastic New Materials	8.6%
Jiangsu Sanfangxiang Group Co. Ltd	6.7%
Billion Industrial Holdings Ltd	6.5%
Uflex Ltd	4.5%
Rongsheng Petrochemical Co Ltd	3.4%
Polyplex Corporation	3.1%
Toray Advanced Film Co. Ltd	2.9%
SRF Polyester	2.4%
Shaoxing YueLong Chemical Fibre	2.0%

* Forecasted capacity in 2025, including ongoing expansions underway

Polyplex group with its well spread out manufacturing facilities in India, Thailand, Turkey, USA and the latest one in Indonesia, is one of the major players and has attained preferred supplier status in the industry. Globally, Polyplex would be ranking # 2 (excluding China) post the Brownfield BOPET thin film expansion in USA.

Domestic competition

Thailand's PET film market is of small scale as compared to the global PET film market. PTL has principally focused on Thin PET film since its inception in Thailand in 2002 and over the years, has had several other capacity expansions in downstream and side stream businesses. It is presently having the second largest capacity in Thin BOPET.

- 2 other players (besides PTL) with one of them backward integrated into bright resin
- Thailand is the second largest regional market. Players other than PTL sell mostly in the SEA region
- PTL focuses mainly on differentiated sales mainly to multinational customers in Thailand as part of global arrangements

The film production capacities of the various plastic film producers in Thailand as at 31st March 2023 are as follows:

Production line (tons per year)	Thai Film Industrials Plc.	A.J. Plast. Plc.	SRF industries Limited	PTL*
BOPP film	73,000	182,000	45,000	-
PET Thin film	-	62,000	72,500	48,000
PET Thick Film				30,146
CPP film (incl. CPP metallized film)	3,500	16,000		16,114
BOPA film	-	30,000		-
Metallized film	4,500	23,500	12,000	23,800
Blown Film				15,920
Total	81,000	313,500	84,500	133,980
Thermal Lamination film	-	-		365 mn Sqm
Silicone Coated Film				816.48 Mn Sqm
Offline Coated Film				70 Mn Sqm

Source: Form 56-1/Industry sources

* PTL capacities are as approved by BOI (for projects promoted by BOI). For actual attainable capacities, please refer table below, under section 'Production Capacity'

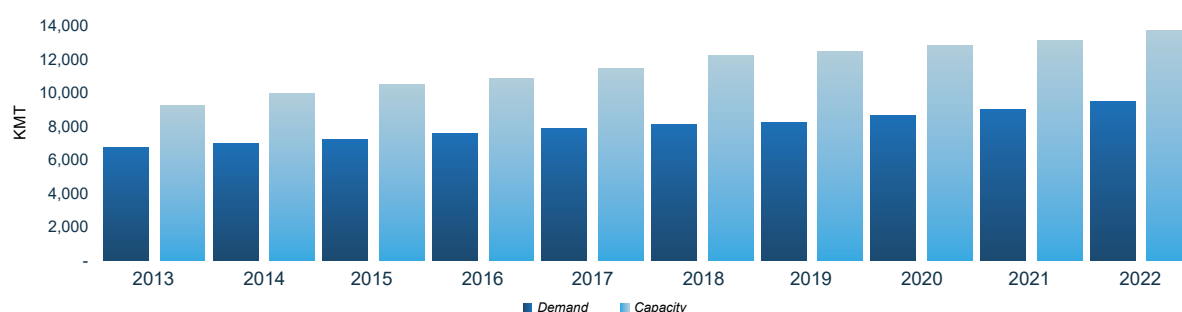
** Combined capacity p.a. as approved by BOI for CPP plain and metalized film

Conclusion on BOPET Thin PET film industry

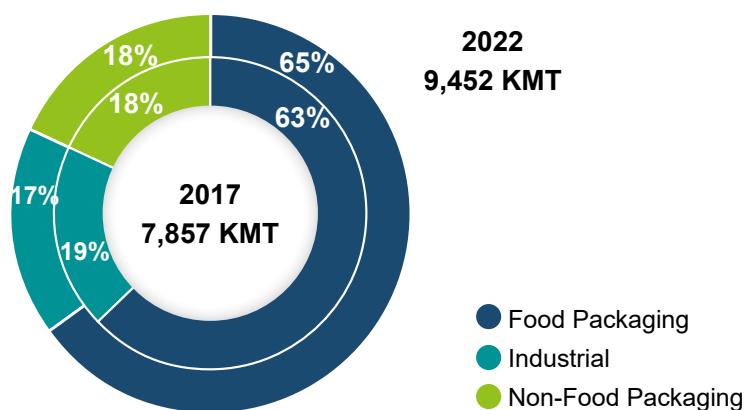
- The PET film industry has witnessed significant capacity additions in last 1-2 years and some of the newly announced capacities are yet to come on stream. Majority of these new capacities are being installed in the low-cost countries – especially in China and India.
 - Exports from China beyond East Asia are insignificant, given limited product portfolio, inflexible commercial terms, constrained technical support and high import duties (especially in USA). Within East Asia also, Chinese imports are subject to significant import duties in Indonesia and Korea.
 - As far as India is concerned, it is a big market and growing at double digit rates which itself would generate additional demand in future. Exports to USA market are limited due to heavy duties on most of the products. Europe is one of the key markets for Indian players who already have presence in this region.
- Given the versatility of the product, new applications with significant volume emerge from time to time. Illustratively, PET film is now being used in the production of Solar modules and Electric Vehicle (EV) Batteries. Demand for these and other such applications would ensure healthy growth of the industry in the coming years.
- The impact of new capacities is also likely to be mitigated somewhat by expected closure of some older and inefficient lines as they would not be able to compete with the new wider and faster high productivity lines.

BOPP Film Industry

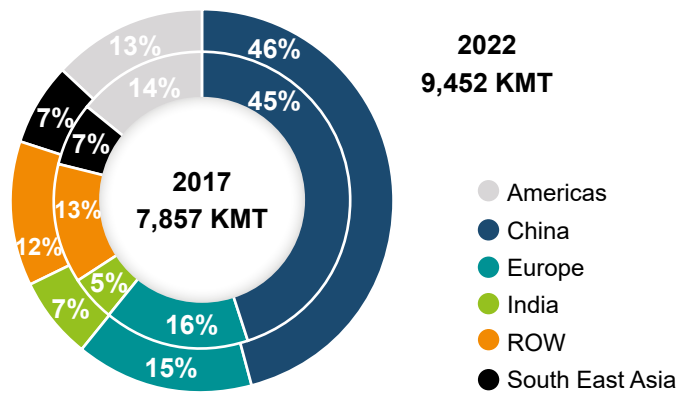
- The global demand for BOPP is ~9,500 KMT and is expected to grow at ~5%
- Food packaging accounted for ~65% and non-food packaging for 17% of the total BOPP demand in 2022
- International trade in BOPP relative to production is much lower in comparison to BOPET, as BOPP is dispersed geographically
- Regional demand-supply dynamics plays a more important role in this industry rather than the global demand supply

BOPP Global Demand Supply

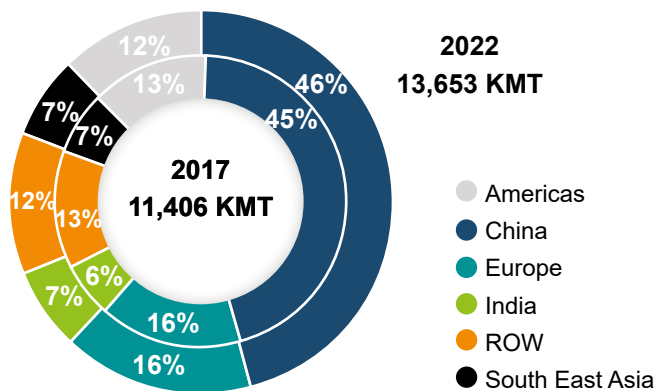
- Globally, the industry does not run on 100% utilization on account of product mix and CUF between 75-80% is typically described as 'full'

Global BOPP Film demand by EndUse

Global BOPP Film demand by Region



Global BOPP Film capacity by Region



Trade defense Measures

Trade defense measures (Anti-dumping duties, countervailing duties, safeguard measures etc) are imposed to protect local producers against unfairly traded or subsidized imports. Anti-dumping duties are imposed on imports if the ex-factory prices of such imported products are proved to be lower than the local selling prices of similar products in the respective exporting country. Countervailing duties are tariffs levied on imported products to offset the impact of subsidies applicable for exporters in those nations. Such tariff measures increase prices of imported products, usually rendering exporters uncompetitive.

PET Film: International trade in PET film has been subject to trade defense measures for more than three decades through the imposition of anti-dumping duties and countervailing duties. The important markets adopting this measure are the EU, the US, Korea, Indonesia and Brazil.

Polyplex has an advantage vis-à-vis competition in key target markets. Owing to its global manufacturing presence, it can minimize duty incidence thereby achieving most competitive delivered cost for customers.

Polyplex's relative advantage in key markets for BOPET films

Market	Lower Duty Countries (0%-5%)	Medium Duty Countries (5%-10%)	Higher Duty Countries (10%+)	Polyplex Advantage
Indonesia		Thailand / 1 supplier of China	Rest of China, India	• Local producer
South Korea	• Indonesia, Thailand, China (select producers)	Pakistan	India, China, UAE	• No duty from Indonesia • Lowest duty from Thailand
Turkey	• Egypt, Poland, Hungary, Pakistan		India, Bahrain, Peru, China	• Local producer
USA	• GSP ² (0%) - Indonesia, Pakistan, Nigeria • FTA (0%) - Bahrain, Peru, Colombia, South Korea • Normal (4.2%) - Thailand, Turkey	India (select producers)	India, China	• Local producer • GSP from Indonesia ²
Brazil ¹	• Peru, Colombia	Thailand, Indonesia, Pakistan	India, China ³ , Egypt ³ , UAE, Bahrain, Turkey	• Thailand and Indonesia with no ADD
EU	• 0% - Turkey, Pakistan, Egypt • GSP (3%) – Indonesia	China, Thailand, Colombia, India ⁴		• Duty free access from Turkey • GSP from Indonesia
Thailand	• Indonesia, China	India, UAE		• Local producer • No duty from Indonesia
Japan	Indonesia, Thailand, India, Pakistan	China		• Multiple locations with zero duty • Incumbent supplier position

Note: ¹ Since ADD rate is in \$/kg, categorization has been done considering relative duty rates; ² MFN Rate Applicable since Jan-21, pending GSP Program renewal; ³ Currently Suspended ⁴ Suspension of GSP concessions for India covering Chapter 39 products entirely (PET, BOPP and PET Resins) effective 01st Jan 2023

The company is undertaking all the safeguards to insulate against the risk arising out of anti-dumping duties and other protective barriers imposed by the importing countries. Polyplex's strategy of having a geographically diversified manufacturing set up has protected it from such trade barriers and helped retain its competitive positioning over the years. As a local producer in many countries, it is also evaluating actions for protection against unfairly traded or subsidized imports from other countries

BOPP Film:

Most of the BOPP producing countries in South East Asia have imposed Anti-Dumping duties on imports from within and outside SE Asia. However, there is no significant impact of such duties on our BOPP operations in Indonesia as the key target market remains to be domestic which is also protected against imports like other South East Asian countries.

Impact on the environment

There is minimal impact on environment caused from the polyester film production process since PET in both film and resins are generally recyclable.

For its existing Polyester resin line and the upcoming new line, it has received the required EIA approval and submits regular reports required as per EIA approval to the concerned authorities.

The Company has been following best practices relating to the environment, health and safety and has been diligently following the guidelines that have been set out as per the following certifications:

Management System International Standards	PTL-Thailand	PE - Turkey	PU - USA	PFI – Indonesia	Ecoblue Limited
Quality Management System (ISO 9001:2015)	Certified since 2003	Certified since 2006	Certified since 2018	Certified since 2020	Certified since May 2022
Environment Management system (ISO 14001:2015)	Certified since 2004	Certified since 2009	Certified since 2018	Certified since 2020	-
Occupational health & safety management system (OHSAS 18001:2007/ISO 45001:2018)	Certified since 2008	Certified since 2009		Certified since 2020	-
Food Safety Management System (ISO 22000:2005 / BRC-IOP/ FSSC-V5)	Certified since 2009 (ISO 22000) and FSSC 22000 V4.1 since 2020	Certified since 2006 (BRC-IOP)	Certified since 2021	Certified since 2021	-
Energy Management System (ISO 50001:2011)	Under implementation and expected by Q2 2022-23	Certified since 2014		Certified since 2021	-
Global Recycled Standard Certification	-	-	-	-	Certified since 2020
Letter of No Objection (LNO) for Food Contact Applications (U.S. Food & Drug Administration)	-	-	-	-	Certified since 2019
IMS (IMS (Interstate Milk Shippers) Certification)	-	-	Certified since 2020	-	-
RCS (Recycled Claim Standard) Certification for RPET Resin and Film	Certified since May 2022	-	-	-	-
Greenhouse Gas Emission Certification	Certified since 2021	-	-	-	-
The European Food Safety Authority	-	-	-	-	Certified since 2022

Key Ongoing Projects

Brownfield BOPET Film line Project at Polyplex USA LLC, USA.

In September, 2020 the Board approved an investment in a BOPET (Biaxially Oriented Polyethylene Terephthalate Film) film project in USA, co-located with its existing facilities on the available surplus land.

Project Details

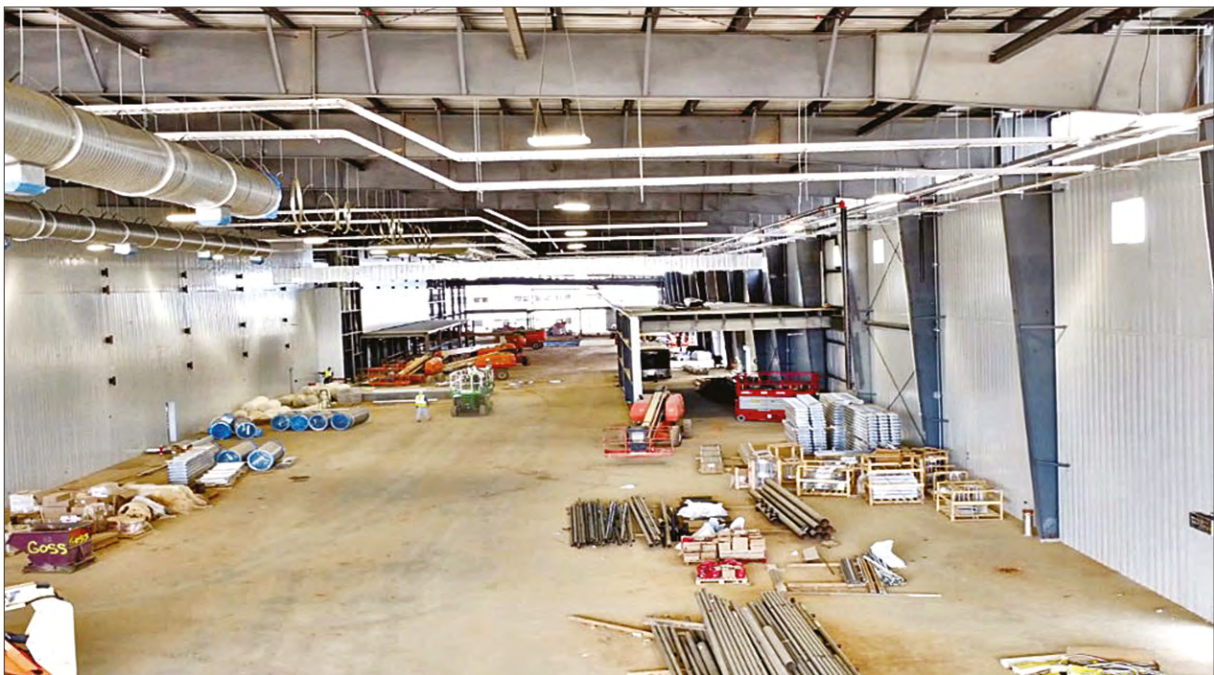
1. Total Capital investment is about 127 million USD
2. BOPET Thin Film Line of 10.6 metres width & design speed of 650 metres / minute with an annual installed capacity of 50,000 TPA
3. De-bottleneck the capacity of existing PET Resin line from 58,000 TPA to 86,000 TPA to take care of the enhanced captive needs with the new investment in PET film
4. Downstream Investment into an Offline Coater
5. Funding of the Project proposed through a judicious mix of internal accruals of the US subsidiary and Inter-company loans from the Turkey subsidiary and Bank borrowings, as maybe required.
6. Project start up expected by Q2 of 2024-25.

Project Rationale:

By implementing the Brownfield BOPET Thin film project in USA, the company would have certain benefits as given below:

- North America has a large domestic PET Film market which is highly dependent on imports.
- There have been no major investments made in USA in this industry over the last 2-4 years and no known upcoming capacities. Hence, there is an attractive opportunity to capture the demand growth being an on-shore supplier and increase our market share by leveraging on Polyplex's existing marketing capabilities, customer relationships and long-term experience of servicing this market
- Develop a competitive cost structure with an optimum combination of 2 BOPET lines along with backward integration into captive PET resin manufacture. The proposed new line being world's highest output PET film line will significantly enhance the overall cost competitiveness as compared to other domestic suppliers as well as Off-shore suppliers. Post this line, Polyplex USA will become the most competitive Thin BOPET Film producer in USA.

- Advantages of being an onshore supplier as compared to an off-shore supplier:
 1. Proximity to customers leads to reduced cycle time, faster deliveries and is clearly a source of differentiation in the eyes of the customer,
 2. Mitigate the risk of trade barriers such as Anti-Dumping duties/CVD which is a common threat in this industry.
 3. Increased preference for Local Supply chain due to:
 - a. Geo political uncertainties
 - b. Pandemic related uncertainties and supply disruptions
 - c. Supply chain logistical challenges
 - d. Increased protectionist outlook



1.3 Shareholding structure

Securities

PTL's Registered capital at 31st March, 2023 was Baht 900 million and Paid-up capital was Baht 900 million, divided into 900 million ordinary shares each of Bt. 1 par value.

The shareholding structure of PTL as on 31st March 2023 is:

Category	Shares	%
Polyplex Group (Sponsor Shareholders)	459,000,000	51.00
Institution – Thai	36,480,293	4.05
Institution – Foreign	15,312,540	1.70
Retail – Thai	388,849,252	43.21
Retail – Foreign	357,915	0.04
TOTAL	900,000,000	100.00

The shareholding structure of Polyplex Corporation Limited (PCL), the parent company of PTL as of March 31, 2023 is shown as below:

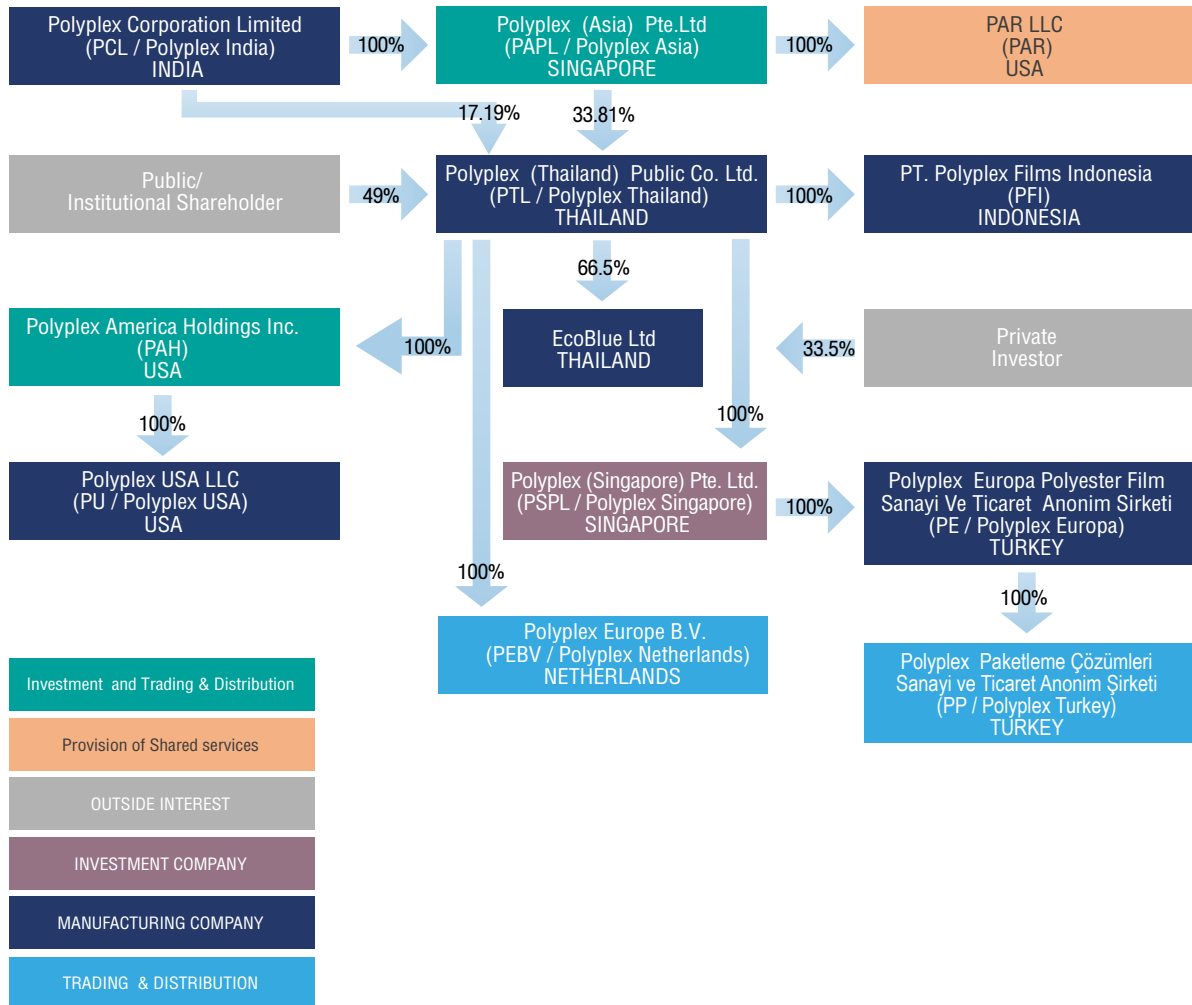
Name	%
Promoter/Sponsor Group	50.97
Institutional investors	15.50
Indian public (Non-Institutional Investors)	32.27
Other shareholders	1.26
Grand total	100.00

Top 10 Shareholders in PTL as at 31, March 2023:

Shareholder Name	Number of shares	% Holding
POLYPLEX (ASIA) PTE LTD.*	304,290,882	33.810%
POLYPLEX CORPORATION LTD.*	154,709,118	17.190%
Mr.Paisarn Chatpitak	44,999,900	5.000%
Mr.Paiwan Chatpitak	44,994,000	4.999%
Mr.Piyawat Chartpitak	44,970,000	4.997%
Mrs. Yuwarad Chusakul	44,825,000	4.981%
Mr.Chatchavarn Chusakul	30,980,000	3.442%
Thai NDVR Co.,Ltd.	22,624,693	2.514%
Mr.Sunchai Udomratchatavanich	16,700,000	1.856%
Mr.Thanapat Chadpitak	10,040,000	1.116%
Mr.Wichian Savaitvanit	10,000,000	1.111%

*Sponsor shareholders in PTL

Group shareholding structure

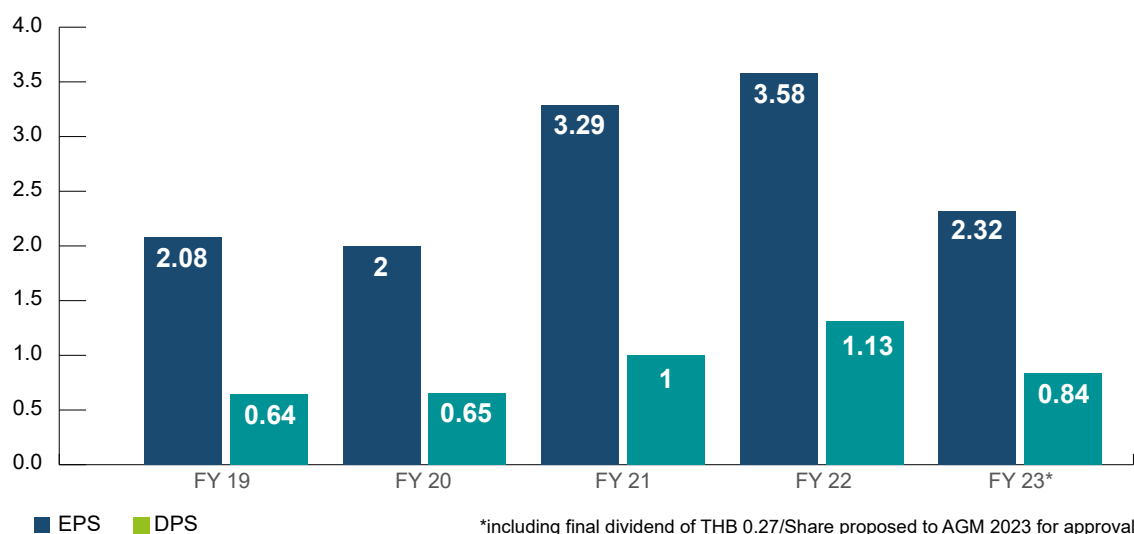


PTL Dividend payment policy

As per the dividend policy stated in the prospectus, dividend is paid out at rate of about 40% of the annual net profit, taking into account economic conditions, growth plans, future deployment opportunities, the Company's financial position and liquidity and subject to the approval by the shareholders.

The historic trend of Dividend declared/paid and Earnings per share (normalized for forex fluctuations and one time exceptional items) for past few years is as under:

EPS and Dividend Per Share (THB/Share)



For the year 2022-23, the Board has proposed an annual dividend of Bt 0.84/ share or total payout of Bt 756 million, which is a payout of 35% on Normalized profits of the Company (after adjusting the impact of Unrealized Forex Loss). Since the company has already paid out an Interim Dividend of Bt 0.57 per share totaling to Bt.513 on 8 December, 2023, a final Dividend of Bt 0.27 per share totaling to Bt. 243 million is being proposed for shareholder consideration and approval in the 2023 Annual General Meeting of shareholders.

Risk Factors

Before deciding to invest in the shares of the Company, investors should prudently consider the risk factors described in this section and all information contained herein. Apart from the said risk factors, there could still be other unpredictable risks that may adversely impact the Company's operating results.

The key risk factors are:

Competition and Business Volatility Risks

BOPET films is our core business and is considered a high value-added business within the entire petrochemicals value chain. It does not exhibit many of the commodity-like features in even the standard product range unlike its precursor – PET resin, which in turn is made from true commodities like PTA and MEG. For Example:

- a) The product is almost always made to order and to customers specification
- b) There is a multiplicity of SKUs depending upon many parameters as under:
 - i) Product type which can vary based on:
 - (1) Surface treatment (plain, corona or inline coated)
 - (2) Processing conditions can vary to provide differing mechanical / other properties in the finished film for various end use applications
 - (3) Variations in input resin (which we produce in-house at all the locations) to suit a particular applications or develop new ones
 - ii) There is also an increasing number of SKUs which involve one or more downstream process like metallizing, coatings, holography or lamination
 - iii) Thickness (8 micron to 350 micron)
 - iv) Length (can vary from 2,000 – 64,000-meter length)
 - v) Width of film (from 35mm to 4,200mm)
 - vi) Core Inner diameter (ID 3"-10" core) depending upon customer machine specifications
- c) Many a times, customers ask for specific label/ packaging as well as quick turnaround. Ability to manage these requirements along with consistent quality and customer service form important differentiators which are difficult to replicate.

The BOPET film is further classified as thin films and thick films. While thick films are mostly for industrial applications, thin film finds its usage as flexible packaging as well as several industrial applications such as building construction, electronics, print transfer etc.

The industry margins in standard thin BOPET film hinges on Value Addition "VA" (i.e. difference between the PET film price and the costs of PTA and MEG which are the major raw materials). The thin PET film industry is prone to margin fluctuation primarily driven by bunching of capacity additions, while demand growth remains consistent. Impact on margins could vary across regions depending upon extent of new capacities and nature of competition.

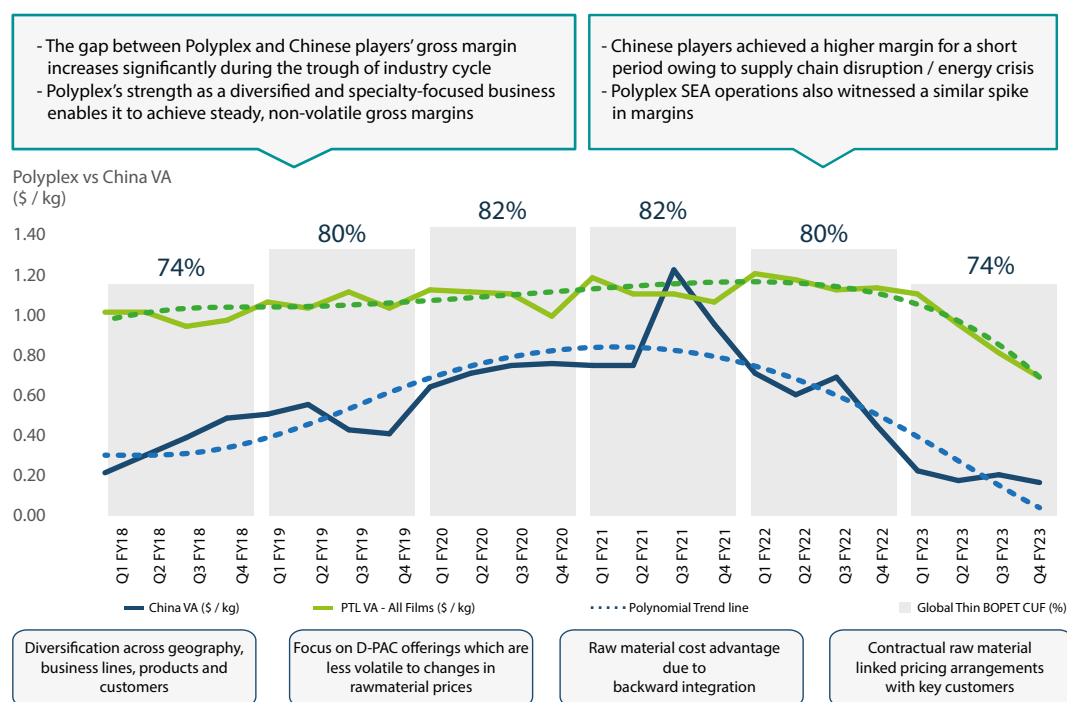
Whenever the demand supply balance favors the suppliers, VA usually widens as Suppliers are able to increase or hold on to selling prices even if there is a decline in input raw material prices. On the contrary, if PET film supply is larger than market the demand, film prices tend to decline, hence narrowing VA levels.

PTL is well placed to counter the adverse effect of any exposure we may have to Business volatility risk due to the following:

- 1) PTL has the capability to diversify the risk given its fragmented and well spread customer base, diversified applications, evenly distributed sales mix and fully integrated operations.
- 2) The downstream businesses like Saralam, Saracote, OLC (Offline surface coating), Holography etc usually would help in stabilizing the overall margins as for many products, the end pricing remains largely stable.
- 3) Preferred partner of customers for product and application innovation

Another key point is the significant and consistently higher material margins in Europe and North America markets as compared to SE Asia for the standard product, which the operations in Turkey and USA are able to leverage upon. The European and North American markets have high dependency on imports and logistics / duty differentials play a large role in the pricing differences besides premium for local players, faster deliveries, smaller delivery lots, etc. Europe market has become more balanced now given new capacities added in the region. The sharp increase in the energy costs in Turkey in the second half of last year has adversely impacted the margins of the Turkey subsidiary, as the costs could not be entirely passed on to end customers due to competitive imports. Further, the correction in Global ocean freight rates has impacted import parity pricing in Europe and US markets, thereby reducing the margins by a reduction in premiums available to on shore manufacturers.

The below graph demonstrates the superior and relatively more stable VA of PTL on a consistent basis, as compared with the Industry benchmark margin (China) for standard Thin PET films.



Source: Industry reports and Company Information

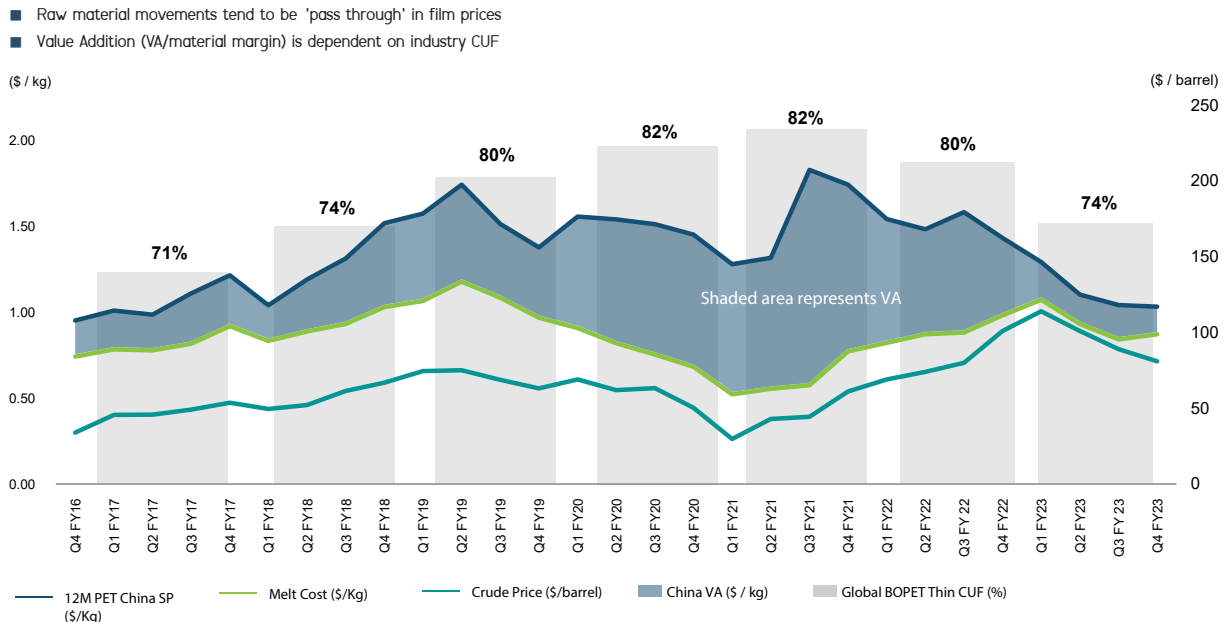
It may also be observed that the variability in VA across quarters is much more than the yearly averages due to many other factors like:

- Seasonality impact (Chinese new year holidays for Asia, July/Aug due to vacation period for European operations, Christmas / New Year for US operations etc)
- Sharp Raw material price movements whereby selling prices for standard products take between 1-3 months to adjust
- Start-up of new capacity can impact the regional pricing for the first couple of quarters before stabilizing
- Additionally, sharp movement in FX rates and/or freight rates can also impact the short term VA given the existing order book and lag in pricing adjustments.

Risks relating to uncertainty in prices of the product and raw material

The raw material for PET film is PET resin which in turn is made from PTA and MEG, two globally traded petrochemical intermediate products derived from crude oil / gas. PTA and MEG prices tend to move in line with crude oil movements though demand / supply balances at each intermediate product stage also influences the prices / margins. Polyplex produces its entire requirement of PET resin in-house through its Continuous & Batch process plants at various locations. Raw material costs are a high proportion (60%-65%) of the total cost of production for PET film and hence the selling prices move in tandem with movements in input prices. However, there may be a lag of between 1-3 months in adjustment to selling prices depending upon the practice in each regional markets on frequency of negotiation.

The following graph would illustrate the influence of crude oil prices on our raw material costs and consequently the selling prices of BOPET film, but also establishes the low co-relation between Crude Oil and Industry benchmark (China) value additions:



Source: SCI and Internal estimates

As can be seen above, crude oil prices have an important bearing on PTA & MEG melt cost. However, the value addition of the PET film industry is more influenced by the industry demand-supply scenario rather than the crude or melt cost, which is a pass through in most of the cases.

Further, Asia is a dominant player in PTA as well as MEG thus affecting prices of these key raw materials globally. Having raw material prices aligned to Asia is important from two reasons - 1) these affect raw material prices (including resin) for players in different regions and 2) raw material cost of Asian Film producers would be linked to Asian Indices.

Polyplex has followed a strategy whereby the raw material sourced by different units have some sort of linkage to Asian prices to be aligned to other competitors.

Risk associated with reliance on only a few raw material suppliers

The 2 major raw materials for the BOPET film production are PTA and MEG, which are well traded commodities, and are available from a variety of manufacturers across the world. At all its manufacturing locations, the Company sources its major raw materials either locally and/or through imports, based on pricing and other commercial considerations such as delivery lead time/ inventory carrying levels etc. The Company usually enters into yearly contracts for the supply of its major raw material so as to ensure its availability. Some of these contracts have a supply guarantee clause to ensure that the supplies remain uninterrupted for a reasonable period of time in case of any unforeseen circumstances. In any case, these are well traded commodities and availability is usually not an issue. The company also maintains sufficient safety stock, for PTA/MEG as well as PET Resin to take care of any contingency. As far as the pricing is concerned, since it is formula based linked to certain standard international benchmark indices, there is high degree of transparency. The same holds true for PP resin as well.

For the other downstream coated films and PP based films, apart from PET film which is transferred from the Company's in-house production and also imported from third parties or other group companies at arm's length pricing, the other major raw materials are relatively insignificant in value terms and sourced from various manufacturers / traders locally as well as imports.

Risk from environmental regulatory measures

All the production lines in Thailand, except for the Resin lines, do not require any environmental impact assessment (EIA). For its existing Resin lines, the Company has the required clearance from the regulatory authorities and utmost care is taken to ensure compliance to the same. For the new Batch PET resin line which was commissioned in 2022, the Company has already received the EIA approval.

For the production lines in Turkey, USA and Indonesia, the Company has received the necessary environmental licenses and/or approvals required for our industry.

Risk from competition from existing manufacturers and entry of new players

With consistently rising demand and healthy growth potential, the PET film industry attracts new investments from time to time from existing large manufacturers who are well-established companies with long experience in this industry, as well as medium to small producers and sometimes new entrants with capability to accommodate investment in PET film plants and machinery. Several new lines have already started up over the last 2-3 years in various regions and the industry is currently witnessing overcapacity which is impacting the margins of all players, including Polyplex, and is reflected in the financial performance. There are some more new capacities coming up in next 2-3 years, mostly by incumbent players in India and China and hence the pressure on margin is expected to remain for some time. Some of these capacities might be delayed, deferred or even cancelled. There could also be likely closure of some old and inefficient lines which may not be economically viable when compared to the new high productive assets like the one commissioned by the Company in Indonesia. If this happens, we expect the pressure on margins to ease and recover to normal levels. Overall, this industry continues to remain an attractive industry with strong fundamentals and a steady

demand growth for more than two decades with BOPET film finding many new applications every few years. The new capacities are high productive assets with lower cost of production which would render many of the old generation assets uncompetitive in the standard films.

Compared to other players, Polyplex's lower cost of production, established quality and technical services, geographically diversified manufacturing presence, wide range of products and applications, including specialty products and global market reach are some of key factors which make Polyplex one of the leading and preferred players in this industry. Further, Polyplex has invested into repurposing older assets for specialty production as well as forward integration to ensure that these assets remain competitive for the targeted market and applications. The Company remains confident of being able to tide over this difficult period and outperform the industry peers.

Risk from trade barrier measures

Trade barrier measures imposed by various countries are broadly of two major types:

- a) Anti-dumping (AD): An anti-dumping duty can be imposed on imports if the ex-factory prices of such imported products are proved to be lower than the local selling prices of the similar products in the country/(ies) of the exporters. The important markets adopting this measure in the past few years on BOPET film are USA, Korea, Indonesia, Turkey and Brazil.
The key markets imposing trade defense measures on imports of BOPP films are Indonesia, Vietnam, Korea, Pakistan etc. The brownfield expansion in Indonesia which has started commercial operations in December 2021 will have some impact of AD duty on exports to Korea. On the other hand, the Indonesian market is protected against imports from other key exporting countries like Thailand & China.
- b) Anti-subsidy: A countervailing duty (CVD) can be imposed if the government or any government agency provides any benefits or privileges specifically to any company or exporter of such country.

Such trade defense measures cause higher import duty on the goods produced and exported from the targeted countries and hence may find it difficult to compete with the products of the rivals with lower duty applicable. For manufacturers like Polyplex, who have a diversified manufacturing base across multiple locations, such trade defense measures can be an opportunity if anti-dumping duties are levied against imports from some of the countries.

The company is taking all safeguards to insulate against the risk arising out of anti-dumping / countervailing duties and other protective barriers imposed by the importing countries. A geographically well-diversified manufacturing presence and end-to-end product portfolio help mitigate the adverse fall-out of such an action, if any. Local manufacturing presence in USA, Turkey and Indonesia, helps the Company to take advantage of such trade barriers levied by these countries against imports from Asian countries.

Risks from future projects

The ongoing Brownfield Thin BOPET Film project at the USA subsidiary is currently the only large project under implementation.

The major risks associated with any new Projects are as below:

- **Market Risk:** Since Polyplex has a global reach and an extensive marketing and distribution network, the Company does not foresee any major risk in developing markets for its products. In addition, the US operations distributes significant quantities of films sourced from other units and hence has a readily available market for the new line. The volumes so released can be sold in other parts of the world given the industry growth and Polyplex positioning.
- **Competition Risk:** The Company believes that the new line will improve the cost structure of existing operations in US significantly. Post this investment, Polyplex will be the most cost competitive producer of Thin BOPET films in the US.
- **Project Implementation risk:** Due to the experienced Projects team at Polyplex, the Company remains confident of successful implementation of new projects on time and within Budgeted costs except for un-foreseen circumstances.
- **Funding Risk:** For large projects, the Company takes long term Debt to the extent of 65-75% of the Project cost and the balance is funded out of internal accruals. Based on the good relationship with existing banks and the low gearing ratio, the Company is quite confident of raising the required financing for any new future projects at competitive terms and conditions. For the brownfield BOPET film line project in USA, although most of the Project cost is intended to be funded out of internal accruals of the Company and Cash surplus within the Group, the Company has also tied up Long term loan funding from a local bank for up to USD 25 Million.
- **Currency Risk:** For any new project, the currency of borrowing is decided, based on the projected operational cash flows of the project. The currency which has the maximum surplus in the operational cash flows is chosen to be the currency for the loan. If there are multiple currencies of surplus in operations, the Company may also consider borrowing in more than 1 currency (USD and/or Euro), depending on the currency exposure in the Project cost. This helps to create a natural hedge for the Project expense as well as the loan repayments. The company also has internal FX guidelines to cover net exposure of Project costs, in various currencies by booking appropriate forward contracts, so that the risk on the initially estimated overall Project cost, on account of currency fluctuations is minimized.

Apart from all the Project specific risks and their mitigation plans as discussed above, the Company would also like to mention here that the overall Project risk of any new Project is mitigated by taking appropriate Insurance policies to cover various risks such as Erection and Construction all risks, Marine risks, Loss of Profit coverage due to marine risks and/or delay in Project Start-up etc.

Risk from dependence on the parent company

As at 31st March, 2023, Polyplex Corporation Ltd. (PCL), through direct and indirect shareholding, controls 51% of the paid-up shares in the Company.

Over the years, the Company has successfully implemented a program for reducing the dependence on expatriates by increasing the proportion of local Thai staff in operating/managerial positions and has been managing the production and operations efficiently thereafter. The Company's present management team is composed of experienced key personnel in production, marketing, distribution and accounting/finance. It has thus been able to run the business on its own without too much reliance on the parent company.

PTL's business operations are independent from PCL with respect to public offering of equity, borrowing of loans, and other investments in the future. The parent company need not request any approval from any government bodies except for reporting of significant events to two stock exchanges where it is listed, namely Bombay Stock Exchange and National Stock Exchange.

The Company is confident that there will be no conflict of business interest between PCL and PTL on account of the following:

- It is Polyplex's policy in business operation that there is an equitable distribution of business between the various manufacturing units aligned to efficient servicing of customers.
- The investment in PTL and its subsidiaries is significant as compared to PCL's own assets and hence considered to be the flagship company of the Polyplex Group. As such, the success of PTL is very critical for PCL.

Risk from Sponsor Group holding about 51% of total shares

PTL's major shareholder is PCL (As of March 31, 2023 the promoter Mr. Sanjiv Saraf and related parties control 50.97% in PCL), holding 17.19%, and Polyplex (Asia) Pte. Ltd. ("PAPL") which is wholly owned by PCL, holding 33.81%, thus in aggregate holding 51% of PTL paid-up common shares of Bt. 900 million. Thus, in matters that require a three-fourths majority vote of shareholders, the minority shareholders can successfully oppose corporate actions undertaken or supported by the majority shareholders. However, the parent company will continue to play a vital role in determining the Company's policy and strategic direction setting. PCL is listed on the Stock Exchanges in India and abides by the Corporate Governance regulations prevailing for listed companies in India.

On 23rd May, 2023, some of the Promoter group members have signed a Binding Term Sheet with AGP Holdco Limited (new Investor), to divest 24.2778% of the Promoter stake in PCL, with some Put and Call Option arrangement for additional stake purchases by the new investor at a later date.

Foreign exchange risk

The Company has a Foreign Exchange Risk management policy whereby each unit manages the cash flow FX exposure in its reporting currency by optimizing on any natural hedge available and/or booking of forward contracts to cover any open positions.

Most of PTL's products (Thailand Standalone), i.e. about 80-85%, are for exports, which are mostly denominated in US dollars and Euro. As against this, raw material (PTA & MEG) prices are linked to the US dollar, although their payments are done in Thai Baht and there are Long term loan related interest payments/ loan repayments in USD and Euro. There are some expenses which are in Thai Baht, i.e. locally procured raw materials, packing materials, salaries, utilities and other administrative expenses which have to be settled by income from domestic sales and from the surplus income from USD/Euro exports. Thus, broadly speaking, PTL has a net surplus US dollar and Euro position on the trade front, which can be hedged somewhat against repayment/ interest payment on its long-term loans. To the extent possible, the company has been trying to create a natural hedge to mitigate the risk from currency fluctuations. On an ongoing basis, the company also takes forward covers, to cover the net surplus exposure in USD and Euro.

Similarly, the Company's subsidiary in Turkey, whose reporting currency is in Euro, has a net surplus Euro currency whereas they have certain payments in the local currency and USD, which is hedged from time to time by taking appropriate forward covers.

The subsidiary in USA mainly has USD revenues and USD payments, so the operations are naturally hedged to a great extent. If there is an identified exposure in any other currency, the Company will book appropriate forward contract as per policy.

The subsidiary in Indonesia had contracted Long term debt of USD (or Euro equivalent) for its BOPET film project and the BOPP film project. The Company has exports to Europe and US and in Euro and USD currencies respectively, which will be used to naturally hedge against Loan repayment/ interest payments. Any open exposure is covered by appropriate forward contracts as per the policy.

The subsidiary in Thailand, Ecoblue Limited contracted Long term debt of USD 12 million for its recent recycling project. The current outstanding of this Loan (at March 23) is USD 6.8 million. The Company has exports to Europe and US and in Euro and USD currencies respectively, which will be used to naturally hedge against Loan repayment/ interest payments.

The Company continues to be exposed to unrealized FX fluctuation impact as the forex loans need to be restated at the period end exchange rate, in line with the applicable accounting standard and this can create sharp swings in the reported profitability of the Company. But the Company considers it prudent to plan its cash flows and forex risk management based on the principles of natural hedging. As such, it continues to focus on improving the operational performance, rather than trying to protect the unrealized FX fluctuation impact as the purpose of borrowing loans in foreign currency and the natural hedge from export earnings would be defeated if the forex loans are swapped to local currency, merely to eliminate the risk of unrealized FX fluctuation on the loan restatements and to achieve more stability in reported earnings. In order to provide a better assessment of operational performance, the Company has been normalizing the impact of the FX fluctuation, while reporting the performance to shareholders and while considering the Net profits for dividend payout.

Interest rate risk

As of March 31, 2023, the Company's outstanding long-term bank loans on a consolidated basis were Euro 19.6 million and USD 36.6 million whereas outstanding short-term loans were Baht 1,194 million. The USD loans have floating LIBOR based interest rates and the Euro loans have floating EURIBOR based rates. Apart from the above, the Company in Thailand and the subsidiaries in Indonesia and USA have inter-company loans from the Turkey subsidiary totaling to Euro 193.8 million, which get eliminated on consolidation. Pricing of these loans are on Arms' length basis, linked to Floating EURIBOR rates. The floating interest rate may put the Company at a risk of rising financial cost if the interest rates move up. There are various reasons for interest rate changes like economic growth, inflation expectations and unemployment, among others. All these factors are external and uncontrollable. However, the company has been constantly monitoring the interest rates and will evaluate interest rate swaps for converting the liability into fixed rates, if considered beneficial. In any case, the Company's loan book remains modest given the size of the Balance Sheet and any significant increase in interest rates is not expected to have any material impact on the financial performance of the Company.

Risk from overlap of products and markets

The product portfolio of PCL, PTL, PE, PFI and PUL is quite similar. In order to mitigate the risk from overlapping of products and markets, Polyplex has also evolved an equitable policy for distribution of markets, between its Indian, Thailand, Turkey, Indonesian and USA operations based on the several factors like product range, delivered cost to customer, supply lead times and preferential duty access. Based on the same, PTL & PFI would mainly serve South East Asia, Asia Pacific, China, and Australia & New Zealand. PCL would serve South Asia. Turkey operations will mainly cater to Europe, Africa and CIS/Russian markets.

The new line in Indonesia, although planned mainly to cater to the domestic market, is currently also exporting some volumes to Korea, Japan, Europe and USA, depending on the Pricing, material availability, delivered cost to customer, preferential duty access etc. The US manufacturing entity would mainly focus on North American market. Certain markets which are basically spot markets such as Middle East, South America etc may be serviced by either of the supply locations depending on the availability of the product and other factors such as capacity availability etc.

The Polyplex Group also has a policy on future investments in polyester film / related areas between the Company and its parent company. Investments in India/SAARC region would be decided and made by PCL and its other subsidiaries (excluding the Company) while investments in Thailand / ASEAN region as well as other countries would be in all likelihood be made by PTL or the subsidiaries in which the Company has a major stake. The above is subject to availability of Investible cash / ability to borrow debt by the existing / preferred Company as per the policy. In line with this Investment policy, the latest investment in Indonesia is fully owned by PTL.

Credit risks

Credit risk of customers is another significant risk for any business. Credit risk refers to the risk of non-payment by debtors. This risk increases in case of unsecured or open payment terms. The Company manages the risk by adopting appropriate credit control policies and procedures. The Company has a well-defined and robust internal credit management system to monitor unsecured sales. The Company also has a global credit insurance cover to secure non-payment risks of customers. As such, most of the sales, which are on credit are secured either through a Letter of credit issued by the customer or secured under credit insurance coverage. The Company also takes extra caution in selection of any new customers and granting of credit.

Risk from drive against use of plastics

Plastic waste generation and the leakage of plastic waste into the environment, and in particular marine environment, has drawn the attention of the public and regulators.

There is a limited downside risk from the concerns on usage of plastics in flexible packaging and its impact on the environment:

Background:

- Of the total more than 390mn MTs of annual global plastic consumption, consumer flexible packaging accounts for ~10% and BOPET films is under 1% of the total tonnage
- Restrictions on usage on Single Use Plastics (SUP) have been imposed in certain jurisdictions:
 - In the EU, usage of SUPs (cotton bud sticks, cutlery, plates, straws, stirrers, and sticks for balloons, cups, food and beverage containers made of expanded polystyrene, and all products made of oxo-degradable plastics) has been banned effective July 2021
 - Similar restrictions have been proposed in India with effect from July 2022

- It is important to note that these **bans do not extend to Multi-Layer Plastics (MLPs) in recognition of intrinsic benefits and the lack of viable alternatives in terms of environmental impact and cost**
 - EU Directive 2019/904 places these under Extended Producer Responsibility (EPR)
 - Similar obligations have been cast on the Brand owners in India under the notification issued in February 2022
 - Two states in the US have and several others are contemplating legislation on EPR but with extended timelines
- Regulatory objective is to ensure that all packaging is reusable or recyclable in an economically feasible way. The aim is to reinforce the essential requirements for packaging to ensure its reuse and recycling, boost the uptake of recycled content, and improve the requirements' enforceability.

Advantages of flexible packaging versus conventional alternatives like rigid are overwhelming, including:

- Lowest carbon footprint
- Low resource intensity
- Consumer convenience
- Highest product to package ratio
- Cost competitiveness, ease of transportation, storage and use
- Design, structure flexibility, customization and shelf appeal
- Safety and product protection (freshness and extended shelf life)
- Prevention of food waste and contamination

There are certain **end-of-life applications for MLPs** practiced unevenly in different parts of the world without ensuring circularity

- Injection molding application
- Waste to energy:
 - Extensively prevalent in certain advanced economies
 - Cement Kilns
- Road construction

Of late, there have been **efforts to develop “mono-materials”** (all PP, all PE, mix of PP / PE and all PET) **for flexible packaging with the belief that such laminates would be easier to recycle mechanically.** However, there are issues around this

- There is no established collection, sorting and recycling streams for flexible packaging laminates
- Given contaminations of inks and adhesives only down cycling is possible with limited end use
- PET has an advantage as there is established mechanical and chemical recycling process for PET bottles and Post-Industrial BOPET Film Waste (PIW), which can be extended to laminates with some modifications and additional processing
- Recent developments in thinking on circularity emphasize the need for chemical recycling where only PET has proven technology at scale. Furthermore, it is compatible with evolving advanced recycling technologies like gasification and poses no limitation for pyrolysis of mixed plastic waste in quantities representative of typical MLP structures, if used as a precursor for feedstock recovery
- Life Cycle Analysis studies have established that chemical recycling has a significantly lower carbon footprint in comparison with fossil fuel-based polymer production

A report by an industry specialist on sustainability developments in Europe, where the issue has the maximum resonance, highlights the following:

- It is difficult or even impossible to use mechanically recycled waste for food/pharma applications which account for 85-90% of all flexible packaging
- “Limited scope for mechanically recycled material in flexible packaging means chemically recycling is the only avenue for the industry to be fully circular”

“Plastics Europe” claims that its members have planned chemical recycling investments of €2.6bn by 2025 and €7.6bn by 2030 in Europe alone

UK introduced its plastic packaging tax (PPT) with effect from 1 April 2022. It applies to plastic packaging manufactured in or imported into the UK which does not contain at least 30% recycled plastic by weight. The rate of tax increased from 1 April 2023 to £210.82 per tonne of plastic packaging.

Spain introduced a PPT with effect from 1 January 2023 at a rate of €0.45 per kilogram of non-recycled plastic packaging. Similarly, Italy has been looking into introducing a similar tax, but the entry into force was suspended until 1 January 2024.

There is an **increasing traction on rPET films** (no similar option in Olefinic films), with Polyplex in a position to provide food grade film from both routes (chemical and mechanical – integrated with wash lines)

- rPET films **help Brand Owners meet commitments** towards post-consumer recycled content and **limit incidence of plastic taxes** imposed or under consideration in different countries
- There is **accelerating interest from industrial and other customers** for non-food grade applications for rPET:
 - Global label liner and tape manufacturers
 - Initial protection films for cell phones
 - Label face stock application

In Summary.

Rigid vs Flexible Packaging	• The compelling benefits of flexible packaging would discourage the conversion back to rigids (glass / tin / foil / cardboard) in any material manner • The ongoing shift from rigids to flexibles is expected to continue, particularly in the developing world
PCR Content	• BOPET films are the only available commercial option currently • There is increasing visible momentum in the last one year for usage of rPET films • This will also improve recovery rates for post-consumer PET bottles and likely initiate recycling of APET trays
Chemical Recycling	• Chemical recycling is integral to any sustainable solution for post-consumer flexible packaging waste to ensure true circularity
Mono Structure	• Within the limitations on functionality, costs and likelihood of increased material usage, some formats may be shifted to Olefin based structure and some to PET based • However, there is no established collection, sorting and recycling streams for flexible packaging laminates • Given contaminations of inks and adhesives only down cycling is possible with limited end use
Other Considerations	• An effective collection and sorting infrastructure coupled with chemical-based recycling to recover feedstocks / monomer from MLP would provide a true “circular” solution. In such circumstances, the growth of BOPET films could be higher than envisaged currently • Pledges by brand owners, technological developments and government actions would be an important consideration

Risk from Supply Chain Disruption

The world grappled with the Covid 19 pandemic and its fall out i.e. increased unemployment rates, global economic slowdown etc. The supply chain disruptions caused by the container shortages and other factors additionally impacted adversely the ability of most businesses to rebound to normal operations.

During this crisis for nearly about 2 years until early 2022, our geographically diversified manufacturing presence and business model helped us mitigate the supply chain risks and navigate relatively smoothly through this challenge. Leveraging on our Local presence in all the key demand centers, we were been able to establish ourselves as a dependable partner to all our key customers. Based on a clear shift in customer preference to local supplies over imports, we were able to demonstrate the effectiveness of our strategy of on-shoring and near-shoring manufacturing model.

On the raw material supplies, we are mostly procuring from local suppliers and there had been no major impact of the Supply Chain disruption.

Compliance and Legal risks

Businesses are exposed to various regulatory changes and compliances and it is quite important to be updated about all the relevant regulations and ensure compliance to the same in a timely manner. The continued success of a business depends on its ability to operate in compliance with international and local laws/regulations. Any failure to comply with laws can result in fine and penalties and can also damage the reputation of the business. We have adequate procedures in place to ensure that we are well informed about the regulatory changes which might be applicable to our line of business and we ensure that we take appropriate action to comply with the regulatory changes. We also engage reputed legal and other advisors on regular basis to keep our compliances updated.

Although we have procedures in place to ensure we comply with laws and regulations in each geography; there can be no assurance that we will at all times be in compliance with all of our obligations. Any failure by us to comply with such laws and regulations could subject us to fines, penalties and other liabilities.

Business Sustainability Development

Policy and objectives of sustainable management

Polyplex is committed to transparently disclosing its economic, social and environmental performance. Polyplex Groups' sustainability report is a compendium of Polyplex's mission to create and deliver value to its stakeholders. The latest updated report for the two year period from 2018-2020 can be downloaded from the Company website www.polyplexthailand.com from the Sustainability section. The report for the next two-year period from 2021-2023 is under compilation. We intend to disclose historical performance data transparently to enable stakeholders to contextualize the progress we have made. We seek to co-create a circular future with you.

Our Group sustainability report has been developed in accordance with the Global Reporting Initiative (GRI) Standards "Core" reporting requirements and is updated every two years. The GRI Standards provide a credible framework to identify aspects for disclosure of interest and importance to our stakeholders. To meet the expectations of our customers and business partners, we have taken further steps to enhance our disclosures in alignment with the Sustainability Accounting Standards Board's (SASB) Containers and Packaging Standards. These are the first standards developed by SASB to assist companies in the packaging industry to disclose relevant information to their stakeholders.

Co-creating a circular future.

Polyplex remains committed to our purpose of building a resilient future. Aligned with our beliefs of product design optimization, environmental stewardship, impactful collaborations and partnerships, we are focusing on a transformational journey to make our products more sustainable. By moving away from a one-way take-make-waste economy and incorporating the principles of circular economy, together, we are co-creating a circular economy.

Corporate Governance

We aspire to comply with the highest corporate governance standards, striking an absolute balance amongst our social, economic and environmental goals. At Polyplex, we believe that having a strong governance framework enables us to provide long-term value to our stakeholders, by being transparent, accountable and responsible. Our employees in global manufacturing and distribution units as well as in board and management are guided by our mission. Our values are entrenched in our practices to do business ethically to drive sustainable business growth.

With our growing global footprint and product diversification, we are continuously challenged and expected to comply with different regulatory environments. Hence, we ensure that we adapt quickly, develop and establish adequate corporate policies to thrive in a challenging global market and minimize the risks. With effective internal control mechanisms, we assure the board and management and the audit committee about our operational excellence.

Management of impacts on stakeholders in the business value chain

A key aspect of product sustainability is building the right stakeholder network along the polyester value chain. In order to achieve this, we have partnered with stakeholders, who place sustainability at the forefront of their operations. We have also represented the polyester industry at several national and international industry associations (including 'PETCORE - Europe', 'Circular Economy for Flexible Packaging -Europe', 'Sustainable Packaging Coalition – the USA', 'BOPET FILM Europe Association – Europe' and others), which aim to promote sustainability and circular economy in the PET and flexible packaging industry. To ensure product transparency and improve trust amongst our customers, we label our product with utmost care. Our product packaging includes the production information, dimension details, weight, quality status etc.

Our participation in industry associations and partnerships amplify our business aspirations. Currently, we engage with the below-mentioned associations and partners.

Business value chain

Our sustainability initiative brings together stakeholders from across our value chain to identify and address the most critical environmental challenges of the packaging industry. Systematic channels of interaction with our stakeholders are embedded within our business processes, and they include one-on-one and annual general meetings, training, group discussions, surveys, supplier and customer meetings, and grievance redressal methods. Stakeholder concerns are assessed and taken into account at a strategic level. It is our goal to strengthen our stakeholder engagement mechanism and expand stakeholder participation continuously. Meeting our stakeholders' expectations is incredibly valuable, and the stakeholder engagement framework represents how we connect with them and address their main concerns.

Analysis of stakeholders in the business value chain

Polyplex stakeholder engagement plan

Stakeholder group	Modes of engagement	Key concerns
Customers/ Brand owners	- Meetings/emails/ telecommunication, product stewardship, post-consumer waste - Supplier meets - Industry forums	- Intellectual property protection - Customer data protection and privacy - Digital dashboards and real-time monitoring - Product and service - Product life cycle impact - Quality - Business ethics - Packaging material, disposal/recycling - Post-consumer waste
Investors	- Financial results/ investor calls - Meetings - Analyst reports	- Business growth/ profitability - Newer opportunities - Risk management - Governance
Government and regulators	- Engagement on a need basis - Industry-level consultations - Participation in forums	- Compliance - Sustainable practices - Inclusive growth

Stakeholder group	Modes of engagement	Key concerns
Employees	• JWC Meetings, safety committee • Meetings • Employee surveys • Team building workshops Capacity building and training • Annual appraisals • Employee newsletters • Rewards and recognitions • Volunteering opportunities	• Workplace safety, Employee welfare, IR issues • Professional growth • Employee benefits and other facilities, • Diversity at the workplace • Leadership connect sessions • Professional growth • Equal opportunities • Wages and benefits • Work-life balance
Business partners / suppliers and service providers	• Contract agreements • Direct interactions • Supplier meets • Industry associations	• Payment processing cycles Business ethics and transparency • Sustainability performance • Regulatory compliances
Communities and NGO's	• Direct engagement • Dedicated CSR team • CSR projects and initiatives • Visits and camps • Needs assessments	• Community development (education, healthcare, sanitation, water) • Livelihood creation • Other social benefits • Local sourcing of labour • Managing conflict • Social licence to operate

Customers and Brand Owners

We have a significant international presence, with active sales in all major regional markets/countries and a diverse client base of around 2,029 clients from about 79 countries, with low customer concentration. In FY 2022-23, the top 10 customers accounted for 27% of our sales.

Polyplex is focusing on product innovation to meet the expanding client needs as well as cost-effectiveness from brand owners, looking to improve product performance, boost sales, and improve our cost structure. We work cooperatively and proactively with our customers to stay competitive. We provide innovative packaging substrate solutions that address the needs of our intermediaries, customers, and their consumers.

What sets us apart is our commitment to exploring new methods to improve and better serve our customers through innovative solutions some of which are illustrated below:

- We have adopted a 'lean innovation model' to create enduring value for customers
- Our innovation centre has introduced value-added products in several areas through a well-defined customer engagement process to align with the customer requirements
- We promote consumer engagement in recycling
- Engagement with organizations like Sedex and EcoVadis to promote transparency
- Polyplex has a robust system for customer grievance resolution and ensures continuous monitoring and closure of the same within the specified timelines

We believe that feedback is a continuous process and to sustain in this evolving dynamic environment, continuous improvement is necessary. We periodically measure the satisfaction level among our customers and understand their expectations in order to gauge competitiveness in the industry.

Suppliers

We are committed deeply to all the aspects of our business operations, including actors in our supply chain, who are critical to our operations. Our supply chain partners support us in realising our aspirations to deliver the best quality services to our customers. Our strong Supply Chain Management (SCM) empowers our procurement process and provides oversight of the environmental, social and economic impact created in our value chain. In addition, Polyplex group companies strive to procure/source raw materials local to their operations.

We have built company-wide regulations like the supplier code of conduct, which reflects our core values and outlines the moral conduct we expect from our supply chain partners. These policies are our way of doing things the right way, and they lay forth the groundwork for our suppliers' ethical, transparent, and responsible behaviour.

Our code of conduct is a commitment to enhancing trust-based business relationships that create shared value. By strictly observing and complying with our code of conduct, addressing concerns periodically, our supply chain partners are contributing to our commitment towards fostering a culture of honesty, integrity and accountability.

Our approach to responsible sourcing requires that all suppliers commit to our Business Code of Conduct, based on the UNGC principles around environment, labour, anti-corruption and human rights

Employees

- We prioritize the occupational health and safety of every single employee
- We encourage diverse, inclusive workplaces
- We offer extensive learning and development opportunities
- We creatively engage and recognize our talent

Partners

Our engagements with governmental, non-governmental, industry and multi-stakeholder initiatives are extensive.

Management of environmental sustainability

Environmental Policy and guidelines

We believe in continuous improvement and reporting of our environmental performance. This is possible only through our commitment to reducing environmental impacts including waste management, water management, energy management and emissions.

Materials Management	- Increase use of raw materials which minimize environmental impact of products and reduces reliance on virgin resources - Release several product variants that utilize less material, more recycled content, and bio-based materials while maintaining the products' structure and performance qualities - Promote the use of bio-based / renewable energy sources - Collect, repair and reuse packing material in collaboration with customers
Energy Management	- Identification and implementation of energy conservation projects across manufacturing facilities • The plants in Indonesia and Turkey have attained ISO 50001, an energy management system certification while it is in progress for plants in Thailand and USA - Key energy management initiatives include: • Direct melt casting technology implemented Turkey and Indonesia for BOPET film manufacturing and is under implementation in Thailand • Co-generation in Turkey • Waste heat recovery in Resin plant to produce Chilled Water
Emission	- Polyplex has committed to measure and report its sustainability progress as per Global Reporting Initiative (GRI) standards publishes sustainability report every 2 years. The last report published for 2018-2020 is available on the Company's website. - GHG emissions intensity from Polymer resin production has been reduced significantly over the past few years and so have the GHG emissions intensities for PET and metallized PET films by introducing various measures • Innovative processes like direct melt technology • Installing high productivity lines • Using alternate low emission energy resources • Introduction of lower GHG products in the markets (Bio PET, rPET etc.) • Continuous improvements in energy optimization, waste management through reuse, recycle and reduce • We use Natural Gas for heating instead of fuel oil/ coal which are higher emission

Environmental operating results

Materials Management

Polyplex is working to make better use of resources and diversify its supply chain by using recycled materials. We want to address the risks of resource depletion spurred on by increased demand as well as the environmental consequences of raw material mining and plastic use. Our recycling activities are based on the concept that a natural resource can be recycled once it has been processed with better quality and minimum environmental impact.

We seek raw materials that minimize the environmental impacts of our products and reduce our reliance on virgin resources. We choose the raw materials that go into our packaging based on their ability to protect the product and their capacity to minimize the environmental footprint of our packaging. We are releasing several products revamps that utilize less material, more recycled content, and bio-based materials while maintaining the product's structure and performance qualities.

We have devised several projects aimed at lowering raw material use and reusing post-consumer and process waste as raw material.

Through our R&D initiatives, we have promoted the use of bio-based and post-consumer content raw materials for the manufacture of polyester films. Furthermore, the BOPET film project in Indonesia with the backward integration into resin, coupled with Direct Melt cast, will lead to significant improvement in the operations both from consistency of raw material and profitability perspective.

Energy Management

We believe an organization-wide energy management approach will help us enhance our financial health and aid in preserving the environment for future generations. We have put in place several energy management best practices that help us meet our GHG emissions reductions goals. Through our operational excellence initiatives, we identify and implement energy conservation projects across our manufacturing facilities. Our plants in Indonesia, Thailand and Europe have attained ISO 50001, energy management system certification. In order to achieve our key goal of optimizing energy efficiency throughout our facilities, we reduced our energy usage by focusing on and investing in more energy-efficient production

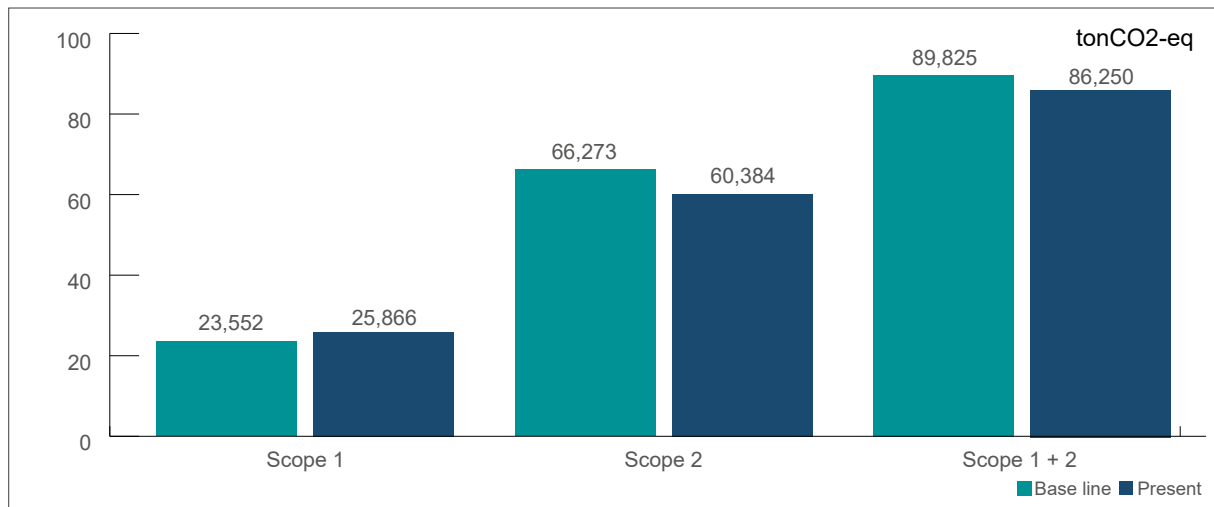
Emissions

We are making continuous efforts in bringing down its greenhouse gas emissions in our operations. The GHG emissions intensity from Polymer resin production has reduced significantly over the past few years and so have the GHG emissions intensities for PET film production and metallized film production. There was no significant spill during the last two years and no usage of ozone-depleting substances across Polyplex.

The GHG emission at Thailand (for PTL Standalone) is as under:

Present	April 1, 2022 - March 30, 2023		
	Scope	Greenhouse gas emissions	Ratio of scope 1 and 2
	Scope 1	25,866	29.99
	Scope 2	60,384	70.01
	Scope 1 & 2	86,250	100.00
Carbon intensity (Scope 1+2)		0.42	TonCO ₂ eq/ MT

Base line	April 1, 2021 - March 30, 2022		
	Scope	Greenhouse gas emissions	Ratio of scope 1 and 2
	Scope 1	23,552	26.22
	Scope 2	66,273	73.78
	Scope 1 & 2	89,825	100.00
Carbon intensity (Scope 1+2)		0.44	TonCO ₂ eq/ MT



Audited and Certified by: Auditor: BUREAU VERITAS

Water Management

Our commitment to sustainable development includes reducing water use and managing it more responsibly in our operations, particularly in water-stressed areas. As a responsible corporation, conserving this precious source is a part of our sustainability mandate.

The source of water differs for each plant and is influenced by a variety of circumstances. Groundwater is used in the industrial unit in Turkey; while municipal water is used at the factory in Thailand and the office in the United States.

Our two plants in Thailand and Turkey are located in industrial zones with similar Effluent Treatment Plants (ETPs). The former one has access to a common utility centre, which purifies water. Similarly, the Turkey facility is in the trade free zone.

Recognizing the importance of water as a resource, Polyplex has pledged to continue to focus on water management outside of its operations. One essential component is wastewater discharge, which, if left untreated, can have a substantial impact on soil quality and local biodiversity. We have ETPs at all of our operational sites for the treatment of wastewater discharge.

Trend of Water Consumption across PTL:

Year	2022-23		2021-22	
	Total Consumption (In Thousand KL)	Avg consumption per MT of Film + Resin Production	Total Consumption (In Thousand KL)	Avg consumption per MT of Film + Resin Production
Water Consumption	1,097	1.7	817	1.5

Waste Management

Polyplex recognises the importance of environmental stewardship and strives to reduce waste through the usage of the 3 R's (Reuse, Reduce and Recycle). We minimize manufacturing waste through source reduction, reuse and recycling, and responsibly disposing of hazardous waste. In case of environmental impact, we reduce it by using polyester waste created during the base film production system as well as recycled material grades.

Waste from direct materials, packaging materials and plant operations are the three categories of waste generated by our operations (hazardous and non-hazardous). Because PET in both film and resins is often recyclable, the polyester film manufacturing process has a minor environmental impact. We have the required EIA approval for its Polyester resin line, and we provide periodical reports to the competent authorities as required under the Environmental Clearance Certificate (EC).

Waste from direct materials	Non-hazardous waste like polyester chip lumps, polyester film lumps, waste trimmings, contaminated films, and waste aluminium coated film.	We recycle and reuse 99% of our simple PET film waste and the remaining is sold to third-party contractors.
Waste from packaging materials	Waste like wooden pallets, plastics, PVC cups, and paper cores as packaging material for both incoming material, as well as finished goods.	We are trying to minimize the packaging waste, most of which is sold to third parties.
Waste from plant operations	Waste like sludge from ETP and tank bottom, oil and lubricants, scrap metal, batteries, chemical waste, and used drums.	Most of the waste is non-hazardous and sold to third parties. Hazardous waste is disposed of by authorized vendors.

Waste generation (Total MT and Avg per MT of Film production) at PTL manufacturing plants is as under:

Year	2022-23		2021-22	
Waste Type	Total Waste –MT	Avg/ MT of Film + Resin production	Total Waste –MT	Avg/ MT of Film + Resin production
Hazardous waste	1,840	0.02	1,522	0.02
Non-hazardous waste	12,902		10,245	

Social sustainability management

Social policy and guidelines

Our People

A high-quality and motivated workforce is critical for attaining our strategic goals. As we continue to grow as an organization, it will be crucial for us to enhance and leverage the capabilities of our people. Polyplex focuses on creating a conducive work environment for its employees and helps them deliver winning performance.

The coronavirus (covid-19) pandemic has caused us to think differently and shift to a new work environment that we had never imagined. We can switch to a remote work model as warranted by the situation in each location and have developed a robust health control mechanism for handling all emergencies.

We are steering our efforts towards becoming a valuable 'learning organization', which prioritizes skilling, reskilling and upskilling its employees. As a part of our human resources (HR) planning, we assess and determine skill sets needed for our employees annually based on our corporate and locational strategies. The group head (human resources) is the highest authority for all human resources-related issues supported by the HR staff at each of our locations. One of our facilities uses the human resource information system (HRIS) that aids the digital management of all HR operations. HRIS has been used to integrate operations across India, Thailand, Turkey, and Indonesia.

We value our employees and see all of our relationships as long-term commitments.

Upholding Human Rights

Polyplex is committed to operating in a manner consistent with the United Nations (UN) universal declaration of human rights, the 10 UN Global Compact (UNGC) principles and the applicable international labour organization (ILO) core conventions on labour standards. We are an equal opportunity employer with zero tolerance towards any form of discrimination based on religion, origin, gender, or status, and we have strict procedures in place to deal with such situations.

We take care that none of our transactions infringes on any human rights. We ascertain that the dignity and rights of employees, customers, vendors, and all other stakeholders are valued. Human rights training and the establishment of approved norms of behaviour while working with our stakeholders are critical.

Freedom of association and collective bargaining

We strongly uphold freedom of association and collective bargaining rights. The right to freedom of association is proclaimed in the universal declaration of human rights. We have "Joint welfare committees" at all locations to ensure that the short term, medium-term and long-term requirements of all workers are resolved on time.

Child and Forced labour

We strictly adhere to our zero-tolerance policy for child and forced labour. All the security personnel have been trained to ensure that no underage worker enters the plant premises and our contractors are also given strict instructions on not employing underage workers.

Employee retention

Maintaining institutional knowledge, excellent morale, and business success; all require longterm employee relationships. Hence improving the employee experience and encouraging good performance is imperative. We reward our employees for completing 5, 10, 15, 20, 25, 30, 35 years with the organization, which encourages them to contribute to our long-term success.

Employees' immediate family members are granted the opportunity to work. Further employees at the operating level are provided opportunities to advance and play a larger role in the plants. Polyplex believes in having well-established employee engagement schemes/programs that are tailored to the needs of the local environment, culture, and social customs.

We have designed several policies and schemes to reinforce the core values and beliefs of the company that are to be followed during our day-to-day operations.

With the firm view that operations should be managed by a strong management team, we have devised a leadership retention programme to incorporate many future leaders. In the last five years, there has been no major attrition at the executive level. In order to foster the bond between our employees and their families, we also organize a variety of activities for them and their families. We have designed many short-term and long-term employee benefits for our people. The net obligation of the company in respect of defined benefit plans is derived by estimating the number of future benefits that employees have earned in the current and past periods, discounting that amount, and deducting the fair value of any plan assets.

Social operating results

Approach towards Employees

We believe that a diverse workforce brings considerable value to the organisation, and we respect diversity and inclusion, fostering an environment of empowerment for all. Our transparent and sound recruitment policies let us hire candidates from diverse backgrounds so that we provide equal opportunities to everyone regardless of their gender, caste or their physical abilities.

Training and Skill Development

We endeavor to provide on the job training to our employees for their skill and self-development and the company's progress and growth.

Management of training and Skill Development

Committed and technically competent personnel not just form the foundation of any successful organization but also shape its character and drive performance. We place a strong value on competency building through training, job rotation, recognizing and encouraging performance to equip personnel for the changing demands of the business. Our people development cell (PDC) evaluates training requirements that are driven by varied business needs and relevance.

We offer several training modules for employee development and skill-building to meet various facets of technical competence, quality assurance, team building, and enhancement of leadership skills, time management skills, safety awareness, basic firefighting. By implementing well-organized training programs regularly, we ensure that our employees' efficiency, knowledge, and abilities are improved at all levels

Safety beyond the workplace

Workplace safety is of utmost priority and we are committed to providing a safe and healthy work environment for our employees. Polyplex believes that a safe and healthy work environment is a prerequisite for ensuring employee well-being. To guarantee safety for all, it is imperative for safety parameters to be introduced in the planning phase and integrated across the value chain. All our sites adhere to OHSAS 18001:2007 and we have a robust mechanism for emergency response and disaster management aligned to the global standards in the industry.

Our safety representatives at all manufacturing units conduct safety audits and provide training regularly to the employees. The periodical safety reviews help us to understand whether all standard operating procedures (SOPs) are followed, systems are in place, any deviation identified and corrective actions are taken on time.

All our stakeholders, including our employees and contractors, are accountable for identifying, assessing, and mitigating risks. Throughout the year, we have taken several initiatives to establish an incident-free workplace through regular safety training, health check-ups and awareness sessions.

Safety, Health and Environment Policy

We are consistently making efforts to enhance health and safety standards by improving working conditions, raising awareness through involvement, participation and continuous training of the workforce. Our approach to safety is encapsulated in our safety, health and environment (SHE) policy that validates our commitment to protecting the health and safety of all employees, contractors, customers and the communities in which it operates.

We are committed to develop and maintain and a safe, healthy and clean environment to protect natural resources, human resources, plant, machinery and environment by:

- Continual improvement in the work practices and processes for prevention of pollution, injury and ill health and risk minimization through various objectives.
- Compliance with applicable Safety, Health and Environmental Statutory requirements and needs of the interested parties.
- Conservation of natural resources and waste reduction through involvement of personnel from all functions and levels in the organization

Health and Safety Committee

An effective safety culture requires proactive commitment, accountability, and continuous reinforcement from all levels of management. The culture is driven by the top management and executed at every level through the health and safety committee. All employees, contract labour, other staff and security are involved in building the safety culture across our location. There are plant level committees in Thailand, Turkey, Indonesia and the USA, which support the management in dealing with all matters concerning health and safety.

Our Safety approach

Safety is an important tool to augment our productivity and reduce losses. We encourage people to spend more time in teams reflecting on and improving their understanding of the safety risks that may arise in the workplace.

Several initiatives have been undertaken to sensitize employees regarding the occupational hazards at the workplace, precautions and emergency responses for countering any accident, etc. Some of the initiatives undertaken by Polyplex to spread the safety message beyond its boundaries are given as under:

Health and safety training

The nature of our business and the risks involved require engaging with employees on safety management processes and imparting training on health, safety, security, emergency preparedness and crisis management regularly. We instill pride in taking care of not just our company employees as well as to contract workmen and security personnel in various locations, which are trained through experts and in-house safety personnel. Training conducted covered topics such as fire safety, electrical safety, first aid, gas cylinder/ammonia handling and awareness about safety signs.

Polyplex Thailand, TPM & Systems and the EHS department conducted in-house training to support external audits and also promoting training to develop the skill of internal auditors. The training courses consisting of FSSC V.5, C-TAPAT and SMATA



Preparing for emergencies

Polyplex ensures that we have the necessary resources to deal with leaks, fires and explosions and any other emergency that may lead to the risk of life and property. We ensure regular checks of response procedures and capabilities so we can respond rapidly to an incident.

Our emergency preparedness plan for every site includes fundamental plant information, emergency equipment on hand, key personnel and their tasks. It also includes a telephone directory of hospitals as well as a list of critical staff phone numbers, skilled first aiders, and firefighters. Our preparedness action plan includes the following activities:

- Employees are provided with on the job training with appropriate safety equipment to ensure that they understand the processes to follow in the event of an emergency.
- To handle emergencies, adequate fire protection and fire-fighting facilities are provided
- We regularly conduct mock drills across all our sites

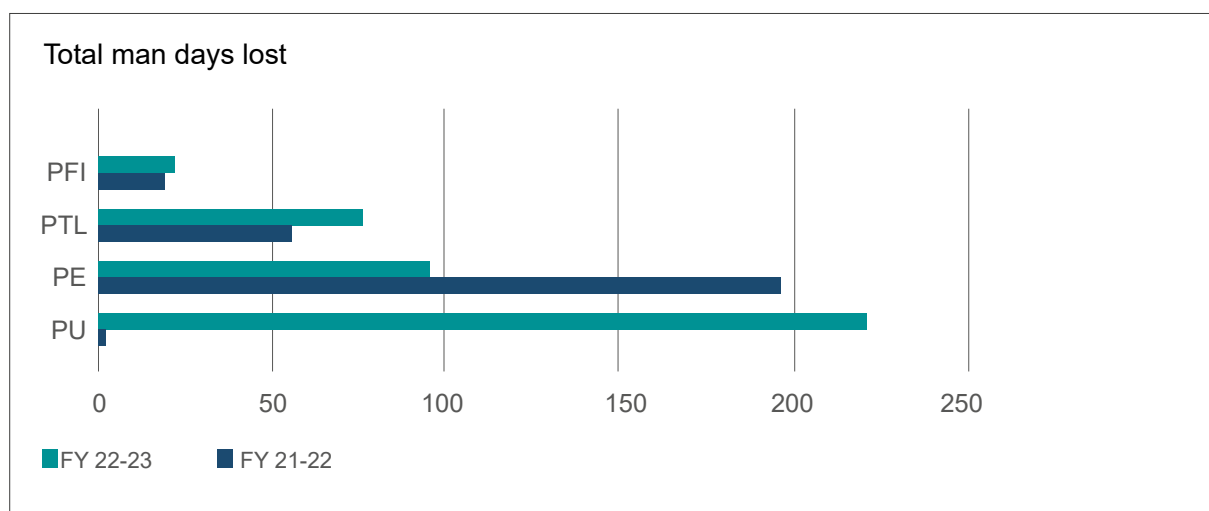
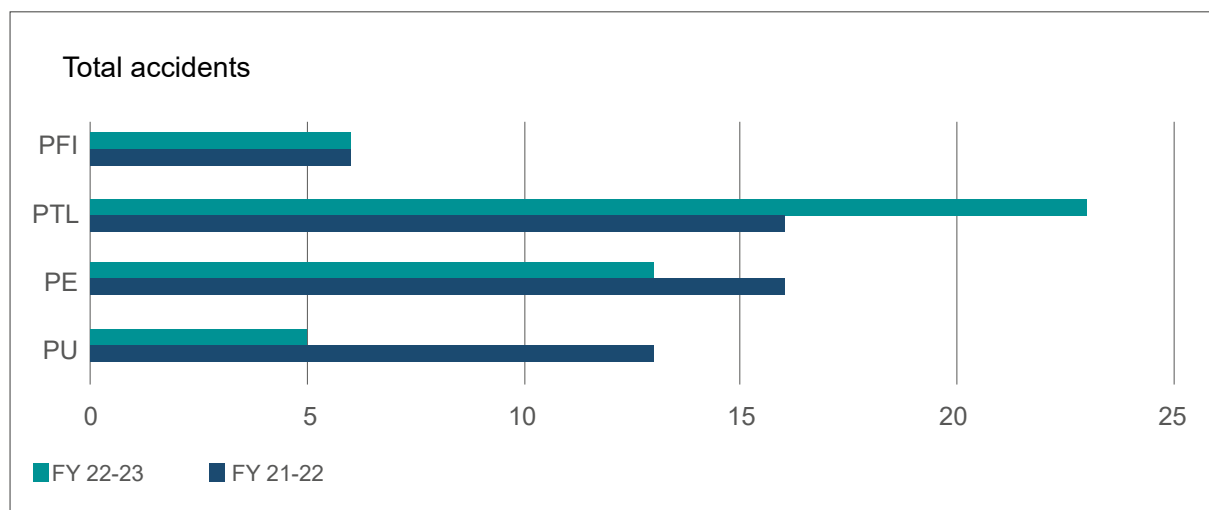
Employee wellbeing

Employee wellbeing is crucial for running a successful business. We are constantly reinventing our workplace procedures to improve the employee's overall well-being and provide them with the best working environment. The steps towards employee wellbeing are not only limited to physical health but also towards the mental health of an employee, considering their happiness as well as job satisfaction.

We hold regular medical camps, awareness sessions, and medical support services keeping the employee wellbeing in mind. Employees' health is monitored through medical surveillance. All our sites have first-aid kits and personnel trained to limit the risk of injury. Employees undergo a preventive health screening prior to joining the organization and are required to attend numerous health and safety awareness workshops that are periodically organized to ensure improvement in lifestyle-related habits. These awareness programs include smoking cessation programs, dietary advice, offering healthy food in the canteen, stress-reducing programs, provision of a gym, or fitness programs. Occupational health check-ups are also conducted on permanent employees once a year to measure their well-being.

Occupational Health and Safety performance

During the reporting year period, the accidents at PTL manufacturing plants were as under. There had been no high consequence work related injuries, injury or fatality during the year.



Our CSR Initiatives:

We believe in our three key CSR themes – Environmental protection, healthcare and education. They are essential in establishing and nurturing a clean environment, boosting community quality of life, and contributing to sustainable living.

Our Community initiatives

A unifying characteristic that is displayed at each of our facilities, regardless of the city, state, province, country, or continent, is our employees' commitment to work with their local community to have a positive impact.

Contributing to the Community

Polyplex has been committed to addressing developmental challenges across all its operations through thoughtfully curated programs in the thematic areas of environmental protection, healthcare, and education. We believe that our three key CSR themes are essential in establishing and nurturing a clean environment, boosting community quality of life, and contributing to sustainable living. For these objectives, we have established a CSR committee with a dedicated focus on attaining the intended objectives. This committee is dedicated to delivering a positive difference in social, economic, and environmental aspects.

All our CSR activities are aligned with the UN's Sustainable Development Goals (SDGs) and have been undertaking various initiatives to help the communities in areas adjoining to its plants and improve the quality of life of its employees.

We are deeply committed to our local communities through long-term social initiatives such as blood donation drives at all of its facilities around the world, donations, free eye check-ups and inoculation camps in collaboration with local hospitals, public water cooler installation, and active support for flood relief efforts in Thailand. Plantation drives have also been held in and around our factories and housing colonies.

Our Thailand, Turkey and USA teams were awarded the award in EcoVadis CSR ratings 2022

Overview of Polyplex's CSR initiatives

PTL understands the importance of CSR and engages in several initiatives in this regard. It makes monetary contributions to NGOs, hospitals and Government relief funds and also helped support the infrastructure in hospitals during COVID-19 pandemic and the Earthquake relief measures at Turkey. It has undertaken various initiatives to help communities in areas adjoining its plants. PTL organized blood donation camp, Health check-up camp for elders from a local community, Children's day activities, social welfare programs, etc.



Management Discussion and Analysis

Financial statements

Auditor

Year	Name of auditor	CPA no.	Auditing firm
2022/23 (April 1, 2022-Mar 31,2023)	Ms. Kirdsiri Kanjanaprakasit	6014	EY Office Limited
2021/22 (April 1, 2021-Mar 31,2022)	Mr. Chayapol Supasethnon	3972	EY Office Limited
2020/21 (April 1, 2020-Mar 31,2021)	Mr. Chayapol Supasethnon	3972	EY Office Limited
2019/20 (April 1, 2019-Mar 31,2020)	Mr. Chayapol Supasethnon	3972	EY Office Limited
2018/19 (April 1, 2018-Mar 31,2019)	Mr. Chayapol Supasethnon	3972	EY Office Limited
2017/18 (April 1, 2017-Mar 31,2018)	Mr. Chayapol Supasethnon	3972	EY Office Limited

Auditor's report

For the year ended 31st March, 2023, the Auditors have given an unqualified opinion that the financial statements were fairly presented and prepared in accordance with generally accepted accounting principles.

The Consolidated financial statements of last 3 years latest being the year ended on 31st March 2023, have been given for the purpose of comparison and for the appreciation of the change in revenues and profitability over the years.

Polyplex (Thailand) Public Company Limited Statement of Financial Position

Unit: Bt. 000's

	2020/21 April-March		2021/22 April-March		2022/23 April-March	
	Amount	%	Amount	%	Amount	%
Assets						
<u>Current Assets</u>						
Cash and cash equivalents	1,719,861	8.59	2,201,408	8.61	2,346,977	9.12
Accounts receivable	2,267,684	11.32	4,035,309	15.79	3,462,409	13.46
Inventories	2,887,121	14.41	5,043,353	19.73	4,893,010	19.02
Other current assets (including financial assets)	498,221	2.49	523,514	2.05	889,457	3.46
Total Current Assets	7,372,888	36.81	11,803,583	46.18	11,591,853	45.07
<u>Non-Current Assets</u>						
Restricted bank deposits	10,910	0.05	22,363	0.09	625	0.00
Land, premises and equipment-net	11,720,628	58.52	12,904,704	50.48	12,992,191	50.51
Intangible assets-net	3,696	0.02	3,318	0.01	3,526	0.01
Deferred Tax asset	15,961	0.08	73,711	0.29	66,757	0.26
Advance payment for purchases of assets	561,673	2.80	419,732	1.64	416,044	1.62
Other non current assets (including financial assets)	343,578	1.72	334,469	1.31	651,289	2.53
Total Non-current Assets	12,656,447	63.19	13,758,298	53.82	14,130,431	54.93
Total Assets	20,029,334	100.00	25,561,881	100.00	25,722,284	100.00

Polyplex (Thailand) Public Company Limited
Statement of Financial Position

Unit: Bt. 000's

	2020/21 April-March		2021/22 April-March		2022/23 April-March	
	Amount	%	Amount	%	Amount	%
Liabilities & Shareholders' Equity						
<u>Current Liabilities</u>						
Trade and other Payables	1,410,187	7.04	2,210,212	8.65	2,166,482	8.42
Long-term loans-due within one year	252,734	1.26	344,779	1.35	412,015	1.60
Current portion of Lease agreements	5,804	0.03	7,890	0.03	12,775	0.05
Short-term loans from financial institutions	650,000	3.25	1,353,000	5.29	1,194,153	4.64
Income tax payable	82,933	0.41	247,040	0.97	51,109	0.20
Other current liabilities	583,173	2.91	823,823	3.22	496,894	1.93
Total current liabilities	2,984,831	14.90	4,986,744	19.51	4,333,427	16.85
<u>Non-current Liabilities</u>						
Long-term loans-net of amount due within one year	1,361,610	6.80	2,033,422	7.95	1,547,874	6.02
Liabilities under Lease agreements	12,552	0.06	17,367	0.07	36,906	0.14
Provision for long-term employee benefits	52,822	0.26	57,128	0.22	75,849	0.29
Deferred Tax Liabilities	268,011	1.34	535,745	2.10	453,335	1.76
Other Non- Current Liabilities	10,369	0.05	9,657	0.04	6,617	0.03
Total Liabilities	4,690,194	23.42	7,640,064	29.89	6,454,008	25.09
Shareholders Equity						
<u>Issued & Paid-up Share Capital</u>						
Ordinary shares	900,000	4.49	900,000	3.52	900,000	3.50
Premium on ordinary shares	1,908,450	9.53	1,908,450	7.47	1,908,450	7.42
Other components of shareholders' equity	(1,042,999)	(5.21)	(760,103)	(2.97)	(733,912)	(2.85)
Legal Reserve	96,000	0.48	96,000	0.38	96,000	0.37
Retained earnings	13,415,695	66.98	15,682,899	61.35	16,934,374	65.84
Total Shareholders' Equity	15,277,145	76.27	17,827,245	69.74	19,104,911	74.27
Minority Interest	61,995	0.31	94,572	0.37	163,365	0.64
Total Liabilities and Shareholders' Equity	20,029,334	100.00	25,561,881	100.00	25,722,284	100.00

Polyplex (Thailand) Public Company Limited
Statement of Income

Unit: Bt. 000's

	2020/21		2021/22		2022/23	
	April-March		April-March		April-March	
	Amount	%	Amount	%	Amount	%
Revenues						
Net sales	15,144,388	99.53	21,544,823	98.12	26,340,656	99.00
Gain on Foreign exchange and derivatives	13,311	0.09	351,774	1.60	21,806	0.08
Other income	58,291	0.38	60,211	0.27	244,566	0.92
Total Revenues	15,215,990	100.00	21,956,808	100.00	26,607,028	100.00
Expenses						
Cost of sales	10,433,231	68.57	15,299,360	69.68	21,578,612	81.10
Selling and distribution expenses	970,867	6.38	1,957,190	8.91	1,835,193	6.90
Administrative expenses	507,304	3.33	538,744	2.45	597,045	2.24
Loss on Foreign exchange and derivatives	-	-	23,783	0.11	17,331	0.07
Total Expenses	11,911,402	78.28	17,819,077	81.16	24,028,182	90.31
Profit (loss) before interest expenses	3,304,588	21.72	4,137,731	18.84	2,578,846	9.69
Finance costs	(61,447)	(0.40)	(62,685)	(0.29)	(151,798)	(0.57)
Tax Expense	(270,671)	(1.78)	(510,144)	(2.32)	(262,287)	(0.99)
Net profit (loss) after income tax	2,972,470	21.31	3,564,902	18.56	2,164,762	9.12
Net loss (Profit) of minority interest	(2,465)	(0.02)	(15,115)	(0.07)	(68,792)	(0.26)
Net profit (loss)	2,970,004	21.30	3,549,787	18.49	2,095,969	8.86
Add/(Less): Forex Loss/ (Gain)	(13,311)	(0.09)	(327,991)	(1.49)	(4,474)	(0.02)
Normalized Profit (Loss)	2,956,693	21.21	3,221,796	17.00	2,091,495	8.85
Earnings (losses) per share (Bt.) - On reported profit basis	3.30		3.94		2.33	
Earnings (losses) per share (Bt.) - On normalized profit basis	3.29		3.58		2.32	

Polyplex (Thailand) Public Company Limited
Cash Flow Statement

Unit : Bt. 000's

	2020/21 April-March	2021/22 April-March	2022/23 April-March
Cash flow from operating activities			
Profit before tax	3,243,140	4,075,046	2,427,048
Adjustments to reconcile profit of net cash provided by operating activities			
Depreciation and amortization	929,914	985,548	1,088,070
Doubtful debts	32	86	4,543
Actuarial losses	-	1,493	4,280
Decrease of inventories to net realisable value (reversal)	(9,364)	4,530	72,092
Interest Expense	61,447	62,685	151,798
Unrealized losses (gains) on foreign exchange	17,455	(184,010)	66,738
Long-term employee benefit expense	3,580	7,813	10,268
Losses (gains) on sale of current investment	-	(67)	3,598
Losses (gains) on sale and write off of property, plant and equipment	4,180	486	(1,410)
Interest Income	(23,445)	(19,899)	(35,015)
Profit (Loss) from operation before changes in operating assets and liabilities	4,226,939	4,933,712	3,792,011
Operating assets (increase) decrease			
Accounts receivable	83,265	(1,789,684)	542,950
Inventories	(525,143)	(2,159,607)	77,056
Other current assets	44,348	(97,297)	(217,795)
Other non-current assets	(82,242)	76,711	(95,383)
Accounts payable	217,940	776,183	(152,878)
Other current liabilities	29,203	218,616	(308,595)
Payment of long-term employee benefits	(4,853)	(963)	(22,630)
Income tax paid	(42,817)	(166,211)	(585,622)
Net cash flows from operating activities	3,946,640	1,791,459	3,029,114
Cash flow from Investing activities			
Decrease (Increase) in restricted bank deposits	(1,167)	(11,453)	21,738
Decrease (increase) in current investments	(381,526)	8,257	(332,926)
Decrease (increase) in advance payment for purchases of assets	(250,207)	141,941	3,688
Increase (decrease) in accounts payable for purchases of fixed assets	(712)	22,516	118,496
Purchases of property, plant and equipment	(1,862,447)	(1,715,841)	(1,152,214)
Proceeds from sales of property, plant and equipment	9,944	1,366	11,789
Increase in intangible assets	(119)	(58)	(267)
Cash received from interest	22,665	20,820	34,675
Net cash flows used in investing activities	(2,463,569)	(1,532,453)	(1,295,022)
Cash flow from financing activities			
Interest Paid	(66,768)	(70,817)	(151,888)
Increase (Decrease) in short term loans from financial institutions	(256,628)	703,000	(158,847)
Increase (decrease) in long-term loans from financial institutions	(34,768)	713,246	(478,778)
Dividend payment	(747,000)	(1,287,000)	(819,000)
Cash received from shares subscription in subsidiaries	25,083	17,462	-
Payments of lease liabilities	(5,052)	(11,254)	(13,661)
Net cash flows from (used in) financing activities	(1,085,132)	64,636	(1,622,174)
Currency Translation changes	117,577	157,904	33,652
Increase in cash and cash equivalents	515,515	481,546	145,569
Cash and cash equivalents at the beginning of period (April 1)	1,204,346	1,719,861	2,201,408
Cash and Cash equivalents at the end of period (March 31)	1,719,861	2,201,408	2,346,977

Polyplex (Thailand) Public Company Limited
Financial Ratios

		2020-21 April-March	2021-22 April-March	2022-23 April-March
<u>Liquidity Ratios **</u>				
Current ratio	(time)	2.47	2.37	2.67
Quick ratio	(time)	1.34	1.25	1.34
Cash flow current ratio	(time)	1.35	0.45	0.65
Receivable current ratio	(time)	6.47	6.84	7.03
Avg. debt collection period	(day)	55.61	52.66	51.24
Inventory turnover period	(time)	11.18	11.09	12.46
Avg. selling period	(day)	32.20	32.46	28.89
Payable current ratio	(time)	8.04	8.45	9.86
Loan repayment period	(day)	44.79	42.59	36.51
Cash cycle	(day)	43.02	42.52	43.62
<u>Profitability Ratios **</u>				
Gross profit margin	(%)	31.11%	28.99%	18.08%
Operating profit margin	(%)	21.35%	17.40%	8.84%
Other profit margin	(%)	0.09%	1.60%	0.08%
Cash to profit margin	(%)	119.43%	43.05%	116.24%
Net profit margin	(%)	19.52%	16.17%	7.88%
Return on equity	(%)	21.09%	21.45%	11.35%
<u>Efficiency Ratios **</u>				
Return on assets	(%)	15.83%	15.57%	8.17%
Return on fixed assets	(%)	34.78%	36.83%	24.59%
Asset turnover	(time)	0.81	0.96	1.04
<u>Financial Policy Ratios **</u>				
Debt to equity ratio	(time)	0.31	0.43	0.33
Interest coverage ratio	(time)	64.92	31.23	0.34
Commitment coverage ratio (cash basis)	(time)	1.49	0.78	0.34
Pay out ratio *	(%)	30%	35%	34%

* Payout ratio is on normalized profits. For FY 2022-23, it is as proposed by Board of Directors for Shareholder consideration and approval

** All other ratios are on Reported Financial Statement basis

Management Discussion and Analysis of operational performance and financial status**Operational performance**

The key highlights of the year's performance are as follows:

Description	Unit of measure	FY 2021-22	FY 2022-23	YoY
Sales Volumes (Film sales)	MT	236,995	270,173	▲ 14.00%
Sales Value	Million Baht	21,545	26,341	▲ 22.26%
Normalized EBITDA	Million Baht	4,795	3,662	▼ 23.62%
Normalized EBITDA margin	%	22.26%	13.90%	▼ 836 bps
Normalized EBITDA/ Kg#	THB/KG	20.23	13.56	▼ THB 6.68
Normalized PAT	Million Baht	3,222	2,093	▼ 35.08%
Normalized EPS	Baht/ Share	3.58	2.33	▼ 35.08%

Per Kg based on Qty of Films sales

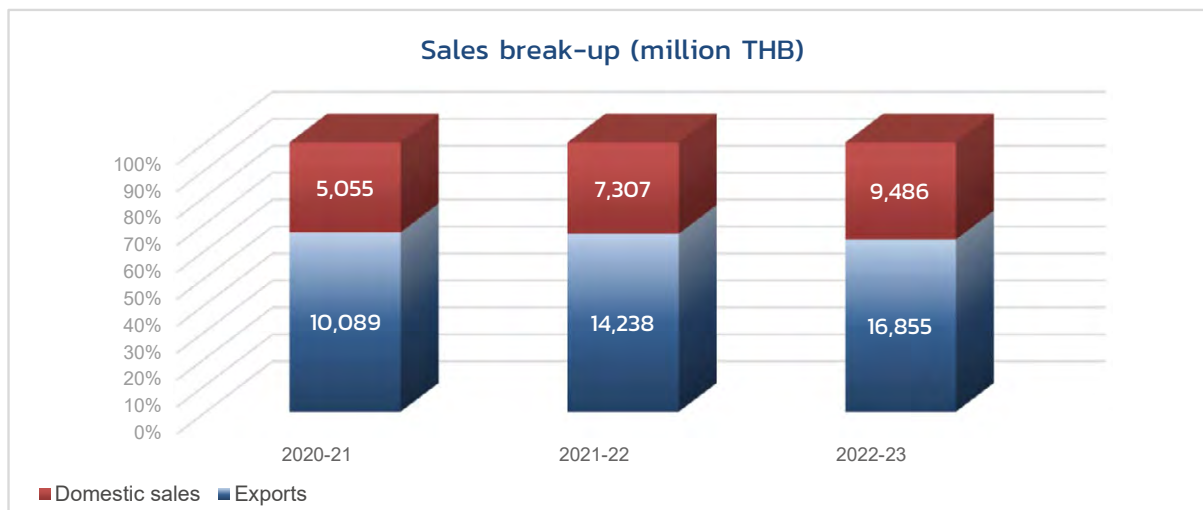
Some of the key factors impacting our performance in this financial year are:

- Temporary slowdown in demand since the third quarter of the year, due to de-stocking through the value chain coupled with start-up of several new lines in India and China impacted the margins in our core business of Thin PET films. A well-diversified product portfolio, geographical presence and long-term customer relationship helped the company place full volume in the market.
- Global economic slowdown, increasing interest rate, inflation and lockdown in China impacting the demand in industrial segments (mainly electronic and industrial applications which are more discretionary spending items) in almost all regions
- Decline in ocean freight rates led to drop in import parity pricing which also negatively impacted the margins for an onshore supplier
- Increase in the utilities costs, especially in Turkey and Thailand, which could not be entirely passed on to the customers due to competitive imports also impacted the financial performance of the company. This coupled with other factors as stated above, has significantly impacted the earnings reported for this year

TOTAL REVENUES**Sales Revenue:**

Consolidated Sales revenue of the company has increased from Baht 21,544 million to Baht 26,341 million, an increase of Baht 4,797 million or 22.3% mainly due to higher volumes (including higher volume of BOPP films and resin) and also due to higher selling prices in some of the businesses.

The Company's Sales revenue from Exports and Domestic sales for last 3 years is as below:

**Other Income:**

Other income has increased by Bt 169 million mainly due to higher insurance claim.

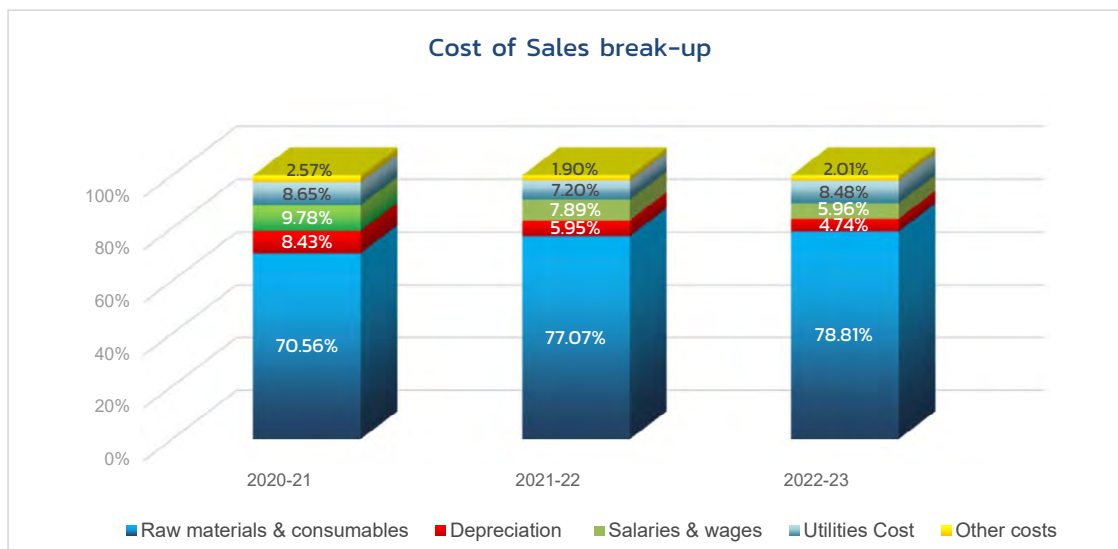
TOTAL EXPENSES

The key elements of the Company's cost structure are raw materials, packing, electricity & fuel, depreciation, staff cost, selling & administrative expenses and finance costs.

The company recorded total consolidated expenses of Baht 24,011 million being an increase over corresponding year by Baht 6,215 million or 35%.

The cost of sales has increased by Baht 6,279 million or 41% due to overall higher sales volumes including the new volumes from the BOPP line in Indonesia and also overall higher raw material prices, mainly PTA (Increase YoY) partly offset by a reduction in MEG prices. The conversion costs have also seen a sharp increase, mainly in the power and natural gas expenses.

A broad break-up of major components of Cost of sales of last 3 years is given below:



Lower selling expenses is mainly due to lower ocean freight owing to a decline in global freight rates. This is partly offset by increase in other selling expenses such as foreign travel expenses, overseas representative office expenses etc.

Higher admin expenses are mainly due to general increase in admin expenses at various facilities.

There is a significant decrease in Exchange gain this year as compared to previous year, mainly due to lower unrealized gains on restatement of the Euro term loans at USA as compared to last year. The gains were partially offset by unrealized losses on the restatement of the USD and Euro term loans at Indonesia and Euro loans at Thailand, due to depreciation of the local currencies against USD and Euro. There is a decrease in losses on derivatives due to the mark-to-market (MTM) impact on the outstanding forward contracts at Thailand and the subsidiaries.

Net financial charges

The consolidated finance costs during the year were Baht 151.8 million, an increase of Baht 89 million or 142% over corresponding year. Finance costs are higher mainly due to higher interest rates, including the interest on the bank loans disbursed for the BOPP project at Indonesia which was earlier capitalized to fixed assets until the Project commercial start-up in December 2021.

Corporate Income Tax

The Consolidated Corporate Income tax expense in this year is Baht 262 million, a decrease of Bt 248 million or 48% as compared to the corresponding year. Lower tax expense is mainly on account of impact of Deferred Tax accounting which is partly offset by higher tax on current year profits. The increase in effective tax rate on a consolidated basis this year is mainly due to the impact of an additional Corporate Income tax of 10% in Turkey, imposed on account of the earthquake.

Profit margins – Gross Profit, Operating Profit and Net profit ratios

On Consolidated basis, the gross margin and operating margin have declined compared to previous year due to the decrease in gross profits and operating profits in absolute terms.

Financial status

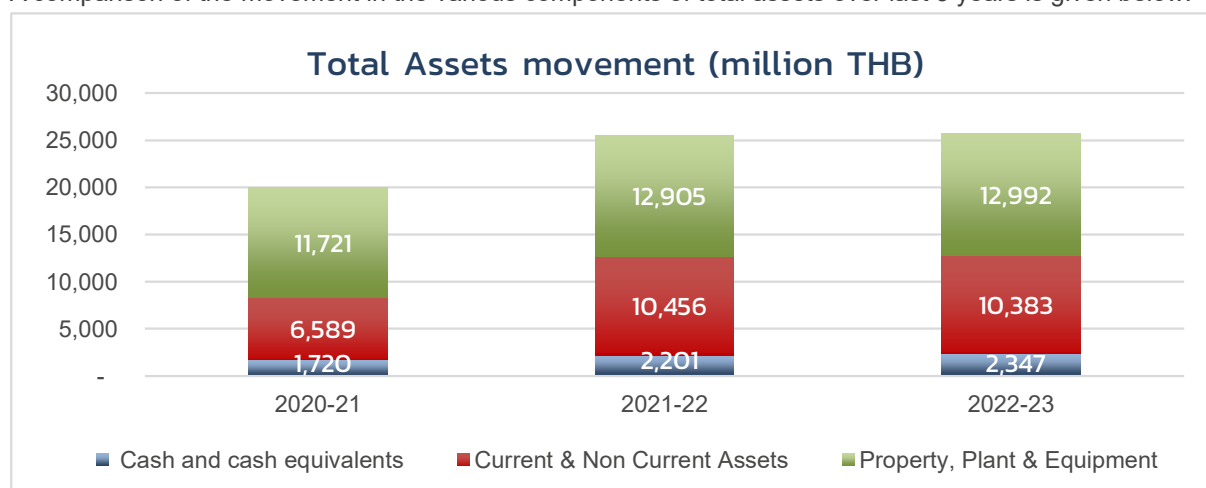
As at 31 March, 2023, there has been a 2.4% depreciation of THB against the USD (approx. THB 0.80/USD) and 1.5% appreciation against IDR (approx. THB 0.1 per 1000 Rupiah) as compared to the exchange rate on 31 March 2022. The Euro/ THB is about the same level as at March 2022. As a result, the translation of the Company's subsidiaries' Statement of Financial Position has resulted in net translation gain of Baht 34 million.

TOTAL ASSETS

As on 31st March 2023, The Company's consolidated total assets were Baht 25,722 million, higher by 0.6% as compared to Baht 25,562 million in the previous year.

The main components of Total Assets are Property, Plant & Equipment's, Current assets and non-current assets and Cash & Cash Equivalents.

A comparison of the movement in the various components of total assets over last 3 years is given below:



The major movement in assets during the year:

Current assets:

- Current assets have decreased by THB 211.7 million or 1.7% compared to March 2022.
- Increase in cash and cash equivalents is mainly due to cash generated from operations partly offset by cash deployed in investments and for debt repayments.
- Decrease in Trade Receivables is mainly at USA and Indonesia subsidiaries mainly due to lower volumes and also lower selling prices, in line with lower raw material prices.
- Decrease in Inventories is mainly due to a reduction in stock levels at the subsidiaries in US and Indonesia, partly offset by higher inventory at Thailand and the Turkey subsidiary, mainly in raw materials, process stocks and Stores & Spares.
- Increase in advance payment for purchase of goods is mainly at Turkey and Indonesia subsidiaries.
- Decrease in Input tax refundable is mainly due to decrease in VAT refund receivable at Thailand and Indonesia subsidiary, owing to receipt of pending refunds from the Revenue department.
- Other current financial assets represent mainly the Investments of surplus funds in Bonds and Bond funds at Turkey subsidiary and Derivative assets (MTM Gain on the Forwards contracts). Increase is mainly due to transfer of some non-current investment to current portion in this period and also due to higher MTM gain on forward contracts.
- Increase in Other current assets are mainly due to increase in Insurance claim receivable, Prepaid expenses, Advance taxes and Interest receivable. The insurance claim has been subsequently received in full.

Non-current assets:

- Non-Current assets have gone up by THB 372.1 million or 2.6% as compared to March 2022.
- Reduction in restricted bank deposit is at the Indonesia subsidiary, due to release of letter of guarantee issued by banks to vendors.
- Increase in Property Plant & Equipment (net block) is mainly due to the Project/ Normal CAPEX at Thailand and the subsidiaries partly offset by the depreciation charged during the year.
- Decrease in Deferred tax asset is due to Deferred Tax adjustments as per relevant accounting standard.
- Decrease in Advances for purchase of fixed assets is mainly at Thailand partially offset by higher advances at the US and Thailand subsidiaries for ongoing projects.
- Increase in other non-current assets is mainly at Indonesia due to Corporate Income Tax refundable
- Non-current financial assets refer to some investment of surplus funds by the Turkey subsidiary into financial instruments (mainly Bonds) and increase is due to new investments made during the period

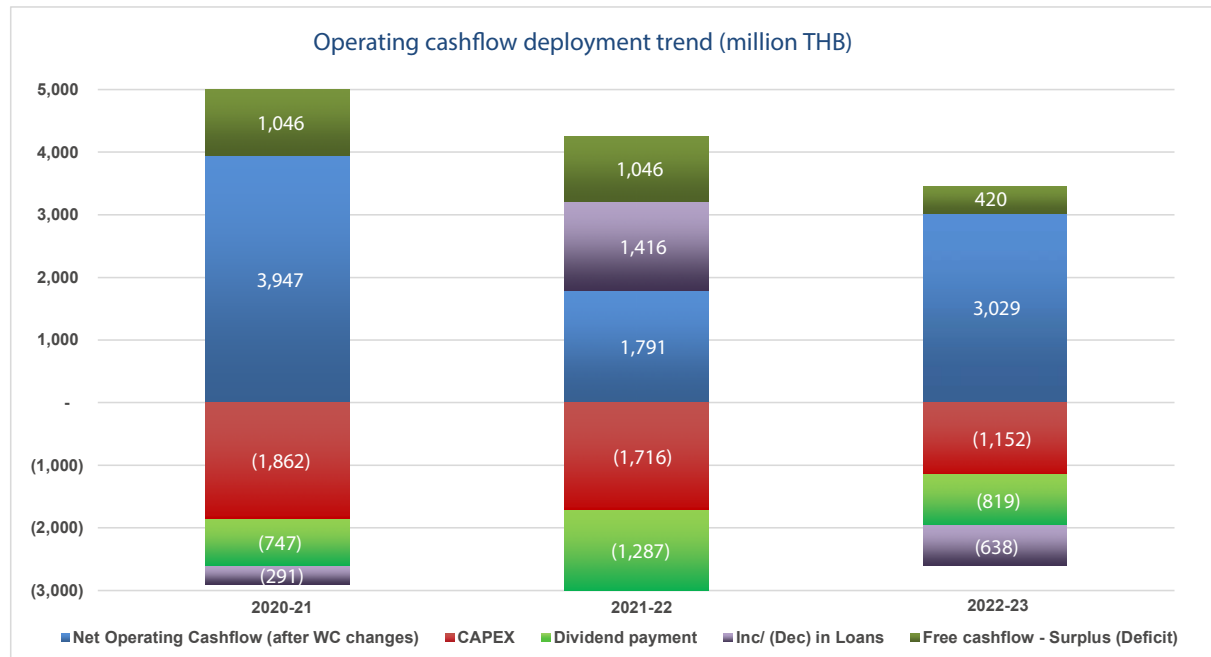
Return on assets

The return on assets (on reported profits basis) is 8.17% as compared to 15.57% during previous year. The return on assets (on normalized profits basis) is 8.15% as compared to 14.13% during previous year. The decline is mainly on account of lower profitability this year.

Liquidity

The Company has been able to improve the Net operating cash flow from its operations (after WC changes) and has judiciously deployed it in various project investments and has also optimized borrowings and finance cost, while distributing healthy dividends to its shareholders.

The snapshot of cashflow generations and the growth in cash & cash equivalent balances over last 3 years is given below:



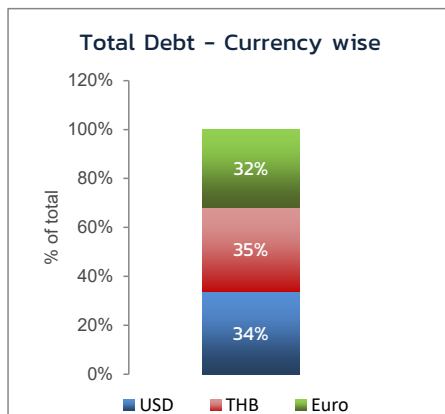
- During the year under review, the Company generated cash of Baht 3,029 million in operating activities as per details below:
 - Cash generated from operating activities (before changes in operating assets and liabilities) was Baht 3,792 million.
 - The impact of changes in working capital (Outflow of Baht 763 million) is as under:
 - Decrease in Accounts Receivable by Baht 543 mainly at USA and Indonesia subsidiaries, due to lower volumes and also lower selling prices, in line with lower raw material prices.
 - Decrease in inventories by Baht 77 million mainly due to a reduction in stock levels at the subsidiaries in US and Indonesia, partly offset by higher inventory at Thailand and the Turkey subsidiary, mainly in raw materials, process stocks and Stores & Spares
 - Increase in other current and non-current assets by Baht 313 million. Increase in Other current assets are mainly due to increase in Insurance claim receivable, Prepaid expenses, Advance taxes and Interest receivable.
 - Decrease in Accounts Payable by Baht 153 million is due to lower trade payables partly offset by higher payables for the purchase of assets for ongoing Capex investments/ projects.
 - Payment of long-term employee benefits – Baht 23 million
 - Cash paid for income tax – Baht 585 million
 - Decrease in other current liabilities by Baht 308 million due to higher provisions against statutory liabilities (withholding taxes etc), higher advance payments from customers and higher expense provisions such as Bonus, Quality claims, Commission etc.
- Net cash used in investing activities is Baht 1,295 million as per details below:
 - Net additions to fixed assets – Baht 1,152 million.
 - Baht 22 million decrease in the restricted bank deposit
 - Net decrease in Advance and increase in Accounts payable for fixed assets by Baht 122 million
 - Decrease in current and non-current financial assets –Bt 333 million due to net investments by Turkey subsidiary in Bonds/ Mutual Funds.
 - Proceeds from sale of property, plant & equipment Bt 12 million
 - Cash received from Interest – Bt 34 million
- The net cash inflow from financing activities of Baht 1,622 million:
 - Net decrease in Short term loan– Baht 159 million
 - Net decrease in Long term loans from banks - Baht 478 million
 - Dividend paid during the year – Baht 819 million
 - Cash paid for Lease Liabilities – Baht 14 million
 - Cash paid for interest on term loans and short-term loans – Baht 152 million

The surplus thereof, along with translation adjustment gain of Baht 34 million, and opening balance of Baht 2,201 million has resulted in a net closing balance of Baht 2,347 million.

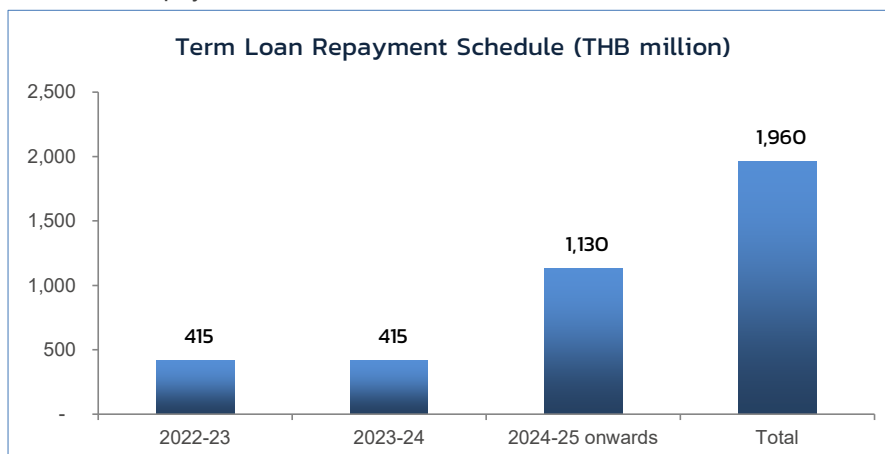
Debt Profile

Total debt as on March 31, 2023 is Baht 3,154 million (including working capital debt), a decrease of Baht 577 million over the previous year. The decrease is mainly on account of lower working capital borrowing at Thailand and lower term debt due to repayment at subsidiaries (including some prepayment), partly offset by net unrealized forex loss on loan restatement.

Total Debt - Currency Wise



Term Debt Repayment Structure



Liquidity and capital resources

The Company ensures access to sufficient funding at acceptable costs to meet its business needs and financial obligations at all times. The Company relies on cash from operations and short term/long-term debt for meeting its cash flow requirements. It continues to maintain adequate liquidity for its operations with a close watch on the debt service and leveraging ratios. Cash and equivalents together with undrawn credit lines (excluding project financing) and liquid investments aggregated to around 7.3 Billion Baht or USD 213 million (including unutilized working capital limits of 4.2 Billion Baht or USD 124 million) as at the end of the reporting period.

Liquidity ratio

During the year under review, the current ratio was 2.67 and quick ratio was 1.34. The average debt collection period was 51 days along with Account payables period of 36 days and average selling period of 29 days, resulting in a cash cycle of 44 days, almost similar to cash cycle of 43 days of previous year.

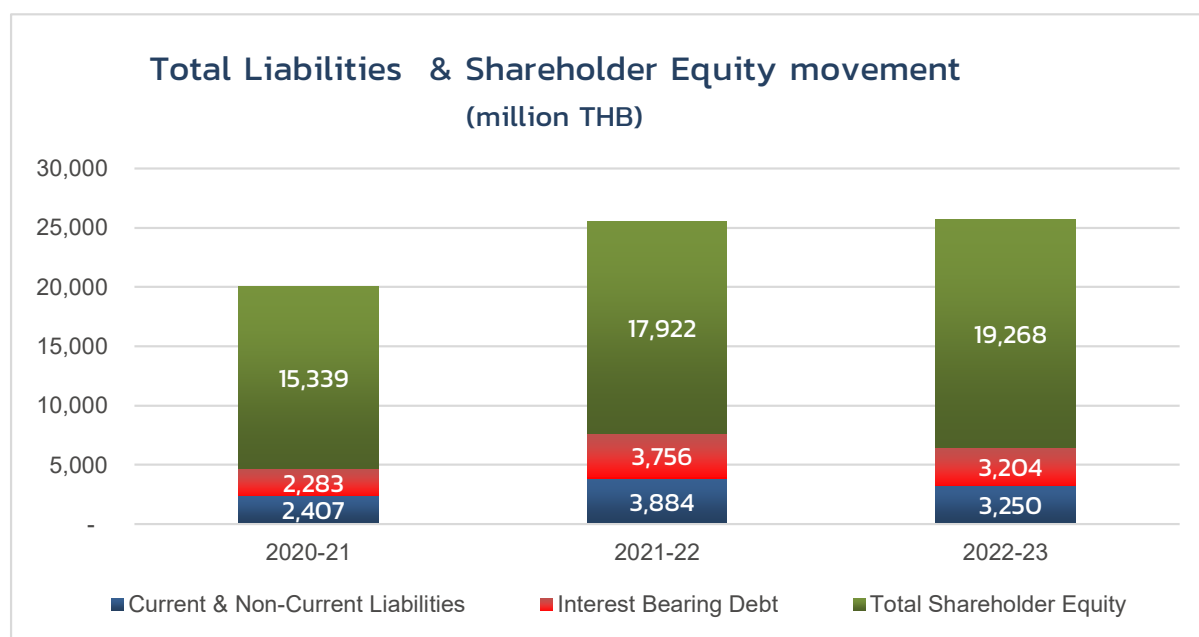
Sources of funds

Sources of funds consist of long term and short-term loans from financial institutions and shareholders' equity.

TOTAL LIABILITIES

As on 31st March, 2023, consolidated Total liabilities stood at Baht 6,454 million, a decrease of 15% over Bt 7,640 million of previous year. The key components of total liabilities are Current and Non-Current Liabilities, Interest bearing debt (short/ long-term) and Total Shareholder Equity.

A comparison of the movement in the various components of total liabilities and the growth in Shareholder Equity over last 3 years is depicted below:



The major movements in Liabilities during the year are as under:

Current & Non-Current Liabilities:

- Total liabilities have decreased by THB 1,186 million or 16% as compared to March 2022.
- Decrease in short term borrowings is due to lower borrowings at Thailand.
- Decrease in trade and other payables is due to lower trade payables partly offset by higher payables for the purchase of assets for ongoing Capex investments/ projects.
- Decrease in Long Term Loan is due to Loan repayments by Indonesia and Thailand subsidiary, including some prepayments and unrealized gains on the Euro Loan restatement at the US subsidiary, partly offset by unrealized losses on the loan restatement at the Indonesia and Thailand subsidiary.
- Decrease in Corporate Tax Payable is mainly due to lower tax provision this year on account of reduction in profits.
- Decrease in other current liabilities is mainly due to lower expense provisions including provision for statutory liabilities and reduction in advance payments from customers
- Decrease in current financial liabilities is due to lower MTM loss on Derivative contracts.
- Increase in provision for long-term employee benefits is due to higher provisions at Thailand and the subsidiaries.
- Decrease in Deferred Tax Liabilities is mainly at USA and Indonesia subsidiaries.

Major changes in Shareholder Equity:

- The retained earnings have increased due to the net profits generated during the year partly offset by Dividend payout.
- The increase in other components of equity is mainly due to net exchange translation gains arising on account of translation of the balance sheet of the subsidiaries due to the depreciation of Baht against USD partly offset by appreciation of THB against IDR.
- The increase in Non-controlling interests of subsidiaries is due to the share of profits generated during the year.

Return on equity

The Return on Equity (On reported profits basis) is 10.72% as compared to 21.45%. On a Normalized profit basis, the return on Equity has reduced to 10.7% as compared to 19.5% of previous year, mainly due to reduction in net profits and increase in average Shareholder Equity this year.

The Company has a policy to pay dividend at 40% of consolidated net profits, taking into account economic conditions, growth plans, future deployment opportunities, the Company's financial position and liquidity and subject to the approval by the shareholders.

For the year 2022-23, the Board has recommended a payout of THB 0.84/share or total payout of THB 756 million, out of which THB 0.57/share of THB 513 million was paid out as Interim dividend in December 2022 and balance of THB 0.27/share or THB 243 million is being proposed as Final dividend, for approval of shareholders in the Annual General meeting in July 2023.

Leveraging & interest coverage ratio

The net debt equity ratio (debt only - short term and long term, including current portion, after netting off cash & cash equivalents and Bond investments) is 0.01 on a consolidated basis (as compared to 0.09 in previous year end). The reduction is mainly due to Lower debt, higher Bond investments and increase in shareholder Equity.

Debt equity ratio (for total debt, including current + non-current liabilities), is 0.33 on a consolidated basis as compared to 0.43 in the previous year end.

The interest coverage ratio has reduced to 24 times this year, as compared to 31 of previous year. Despite the lower cash flow from operations (before working capital changes) this year from Baht 4,934 million to Baht 3,781 million, there is an increase in net cash flow from operations (after changes in working capital) to Baht 3,029 million as compared to Baht 1,791 million of previous year mainly due to lower inventory and receivables, partly offset by lower trade payables and other current liabilities. There is also an increase in interest expenses due to increase in global interest rates.

Main factors which may affect the future operational performance and financial position

Despite the challenges from the significant capacity additions and the pressure on margins witnessed by all manufacturers in this industry, the Company has been able to operate its assets at all locations at optimum levels and place full volume in the market, thereby delivering relatively healthy financial results as compared to the industry peers.

The Company's key focus area and outlook in the coming year would be the following:

- Leverage market penetration and existing product basket to expand specialty sales in new age packaging and Industrial applications
- Full ramp-up of the brown-field BOPP film project in Indonesia and expand the product range targeting specialty and high margin segments
- Ramp-up of the smaller projects in Turkey and Thailand dedicated mainly towards improvement of Specialty portfolio which provide expansion and stability of margins
- To ensure 100% line-fill at all manufacturing locations with a profitable sales mix.
- The PET film industry has witnessed significant capacity additions in last 1-2 years and some of the newly announced capacities are yet to come on stream. Majority of these new capacities are being installed in the low-cost countries – especially in China and India. With these new capacities, the industry has stepped into competitive era where producers with cost efficient production, attractive product basket with high share of specialty products, low leverage and sufficient cash reserves would have an edge over other players. Polyplex is well positioned to build on these strengths and outperform the industry.
- Polyplex is the lowest cost producer in each major regional market of operation and will further strive to improve the cost structure through innovative cost reduction projects with minimal investments
- To focus on improving market penetration for innovative applications such as Solar PV cells and the Electric Vehicle (Lithium Ion Battery) which are considered to be high growth potential segments and expected to drive the growth in the Industrial and Electrical segments over next few years.
- **Raw material price volatility** - Although the raw material changes are a pass through in this industry and the selling prices are normally adjusted to pass on the increase/ decrease in raw material costs to customers, there is usually a time lag of 1-3 months and there could at times, be some impact on margins, in the interim. However, the margins tend to remain more stable and range bound over a longer period of time. In any case, volatility in raw material prices is not good, as it dampens the overall business sentiment.
- **Currency Volatility** - The company is exposed to 2 types of exchange fluctuation risks – one, on the operational profits, including the restatement of the foreign currency denominated assets/ liabilities of each entity on a standalone basis and secondly, on the conversion of the subsidiaries' financial statements, which are denominated in USD, Euro and IDR, into THB currency for the purpose of consolidation. While the Company hedges most of its operational foreign currency exposures, the fluctuations on account of restatement of long-term loans cannot be completely hedged and can have a significant impact on the reported profitability. The Company normalizes the impact of Forex fluctuations while discussing the financial operational performance and also adjusts the unrealized Forex fluctuation impact, while considering the Dividend payout.

For details on the Risk factors which can impact the Company's operations and the mitigation plan, kindly refer Section 2 of Part 1.

General Information

The company	Polyplex (Thailand) Public Company Limited
Stock Exchange of Thailand symbol	PTL
Registered Head office	75/26, Ocean Tower II, 18th Floor, Sukhumvit Soi 19, Kwaeng North Klongtoey, Khet Wattana, Bangkok - 10110
Telephone	(662) 665-2706-8
Facsimile	(662) 665 2705
Factory -1	Siam Eastern Industrial Park, 60/24, Moo 3, Tambol Marbyangporn, Amphur Pluak Daeng, Rayong- 21140
Factory -2	Siam Eastern Industrial Park, 60/91 Moo 3, Tambol Marbyangporn, Amphur Pluakdaeng, Rayong 21140
Factory -3	Siam Eastern Industrial Park, 60/109, Moo 3, Tambol Marbyangporn, Amphur Pluakdaeng, Rayong 21140
Type of Business	Manufacturer of Polyester Thin Film (Plain and Metallized), Polyester Chips, Polyester Thick Film (Plain), Extrusion Coated film, Cast Polypropylene Film (Plain and Metallized), Silicone Coated Film, Blown PP Film, Offline Coated Film and Holographic Film.
Company registration number	0107547000729
Telephone	(66) 38 627 074 - 99
Facsimile	(66) 38 627 070
Website	http://www.polyplexthailand.com
Registered Capital	Baht 900,000,000
Common Shares	900,000,000 shares
Par Value	Baht 1.00 per share
Paid-up Capital	Baht 900,000,000

Subsidiaries in which the company holds more than 10% share – As at 31st March, 2023

Company Name and Address	Business Type	Registered Capital (shares)	Issued & Paid Up - No. of shares held by the Company	% shareholding	Type of Shares
Polyplex (Singapore) Pte Ltd. 61, Club Street, Singapore-069436	Investment Holding Company	100,000 300,000	100,000 39,100	100% 100%	Common Preference
Polyplex Europa Polyester Film* Sanayi Ve Ticaret A.S. Karamahmet Mah. Avrupa Serbest Bolgesi, 3 Sokak No. 4 Ergene, Tekirdag, TURKEY	Manufacturing Company	1,500,000	1,500,000	100%	Common
Polyplex (Americas) Holding Inc. 251 Little Falls Drive, Wilmington, DE 19808	Investment and Trading & Distribution Company	10,000	9,324	100%	Common
Polyplex USA LLC*** 641 South Lawrence Street, Montgomery, AL 36004	Manufacturing Company	****	\$46,616,500	100%	Common
EcoBlue Limited <u>Head Office</u> 60/91, Moo 3 Siam Eastern Industrial Park, Marbyangporn Sub-district, Pluak Daeng District, Rayong, THAILAND <u>Branch -1</u> Siam Eastern Industrial Park, 901 Moo 4, Tapol Pluakdaeng Amphur Pluakdaeng, Rayong 21140	Manufacturing Company	13,765,000	137,650,000	66.5%	Common
Polyplex Paketleme Çözümleri Sanayi ve Ticaret A.Ş# Muhittin Mahallesi, Çetin Emeç Bulvarı, Acun Sokak, Cemil Bayram Apt., No: 7/1 Çorlu/Tekirdağ_Turkey	Trading & Distribution Company	20,000	20,000	100%	Common
Polyplex Europe B.V. Zuidplein 126WTC, Toren H, 1077 XV Amsterdam NETHERLANDS	Trading & Distribution Company	30,000	30,000	100%	Common
PT. Polyplex Films Indonesia Jl. Modern Industri XVIII Blok AN No. 7, Nambo Udik, Cikande, Serang Regency, Banten, Indonesia -42186)	Manufacturing Company	54,000	53,999	99.998%	Common

* Indirect holding via PSPL

*** Indirect Holding via Polyplex America Holdings Inc.

**** There are no shares of Polyplex USA LLC. Capital contribution from PAH is termed as Members Unit and it is 100% by PAH.

Indirect holding via Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi

Other references**(a) Registrar**

Name	Thailand Securities Depository Co., Ltd.
Address	93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand
Telephone	(662) 009-9000
Facsimile	(662) 009-9991

(b) Trustee	N/A
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(c) Auditing Firm

Name	EY Office Limited
Address	33rd Floor, Lake Rajada Office Complex, 193/136-137 Rajadapisek road, Klongtoey, Bangkok 10110, Thailand
Telephone	(662) 264-9090
Facsimile	(662) 664 0789-90
Auditors*	Ms. Kirdsiri Kanjanaprakasit (CPA No. 6014) and / or Ms. Sumana Punpongsanon (CPA No. 5872) and / or Ms. Rosaporn Decharkom (CPA No. 5659) and / or Ms. Orawan Techawatanasirikul (CPA No. 4807) * Auditors of the company for the FY 2022-23

(d) Legal Advisors

Name	Linklaters (Thailand) Ltd
Address	20th Floor, Capital Tower, All Seasons Place, 87/1 Wireless Road Bangkok 10330, Thailand
Telephone	(662) 305 8000
Facsimile	(662) 305 8010
Contact person	Mr. Pichitpon Eammongkolchai

Name	Baker & McKenzie Ltd.
Address	Address 990 Abdulrahim Place, 5th floor and 22nd -25th Floors, Rama IV Road, Silom, Bangrak, Bangkok 10500, Thailand
Telephone	(662) 636-2000
Facsimile	(662) 636-2110
Contact person	Mr. Theppachol Kosol

Name	Chandler MHM Limited.
Address	17th and 36th Floors, Sathorn Square Office Tower 98 North Sathorn Road, Silom, Bangrak, Bangkok 10500, Thailand
Telephone	(662)-009-5000
Facsimile	(662)-009-5080
Contact person	Ms. Somporn Manodamrongtham

(e) Advisor or manager under management contract

PART 2

CORPORATE GOVERNANCE

Policy on Corporate governance

Polyplex realizes the significance of good corporate governance and makes every effort to implement the Corporate Governance principles laid down by the Stock Exchange of Thailand. The company has firm belief in transparency, accountability and ethical conduct in carrying out its operations. The Company adopts strict internal controls and audits in recognition of their importance. It also has several risk management policies, keeping in mind a good relationship and business ethic towards business partners, shareholders and all concerned parties.

Rights of shareholders

The Company recognizes the importance of equal rights of all shareholders and considers all the shareholders as owners of the Company irrespective of the percentage of shares owned.

The Company has a policy to report to shareholders regularly on progress of operations, either directly or through the Stock Exchange of Thailand or through information on its website after listing.

Shareholders will be given twenty-one days advance notice of all shareholder meetings, including the meeting agenda and related information. The shareholders would be encouraged to participate in the general meetings and their views and comments would be noted and followed up.

The shareholders also have the following rights which are exercised in the Annual Shareholding meetings:

- Re-appointment of Directors retiring by rotation and approval of the Director remuneration
- Approval of Auditor appointment and remuneration
- Approval of dividend payment

Rights of stakeholders

Polyplex has always provided equal importance to the requirements of all its stakeholders as under:

- **Personnel:** Company considers all its personnel to be valuable assets, critical to the success and growth of the organization. The Company is committed to providing a quality oriented work environment, with special emphasis on safety, along with fair and equitable remuneration. Apart from basic salary, Performance linked Bonus, Provident Fund contribution and Social Security Contribution, the Company also provides certain other benefits to its employees such as Overtime pay, Housing Allowance, Transport Allowance, Telephone allowance, Medical Insurance, Life Insurance coverage etc.
- **Business partners:** It has always been the policy of Polyplex to develop long standing and growing relationships with all its business partners based on mutual benefit and guided by good business ethics. The company values the long-standing relationship with its business partners, whether it is the banks that support the trade finance and project financing requirements of the Company, or the strong Distributors/ Agent network across various parts of the globe, which help in market development and ensure smooth continuity of the business operations for the company.

- **Competitors:** Polyplex always abides by the framework of fair competition and would work towards market development and growth to the mutual benefit of the industry.
- **Creditors:** To abide by the loan covenants and provide all information about the progress of the Company to its creditors as may be required for smooth business dealings.
- **Customers:** Polyplex is committed to creating customer satisfaction by ensuring consistency in the quality of its products and offering value proposition through its wide network, technical support and local sales personnel at each location. Polyplex has successfully adopted the 3R (reduce, reuse and recycle) concept while coming up with new-age packaging substrate solutions to reassert its environmental commitment and continually strive to manufacture sustainable products which can gain global acceptance.
- **Shareholders:** Polyplex strives to conduct its business in a transparent and efficient manner with a view to constantly strive for improvement in operational efficiency and to enhance shareholder value. New project investments are evaluated prudently to ensure good returns and increase value to the shareholders.
- **Community/Society:** Polyplex realizes and cares for the safety of society, environment and quality of life of people. It places priority on activities relating to the community and the society and also by compliance of applicable laws and regulations relating to the same. The company periodically organizes Blood donation camps and encourages employees to donate blood. Apart from this, the Company also contributes donations (cash and kind), from time to time, to organizations engaged in various community services.

Shareholders' meetings

The Company endeavors to organize the shareholders' meeting with equitable treatment for all participants and in strict accordance with legal procedures, from meeting invitations, proxy form for those who are unable to attend the meeting, and distribution of meeting documents to inform all concerned of the meeting agendas. It is ensured that the meeting venue and time is convenient and the meeting session allows adequate time for shareholders to ask questions on business operations or voice their opinion.

Leadership and vision

The Board of Directors is the forum for review of plans, vision, strategies and key policies. Elaborate budgets have been formulated for all functional areas in the Company and a system of Key Result Areas (KRAs) has also been implemented for each department and individual as also at the corporate level to align interests and priorities across the organization. The Board of Directors would play a leading role in regular review of the actual operations vis-à-vis budgets.

Conflict of interest

The policy is based on the principle that any decision to be made by personnel at all levels in business operations must be in the best interest of the Company. It is the duty of all personnel to avoid any transactions and/or dealings which could result in financial losses to the Company and result in personal monetary benefit. The Audit Committee is entrusted to watch over and review the internal controls and audit function to ensure their efficiency and also ensure adequate disclosures to be made as per the SEC/SET guidelines.

Business ethics

Polyplex has a code of conduct for all personnel who emphasize observance of ethical practices, honesty and accountability. Responsibility towards all stakeholders and external agencies is encouraged in order to foster a good corporate culture and social responsibility.

Whistle Blower Policy

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company's Board has in February 2015, approved a Whistle Blower Policy which aims at encouraging its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. This policy aims to provide an avenue for employees who observe an unethical practice (whether or not a violation of law), to approach the Whistleblower Committee, which consists of 4 members, who are key functional heads of the organization and who will report to the Audit Committee about any complaints received by them.

Check and balance by non-executive directors

As at 31st May 2023, the Company has altogether seven directors as detailed below:

Status	Executive Directors	Non-Executive Directors	Audit Committee
Shareholders' representative Directors	2	2	-
Independent Directors	-	-	3

Integration or delegation of title and authority

The Chairman of the Board of Directors is an independent director and is also the Chairman of the Audit Committee. The Managing Director is the CEO in charge of day-to-day operations and has specified powers with certain key decisions requiring approval by the Board of Directors.

Remuneration for directors and executives

The remuneration of the Board of Directors and the Audit Committee is proposed to the Shareholder meeting for their consideration and approval. The Managing Director's remuneration is fixed by the Board of Directors in discharge of duties as the CEO of the Company. The remuneration of the management is open for review by the shareholders who may set the appropriate policies and guidelines on this matter.

Board meetings

The meetings of the Board of Directors are usually convened at least once every quarter to review the operations / quarterly financial results and other matters.

There were four Board meetings conducted during the FY 2022-2023.

Name	Position	Attendance
Mr. Manu Leopairote	Board Chairman & Audit Committee Chairman	4/4
Mr. Shiraz Erach Poonevala	Director & Audit Committee member	3/4
Mr. Sanjiv Saraf	Director and Vice Chairman of Board	3/4
Mr. Ranjit Singh	Director	4/4
Mr. Praphad Phodhivorakhun	Director & Audit Committee member	4/4
Mr. Amit Prakash	Managing Director	4/4
Mrs. Sakhi Saraf	Director	4/4

Supporting committees or sub-committees

The Board of Directors has recommended and shareholders have approved an Audit Committee consisting of three independent directors. The Audit Committee members have the requisite qualifications under the relevant SET rules & guidelines. The powers and allocation of work have been clearly defined by the shareholders and include review of internal control systems, review of financial reports, connected transaction or transaction involving conflict of interest. The term of the Audit committee is 2 years and may be renewed by the Board of Directors every 2 years. There were 4 Audit committee meetings held in FY 2022-23 and attendance of the members is as under:

Name	Position	Attendance
Mr. Manu Leoparote	Board Chairman & Audit Committee Chairman	4/4
Mr. Praphad Phodhivorakhun	Director & Audit Committee member	4/4
Mr. Shiraz Erach Poonevala	Director & Audit Committee member	3/4

Internal control and audit system

The Board of Directors exercises control through setting of annual budgets and operational objectives, periodical review of which is done from time to time. Meanwhile, the Audit Committee oversees the internal controls and audit in the Company and suggests measures for improvement.

Board of Directors' report

The Board of Directors is responsible for the Company's financial statements. As a part of the annual report, the directors have commented on the financial results of the Company.

Relationship with investors

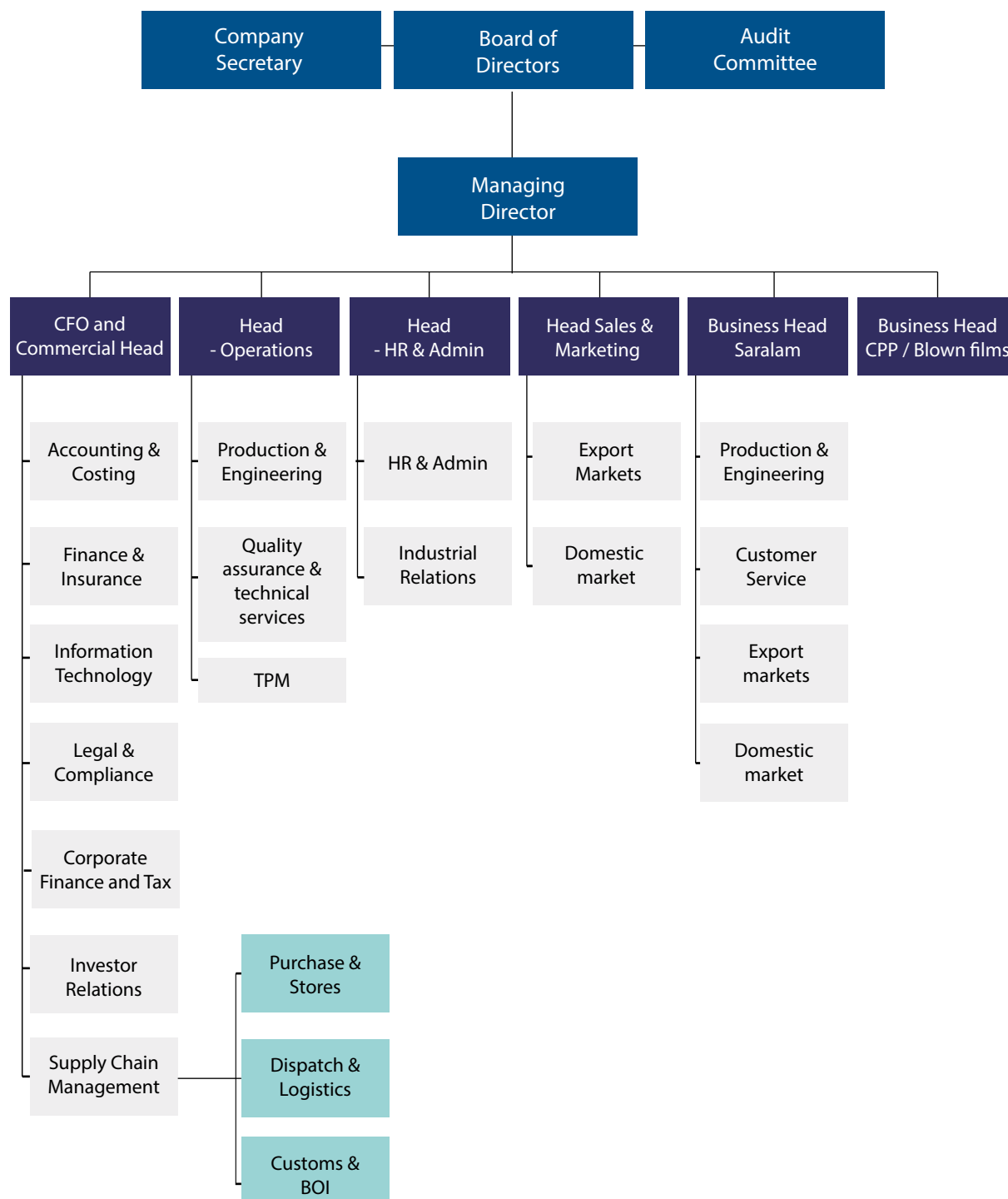
The Company places significance on the timely disclosure of accurate information to its shareholders and investors. It participates in the SET Opportunity day every quarter to disseminate information about the Company and its operations to investors and analysts. The company also organizes factory visit for the shareholders, analysts and potential investors. As regards investor relations, the Company has a well-developed IR section in the company website. The Investors/ Analysts can also register their e-mail ID's and receive an IR alert message, when any information is updated on the Company's website. Further information regarding the Company may be obtained by contacting at tel. +66 26652706 - 8.

Measures to prevent use of internal information for executives' personal benefit

The Company is cognizant of the need for supervision of usage of internal company information by its directors and management for their own benefit. The directors and management who come to possess internal company information are not permitted to buy or sell the securities of the Company for a specified period prior to its announcement of operating results. Accordingly, guidelines have been formulated and approved by the Board and a Trading Window Closure period starting from first day of the quarter until 48 hours after announcement of operating results is applicable to all the Directors, Management of PTL and all Global Employees of PTL and its subsidiaries and they are strictly prohibited from trading in the Company's share during this Window Closure period.

MANAGEMENT STRUCTURE

The Organization structure as at 31st May, 2023 is as under:



PTL has a board of directors and an audit committee. There is a provision to appoint other need-based committees as may be appointed by the shareholders or the board of directors from time to time. The board members and executive officers are qualified persons with complete qualifications as per Section 68 of the Public Limited Companies Act B.E. 2535 and as per the Notification of the Securities and Exchange Commission (SEC) No. KorJor. 12/2543 Re: Application for Permission and Permission to Sell Newly Issued Shares dated March 22, 2000.

Details of the board of directors and other committees are as follows:

BOARD OF DIRECTORS

As of May 31, 2023, PTL's Board of Directors is composed of seven members as follows:

S.No	Name	Position
1.	Mr. Manu Leopairote	Board chairman and Audit Committee Chairman
2.	Mr. Shiraz Erach Poonevala	Director (and Audit Committee member)
3.	Mr. Sanjiv Saraf	Director & Vice-Chairman
4.	Mr. Praphad Phodhivorakhun	Director & Audit Committee member
5.	Mr. Ranjit Singh	Director
6.	Mr. Amit Prakash	Managing Director
7.	Mrs. Sakhi Saraf	Director

Mrs. Supritha Pai Kasturi is the secretary to the Board of Directors

Authorized signatories

Any one of the three authorized signatories, namely Mr. Sanjiv Saraf, Mr. Amit Prakash and Mrs. Sakhi Saraf are empowered to sign with the Company's seal affixed.

Power and duties of the board of directors (the Board)

The Board of Directors has the powers, duties and responsibilities to faithfully and prudently conduct the operations of the Company in accordance with the Company's objectives and Articles of Association, applicable laws and resolutions of the shareholders' meetings, for the benefit of the Company. A summary of the substantial duties and responsibilities of members of the Board of Directors is set out below:

1. to hold the annual general meeting of shareholders within 4 months from the close of the accounting period;
2. to call the meeting of the Board of Directors at least once every calendar quarter;
3. to arrange for the preparation and submission of the audited Statement of Financial Position and Income and Loss statement at the end of each accounting period to the shareholders' meeting for its consideration and approval;
4. to authorize any one or several directors to perform any action on behalf of the Board of Directors under the supervision of the Board of Directors, or granting the power-of-attorney to such designated director(s) to perform any action within the specified time as the Board of Directors may think fit; provided, however, that the Board of Directors has the sole discretion to revoke or modify such designated director or power-of-attorney as the Board of Directors may think fit.

For this purpose, the Board of Directors may authorize the Executive Committee, if any, to conduct any activities within the specified scope of work, duties and responsibilities of the Executive Committee. No authorization will entitle the Executive Committee to consider and approve the transaction which may cause a conflict of interest between the Executive Committee or any related person or interested person as the one party and the Company or its subsidiary companies as the other party. However, an exception is granted where the transaction conforms to the approved policies and rules of the Board of Directors;

5. to determine the goals, prospects, policies, business plans and budgets of the Company, and to ensure that the management work performed by the Executive Committee, if any complies with the set policies. However, the Board of Directors needs to obtain the resolution of the shareholders' meeting before entering into certain legal transactions, for instance, increase or reduction of capital, issue of bonds, sale or transfer of all or any substantial parts of the Company's businesses to any third party, purchase or acceptance of transfer of other businesses, amendment to the Memorandum of Association, and so on.

The Board of Directors is also responsible for ensuring the Company's compliance with the securities and exchange law and rules of the SET, for instance, rules concerning the entry into connected transactions and concerning purchase or sale of substantial assets, including any law governing the Company's business;

6. to review the management structure and appoint the Executive Committee, General Manager and any subcommittees, as it deems appropriate;
7. to ensure that the Company's performance follows the business plans and budgets at all times;
8. to refrain from conducting any similar or competitive business, participating as partner in an ordinary partnership or partner with unlimited liability in a limited partnership or director in a private company or in any other firm, company or corporation operating the business similar to or in competition with the Company, regardless of whether for his/her own benefit or for others' benefit. However, an exception is granted where the director provides notice to the shareholders' meeting in advance of his/her effective appointment as director of the Company; and
9. to notify the Company without delay of the event of likelihood that the director may have direct or indirect interests as a result of (i) the Company's entry into any agreement; and (ii) his/her increased or decreased holding of shares or bonds in the Company or its subsidiary companies.

Role and Responsibility of Chairman of the Board

The Chairman plays a pivotal leadership role in ensuring that the Board work effectively.

The key roles of the Chairman are:

1. Acting as Chair at the Board's and Shareholders' meetings.
2. Ensuring that Board members receive accurate, timely, and sufficient information for Board meetings.
3. Providing independent advice to the management and Board.
4. Ensuring the participation of the executives, non-executives and independent directors in the Board's decision processes and activities.

Ensuring the whole Board plays a constructive part in developing and determining the Company's strategy and objectives.

Audit Committee

The Company's Audit Committee comprises of:

- | | |
|-------------------------------|--------------------------|
| 1. Mr. Manu Leopairote | Audit Committee Chairman |
| 2. Mr. Shiraz Erach Poonevala | Audit Committee member |
| 3. Mr. Praphad Phodhivorakhun | Audit Committee member |

Mrs. Supritha Pai Kasturi is the secretary to the Audit Committee.

Power and duties of the Audit Committee

1. to review the sufficiency, credibility and objectivity of the financial reporting of the Company by coordinating with the external auditors and management responsible for preparing the quarterly and yearly financial reports. The Audit Committee may suggest issues or matters to be included for review or audited by the external auditors during its audit of the Company;
2. to review the adequacy and effectiveness of internal control systems and internal audit functions by coordinating with the external auditors and internal auditors (if any);
3. to review compliance with the Securities and Exchange Acts, Regulations of the SET, and any other relevant laws;
4. to consider and advise on the appointment of the external auditor including the audit fee, taking into account the creditability of the external auditor, the adequacy of its resources, the firm's audit engagements, and the experience of its supervisory and professional staff; as well as to have a meeting with the external auditor, as and when required, without the presence of the Executive directors or any other member of the management team.
5. to review the connected transactions and ensure proper compliance with all the relevant SEC/SET regulations and also to ensure adequate disclosures or conflict-of-interest disclosures;
6. to take care of any other matters assigned to it by the Board of Directors, such as reviewing the Company's financial and risk management policies, reviewing compliance with the Code of Corporate Conduct of the management, and reviewing with the company's management, all important reports which must be disclosed to the public according to the law (e.g. Management Discussion and Analysis (MD&A), etc.);
7. to report the activities of the Audit Committee in the company's annual report, which must be signed by the chairman of the Audit Committee, and to express in such annual report the Audit Committee's opinion on (i) the accuracy and completeness of the procedures for the preparation of the report and information disclosure, (ii) the sufficiency of the internal control system of the Company, (iii) opinion on the suitability of the external auditor and appointment for another term, (iv) the number of Audit committee meetings held in the previous year and the attendance of each member in such meetings, (v) opinion on the connected transactions and any transactions that may lead to conflict of interest (vi) the compliance by the Company with rules and regulations of SET, SEC and other applicable laws, and report on any information that the shareholders and investors should be aware of under the scope of power of the duty that has been assigned by the Board of Director;
8. to report the performance of the Audit Committee to the Board of Directors at least once every calendar quarter; and
9. to express its opinion on the performance, appointment, removal and determination of remuneration of the internal auditor, if any.

Management

PTL's senior management during 2022-23* consisted of ten persons as below:

S.No	Name	Position
1.	Mr. Amit Prakash	Managing Director
2.	Mrs. Sakhi Saraf	Director & Head of Investor Relations & Corporate Communication
3.	Mr. Santhosh Kumar Singh #	Head - Operations
4.	Mr. Ashish Ghosh	Head - Sales & Marketing
5.	Mr. Ashutosh Kumar Agarwal	CFO and Commercial Head
6.	Mr. Akshay Sudhir Jog ^	Deputy Head – Supply Chain Management
7.	Mr. Torsak Rittidech	Head - HR and Safety
8.	Mr. Ramesh Gupta	Business Head – SARALAM division
9.	Mr. Rakesh Kumar Sah	Business Head - CPP & Blown Films
10.	Mr. Subash Chand *	Head -Operations

for part of the year until end of January 2023

* for part of the year w.e.f February 2023

^ for part of the year until end of February 2023, as reporting changed thereafter to CFO and Commercial Head due to an internal restructuring.

Power and duties of Managing Director

1. to monitor and supervise the day-to-day business operations and management of the Company.
2. to undertake or perform duties in line with the policy, plan and budget approved by the board of directors and Audit Committee of the Company.
3. to perform as the authorized person of the Company in administering the business in line with the objective, regulations, policy, rules, stipulations, orders and resolutions of the meeting of the Board and/or resolutions of the meeting of shareholders.
4. to appoint and manage the performance of the working committees to ensure benefit and efficiency as well as transparency in management, and be authorized to appoint and/or assign any person to specifically perform on his behalf. Such delegation of power and authority shall come under the purview of such certain authorization letter and/or comply with the regulations, stipulations or orders issued by the board of directors and/or the Company.
5. to determine mission, objectives, framework and policy of the Company for optimum benefit of the organization.
6. to follow up and assess the Company's operational results on a regular basis to cope with both internal and external risks.
7. to consider and approve expenditure spending in the normal course of business operations
8. to consider the recruitment and employment of personnel as well as transfer, rotation across functional lines/departments/divisions, or termination of employment of personnel, and determine rate of wages, remuneration, bonus and welfare package relating to personnel.
9. to issue orders, regulations, announcements and memorandum to ensure the operations come out in line with the policy and for the benefit of the Company as well as to maintain discipline in the organization.
10. to perform any other duties as occasionally assigned by the Board of Directors

Power to approve any transactions (i) which may cause a conflict of interest with the Company or its subsidiary; or (ii) in which the interests of the Managing Director or other interested person may be in conflict with the Company or its subsidiary, under the applicable rules and regulations of the SET, do not fall within the scope of the powers and authorities of the Managing Director to act at his/her own discretion or to designate any person to act on his/her behalf. Typically, these transactions need the consideration and approval of the Board of Directors and/or the shareholders' meeting in accordance with the Articles of Association of the Company and subject to applicable laws.

Role of Company Secretary

The Company has appointed Mrs. Supritha Pai Kasturi as the Company Secretary. She is a qualified Chartered Accountant from the Institute of Chartered Accountants of India and has the requisite knowledge and experience to perform this function. She also performs the role of the Secretary to the Board of Directors and to the Audit Committee.

Responsibilities of Company Secretary:

- Arrange the Board of Directors' Meetings, Audit Committee Meetings and the Shareholders' Meeting in accordance with the relevant laws and regulations.
- Prepare the Agenda/ supporting documents for the above meetings and ensure that the same is circulated to the concerned members, at least a week in advance of the meeting date, to allow sufficient time to review the documents.
- Prepare the Minutes of all the above Meetings and monitor subsequent compliance with the resolutions of those Meetings.
- Ensure that disclosures of information to regulatory agencies (SET/SEC and other relevant regulatory agencies) are made in accordance with the applicable laws and regulations.
- Execute any additional duties assigned by the Board of Directors from time to time

Selection of members of the board of directors, independent directors and the audit committee

With regards to the nomination and selection of the Directors and Audit Committee members, the Board will undertake the selection process, taking into account the experience, expertise and competency of the prospective persons and the qualifications required as per the criteria prescribed in the Public Limited Companies Act B.E. 2535 and as announced by the SEC and relevant agencies, as also the provisions of Articles of Association of the company. Nomination will be made at the shareholders' meeting and election made under the procedures prescribed in the Company's regulations as below:

I. Selection of members of the Board of Directors

- a) The Company is required to have a board of directors consisting of at least 5 persons. The board of directors must elect one of their members to be the Chairman and may elect another member to be a Vice-Chairman and any other positions as they see fit. At least one-half of the directors must reside in Thailand.
A director need not be a shareholder of the company.
- b) A meeting of shareholders must elect the directors in accordance with the following procedures and rules:
 - a. Each shareholder has one vote for each share held;
 - b. Each shareholder may exercise the votes in electing one or more persons to be the directors but the votes are indivisible; and
 - c. The person who obtains the highest votes will be elected as a director in respective order according to the required number of directors, but if two or more persons obtain equal votes, the Chairman must exercise a casting vote.

- c) At every general meeting of shareholders, one-third (1/3) of the directors, or if it is not a multiple of three, then number nearest to one-third (1/3) must retire from office.
- d) There must be a drawing by lots to determine the directors retiring on the first and second years following the registration of the company. In each subsequent year, the directors who occupy the position for the longest period must retire.
A retiring director is eligible for re-election.

II. Selection of members of the Audit Committee/Independent Director

Audit Committee is composed of at least three independent directors with an office term of 2 years. The Company has a policy to select and nominate Audit Committee / Independent director in compliance with the SEC Notification no. KorJor. 12/2543 regarding application for and approval of offering of newly issued shares, with each of whom to have the following qualifications:

- a) Hold shares not exceeding 5% of the total shares with voting rights of the Company, an affiliated company, a subsidiary company, an associated company or a juristic person that may have conflict of interest,
- b) Not be an employee or a staff member or an advisor who receives a regular salary or a person with controlling power of the Company, an affiliated company, a subsidiary company, an associated company or a juristic person that may have conflict of interest,
- c) Not be a person having blood relation or legal relation in the manner of being any family member or spouse thereof of the executives, the major shareholders, the persons with controlling power or any persons to be nominated to the managerial positions or the persons with controlling power of the Company or a subsidiary company.
- d) Have no business relation with the Company, an affiliated company, a subsidiary company, an associated company or any juristic person that may have conflict of interest in the manner that may hinder the use of individual's independent judgment, and have no other nature that will hinder the individual's provision of independent opinions relating to the Company's operations.

In addition, at least one independent director appointed as an Audit Committee member must have sufficient knowledge and experience in finance and accounting areas so that he/she can review the reliability of the financial statements. Other qualifications must also be taken into account, comprising business experience, expertise in the field related to the business and ethical qualifications, to ensure maximum benefits to the Company.

The appointment of Audit Committee members is subject to the same criteria and procedures as those in the appointment of directors of the Board. The vacating Audit Committee member upon completion of his/her office term of 2 years may be re-appointed by the Board of Directors for another term. In the event that there is a vacancy on the grounds other than the completion of office term, the Board shall select and appoint the person who possesses the required qualifications to fill the vacancy to complete the number of the Audit Committee members as prescribed by the Board. The newly appointed Committee member shall be in the office only for the remaining period of the office term of the vacating member.

Remuneration for management**a. Monetary remuneration****Directors**

The Company has 7 Directors on the board as on 31st May, 2023.

The actual remuneration paid to the Independent Directors in comparison to the amount approved in the Shareholder meeting of 2022 is given below:

S.No	Name of Director	Amount Approved (Baht p.a)	Actual Paid (Baht p.a)
1	Mr. Manu Leopairote	Baht 1,800,000	Baht 1,800,000
2	Mr. Praphad Phodhivorakhun	Baht 1,200,000	Baht 1,200,000
3	Mr. Shiraz Erach Poonevala	Baht 1,200,000	Baht 1,200,000

In addition to the above remuneration, meeting sitting fees of Baht 10,000 per meeting attended has been paid to the Audit Committee members, which is as per the amount proposed and approved in the Shareholder meeting in July 2022.

For the FY 2023-24, it is proposed to fix a remuneration of Baht 100,000 per month, to all the independent directors as mentioned below:

1. Mr. Manu Leopairote
2. Mr. Praphad Phodhivorakhun
3. Mr. Shiraz Erach Poonevala

Mr. Manu Leopairote, in his capacity as the Chairman of the Board of Directors and the Chairman of the Audit Committee would be entitled to an additional remuneration of Baht 25,000 per month, for each role.

For the Audit Committee, each member would be entitled to a sitting fee of Baht 10,000 per meeting attended.

The above remuneration package, to the Independent directors and Audit committee members, would be proposed to the Shareholder meeting to be held in July 2023 for their consideration and approval.

The remuneration details of the senior management, including 2 executive directors of PTL is as below:

Remuneration (In '000 Baht)	2020-21	2021-22	2022-23
Number of executives	8*	9*	10*
Salaries (In '000' Baht)	20,693	26,515	30,089
Bonus and Others (In '000' Baht)	32,353	35,057	17,599
Total	53,046	61,572	47,688

* Including some persons for part of the year only

Other remuneration

Directors	None
Executives	None

Personnel

As of March 31, 2023, PTL had a total workforce of 805 persons, 799 of whom are personnel at the plant in Rayong Province and 6 at the head office in Bangkok. The Company also has 32 expatriates, 2 of whom are at the head office in Bangkok and the balance in Rayong.

S.No	Department	31 March 2021	31 March 2022	31 March 2023
1.	Executives	8*	9*	10*
2.	Production, Quality Assurance & Technical services	566	572	587
3.	Commercial, IT, Personnel & Admin.	30	31	39
4.	Supply Chain Management	134	137	169
Total		738	749	805

*As at year end and excluding persons who were for part of the year.

Employee (non-executive) remuneration

Remuneration (In '000 Baht)	2020-21	2021-22	2022-23
No. of employees	730	740	795
Salaries & Wages	230,698	234,539	240,324
Overtime pay	38,979	42,615	47,107
Bonus	45,276	68,894	35,872
Provident fund*	8,386	8,692	8,061
Others	80,612	79,058	85,220
Total	403,951	433,798	416,586

*The Company started contributing to the provident fund since September 2004 and depending on the length of service of the Employee, company's contribution is now in the range of 4-7%.

There has been no labor dispute for the past years.

HRD Policy

A high-quality and motivated workforce is critical for attaining our strategic goals. As we continue to grow as an organization, it will be crucial for us to enhance and leverage the capabilities of our people. Polyplex focuses on creating a conducive work environment for its employees and helps them deliver winning performance. It has a policy to develop the efficiency, knowledge and skills of its staff at all levels by having well organized training programs on a periodic basis. Training programs are designed to improve various aspects of work life like technical competence, quality assurance, team building, and enhancement of leadership skills, time management skills, safety awareness, basic firefighting etc thereby improving the quality of the working life of the employees. In the past year, a total of 19,492 hours of training was imparted to our employees in Thailand and at the overseas subsidiaries. Feedback of employees participating in such trainings is taken in order to help improvement of quality of seminars and trainings to be conducted in future.

Remuneration for auditor/s**1. Audit fee**

The Company paid audit fee as below:

- A total of Baht ____ - ____ paid to the auditor/s for the past fiscal year; and
- A total of Baht 3,140,000.00 paid to the accounting firm the auditor/s work for, or the person or business related to the auditor/s and the accounting firm for the past fiscal year.

2. Non-audit fee

The Company made payment for other services, i.e. examination of compliance with conditions of promotion certificates, and legal and tax advisory services, including BOI and tax audit services, as follows:

- A total of Baht ____ - ____ paid to the auditor/s for the past fiscal year and Baht ____ - ____ payable in the future for the service not yet fully done for the past fiscal year; and
- A total of Baht 290,000 paid to the accounting firm the auditor/s work for, or the person or business related to the auditor/s and the accounting firm for the past fiscal year, and Baht 690,000 payable in the future for the service not yet fully done for the past fiscal year.

CORPORATE SOCIAL RESPONSIBILITY**Ethical Business practices**

Polyplex has a code of conduct for all personnel who emphasize observance of ethical practices, honesty and accountability. Responsibility towards all stakeholders and external agencies is encouraged in order to foster a good corporate culture and social responsibility.

Anti –Corruption and Bribery

Polyplex has a code of conduct for all personnel who emphasize observance of ethical practices, honesty and accountability. Responsibility towards all stakeholders and external agencies is encouraged in order to foster a good corporate culture and social responsibility. In its meeting held on 10th February, 2015, the Board of Directors have approved an Anti-corruption and Bribery Policy, to ensure that any of its personnel do not engage in unethical business practices of any kind, for deriving personal benefits. This policy has been implemented at Thailand and all the overseas subsidiaries of the Company.

Fair Labor practices

Company considers all its personnel to be valuable assets, critical to the success and growth of the organization. The Company is committed to providing a quality oriented work environment, with special emphasis on safety, along with fair and equitable remuneration. Apart from basic salary, Performance linked Bonus, Provident Fund contribution and Social Security Contribution, the Company also provides certain other benefits to its employees such as Overtime pay, Housing Allowance, Transport Allowance, Telephone allowance, Medical Insurance, Life Insurance coverage etc.

Responsibility towards customers

Polyplex is committed to creating customer satisfaction by ensuring consistency in the quality of its products and offering value proposition to its global customer base.

Caring for the Environment

Polyplex realizes the importance of caring for the environment. As a sustainability initiative, it had invested in a project to recycle and provide sustainable solutions for film-based process waste and the project started commercial operations in December, 2013 in Thailand, under the Company's subsidiary - EcoBlue Limited. Over the years, the subsidiary has successfully commissioned few more recycling lines and has also modified one of its existing extrusion lines with which it has successfully been able to develop a high quality rPET grade called 3D Pure which is being used to replace virgin materials in applications like PET film, Filament Yarn and Bottles. A Project for a state-of-the-art post-consumer waste recycling line for recycling of PET waste material and Polyolefin (PO) based waste material recycling line has commenced operations in 2021 and 2022 respectively.

Social and Community Development

Polyplex realizes and cares for the safety of society, environment and quality of life of people. It places priority on activities relating to the community and the society and also by compliance of applicable laws and regulations relating to the same. The company periodically organizes Blood donation camps and encourages employees to donate blood. Apart from this, the Company also contributes donations (cash and kind), from time to time, to organizations engaged in various community services.

Internal Controls and Connected Transactions

Internal Controls

At the audit committee meeting of PTL held on May 23, 2023 with all the three audit committee members attending, the committee assessed PTL's internal control by means of making inquiries with its management. Based on the assessment of PTL's internal control system in five aspects, namely organization and environment, risk management, control of the executives' operation, information technology system & information communication and follow-up system, the Audit Committee viewed that PTL has adequate internal control with regard to the making of transaction with its major shareholders, directors, executives, or persons connected with the above mentioned persons.

The board considered that the Company's adequate and appropriate internal control and follow-up of the operations would be able to safeguard its assets against any illegitimate use by the executives.

Connected Transactions

A summary of the connected transactions between PTL and the connected parties during the past three years is as follows –

Party having conflict of interest	Relationship	Description of transaction	Pricing policy	Transaction Amount (Million THB)		
				2020-21	2021-22	2022-23
Polyplex Corporation Ltd. (PCL)	PCL is the Company's major shareholder, owning directly and indirectly the 51% of the Company's share capital and the two parties have common directors.	PCL made advance payments on behalf of the Company and its subsidiaries for administrative expenses, which were mainly traveling/visa expenses of employees, employees' family, etc. The Company has given the appropriate accounting treatment to these expenses and/or collected these amounts from the employees and paid them back to PCL.	The price of the transaction between PCL and the Company was a normal price in general business practice and was the price as actually paid by PCL in advance for the Company without any extra charge by PCL.	5	-	3
Polyplex Corporation Ltd. (PCL)	PCL is the Company's major shareholder, owning directly and indirectly the 51% of the Company's share capital and the two parties have common directors.	Purchase of Raw material – Polyester Chips and Polyester Film by all the subsidiaries of PTL including PTL	As per Transfer Pricing policy of PCL (Study done by EY Office and TNMM [Transactional Net Margin] Method recommended for Transfer pricing	464	1,238	1,027
Polyplex Corporation Ltd. (PCL)	PCL is the Company's major shareholder, owning directly and indirectly the 51% of the Company's share capital and the two parties have common directors.	Sale of Raw material –by the subsidiaries of PTL including PTL	As per Transfer Pricing policy of PCL (Study done by Ersnt & Young and TNMM [Transactional Net Margin] and/or Cost Plus Method recommended for Transfer pricing	-	-	2
Mrs. Sakhi Saraf & Mrs. Gauri Gidwani	Daughters of Vice Chairman of the Board - Mr. Sanjiv Saraf	Salary	As per Employment contract	4.4	4.5	5.8
Mr. Pranay Jain	Managing Director and Minority Shareholder of Subsidiary - Ecoblue Limited	Dividend	As approved by the Shareholders' meeting of Ecoblue Limited	-	-	-

Necessity and reasonableness of the connected transaction

The connected transaction involved the advance payments made by PCL on behalf of the Company and its subsidiaries for administrative expenses. The Company and its subsidiaries have given the appropriate accounting treatment to these expenses and paid them back to PCL. The reimbursement of advances/ expenses was to PCL was at the actual prices incurred without any extra charge by PCL.

The connected transaction also involved the advance payments made by the Company and its subsidiaries on behalf of PCL for administrative expenses, which were later reimbursed by PCL.

During the year, the connected transaction also involved some purchases of Raw materials i.e. Polyester Chips and Polyester Film from PCL, which were made considering Arm's Length Pricing as per Transfer Pricing guidelines. There is a payment of Salary to Mrs. Sakhi Saraf, who was appointed as the Head of Investor Relations and Corporate Communications in November, 2017 and was also appointed as a Director in the Company w.e.f 15th May, 2019 and Mrs. Gauri Gidwani, who was appointed as an Inside Market Specialist at Polyplex USA LLC in March 2020. The remuneration package to Mrs. Sakhi Saraf and Mrs. Gauri Gidwani, daughters of Mr. Sanjiv Saraf, the Vice-Chairman of the Board, is in their capacity as an Employee and is also on Arm' length basis as considered and approved by the Board of PTL.

Measures or procedures for approval of the connected transaction

The audit committee of PTL has examined the connected transaction described in the table above and viewed that it is in accordance with the normal business practice. For all normal business transactions in the future such as purchase and sale of material, reimbursement of expenses, the Company can undertake the transactions and inform the audit committee and the Board of Directors on a quarterly basis.

For any other future connected transactions, which are not normal business transactions, the Company will assign the concerned units to gather the relevant information and provide it to the audit committee to be used as a basis for its consideration on those transactions as to whether they are consistent with the normal business practice and the market price. The Company would ensure that it follows the applicable regulations of the SEC and SET in this regard. The audit committee has to consider and inform the board of directors for the approval. The directors who have a conflict of interest may not partake in the giving of comments on those connected transactions.

Policy for potential connected transactions

For any connected transactions that may take place in the future, the Company has a policy to set appropriate conditions on the said transactions based on the reasons and necessity of the Company. The connected transactions performed over the past period were advance payments, made for expenses such as visa, travel ticket expenses etc. There were no extra charges by the parent company regarding such cost and expenses. In performing any future connected transactions, Company's board of directors will comply with the law governing securities and exchange and the regulations, notifications and orders of the Stock Exchange of Thailand, as well as the regulations regarding disclosure of information about connected transactions and acquisition or disposal of core assets of companies or subsidiary companies according to the accounting standards defined by the Institute of Certified Accountants and Auditors of Thailand.

Where the connected transaction involves any person who may have a conflict of interest, the Company will arrange for the audit committee to give opinion on the necessity and appropriateness of that transaction. In case the audit committee has no expertise in any such transaction, the Company will have an independent expert or its external auditor provide opinion on that transaction to be used as a basis of decision-making by the board of directors or the shareholders, as the case may be. The Company will disclose such connected transactions in the notes to the financial statements duly audited by its external auditor.

**Polyplex (Thailand) Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 March 2023**

Independent Auditor's Report

To the Shareholders of Polyplex (Thailand) Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Polyplex (Thailand) Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 March 2023, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Polyplex (Thailand) 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 Polyplex (Thailand) Public Company Limited and its subsidiaries and of Polyplex (Thailand) Public Company Limited as at 31 March 2023, their 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 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 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 to this matter is described below.

Revenue recognition

The revenue from sales is the significant amount in the statement of income and is also the key indicator of business performance on which the users of financial statements focus, and the Company also has a large customer base. There are therefore risks with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Company by:

- Assessing and testing the Company's IT system and its 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.
- On a sampling basis, examining supporting documents for sales transactions occurring during the year and near the end of the accounting period to verify the occurrence and accuracy of revenue, whether revenue recording was consistent with conditions, and whether it was in compliance with the Company's policy.
- Reviewing credit notes that the Company issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group 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 Group, 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 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 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 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 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 financial statements, including the disclosures, and whether the 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, related safeguards.

From the matter communicated with those charged with governance, I determine such matter that was of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. I describe this matter 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.



Kirdsiri Kanjanaprakasit
Certified Public Accountant (Thailand) No. 6014
EY Office Limited
Bangkok: 23 May 2023

Polyplex (Thailand) Public Company Limited and its subsidiaries
Statement of financial position
As at 31 March 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	7	2,346,976,808	2,201,407,709	34,260,869	47,642,781
Trade and other receivables	8	3,462,408,504	4,035,308,634	1,247,239,049	1,298,773,276
Inventories	9	4,893,010,442	5,043,353,271	1,610,698,429	1,577,556,652
Advance payments for purchases of goods		313,698,218	215,619,885	10,557,324	18,457,456
Input tax refundable		118,470,539	142,657,999	83,357,430	101,797,876
Other current financial assets	10	194,372,403	72,051,992	8,173,308	4,079,202
Other current assets		262,915,961	93,183,914	16,789,172	21,696,304
Total current assets		11,591,852,875	11,803,583,404	3,011,075,581	3,070,003,547
Non-current assets					
Restricted bank deposits	11	625,080	22,363,111	-	-
Investments in subsidiaries	12	-	-	3,279,282,936	3,279,282,936
Property, plant and equipment	13	12,992,190,661	12,904,704,338	3,262,524,974	3,484,673,173
Deferred tax assets	25	66,757,340	73,711,077	32,204,508	26,700,855
Goodwill		3,164,328	3,164,328	-	-
Other intangible assets	14	361,374	153,867	-	-
Advance payments for purchases of machinery		416,043,968	419,732,450	1,792,657	11,752,725
Other non-current financial assets	10	524,030,007	312,827,688	-	-
Other non-current assets		127,258,544	21,641,159	18,779,616	12,916,431
Total non-current assets		14,130,431,302	13,758,298,018	6,594,584,691	6,815,326,120
Total assets		25,722,284,177	25,561,881,422	9,605,660,272	9,885,329,667

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

Polyplex (Thailand) Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 March 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	15	1,194,152,550	1,353,000,000	1,065,000,000	1,235,000,000
Trade and other payables	16	2,166,481,735	2,210,212,139	873,121,446	880,702,529
Current portion of long-term loans from banks	17	412,015,204	344,778,850	-	-
Current portion of lease liabilities		12,775,068	7,890,226	338,089	1,337,379
Income tax payable		51,108,761	247,039,786	-	104,037,467
Other current financial liabilities	18	36,729,234	55,363,639	23,264,995	16,302,021
Other current liabilities		460,164,767	768,459,150	198,433,475	279,073,763
Total current liabilities		4,333,427,319	4,986,743,790	2,160,158,005	2,516,453,159
Non-current liabilities					
Long-term loans from related party	6	-	-	3,792,701,500	3,792,236,900
Long-term loans from banks, net of current portion	17	1,547,874,389	2,033,422,374	-	-
Lease liabilities, net of current portion		36,905,605	17,367,104	-	338,089
Provision for long-term employee benefits	19	75,849,161	57,127,859	44,016,752	29,524,796
Deferred tax liabilities	25	453,334,860	535,745,130	-	-
Other non-current financial liabilities	18	6,057,904	9,098,325	-	-
Other non-current liabilities		559,031	559,031	559,031	559,031
Total non-current liabilities		2,120,580,950	2,653,319,823	3,837,277,283	3,822,658,816
Total liabilities		6,454,008,269	7,640,063,613	5,997,435,288	6,339,111,975

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

Polyplex (Thailand) Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 March 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Shareholders' equity					
Share capital					
Registered					
900,000,000 ordinary shares of Baht 1 each		900,000,000	900,000,000	900,000,000	900,000,000
Issued and fully paid					
900,000,000 ordinary shares of Baht 1 each		900,000,000	900,000,000	900,000,000	900,000,000
Share premium		1,908,449,678	1,908,449,678	1,908,449,678	1,908,449,678
Retained earnings					
Appropriated - statutory reserve	20	96,000,000	96,000,000	96,000,000	96,000,000
Unappropriated		16,934,373,620	15,682,898,502	703,775,306	641,768,014
Other components of shareholders' equity		(733,912,126)	(760,102,702)	-	-
Equity attributable to owners of the Company		19,104,911,172	17,827,245,478	3,608,224,984	3,546,217,692
Non-controlling interests of the subsidiary		163,364,736	94,572,331	-	-
Total shareholders' equity		19,268,275,908	17,921,817,809	3,608,224,984	3,546,217,692
Total liabilities and shareholders' equity		25,722,284,177	25,561,881,422	9,605,660,272	9,885,329,667

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

Polyplex (Thailand) Public Company Limited and its subsidiaries
Income statement
For the year ended 31 March 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Revenues					
Sales	26	26,340,656,230	21,544,822,587	9,021,043,291	8,362,366,438
Exchange gains		21,805,621	351,774,157	63,774,181	43,759,653
Gain on derivatives		-	-	-	12,277,286
Other income	21	209,551,336	40,312,169	20,861,137	30,903,127
Total revenues		26,572,013,187	21,936,908,913	9,105,678,609	8,449,306,504
Expenses					
Cost of sales		21,578,611,834	15,299,359,580	7,028,316,675	6,110,011,360
Selling and distribution expenses		1,835,193,209	1,957,190,482	862,630,289	1,072,105,375
Administrative expenses		597,045,446	538,743,902	137,631,009	120,382,513
Loss on derivatives		17,331,139	23,783,124	2,868,868	-
Total expenses		24,028,181,628	17,819,077,088	8,031,446,841	7,302,499,248
Operating profit		2,543,831,559	4,117,831,825	1,074,231,768	1,146,807,256
Finance income	22	35,014,535	19,899,239	56,342	100,034
Finance cost	23	(151,798,067)	(62,684,738)	(98,151,082)	(46,856,624)
Profit before income tax expenses		2,427,048,027	4,075,046,326	976,137,028	1,100,050,666
Income tax expenses	25	(262,286,503)	(510,144,461)	(88,856,511)	(112,357,384)
Profit for the year		2,164,761,524	3,564,901,865	887,280,517	987,693,282
Profit attributable to:					
Equity holders of the Company		2,095,969,119	3,549,786,703	887,280,517	987,693,282
Non-controlling interests of the subsidiary		68,792,405	15,115,162		
		2,164,761,524	3,564,901,865		

(Unit: Baht per share)

Earnings per share

Basic earnings per share

Profit attributable to equity holders
of the Company

2.33 3.94 0.99 1.10

Weighted average number of
ordinary shares (share)

900,000,000 900,000,000 900,000,000 900,000,000

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

Polyplex (Thailand) Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 March 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Profit for the year	<u>2,164,761,524</u>	<u>3,564,901,865</u>	<u>887,280,517</u>	<u>987,693,282</u>
Other comprehensive income:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of financial statements in foreign currency - net of income tax	33,773,327	295,120,947	-	-
Loss on changes in value of debt instruments at fair value through other comprehensive income - net of income tax	(11,180,472)	(13,278,490)	-	-
Gain on sale of debt investments at fair value through other comprehensive income - net of income tax	<u>3,597,721</u>	<u>1,053,958</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	26,190,576	282,896,415	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
Actuarial gain (loss) - net of income tax	<u>(25,494,001)</u>	<u>4,417,224</u>	<u>(6,273,225)</u>	<u>1,314,143</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	<u>(25,494,001)</u>	<u>4,417,224</u>	<u>(6,273,225)</u>	<u>1,314,143</u>
Other comprehensive income for the year	<u>696,575</u>	<u>287,313,639</u>	<u>(6,273,225)</u>	<u>1,314,143</u>
Total comprehensive income for the year	<u><u>2,165,458,099</u></u>	<u><u>3,852,215,504</u></u>	<u><u>881,007,292</u></u>	<u><u>989,007,425</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	2,096,665,694	3,837,100,342	<u>881,007,292</u>	<u>989,007,425</u>
Non-controlling interests of the subsidiary	<u>68,792,405</u>	<u>15,115,162</u>		
	<u><u>2,165,458,099</u></u>	<u><u>3,852,215,504</u></u>		

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

Polyplex (Thailand) Public Company Limited and its subsidiaries
Cash flow statement
For the year ended 31 March 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit before tax	2,427,048,027	4,075,046,326	976,137,028	1,100,050,666
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	1,088,070,095	985,548,100	399,115,834	421,872,646
Expected credit losses	4,638,344	603,040	3,302,814	538,580
Bad debt recovered	(94,905)	(517,046)	(94,905)	(466,143)
Reduction of inventory to net realisable value	72,092,052	4,529,734	14,761,472	8,882,626
Loss (gain) on sales and write off of equipment and motor vehicles	(1,409,572)	486,089	(985,782)	(340,351)
Loss (gain) on sales of investment in bonds	3,597,721	1,114,705	-	-
Gain on sales of investment in unit trusts	-	(1,181,616)	-	-
Actuarial loss	4,279,940	1,493,312	4,279,940	1,493,312
Long-term employee benefits expense	10,268,057	7,812,995	4,152,797	3,902,744
Unrealised loss (gain) on exchange and derivatives	66,737,930	(184,009,536)	22,497,786	54,700,653
Finance income	(35,014,535)	(19,899,231)	(56,342)	(100,034)
Finance cost	151,798,067	62,684,711	98,151,082	46,856,623
Profit from operating activities before changes in operating assets and liabilities	3,792,011,221	4,933,711,583	1,521,261,724	1,637,391,322
Operating assets (increase) decrease				
Trade and other receivables	542,949,515	(1,789,684,268)	25,667,610	(493,158,451)
Inventories	77,056,143	(2,159,606,886)	(47,903,249)	(317,825,291)
Other current assets	(217,794,918)	(97,297,464)	31,247,711	(24,901,143)
Other non-current assets	(95,383,417)	76,710,796	4,370,783	(2,698,007)
Operating liabilities increase (decrease)				
Trade and other payables	(152,878,493)	776,182,577	(3,180,041)	135,602,979
Other current liabilities	(308,594,519)	218,615,962	(80,371,009)	76,496,491
Payments of long-term employee benefits	(22,629,931)	(962,609)	(1,782,312)	(827,280)
Cash flows from operating activities	3,614,735,601	1,957,669,691	1,449,311,217	1,010,080,620
Corporate income tax paid	(585,621,829)	(166,210,646)	(207,063,292)	(72,802,497)
Net cash flows from operating activities	3,029,113,772	1,791,459,045	1,242,247,925	937,278,123

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

Polyplex (Thailand) Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 March 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from investing activities				
Cash received from interest	34,675,141	20,820,438	56,342	100,034
Decrease (increase) in restricted bank deposits	21,738,031	(11,452,764)	-	-
Proceeds from sales of investment in bonds and debentures	62,108,870	73,304,813	-	-
Proceeds from sales of investment in unit trusts	-	70,635,040	-	-
Purchase of investment in bonds and debentures	(395,035,087)	(135,682,957)	-	-
Cash paid for share subscription in a subsidiary	-	-	-	(34,663,125)
Decrease (increase) in advance payments for purchases of machinery and equipment	3,688,482	141,940,506	9,960,068	(3,899,596)
Increase (decrease) in accounts payable for purchases of machinery and equipment	118,495,857	22,516,058	(906,654)	(11,759,210)
Proceeds from sales of equipment and motor vehicles	11,788,514	1,365,536	1,249,534	954,492
Acquisition of machinery and equipment	(1,152,214,306)	(1,715,841,143)	(177,231,387)	(132,635,676)
Acquisition of other intangible assets	(267,388)	(58,335)	-	-
Net cash flows used in investing activities	(1,295,021,886)	(1,532,452,808)	(166,872,097)	(181,903,081)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(158,847,450)	703,000,000	(170,000,000)	595,000,000
Cash received from long-term loans	10,794,881	998,385,377	-	-
Repayments of long-term loans	(489,573,187)	(285,139,801)	-	(3,041,711)
Cash received from shares subscription in subsidiary	-	17,461,875	-	-
Payment of principal portion of lease liabilities	(13,660,877)	(11,254,329)	(1,337,379)	(1,313,730)
Interest paid	(151,887,711)	(70,817,471)	(98,420,361)	(46,771,769)
Dividends paid	(819,000,000)	(1,287,000,000)	(819,000,000)	(1,287,000,000)
Net cash flows from (used in) financing activities	(1,622,174,344)	64,635,651	(1,088,757,740)	(743,127,210)
Increase in translation adjustment	33,651,557	157,904,453	-	-
Net increase (decrease) in cash and cash equivalents	145,569,099	481,546,341	(13,381,912)	12,247,832
Cash and cash equivalents at beginning of year	2,201,407,709	1,719,861,368	47,642,781	35,394,949
Cash and cash equivalents at end of year	2,346,976,808	2,201,407,709	34,260,869	47,642,781

Polyplex (Thailand) Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 March 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022

Supplemental cash flows information:

Non-cash items

Payables for purchases of buildings and equipment	207,291,336	87,565,339	21,207,856	20,884,370
Increase in lease liabilities from increasing in lease agreement	37,613,392	13,064,732	-	-
Loss on change in value of investment in debt instruments at fair value through other comprehensive income - net of income tax	(11,180,472)	(13,278,490)	-	-
Gain on sale of debt investments at fair value through other comprehensive income - net of income tax	3,597,721	1,053,958	-	-
Actuarial gain (loss) - net of income tax	(25,494,001)	4,417,224	(6,273,224)	1,314,143

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

Polyplex (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 March 2023

(Unit: Baht)

	Consolidated financial statements												
	Equity attributable to the owners of the Company											Non- controlling interests of the subsidiary	Total shareholders' equity
	Issued and fully paid share capital	Share premium	Retained earnings		Other components of shareholders' equity					Total equity attributable to owners of the Company			
					Other comprehensive income		Discount from change in shareholding in subsidiary	Excess of cost of investment over the carrying amount of the interest acquired	Total other components of shareholders' equity				
Exchange differences on translation of financial statements in foreign currency					Changes in value of investments in debt instruments at fair value through other comprehensive income								
Balance as at 1 April 2021	900,000,000	1,908,449,678	96,000,000	13,415,694,575	(1,050,390,454)	4,563,245	(1,622,600)	4,450,692	(1,042,999,117)	15,277,145,136	61,995,294	15,339,140,430	
Profit for the year	-	-	-	3,549,786,703	-	-	-	-	-	3,549,786,703	15,115,162	3,564,901,865	
Other comprehensive income for the year	-	-	-	4,417,224	295,120,947	(12,224,532)	-	-	282,896,415	287,313,639	-	287,313,639	
Total comprehensive income for the year	-	-	-	3,554,203,927	295,120,947	(12,224,532)	-	-	282,896,415	3,837,100,342	15,115,162	3,852,215,504	
Increase in non-controlling interests from additional share capital issuance of subsidiary (Note 12)	-	-	-	-	-	-	-	-	-	-	17,461,875	17,461,875	
Dividends paid (Note 27)	-	-	-	(1,287,000,000)	-	-	-	-	-	(1,287,000,000)	-	(1,287,000,000)	
Balance as at 31 March 2022	900,000,000	1,908,449,678	96,000,000	15,682,898,502	(755,269,507)	(7,661,287)	(1,622,600)	4,450,692	(760,102,702)	17,827,245,478	94,572,331	17,921,817,809	
Balance as at 1 April 2022	900,000,000	1,908,449,678	96,000,000	15,682,898,502	(755,269,507)	(7,661,287)	(1,622,600)	4,450,692	(760,102,702)	17,827,245,478	94,572,331	17,921,817,809	
Profit for the year	-	-	-	2,095,969,119	-	-	-	-	-	2,095,969,119	68,792,405	2,164,761,524	
Other comprehensive income for the year	-	-	-	(25,494,001)	33,773,327	(7,582,751)	-	-	26,190,576	696,575	-	696,575	
Total comprehensive income for the year	-	-	-	2,070,475,118	33,773,327	(7,582,751)	-	-	26,190,576	2,096,665,694	68,792,405	2,165,458,099	
Dividends paid (Note 27)	-	-	-	(819,000,000)	-	-	-	-	-	(819,000,000)	-	(819,000,000)	
Balance as at 31 March 2023	900,000,000	1,908,449,678	96,000,000	16,934,373,620	(721,496,180)	(15,244,038)	(1,622,600)	4,450,692	(733,912,126)	19,104,911,172	163,364,736	19,268,275,908	

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

Polyplex (Thailand) Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 March 2023

(Unit: Baht)

	Separate financial statements				
	Issued and fully paid share capital	Share premium	Retained earnings		Total
			Appropriated	Unappropriated	
Balance as at 1 April 2021	900,000,000	1,908,449,678	96,000,000	939,760,589	3,844,210,267
Profit for the year	-	-	-	987,693,282	987,693,282
Other comprehensive income for the year	-	-	-	1,314,143	1,314,143
Total comprehensive income for the year	-	-	-	989,007,425	989,007,425
Dividends paid (Note 27)	-	-	-	(1,287,000,000)	(1,287,000,000)
Balance as at 31 March 2022	<u>900,000,000</u>	<u>1,908,449,678</u>	<u>96,000,000</u>	<u>641,768,014</u>	<u>3,546,217,692</u>
Balance as at 1 April 2022	900,000,000	1,908,449,678	96,000,000	641,768,014	3,546,217,692
Profit for the year	-	-	-	887,280,517	887,280,517
Other comprehensive income for the year	-	-	-	(6,273,225)	(6,273,225)
Total comprehensive income for the year	-	-	-	881,007,292	881,007,292
Dividends paid (Note 27)	-	-	-	(819,000,000)	(819,000,000)
Balance as at 31 March 2023	<u>900,000,000</u>	<u>1,908,449,678</u>	<u>96,000,000</u>	<u>703,775,306</u>	<u>3,608,224,984</u>

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

Polyplex (Thailand) Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 March 2023

1. General information

Polyplex (Thailand) Public Company Limited ("The Company") is a public company incorporated and domiciled in Thailand. Its parent company is Polyplex Corporation Limited, which was incorporated in Republic of India. The Company is principally engaged in the manufacture and distribution of polyester films, metallised films, extrusion coated films, cast polypropylene films, silicone coated films, blown films, holographic films and PET resins. The registered addresses of the Company's head office and factories are as follows:

Head office: 75/26 Ocean Tower II, 18th Floor, Soi Sukhumvit 19, Sukhumvit Road, Kwaeng North Klongtoey, Khet Wattana, Bangkok.

Factory 1: Siam Eastern Industrial Park, 60/24 Moo 3, Tambol Mabyangporn, Amphur Pluakdaeng, Rayong.

Factory 2: Siam Eastern Industrial Park, 60/91 Moo 3, Tambol Mabyangporn, Amphur Pluakdaeng, Rayong.

Factory 3: Siam Eastern Industrial Park, 60/109 Moo 3, Tambol Mabyangporn, Amphur Pluakdaeng, Rayong.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Polyplex (Thailand) Public Company Limited (“the Company”) and the following subsidiary companies (collectively as “the Group”):

Subsidiaries' name	Nature of business	Country of incorporation	Percentage of shareholding	
			2023 (%)	2022 (%)
EcoBlue Ltd.	Manufacture and distribution of recycled plastic products	Thailand	66.50	66.50
Polyplex (Singapore) Pte. Ltd.	Investment holding company	Republic of Singapore	100.00	100.00
Polyplex America Holdings Inc.	Investment holding company	United States of America	100.00	100.00
Polyplex Europe B.V.	Distribution of plastic film	Netherlands	100.00	100.00
PT. Polyplex Films Indonesia	Manufacture and distribution of polyester film and chips	Republic of Indonesia	99.99	99.99
Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi (100% owned by Polyplex (Singapore) Pte. Ltd.)	Manufacture and distribution of polyester film and chips	Republic of Turkey	100.00	100.00
Polyplex USA LLC (100% owned by Polyplex America Holdings Inc.)	Manufacture and distribution of polyester film and chips	United States of America	100.00	100.00
Polyplex Paketleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi (99.99% owned by Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi)	Distribution of plastic film	Republic of Turkey	100.00	100.00

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statement of changes in shareholders' equity.

- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

When a contract provided a customer with a right to return the goods within a specified period, the Group recognises the amount ultimately expected they will have to return to customers as a refund liability and recognise the right to recover the goods expected to be returned by customers as a right of return asset in the statement of financial position. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Inventories

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. Cost includes all production costs and attributable factory overheads.

Raw materials, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

4.4 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method, net of allowance for impairment (if any).

4.5 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of buildings and building improvements, machinery and equipment is calculated by reference to their costs on the straight-line basis. Depreciation of other equipment which acquired before 1 April 2015 was calculated on the sum of the year digits basis for the equipment acquired. The estimated useful lives of plant and equipment are as follows:

Buildings and building improvements	- 3, 20 and 50 years
Machinery and equipment	- 3 - 20 years
Furniture, fixtures and office equipment	- 3 - 10 years
Motor vehicles	- 5 - 8 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.7 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 - 15 years

4.8 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

4.9 Leases

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

The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Building improvements	3 years
Machinery and equipment	5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are presented as part of property, plant and equipment in the statement of financial position.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.10 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Group.

They also include individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors and officers with authority in the planning and direction of the operations of the Group.

4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.12 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment (except for goodwill) if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

4.14 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.16 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVOCI (debt instruments)

The Group measures financial assets at FVOCI if the financial asset is held to collect contractual cash flows and to sell the financial asset and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

4.17 Derivatives

The Group uses derivatives, such as forward currency contracts to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

4.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2023	2022	2023	2022	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	3,505	3,228	Transaction net margin method or cost plus margin
Purchases of raw materials	-	-	189	142	Transaction net margin method or cost plus margin
Rental and service income	-	-	16	18	As stipulated in agreements
Interest expense	-	-	83	37	3-month Euribor + 1.50% per annum
Other expense	-	-	1	4	At cost
<u>Transactions with parent company</u>					
Other expenses	3	3	-	-	At cost
<u>Transactions with related companies</u>					
Sales of goods	2	3	1	2	Transaction net margin method or cost plus margin
Purchases of raw materials	1,027	1,238	42	55	Transaction net margin method or cost plus margin
Dividends paid	418	656	418	656	As approved by shareholders and Board of Directors' meeting
<u>Transactions with related person</u>					
Salary expense	2	2	-	-	Employment contract

The balances of the accounts as at 31 March 2023 and 2022 between the Company, subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Trade and other receivables - related parties (Note 8)				
Parent company	-	1,713	-	-
Subsidiaries	-	-	583,621	525,508
Total	-	1,713	583,621	525,508
Trade payables - related parties (Note 16)				
Parent company	153,817	101,432	20	2,058
Subsidiaries	-	-	41,391	80,193
Total	153,817	101,432	41,411	82,251

Loans from related party

As at 31 March 2023 and 2022, the balances of loans between the Company and related company, and the movements in loans were as follows:

(Unit: Thousand Baht)

Long-term loans from related party	Related by	Separate financial statements				
		Balance as at 31 March	Increase during the	Decrease during the	Unrealised loss on	Balance as at 31 March
		2022	year	year	exchange	2023
Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S.	Subsidiary	3,792,237	-	-	465	3,792,702
Total		3,792,237	-	-	465	3,792,702

Long-term loans from Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S. of EUR 101 million (2022: EUR 101 million) carried interest at 3-month Euribor + 1.50% per annum (2022: 3-month Euribor + 1.50% per annum). The loans are repayable within 31 March 2029, but the repayment could be extended as mutually agree between the parties.

Directors and management's remuneration

During the years ended 31 March 2023 and 2022, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Short-term employee benefits	164	181	48	62

Guarantee obligations with related parties

The Group has outstanding guarantee obligations with its related parties, as described in Note 30.4 to the financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash	1,881	1,781	920	1,143
Bank deposits	2,345,096	2,199,627	33,341	46,500
Total	2,346,977	2,201,408	34,261	47,643

As at 31 March 2023, bank deposits in saving accounts and fixed deposits carried interests at 0.03% to 4.00% per annum (2022: 0.05% to 3.25% per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	3,008,432	3,566,563	593,457	704,749
Past due				
Up to 3 months	430,341	463,413	63,601	66,999
3 - 6 months	10,029	2,157	4,110	-
6 - 12 months	18,659	2,044	6,205	2,044
Over 12 months	52	32	12	32
Total trade receivables - unrelated parties	3,467,513	4,034,209	667,385	773,824
Less: Allowance for expected credit losses	(5,104)	(614)	(3,767)	(559)
Total trade receivables - unrelated parties, net	3,462,409	4,033,595	663,618	773,265
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	1,713	581,711	524,288
Total trade receivables - related parties	-	1,713	581,711	524,288
Total trade receivables - net	3,462,409	4,035,308	1,245,329	1,297,553
<u>Other receivables</u>				
Other receivables - related party	-	-	1,910	1,220
Total other receivables	-	-	1,910	1,220
Total trade and other receivables - net	3,462,409	4,035,308	1,247,239	1,298,773

The normal credit terms are 15 to 90 days.

Set out below are the movements in the allowance for expected credit losses of trade receivables.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Beginning balance	614	525	559	487
Expected credit losses	4,638	603	3,303	538
Amount written off	-	(34)	-	(34)
Amount recovered	(95)	(483)	(95)	(432)
Translation adjustment	(53)	3	-	-
Ending balance	5,104	614	3,767	559

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2023	2022	2023	2022	2023	2022
Finished goods	1,774,763	1,843,055	(95,965)	(43,300)	1,678,798	1,799,755
Work in process	875,290	662,343	(50,486)	(32,254)	824,804	630,089
Raw materials	1,298,090	1,333,098	-	-	1,298,090	1,333,098
Spare parts and factory supplies	766,684	678,340	-	-	766,684	678,340
Goods in transit	324,634	602,071	-	-	324,634	602,071
Total	5,039,461	5,118,907	(146,451)	(75,554)	4,893,010	5,043,353

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2023	2022	2023	2022	2023	2022
Finished goods	410,501	578,895	(16,731)	(20,202)	393,770	558,693
Work in process	321,681	231,830	(50,486)	(32,254)	271,195	199,576
Raw materials	628,861	517,747	-	-	628,861	517,747
Spare parts and factory supplies	283,835	267,445	-	-	283,835	267,445
Goods in transit	33,037	34,096	-	-	33,037	34,096
Total	1,677,915	1,630,013	(67,217)	(52,456)	1,610,698	1,577,557

Movements in the allowance for reducing cost of inventories to net realisable value for the years 2023 and 2022 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Beginning balance	75,554	69,236	52,456	43,573
Add: Allowance made during the year	126,299	32,279	67,217	26,836
Less: Allowance reversed during the year	(54,207)	(27,117)	(52,456)	(17,953)
Add (less): Translation adjustment	(1,195)	1,156	-	-
Ending balance	146,451	75,554	67,217	52,456

10. Other current financial assets/ Other non-current financial assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<u>Debt instruments at FVOCI</u>				
Investment in bonds and debentures	707,080	379,939	-	-
Total debt instruments at FVOCI	707,080	379,939	-	-
<u>Financial assets at FVTPL</u>				
Derivative assets - foreign exchange forward contracts (Note 32.1)	11,322	4,941	8,173	4,079
Total financial assets at FVTPL	11,322	4,941	8,173	4,079
Total other financial assets	718,402	384,880	8,173	4,079
Current	194,372	72,052	8,173	4,079
Non-current	524,030	312,828	-	-
Total	718,402	384,880	8,173	4,079

As at 31 March 2023, investments in bonds carried interests at 0.34% - 4.75% per annum (2022: 0.47% - 4.75% per annum). Bonds will be matured during May 2023 to February 2024 of Baht 183 million and in May to November 2024 of Baht 524 million (2022: during October 2022 of Baht 67 million and in September 2024 of Baht 313 million).

11. Restricted bank deposits

As at 31 March 2023, restricted bank deposits represent deposits with banks, amounting to USD 0.01 million and EUR 0.01 million (2022: USD 0.58 million, IDR 0.81 billion, and EUR 0.04 million) which carried interests at 0.00% - 0.13% per annum (2022: 0.00% - 0.13% per annum). Such deposits were pledged with the banks to secure long-term loans from bank and a letter of guarantee issued by a bank in respect of contractual performance of PT. Polyplex Films Indonesia (subsidiary).

12. Investments in subsidiaries

(Unit: Thousand Baht)

Subsidiaries	Paid-up capital	Shareholding percentage Percent	Cost		Allowance for Impairment of investments		Investments - net	
			2023	2022	2023	2022	2023	2022
Ordinary shares								
Polyplex (Singapore) Pte. Ltd.	EUR 0.8 million	100.00	41,440	41,440	-	-	41,440	41,440
Polyplex Europe B.V.	EUR 0.2 million	100.00	8,157	8,157	-	-	8,157	8,157
Polyplex America Holdings Inc.	USD 46.6 million	100.00	1,474,489	1,474,489	-	-	1,474,489	1,474,489
PT. Polyplex Films Indonesia	IDR 540 billion	99.99	1,235,927	1,235,927	-	-	1,235,927	1,235,927
EcoBlue Limited	Baht 137.65 million	66.50	104,689	104,689	-	-	104,689	104,689
Preference shares								
Polyplex (Singapore) Pte. Ltd.	EUR 8.4 million	100.00	414,581	414,581	-	-	414,581	414,581
Total			3,279,283	3,279,283	-	-	3,279,283	3,279,283

On 29 July 2021, the meeting of Board of Directors of Ecoblue Limited No.4/2021 passed a resolution to call for shares subscription from the Company of Baht 34.7 million (4.621 million shares of Baht 7.5 each) and from non-controlling interests of the subsidiary of Baht 17.5 million (2.328 million shares of Baht 7.5 each).

During the year 2023 and 2022, the subsidiary companies did not pay dividend.

13. Property, plant and equipment

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Net book value:				
Property, plant and equipment	12,934,618	12,874,395	3,262,154	3,482,819
Right-of-use assets	57,573	30,309	371	1,854
Total	12,992,191	12,904,704	3,262,525	3,484,673

Movements of the property, plant and equipment account during the years ended 31 March 2023 and 2022 were summarised below.

	Consolidated financial statements						
	Land	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction	Total
Cost							
1 April 2021	666,025	3,744,327	13,721,840	385,417	65,280	1,368,158	19,951,047
Purchases	3,860	152,092	279,657	55,835	2,961	1,221,437	1,715,842
Disposals/ Write off	-	(1,658)	-	(1,027)	(2,903)	-	(5,588)
Transfer in/ (Transfer out)	57,921	441,463	1,644,979	42,286	-	(2,186,649)	-
Capitalised interest	-	-	-	-	-	8,418	8,418
Translation adjustments	21,045	125,413	311,584	5,341	1,466	82,532	547,381
31 March 2022	748,851	4,461,637	15,958,060	487,852	66,804	493,896	22,217,100
Purchases	15,682	38,282	106,769	81,154	6,077	904,251	1,152,215
Disposals/ Write off	-	(5,483)	(11,435)	(94)	(3,384)	-	(20,396)
Transfer in/ (Transfer out)	-	150,205	414,175	49,676	-	(614,056)	-
Capitalised interest	-	-	-	-	-	412	412
Translation adjustments	(1,224)	14,535	26,986	(2,831)	(137)	(24,712)	12,617
31 March 2023	763,309	4,659,176	16,494,555	615,757	69,360	759,791	23,361,948

(Unit: Thousand Baht)

(Unit: Thousand Baht)

	Consolidated financial statements						
	Land	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction	Total
Accumulated depreciation							
1 April 2021	-	1,107,950	6,881,850	222,008	37,045	-	8,248,853
Depreciation for the year	-	155,763	759,752	54,976	8,453	-	978,944
Disposals/ Write off	-	(420)	-	(796)	(2,519)	-	(3,735)
Translation adjustments	-	21,987	93,626	2,379	651	-	118,643
31 March 2022	-	1,285,280	7,735,228	278,567	43,630	-	9,342,705
Depreciation for the year	-	189,728	805,850	70,278	11,304	-	1,077,160
Disposals/ Write off	-	(10)	(6,642)	(3)	(3,363)	-	(10,018)
Translation adjustments	-	2,851	15,096	(511)	47	-	17,483
31 March 2023	-	1,477,849	8,549,532	348,331	51,618	-	10,427,330
Net book value							
31 March 2022	748,851	3,176,357	8,222,832	209,285	23,174	493,896	12,874,395
31 March 2023	763,309	3,181,327	7,945,023	267,426	17,742	759,791	12,934,618
Depreciation for the year							
2022 (Baht 918.6 million included in manufacturing cost, and the balance in selling and administrative expenses)							978,944
2023 (Baht 995.6 million included in manufacturing cost, and the balance in selling and administrative expenses)							1,077,160

(Unit: Thousand Baht)

	Separate financial statements					
	Land	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction
Cost						
1 April 2021	196,627	1,393,786	6,372,833	267,453	30,498	81,906
Purchases	-	475	50,528	48,772	1,421	31,440
Disposals/ Write off	-	-	-	(366)	(1,150)	-
Transfer in/ (Transfer out)	-	-	6,683	-	-	(6,683)
31 March 2022	196,627	1,394,261	6,430,044	315,859	30,769	106,663
Purchases	-	21	38,017	64,815	2,476	71,901
Disposals/ Write off	-	-	(6,791)	(94)	(2,575)	-
Transfer in/ (Transfer out)	-	60,834	112,495	336	-	(173,665)
31 March 2023	196,627	1,455,116	6,573,765	380,916	30,670	4,899
Accumulated depreciation						
1 April 2021	-	649,570	3,750,485	154,904	16,958	-
Depreciation for the year	-	69,705	306,061	40,530	4,093	-
Disposals/ Write off	-	-	-	(135)	(767)	-
31 March 2022	-	719,275	4,056,546	195,299	20,284	-
Depreciation for the year	-	71,678	274,044	47,482	4,428	-
Disposals/ Write off	-	-	(6,619)	(3)	(2,575)	-
31 March 2023	-	790,953	4,323,971	242,778	22,137	-
Net book value						
31 March 2022	196,627	674,986	2,373,498	120,560	10,485	106,663
31 March 2023	196,627	664,163	2,249,794	138,138	8,533	4,899
Depreciation for the year						
2022 (Baht 375.8 million included in manufacturing cost, and the balance in selling and administrative expenses)						420,389
2023 (Baht 345.7 million included in manufacturing cost, and the balance in selling and administrative expenses)						397,632

As at 31 March 2023, the subsidiaries capitalised borrowing cost amounted to Baht 0.4 million as cost of plant construction (2022: Baht 8.4 million). The rate used to determine the amount of borrowing costs eligible for capitalisation was 0.01% per annum (2022: 0.20% - 1.71% per annum).

As at 31 March 2023, certain items of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 2,110 million (2022: Baht 1,630 million) (The Company only: Baht 2,053 million (2022: Baht 1,578 million)).

The Group has mortgaged their property, plant and equipment with net book value as of 31 March 2023 amounted to approximately Baht 4,464 million (2022: Baht 4,325 million) as collateral to secure credit facilities obtained from financial institutions (The Company only: Nil (2022: Nil)).

14. Other intangible assets

The net book value of other intangible assets as at 31 March 2023 and 2022 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	Computer software	
As at 31 March 2023		
Cost	18,473	
Less: Accumulated amortisation	(18,114)	
Add: Translation adjustment	2	
Net book value	361	
As at 31 March 2022		
Cost	17,666	
Less: Accumulated amortisation	(17,528)	
Add: Translation adjustment	16	
Net book value	154	

A reconciliation of the net book value of other intangible assets for the years 2023 and 2022 was presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2023	2022
Net book value at beginning of year	154	531
Acquisition of computer software	267	58
Amortisation	(62)	(451)
Translation adjustment	2	16
Net book value at end of year	361	154

15. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rates		Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022	2023	2022
	(% per annum)	(% per annum)				
Short-term loans from banks	Libor + 2.0	-	102,153	-	-	-
Promissory notes	1.82 - 1.95	1.15 - 1.80	1,092,000	1,353,000	1,065,000	1,235,000
Total short-term loans from financial institutions			<u>1,194,153</u>	<u>1,353,000</u>	<u>1,065,000</u>	<u>1,235,000</u>

As at 31 March 2023 and 2022, the Company's promissory notes were unsecured. A subsidiary's promissory notes were secured by the mortgages of its land and construction thereon and the pledge of its machinery and equipment. Another subsidiary's short-term loans from banks were secured by the Company's corporate guarantee.

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Trade payables - related parties	153,817	101,432	41,411	82,251
Trade payables - unrelated parties	1,803,819	2,010,421	809,537	776,536
Other payables - unrelated parties	1,555	10,794	965	1,032
Payables for purchases of buildings and equipment	207,291	87,565	21,208	20,884
Total trade and other payables	<u>2,166,482</u>	<u>2,210,212</u>	<u>873,121</u>	<u>880,703</u>

17. Long-term loans from financial institutions

(Unit: Thousand Baht)

Interest rates (% per annum)	Repayment schedule	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Euribor + 2.50	December 2020 to December 2027	722,814	880,171	-	-
Libor + (1.50 - 2.60)	December 2020 to November 2029	1,243,440	1,505,485	-	-
Total		<u>1,966,254</u>	<u>2,385,656</u>	<u>-</u>	<u>-</u>
Less: Deferred transaction cost		<u>(6,365)</u>	<u>(7,455)</u>	<u>-</u>	<u>-</u>
Long-term loans - net of deferred transaction cost		1,959,889	2,378,201	-	-
Less: Current portion		<u>(412,015)</u>	<u>(344,779)</u>	<u>-</u>	<u>-</u>
Long-term loans - net of current portion		<u>1,547,874</u>	<u>2,033,422</u>	<u>-</u>	<u>-</u>

Movements in long-term loans account for the years ended 31 March 2023 and 2022 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Beginning balance	2,378,201	1,614,344	-	3,042
Additional borrowings	8,700	997,338	-	-
Repayments	(489,573)	(285,140)	-	(3,042)
Deferred transaction cost	-	(928)	-	-
Amortised transaction cost	2,095	1,975	-	-
Unrealised loss (gain) on exchange	79,355	(61,180)	-	-
Translation adjustment	(18,889)	111,792	-	-
Ending balance	1,959,889	2,378,201	-	-

The subsidiary's loan facilities were secured by the mortgage of its land and premises and the pledge of its machinery and equipment as described in Note 13 to the consolidated financial statements, bank deposit accounts as described in Note 11 to the consolidated financial statements, and the guarantees provided by the Company and a subsidiary as described in Note 30.4 to the consolidated financial statements.

The loan agreements contain several covenants which, among other things, required the Group to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

As at 31 March 2023, the long-term credit facilities of the Group which have not yet been drawn down amounted to USD 30 million (31 March 2022: USD 31 million).

18. Other current financial liabilities/ Other non-current financial liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Derivative liabilities at FVTPL				
Foreign exchange forward contracts (Note 32.1)	42,787	64,462	23,265	16,302
Total other financial liabilities	42,787	64,462	23,265	16,302
Current	36,729	55,364	23,265	16,302
Non-current	6,058	9,098	-	-
Total	42,787	64,462	23,265	16,302

19. Provision for long-term employee benefits

Provision for long-term employee benefits, which represented compensation payable to employees after they retire and other employee benefits, were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Employee retirement pension		Other employee benefits		Total	
	2023	2022	2023	2022	2023	2022
Provision for long-term employee benefits at beginning of the year	47,705	45,336	9,423	7,486	57,128	52,822
Included in profit or loss:						
Current service costs	7,854	6,035	1,211	1,176	9,065	7,211
Interest cost	1,680	1,571	111	94	1,791	1,665
Past service costs	(587)	(1,064)	-	-	(587)	(1,064)
Actuarial losses	-	-	4,280	1,494	4,280	1,494
Included in other comprehensive income:						
Actuarial losses (gains) arising from						
Demographic assumptions changes	6,432	-	-	-	6,432	-
Financial assumptions changes	17,334	(4,966)	-	-	17,334	(4,966)
Experience adjustments	3,272	314	-	-	3,272	314
Benefits paid during the year	(21,593)	(135)	(1,037)	(827)	(22,630)	(962)
Translation adjustment	(236)	614	-	-	(236)	614
Provision for long-term employee benefits at the end of the year	<u>61,861</u>	<u>47,705</u>	<u>13,988</u>	<u>9,423</u>	<u>75,849</u>	<u>57,128</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Employee retirement pension		Other employee benefits		Total	
	2023	2022	2023	2022	2023	2022
Provision for long-term employee benefits at beginning of the year	20,102	19,113	9,423	7,486	29,525	26,599
Included in profit or loss:						
Current service costs	2,326	2,192	1,211	1,176	3,537	3,368
Interest cost	505	440	111	94	616	534
Actuarial loss	-	-	4,280	1,494	4,280	1,494
Included in other comprehensive income:						
Actuarial loss (gain) arising from						
Demographic assumption changes	6,432	-	-	-	6,432	-
Financial assumptions changes	(1,977)	(1,643)	-	-	(1,977)	(1,643)
Experience adjustments	3,387	-	-	-	3,387	-
Benefits paid during the year	(746)	-	(1,037)	(827)	(1,783)	(827)
Provision for long-term employee benefits at the end of the year	<u>30,029</u>	<u>20,102</u>	<u>13,988</u>	<u>9,423</u>	<u>44,017</u>	<u>29,525</u>

The Group expect to pay Baht 4.2 million of long-term employee benefits during next year (the Company only: Baht 2.5 million) (2022: Baht 3.8 million (the Company only: Baht 0.9 million)).

As at 31 March 2023, the weighted average duration of the liabilities for long-term employee benefits was 13 - 21 years (the Company only: 13 years) (2022: 15 - 21 years (the Company only: 15 years)).

Significant actuarial assumptions were summarised below:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Discount rates	2.9807% - 7.15%	3.1960% - 7.6%	2.9807%	3.1960%
	per annum	per annum	per annum	per annum
Salary increase rates	2.6% - 5.0%	0.9% - 6.0%	3.5% - 4.0%	4.0% - 6.0%
	per annum	per annum	per annum	per annum
Turnover rates	2.06% - 18%	3.9% - 20%	6% - 18%	10% - 20%
	per annum	per annum	per annum	per annum
Gold price	Baht 32,450	Baht 30,850	Baht 32,450	Baht 30,850
	Per Baht weight	per Baht weight	Per Baht weight	per Baht weight

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefits obligation as at 31 March 2023 and 2022 were summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements							
	Employee retirement provision				Other employee benefit			
	Increase 1% or increase 10% of base assumption		Decrease 1% or decrease 10% of base assumption		Increase 1%		Decrease 1%	
	2023	2022	2023	2022	2023	2022	2023	2022
Discount rate	(25,181)	(23,272)	31,596	23,344	(703)	(422)	781	466
Salary increase rate	5,907	4,763	(4,484)	(3,422)	-	-	-	-

	Increase 10% - 20% of base assumption		Decrease 10% - 20% of base assumption		Increase 20% of base assumption		Decrease 20% of base assumption	
	2023	2022	2023	2022	2023	2022	2023	2022
Turnover rate	(2,371)	(2,784)	2,843	3,680	(1,200)	(1,502)	1,429	1,897
Gold price rate	-	-	-	-	2,798	2,043	(2,798)	(2,043)

(Unit: Thousand Baht)

	Separate financial statements							
	Employee retirement provision				Other employee benefit			
	Increase 1%		Decrease 1%		Increase 1%		Decrease 1%	
	2023	2022	2023	2022	2023	2022	2023	2022
Discount rate	(3,537)	(2,177)	4,173	2,548	(703)	(422)	781	466
Salary increase rate	4,109	3,278	(3,553)	(2,815)	-	-	-	-

	Increase 20% of base assumption		Decrease 20% of base assumption		Increase 20% of base assumption		Decrease 20% of base assumption	
	2023	2022	2023	2022	2023	2022	2023	2022
Turnover rate	(2,371)	(2,784)	2,843	3,680	(1,200)	(1,502)	1,429	1,897
Gold price rate	-	-	-	-	2,798	2,043	(2,798)	(2,043)

20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

21. Other income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Gain arising on FVTPL debt instruments	-	1,182	-	-
Insurance claim income	159,185	15,248	356	10,998
Export subsidies income	16,192	13,087	14,643	12,623
Others	34,174	10,795	5,862	7,282
Total other income	209,551	40,312	20,861	30,903

22. Finance income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Interest income on bank deposits	18,069	7,789	56	100
Interest income on debt instruments measured at FVOCI	16,946	12,110	-	-
Total	35,015	19,899	56	100

23. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Interest expenses on borrowings	148,533	61,961	98,132	46,814
Interest expenses on lease liabilities	3,265	724	19	43
Total	151,798	62,685	98,151	46,857

24. Expenses by nature

Significant expenses classified by nature were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Salaries, wages and other employee benefits	1,462,946	1,446,424	459,964	490,360
Depreciation and amortisation	1,088,070	985,548	399,116	421,873
Loss on diminutions in value of inventories	72,092	4,530	14,761	8,883
Raw materials and consumables used	21,820,504	16,652,490	5,295,172	4,815,372
Changes in finished goods and work in process	(144,655)	(1,151,340)	78,543	(239,912)
Gain on exchange and derivatives	(4,474)	(327,991)	(60,905)	(56,036)
Rental expenses from operating lease agreements of low-value assets	18,623	9,035	494	640

25. Income tax expense / Deferred tax assets (liabilities)

Income tax expense for the years ended 31 March 2023 and 2022 were made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Current income tax:				
Current income tax charge	354,388	332,654	95,606	134,687
Adjustment in respect of current income tax of previous year	(4,373)	(11,769)	(2,812)	(11,262)
Deferred tax:				
Relating to origination and reversal of temporary differences	(87,728)	185,715	(3,937)	(11,068)
Effects of the change in tax rate	-	3,544	-	-
Tax expense reported in profit or loss	<u>262,287</u>	<u>510,144</u>	<u>88,857</u>	<u>112,357</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 March 2023 and 2022 were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Deferred tax on actuarial gains and losses	(1,546)	235	(1,568)	329

The Board of Investment (BOI) has granted the Company investment promotion privileges under several promotion certificates, including exemption from corporate income tax for periods of 6 - 8 years from the date the promoted operations began generating revenue. In addition, subsidiary companies in Republic of Turkey are also exempted from income tax on earnings from the sale of manufactured goods until this country becomes a full member of the European Union.

The reconciliation between accounting profit and income tax expense was shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Accounting profit before tax	2,427,048	4,075,046	976,137	1,100,050
Applicable tax rates	0% - 23%	0% - 25%	0% - 20%	0% - 20%
Accounting profit before tax multiplied by applicable tax rates	510,085	891,180	195,227	220,309
Adjustment in respect of current income tax of previous year	(4,373)	(11,769)	(2,812)	(11,262)
Effects of changes in the tax rates	-	3,544	-	-
Effects of:				
Promotional privileges (Note 26)	(186,443)	(401,906)	(92,490)	(68,557)
Tax exemption income/non-deductible expenses/right to deduct more expenses/ others	(52,272)	217,698	(11,068)	(20,751)
Utilisation of unused tax losses	(4,710)	(181,208)	-	-
Tax effects of tax losses	-	(7,395)	-	(7,382)
Total	(243,425)	(372,811)	(103,558)	(96,690)
Income tax expense reported in profit or loss	262,287	510,144	88,857	112,357

The components of deferred tax assets (liabilities) were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Deferred tax assets (liabilities)				
Allowance for diminution in value of inventories	9,446	6,284	9,446	6,284
Reserve for other expenses	15,941	14,954	15,941	14,954
Provision for long-term employee benefits	6,400	5,100	6,400	5,100
Unrealised loss on forward contract	1,939	1,506	1,939	1,506
Export incentive receivables	(1,516)	(1,119)	(1,516)	(1,119)
Rights-of-use asset and lease liabilities	(5)	(25)	(5)	(25)
Profit on inventories purchased from the Group	34,552	47,011	-	-
Total deferred tax assets, net	66,757	73,711	32,205	26,700

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Deferred tax assets (liabilities)				
Allowance for diminution in value of inventories	9,057	3,751	-	-
Reserve for other expenses	8,601	20,218	-	-
Provision for long-term employee benefits	2,267	1,586	-	-
Unused tax losses	60,356	25,866	-	-
Depreciation and amortisation	(499,422)	(559,594)	-	-
Unrealised loss on forward contract	8,540	-	-	-
Unrealised gain on exchange rate	(59,000)	(52,612)	-	-
Rights-of-use asset and lease liabilities	36	30	-	-
Others	16,230	25,010	-	-
Total deferred tax liabilities, net	(453,335)	(535,745)	-	-

The unused tax losses of a subsidiary amounting to Baht 286 million (2022: Baht 327 million) will expire by 2026 to 2028.

As at 31 March 2023, total amount of temporary difference associated with undistributed profit of subsidiaries amounted to Baht 2,565 million (2022: Baht 2,462 million) for which deferred tax liabilities have not been recognised.

26. Promotional privileges

The Company has received promotional privileges from the Board of Investment for the manufacture of polyester films, metallised films, extrusion coated films, cast polypropylene films, silicone coated films, blown film, and PET resins. Subject to certain imposed conditions, the privileges include a 100% exemption from corporate income tax for a period of first 6 - 8 years, and a 50% reduction of corporate income tax for a period of 5 years thereafter.

The Company's sales for the years ended 31 March 2023 and 2022 divided between promoted and non-promoted operations, are summarised below.

(Unit: Million Baht)

	Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	2023	2022	2023	2022	2023	2022
Sales						
Domestic sales	85	123	892	809	977	932
Export sales	393	738	7,651	6,692	8,044	7,430
Total sales	478	861	8,543	7,501	9,021	8,362

27. Dividends paid

Dividend	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Dividend on 2021 operating results	Annual General Meeting of the Company's shareholders on 30 July 2021	414	0.46
First interim dividend for 2022	The Board of Directors' Meeting on 12 November 2021	495	0.55
Second interim dividend for 2022	The Board of Directors' Meeting on 14 February 2022	378	0.42
Total for 2022		<u>1,287</u>	<u>1.43</u>
Dividend on 2022 operating results	Annual General Meeting of the Company's shareholders on 27 July 2022	306	0.34
Dividend on 2023 interim operating results	The Board of Director's Meeting on 14 November 2022	513	0.57
Total for 2023		<u>819</u>	<u>0.91</u>

28. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decision about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as managing director. The basis that used to measure operating profit or loss of segment is same as the basis that used to measure operating profit or loss in the financial statements.

For management purposes, the Group has a single industry segment, the manufacture and distribution of polyester films, metallised films, extrusion coated films, cast polypropylene films, silicone coated films, blown films, holographic films, and PET resins, and are carried on in two geographic areas in Thailand and overseas countries, as operated by subsidiaries.

The revenue, profit and total assets information by geographical segment in the consolidated financial statements for the years ended 31 March 2023 and 2022 were as follows:

(Unit: Million Baht)

	Thailand		Overseas countries		Elimination of inter-segment revenues		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Sales to external customers	6,437	5,417	19,904	16,128	-	-	26,341	21,545
Inter-segment sales	3,637	3,255	1,776	1,440	(5,413)	(4,695)	-	-
Total sales	10,074	8,672	21,680	17,568	(5,413)	(4,695)	26,341	21,545
Segment operating profit (loss)	1,304	1,197	1,173	3,048	67	(127)	2,544	4,118
Unallocated expenses:								
Finance income							35	20
Finance cost							(152)	(63)
Income tax expense							(262)	(510)
Profit for the year							2,165	3,565
<u>Segment total assets</u>								
Property, plant and equipment	3,863	4,061	9,175	8,886	(46)	(42)	12,992	12,905
Unallocated assets							12,730	12,657
Total assets							25,722	25,562

Transfer prices between segments were as set out in Note 6 to the financial statements.

Major customers

For the years ended 31 March 2023 and 2022, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

29. Provident fund

The Company, its subsidiary in Thailand and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiary and their employees contributed to the fund monthly at the rates of 4% - 7% (2022: 4% - 7%) of basic salary. The fund, which is managed by Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year, the Company and its subsidiary contributed Baht 10.9 million (2022: Baht 10.1 million) to the fund (the Company only: Baht 10.0 million (2022: Baht 9.6 million)).

30. Commitments and contingent liabilities**30.1 Capital commitments**

As at 31 March 2023, the Group had capital commitments of totaling Baht 1,673 million (2022: Baht 1,159 million) (The Company only: Baht 17 million (2022: Baht 74 million)), relating to the construction of factory building and acquisitions of machinery and equipment.

30.2 Commitments relating to lease of low-value assets

The Group had entered into several lease agreements which were leases of low-value assets in respect of equipment. The term of the agreements are generally between 1 and 5 years.

Future minimum rentals payable under these leases agreements are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Payable:				
In up to 1 year	1.2	1.0	0.3	0.2
In over 1 and up to 5 years	0.7	0.3	0.7	0.3

30.3 Service agreements

As at 31 March 2023, the Group had commitments totaling Baht 11.7 million (2022: Baht 12.0 million) under various service agreements (The Company only: Baht 6.8 million (2022: Baht 4.6 million)). These agreements expire between April 2023 to February 2025.

30.4 Guarantees

- As at 31 March 2023 and 2022, the Company has provided guarantee worth USD 20.0 million for working capital facilities obtained by a subsidiary, Polyplex USA LLC.
- As at 31 March 2023 and 2022, the Company has provided guarantee of USD 80.0 million for the long-term loans in USD and EUR obtained by its subsidiary, PT. Polyplex Film Indonesia. As at 31 March 2023, the outstanding balances of the subsidiary's loans were USD 29.4 million and EUR 19.6 million (2022: USD 35.0 million and EUR 24.1 million).
- As at 31 March 2023 and 2022, Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi has provided guarantee for credit facilities obtained by Polyplex Paketleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi of EUR 5.7 million.

d) As at 31 March 2023 and 2022, there were outstanding bank guarantees as follow:

(Unit: Million)

Letters of guarantees for	Currency	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Customs duty	Euro	0.1	3.0	-	-
Natural gas usage	USD	0.4	-	-	-
Lost bill of lading	USD	0.1	-	-	-

30.5 Letter of credit

As at 31 March 2023, available letter of credit facilities amounted to USD 19.5 million (2022: USD 23.6 million) (The Company only: USD 0.1 million (2022: USD 1.4 million)).

31. Fair value hierarchy

As at 31 March 2023 and 2022, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements							
	2023				2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial asset measured at fair value								
Debt instruments								
Bonds and debentures	-	707	-	707	-	380	-	380
Derivative								
Foreign currency forward contracts	-	11	-	11	-	5	-	5
Financial liability measured at fair value								
Derivative								
Foreign currency forward contracts	-	43	-	43	-	64	-	64

(Unit: Million Baht)

	Separate financial statements							
	2023				2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial asset measured at fair value								
Derivative								
Foreign currency forward contracts	-	8	-	8	-	4	-	4
Financial liability measured at fair value								
Derivative								
Foreign currency forward contracts	-	23	-	23	-	16	-	16

32. Financial instruments**32.1 Derivatives**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Derivative assets				
Derivative assets not designated as hedging instruments				
- Foreign exchange forward contracts	11,322	4,941	8,173	4,079
Total derivative assets	<u>11,322</u>	<u>4,941</u>	<u>8,173</u>	<u>4,079</u>
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
- Foreign exchange forward contracts	42,787	64,462	23,265	16,302
Total derivative liabilities	<u>42,787</u>	<u>64,462</u>	<u>23,265</u>	<u>16,302</u>

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 1 to 18 months.

32.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, deposits with banks and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by letters of credit and other forms of credit insurance are considered an integral part of trade receivables and taken into account in the calculation of impairment. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and not subject to enforcement activity.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments within the policies and guidelines approved by the senior management and only with approved counterparties with a good credit rating and within credit limits assigned to each counterparty. The credit limits are set and are reviewed periodically to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are three market risks comprising of foreign currency risk, interest rate risk and commodity price risk. The Group enters into a variety of derivatives to manage its risk exposure, including foreign exchange forward contracts to hedge the foreign currency risk arising on the export or import of goods.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions and loans that are denominated in foreign currencies. Mostly the Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within 1.5 years.

As at 31 March 2023 and 2022, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2023 (Million)	2022 (Million)	2023 (Million)	2022 (Million)	2023	2022
					(Baht per 1 foreign currency unit)	
US dollar	37.19	46.94	52.66	78.13	34.0509	33.2491
Euro	2.67	0.94	19.78	24.97	37.1211	37.1255
Japanese Yen	72.16	63.89	24.80	22.84	0.2559	0.2723
Pound Sterling	0.12	0.10	-	-	42.2081	43.6438
Rupee	-	0.15	1.26	0.16	0.4145	0.4303
South Korean Won	8.47	78.75	-	-	0.0263	0.0275
Polish Zloty	0.05	0.29	-	-	7.9548	8.0078
Turkish Lira	9.17	7.72	15.62	8.55	1.7800	2.2700

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2023 (Million)	2022 (Million)	2023 (Million)	2022 (Million)	2023	2022
					(Baht per 1 foreign currency unit)	
US dollar	29.09	31.36	2.78	4.90	34.0509	33.2491
Euro	1.79	1.60	101.16	101.26	37.1211	37.1255
Japanese Yen	71.94	62.47	22.73	22.84	0.2559	0.2723
Pound Sterling	0.05	-	-	0.01	42.2081	43.6438
Rupee	-	-	0.82	-	0.4145	0.4303
South Korean Won	8.47	78.75	-	-	0.0263	0.0275

The Company's foreign exchange contracts outstanding were summarised below.

As at 31 March 2023				
Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate	
			Bought	Sold
			(Baht per 1 foreign currency unit)	
US dollar	0.09	41.65	33.4264 - 33.9186	32.0900 - 35.0600
Euro	-	1.49	-	35.0300 - 36.6800
Japanese Yen	-	80.68	-	0.2565 - 0.2568

As at 31 March 2022				
Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate	
			Bought	Sold
			(Baht per 1 foreign currency unit)	
US dollar	0.77	51.68	32.6960 - 33.4076	32.1486 - 33.7560
Euro	0.20	1.40	37.3614 - 38.2335	36.5600 - 39.3200
Japanese Yen	-	72.89	-	0.2725 - 0.2838

Subsidiaries had forward foreign exchange contracts as follows:

As at 31 March 2023				
Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate	
			Bought	Sold
YTL	21.00	-	EUR 0.0479 - 0.0483 per YTL 1	-
USD	7.88	6.74	EUR 0.8514 - 0.9165 per USD 1 and IDR 15,324 - 15,333 per USD 1	EUR 0.8230 - 0.8445 per USD 1 and THB 31.8800 - 34.3200 per USD 1
EUR	5.80	-	USD 1.0815 per EUR 1 and THB 35.2100 - 35.4700 per EUR 1	-

As at 31 March 2022				
Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate	
			Bought	Sold
YTL	27.50	-	EUR 0.0592 - 0.0611 per YTL 1	-
USD	24.12	7.24	EUR 0.8514 - 0.9107 per USD 1 and IDR 14,404 - 14,435 per USD 1	EUR 0.8230 - 0.8445 per USD 1
EUR	7.24	-	USD 1.1315 - 1.2408 per EUR 1	-

Foreign currency sensitivity

The Group's profit before tax may be effected by a reasonably possible change in US dollar and Euro exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including the balances of monetary assets and liabilities between the Company and related parties and non-designated foreign currency derivatives as at 31 March 2023 and 2022. The balances of monetary assets and liabilities between the Company and related parties were eliminated in consolidated statement of financial position whereas their foreign currency fluctuation impact was not eliminated from the consolidated income statement. The Group's exposure to foreign currency changes for all other currencies is not material. The demonstrations of the changes in foreign exchange rate and the effect were as follow:

Currency	Consolidated financial statement			
	2023		2022	
	Change in FX rate (%)	Effect on profit before tax (Million Baht)	Change in FX rate (%)	Effect on profit before tax (Million Baht)
US dollar	+9	17	+ 6	(14)
	-9	(17)	- 6	14
Euro	+6	(255)	+ 8	(377)
	-6	255	- 8	377

Currency	Separate financial statement			
	2023		2022	
	Change in FX rate (%)	Effect on profit before tax (Million Baht)	Change in FX rate (%)	Effect on profit before tax (Million Baht)
US dollar	+10	89	+ 6	52
	-10	(89)	- 6	(52)
Euro	+3	(113)	+ 7	(238)
	-3	113	- 7	238

This information is not a forecast or prediction of future market conditions and should be used with care.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its short-term and long-term loans. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by maintaining an appropriate portion between fixed and variable rate of borrowings, and considering the use of interest rate swap contracts.

As at 31 March 2023 and 2022, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements						Interest rate (% p.a.)
	2023				2022		
	Fixed interest rates		Floating interest rate	Fixed interest rates		Floating interest rate	
	Within 1 year	1-5 years		Within 1 year	1-5 years		

Financial assets

Cash and cash equivalents	39.3	-	2,064.3	11.4	-	2,121.0	See Note 7
Investment in debt instruments	183.1	524.0	-	67.0	313.0	-	See Note 10
Restricted bank deposits	0.6	-	-	18.0	-	-	See Note 11

Financial liabilities

Short-term loans from banks	1,092.0	-	102.2	1,353.0	-	-	See Note 15
Long-term loans from banks	-	-	1,959.9	-	-	2,378.2	See Note 17
Lease liabilities	12.8	36.9	-	7.9	17.4	-	0.37 - 4.00

(Unit: Million Baht)

	Separate financial statements						Interest rate (% p.a.)
	2023				2022		
	Fixed interest rates		Floating interest rate	Fixed interest rates		Floating interest rate	
	Within 1 year	1-5 years		Within 1 year	1-5 years		

Financial assets

Cash and cash equivalents	-	-	31.8	-	-	46.0	See Note 7
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(Unit: Million Baht)

	Separate financial statements						Interest rate (% p.a.)
	2023			2022			
	Fixed interest rates		Floating interest rate	Fixed interest rates		Floating interest rate	
	Within 1 year	1-5 years		Within 1 year	1-5 years		

Financial liabilities

Short-term loans from banks	1,065.0	-	-	1,235.0	-	-	See Note 15
Long-term loans from related party	-	-	3,792.7	-	-	3,792.2	See Note 6
Lease liabilities	0.3	-	-	1.3	0.3	-	1.79

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate of loans from banks and loans from related party affected as at 31 March 2023 and 2022.

Consolidated Financial statements				
Currency	2023		2022	
	Change in interest rate (%)	Effect on profit before tax (Thousand Baht)	Change in interest rate (%)	Effect on profit before tax (Thousand Baht)
EUR	+ 2.62	18,903	+ 0.01	79
	- 2.62	(18,903)	- 0.01	(79)
USD	+ 3.78	46,791	+ 0.07	990
	- 3.78	(46,791)	- 0.07	(990)

Separate financial statements				
Currency	2023		2022	
	Change in interest rate (%)	Effect on profit before tax (Thousand Baht)	Change in interest rate (%)	Effect on profit before tax (Thousand Baht)
THB	+ 0.20	2,100	+ 0.36	3,796
	- 0.20	(2,100)	- 0.36	(3,796)
EUR	+ 2.62	99,483	+ 0.03	1,214
	- 2.62	(99,483)	- 0.03	(1,214)

Commodity price risk

The Group is affected by the price volatility of certain commodities. The main raw materials for production of PET film is PET resin which their prices are to a great extent linked to the movements of crude prices directly or indirectly, the Group therefore has exposure risk related to uncertainty in raw material price.

The Group manages such risk by monitoring world and local input price trends carefully and determines its procurement plans accordingly. Moreover, the Group has policy to adjust the selling price by monthly or quarterly basis, the Group is usually able to adjust the selling prices following any changes in the raw material.

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of credit facilities and loans. The Group's policy is maintaining adequate funds in cash and cash equivalents. The Group also has adequate credit lines from banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner. Approximately 71% of the Group's debt will mature in less than one year at 31 March 2023 (2022: 52%) (the Company only: 34% (2022: 34%)) based on the carrying value of borrowings reflected in the financial statements.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 March 2023 and 2022 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	2023			2022		
	Less than 1 year	1 to 5 years	> 5 years	Less than 1 year	1 to 5 years	> 5 years
Non-derivatives						
Short-term loans from banks	1,194,358	-	-	1,353,448	-	-
Trade and other payables	2,166,492	-	-	2,210,212	-	-
Lease liabilities	12,775	36,906	-	7,890	17,367	-
Long-term loans from banks	412,015	1,376,756	171,118	344,806	3,587,219	164,734
Total non-derivatives	3,785,640	1,413,662	171,118	3,916,356	3,604,586	164,734
Derivatives						
Derivative liabilities: net settled	36,729	6,058	-	55,364	9,098	-
Total derivatives	36,729	6,058	-	55,364	9,098	-

(Unit: Thousand Baht)

	Separate financial statements					
	2023			2022		
	Less than 1 year	1 to 5 years	> 5 years	Less than 1 year	1 to 5 years	> 5 years
Non-derivatives						
Short-term loans from banks	1,065,165	-	-	1,235,434	-	-
Trade and other payables	873,121	-	-	880,703	-	-
Lease liabilities	338	-	-	1,337	338	-
Long-term loans from related party	-	-	3,792,702	-	3,792,237	-
Total non-derivatives	1,938,624	-	3,792,702	2,117,474	3,792,575	-
Derivatives						
Derivative liabilities: net settled	23,265	-	-	16,302	-	-
Total derivatives	23,265	-	-	16,302	-	-

33. Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

34. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 March 2023, the Group's debt-to-equity ratio was 0.33:1 (2022: 0.43:1) and the Company's debt-to-equity was 1.66:1 (2022: 1.79:1).

35. Event after the reporting period

On 23 May 2023, a meeting of the Company's Board of Directors passed a resolution approving to pay an additional dividend for 2023 of Baht 243 million (900 million ordinary shares at Baht 0.27 each) to its shareholders. This will be proposed to the Annual General Meeting of the Company's shareholders on 26 July 2023 for consideration and approval. Payments of dividend will be made on 24 August 2023.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 May 2023.

Attachment 1

1.1 Information of Director and Management of the Company as on 31.5.2023

S.No	Name-Surname	Position	Age (Years)	Education/	Relation among Company	% of Share-holding	Working Experiences in the 5 preceding years			Company / Type of Business	
							Period		Position		
1	Mr.Manu Leopaireote	Board Chairman & Audit Committee Chairman	80	- Bachelor's degree Economics (Hons.), Thammasat University - Master's degree M.Sc. (Econ.), University of Kentucky, USA - Ph.D in Business Administration (Honorary), Thammasat University - Certificate, Industrial Development, Nagoya, Japan - The National Defense College, Class 34 - Certificate, Thai Institute of Directors (IOD) - Directors Certification Program (DCP), Class 30/2003 - The Role of Chairman Program (RCM), Class 3/2001	-	-	Listed Companies on SET			Polyplex (Thailand) Plc.	
							2004-Present	Board Chairman & Chairman of the Audit Committee			
							2010-Present	Chairman			
							2004-Present	Chairman			
							2011-Present	Chairman			
							2010-Present	Chairman			
							2010-Present	Chairman			
							2004-Present	Chairman			
2	Mr. Sanjiv Saraf	Vice Chairman	65	Bachelor's degree Agricultural Engineering, Indian Institute of Technology, Kharagpur	-	-	Listed Companies on SET			Polyplex (Thailand) Plc.	
							July 2010-Present	Vice - Chairman			
							Other organizations				
							May 2002-Present	Chairman			
							March 2020-Present	Director			
							2004-June, 2016	Director & Chairman			
							2011-March 2017	Director			

S.No	Name-Surname	Position	Age (Years)	Education/	Relation among Company	% of Share-holding	Working Experiences in the 5 preceding years			Company / Type of Business
							Period		Position	
3	Mr. Praphad Phodhivorakhun	Director & Audit Committee Member	77	- Business Management from Sheffield College of Technology, Sheffield, England. - Master Degree Business Administration (MBA), Public Administration (MPA) Ramkhamhaeng University - Honorary Doctorate Degree in Business Administration Rajabhat University of Lampang	-	-	Listed Companies on SET			
							2004-Present		Director	Polyplex (Thailand) Plc.
							October 1999 -Present		Chairman of Board of Directors	Kang Yong Electric Public Company Limited
							Aug2008 -Present		Member of Nomination and remuneration committee	Kang Young Electric Public Company Limited
							Other organizations			
4	Mr. Shiraz Erach Poonevala	Director & Audit Committee Member	59	- Bachelor of Commerce Sydenham College of Commerce, India - Master of Commerce Sydenham College of Commerce, India - Associate Chartered Accountant Institute of Chartered Accountants of India	-	-	Listed Companies on SET			
							November1995 -Present		Chairman of Board of Directors	Mitsubishi Electric Kang Yong Wattana Co., Ltd.
							July 1996 -Present		Chairman of Board of directors	Yokohama Rubbers (Thailand) Co., Ltd
							Listed Companies on SET			
							2004-Present		Director & Audit Committee member	Polyplex (Thailand) Pcl.
							February 2013 - Present		Director	Mega Lifesciences Public Company Limited
							May 2016 - May 2020		Director & Audit Committee member	Boutique Corporation Plc
							Other organizations			
							March 2008 - Present		Director - Investment	G.P. Group of Companies Limited

S.No	Name-Surname	Position	Age (Years)	Education/	Relation among Company	% of Share-holding	Working Experiences in the 5 preceding years		Company / Type of Business
							Period	Position	
5	Mr. Amit Prakash	Managing Director	53	- Bachelor of Technology in Electronics, Harcourt Butler Technical Institute, KANPUR- INDIA - MBA from Warwick Business School - U.K	-	-	Listed Companies on SET		Polyplex (Thailand) Plc. Polyplex (Thailand) Plc. Polyplex (Thailand) Plc.
							May 2020-Present May 2019-May 2020 February 2015 -May 2019	Managing Director Business Advisor to Managing Director Managing Director	
							Other organizations		
							December 2012-Present	Director	Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi
							September 2013 -Present	Director	Polyplex Paketleme Çözümleri Sanayi ve Ticaret A.Ş
							February 2015 - Present	Director	Polyplex (Singapore) Pte Ltd
							March 2015-Present	Director	EcoBlue Limited
							April 2016-Present	Director	Polyplex USA LLC
							April 2016-Present	Director	Polyplex (America) Holdings Inc.
							August 2011 - Present	Director	Polyplex (Asia) Pte. Limited.
							May 2019-Present	CEO& Executive Director	PT.Polyplex Films Indonesia
6	Mrs. Sakhi Saraf	Director and Head - Investor Relations and Corporate Communications & Director w.e.f 15 th May, 2019	36	- B.A. International Relations, Brown University - International MBA -IE Business School - Thai Institute of Directors (IOD) - Director Certification Program - DCP Class 284/ 2019	Daughter of Mr. Sanjiv Saraf - Vice Chairman of the Board of Directors	-	Listed Companies on SET		Polyplex (Thailand) Plc
							November 2017 - Present	Head-Investor Relations and Corporate Communication and Director w.e.f 15 th May, 2019	
							Other organizations		
							October 2014 - October 2015	Project Manager	OMGMOTHER Consulting Ltd.
							Apr 2016 - Oct 2017	Business Development Specialist (India)	Taboola Thailand Ltd.

S.No	Name-Surname	Position	Age (Years)	Education/ 	Relation among Company	% of Share- holding	Working Experiences in the 5 preceding years			Company / Type of Business		
							Period	Position				
7	Mr. Ranjit Singh	Director (w.e.f. 15 th May, 2019)	66	- B Tech, Mechanical Engineering, Birla Institute of Technology & Science – INDIA - MBA - Indian Institute of Management, Ahmedabad - INDIA	-	-	Listed Companies on SET			Polyplex (Thailand) Plc		
							May 2019 - Present	Director				
							Other organizations					
							May 2016 - Present	Independent Director		Polyplex (Corporation) Limited		
							November 2012 - May, 2015	Managing Director		Kalpataru Power Transmission Limited		
							March 2017 - Present	Director		Legistify Services Private limited, India		
							March 2017 - Present	Director		Aspirelabs Accelerator Private limited, India		
							May 2019 - Present	Director		Shaily Engineering Plastics limited, India		
							June 2019 - Present	Director		Coch Concreate Change Private Limited		
							August 2019 - Present	Director		Crest Specialty Resins Private Limited		
							August 2020 - Present	Director		Creative Clutch Private Limited		
							November 2020 - Present	Director		VA Tech Wabag Limited		
							November 2022 - Present	Director		Rubamin Private Limited		

S.No	Name-Surname	Position	Age (Years)	Education/	Relation among Company	% of Share-holding	Working Experiences in the 5 preceding years			Company / Type of Business	
							Period		Position		
8	Mr. Ramesh Gupta	Business Head - SARALAM	56	- B Tech, REC Allahabad, University of Allahabad – INDIA - PGDBM - Marketing, Management development Institute, Gurgaon- INDIA	-		Listed Companies on SET			Polyplex (Thailand) Plc	
							January 2013 - Present		Business Head - SARALAM		
							Other organizations				
							January 2008 - June 2010		General Manager - Renewable Energy		Luminous Power Technologies Pvt Ltd
							July 2010 - December 2012		General Manager - Project Management		Bhilwara Energy Limited
9	Mr. Ashish Ghosh	Head - Sales & Marketing	56	- Bachelor's / Master's Degree in Science - Jiwaji University, Gwalior – INDIA - Master's degree in Business Administration - BIT Ranchi, INDIA	-		Listed Companies on SET			Polyplex (Thailand) Plc	
							November 2009 - Present		Head - Sales & Marketing		
							Other organizations				
							December 1995 - November 2009		AVP - Marketing		SRF Limited - Manufacture of Polyester Film, Nylon Tyre Chord fabric, Engineering plastics
							April 2016 - Present		Director		Polyplex (Asia) Pte. Limited.
							April 2016 - Present	Director	Polyplex (Singapore) Pte Ltd	EcoBlue Limited	

S.No	Name-Surname	Position	Age (Years)	Education/	Relation among Company	% of Share-holding	Working Experiences in the 5 preceding years		Company / Type of Business
							Period	Position	
10	Mr. Subash Chand	Head Operations	46	- Bachelor of Technology (Electronics and Communication Engineering - Govind Ballal Pant University of Agriculture & Technology, INDIA - Post Graduate Diploma in Business Administration (PGDBA) - Symbiosis Centre for Distant Learning (Correspondence)	-	-	Listed Companies on SET		Polyplex (Thailand) Plc
							March 2023 - Present	Head Operations	
							September 2003 - February 2023	Head - Engineering	
							Other organizations		
11	Mr. Torsak Rittidech	Head - HR & Admin	49	- Bachelor Degree /HROD : National Institute of Development & Administration	-	-	September 1998 - September 2003	Instrumentation Engineer	Polyplex Corporation Limited
							Listed Companies on SET		
							January 2021 - Present	Head - HR & Admin	
							Other organizations		
12	Mr. Ashutosh Kumar Agarwal	CFO and Commercial Head	40	- Chartered Accountant - Institute of Chartered Accountant of India - Master Degree : Kanpur University, INDIA - E-Learning - Update on Thai Financial reporting standard for NPAEs	-	-	July 2019 - November 2020	HR Manager	Laris Global Thailand DTS Draexlmaier Automotive Systems (Thailand) Co., Ltd.
							March 2013 - July 2019	HR Manager	
							Listed Companies on SET		
							July 2017- Present	CFO and Commercial Head	
							Other organizations		Polyplex (Thailand) Plc
							June 2016 - 2018	Finance Director	
							October 2017 - Present	Finance Director	
							June 2015 - 2018	Director	
							December 2015 - 2018	Director	Polyplex Europe B.V
							June 2008 - June 2015	Head Internal Audit	

S.No	Name-Surname	Position	Age (Years)	Education/	Relation among Company	% of Share-holding	Working Experiences in the 5 preceding years		Company / Type of Business
							Period	Position	
13	Mr. Rakesh Kumar Sah	Business Head - CPP & Blown Films	50	- B-Tech from Shrishahu Jimaharaj University (HBTI), Kanpur - PGBA – Symbiosis - Pune	-	-	September 2009 - Present September 2007 -August 2009 June 2006 - September 2007	Business Head – CPP & Blown Films Production Manager Production Manager	Polyplex (Thailand) Plc Polyplex Corporation Limited Flex Industries Limited
14	Mrs. Supritha Pai Kasturi	Company Secretary and Asst. General Manager - Finance & Accounts	43	- Associate Chartered Accountant - Institute of Chartered Accountants of India	-	-	February 2007 - Present	Company Secretary & Asst. General Manager - Finance & Accounts	Polyplex (Thailand) Plc

1.2 Detail of Directors and Management of PTL holding positions in subsidiaries and parent companies - As on 31.5.2023

S.No	Name	The Company	Subsidiary Companies						Parent Company	
		Polyplex (Thailand) Public Company Limited	Polyplex (Singapore) Pte. Ltd. (PSPL)	Polyplex Polyester Film Sanayi Ve Ticaret Anonim Sirketi (PE)*	Polyplex America Holding Inc. (PAH)	EcoBlue Limited	Polyplex USA LLC. (PU)**	Polyplex Europe B.V (PEBV)	PT. Polyplex Films Indonesia (PT PFI)	Polyplex Paketleme Çözümleri Sanayi ve Ticaret A.Ş (PP)**
1	Mr. Sanjiv Saraf	XX	-	-	-	-	-	-	-	-
2	Mr. Ranjit Singh	/	-	-	-	-	-	-	-	/
3	Mr. Ashish Ghosh	///	/	-	-	/	-	-	XXX	-
4	Mr. Amit Prakash	//	/	-	-	-	-	-	I,///	-
5	Mr. Ashutosh Kumar Agarwal	///	-	-	-	-	-	-	I,///	-
6	Mrs. Sakhi Saraf	/	-	-	-	-	-	-	-	/

Remark X = Chairman XX = Vice Chairman / = Director // = Managing Director /// = Management XXX Board of Commissioners

* Polyplex (Singapore) Pte. Ltd. is the 100% shareholder of Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi

** Polyplex America Holding Inc. is the 100% shareholder of Polyplex USA LLC, the company under which the PET Thin film project in USA has been implemented

Attachment 2

Detail of Directors and Management in Subsidiary companies as on 31.5.2023

S.No	Name	Polyplex (Singapore) Pte. Ltd. (PSPL)	Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi (PE)*	Polyplex America Holding Inc. (PAH)	EcoBlue Limited	Polyplex USA LLC. (PU)**	Polyplex Europe B.V (PEBV)	Polyplex Paketleme Çözümleri Sanayi ve Ticaret A.Ş (PP)***	PT Polyplex Films Indonesia (PT PF)****
1	Mr.Amit Kalra	-	-	I,///	-	I,///	-	-	-
2	Mr.Amit Prakash	/	I,///	/	/	/	-	/	I,///
3	Mr. Ashish Ghosh	/	-	-	/	-	-	-	-
4	Mr. Santosh Kumar Singh	-	-	-	-	-	-	-	I,///
5	Mr. Navin Jatia	/	-	-	-	-	-	-	-
6	Mr. Jimmy Ooi	/	-	-	-	-	-	-	-
7	Mr. Pranay Jain	-	-	-	I,///	-	-	-	-
8	Katalin Rozsnyai	-	-	-	-	-	/	-	-
9	Mr. Manish Soni	-	-	///	-	///	-	-	-
10	Mr. Manav Singh	-	-	-	-	///	-	-	-
11	Ms. Rebecca Tanksley	-	-	///	-	///	-	-	-
12	Mr. Ravi Singhal	-	-	-	-	///	-	-	-
13	Mr. Bhavin Patel	-	-	-	-	///	-	-	-
14	Mr. Anshul Agarwal	-	-	-	-	///	-	-	-
15	Mr. Dilip Dubey	-	-	-	-	///	-	-	-
16	Mr. Ashutosh Agarwal	-	-	-	-	-	-	-	I,///
17	Mr. Gökhan Ermiş	-	///	-	-	-	-	-	-
18	Mr. Tribhuvan Joshi	-	I,///	-	-	-	/	/	-
19	Mr. Nipun Shah	-	-	-	-	-	-	-	I,///
20	Mr. Neeraj Gupta	-	I,///	-	-	-	-	/	-
21	Mr. Anubhav	-	-	-	-	-	-	-	I,///
22	Mr. Manoj Tripathi	-	///	-	-	-	-	-	-

Remark X = Chairman XX = Vice Chairman / = Director // = Managing Director /// = Management

* Polyplex (Singapore) Pte. Ltd. is the 100% shareholder of Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi

** Polyplex (America) Holdings Inc. is the 100% shareholder of Polyplex USA LLC, the company under which the PET Thin film project in USA has been implemented

*** Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi is the 100% shareholder of Polyplex Paketleme Çözümleri Sanayi ve Ticaret A.Ş

**** Polyplex (Thailand) Plc is the 99.997% shareholder of PT. Polyplex Films Indonesia (PT PF1), the company under which the Greenfield PET Thin film project in Indonesia was implemented

Attachment 3

Assets used in Business Undertaking

Core assets of the Company on a Consolidated basis

The Net book value of Property, Plant and Equipment is as under:

Unit – Baht million

ASSET TYPE	31 ST MARCH, 2022	31 ST MARCH, 2023
Land	748,851	763,309
Buildings and building improvements	3,176,357	3,181,327
Machinery and equipment	8,222,832	7,945,023
Furniture, fixtures and office equipment	209,285	267,426
Motor vehicles	23,174	17,742
Assets under installation and construction	493,896	759,791
TOTAL NET BOOK VALUE	12,874,395	12,934,618

Note:

The Company and its subsidiaries have pledged their property, plant and equipment amounted to approximately Baht 4,464 million (2022: Baht 4,325 million) as collateral to secure credit facilities obtained from financial institutions

Intangible Assets

The net book value of other intangible assets as at 31 March 2023 was Baht 361 as compared to Baht 154 million in 2022.

Attachment 4

Audit Committee Report – 2022-23

To the Shareholders of Polyplex (Thailand) Public Co., Ltd.

The present Audit Committee of Polyplex (Thailand) Plc consists of three knowledgeable Independent Directors – Mr. Manu Leopaiprote, Mr. Praphad Phodhivorakhun and Mr. Shiraz Erach Poonevala.

The Audit Committee performed duties under the delegation of authority set out by the Board of Directors. Among the Audit Committee's responsibilities are to review the quarterly / annual financial results of the company, supervise whether the company was in compliance with the rules and regulations of the Stock Exchange of Thailand (SET) and Securities Exchange Commission (SEC), ensure the transparency of the accounting system, review of internal control systems and promote good corporate governance practices.

In the financial year ended March 31, 2023, a total of four Audit Committee meetings were held.

1. Reviewed and approved the quarterly and yearly financial statements of the company and its subsidiaries to ensure compliance with the generally accepted accounting standards and disclosure of key information before proposing them for the Board's approval as also prior to submission to SEC and SET. After due consideration and discussion, it is the opinion of the Committee that the above-mentioned financial statements are presented fairly in accordance with generally accepted accounting principles and sufficiently disclosed.
2. Reviewed the disclosure of information on transactions between the company and its affiliates or any transactions, which may have been perceived as potentially causing conflicts of interest.
3. Reviewed and monitored the corporate compliance and internal control systems as also risk mitigation measures. The Committee believes that overall the company's internal control systems are adequate.
4. Reviewed the proposal for dividend for FY 2021-22 and recommended to the Board of Directors for their consideration and approval.
5. Reviewed and approved the Annual budget for financial year 2022-23 for the Company and its subsidiaries and recommended to the Board for their consideration and approval
6. Considered and recommended to the Board of Directors to appoint Ms. Rosaporn Dejarkom (CPA No. 5659) and/ or Ms. Orawan Techawatanasirikul (CPA No. 4807) and/or Ms. Sumana Pungpongsonan (CPA No. 5872) and/or Ms. Kirdsiri Kanjanaprakasit (CPA No. 6014) of EY Office Limited as the Company's auditors for the accounting period ending 31 March 2023 with the remuneration of up to Baht 3,140,000

**Mr. Manu Leopaiprote**

Board Chairman and
Audit Committee
Chairman

**Mr. Praphad Phodhivorakhun**

Director &
Audit Committee Member

**Mr. Shiraz Erach Poonevala**

Director &
Audit Committee Member



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