



Ref. Thor Hor 002/2567

February 26, 2024

To: The President

The Stock Exchange of Thailand

Re: Report on the operating result of the audited consolidated financial statements for the year ended December 31, 2023

Dear Sirs,

TPI Polene Public Company Limited (“the Company”) would like to report the operating result of the audited consolidated financial statements for the year ended December 31, 2023 as follows:-

Total consolidated revenue from sales of goods in 2023 were Baht 42,807 million compared with the same of Baht 48,133 million in 2022, a decrease of 11.06% whereas total income in 2023 was Baht 44,963 million compared with the same of Baht 50,963 million in 2022, a decrease of 11.77%.

In 2023, the Company and its subsidiaries registered profit for the year of Baht 4,305 million (Profit attributable to owners of the parent of Baht 3,218 million, or basic earnings per share of Baht 0.17), compared with profit for the year of Baht 7,845 million (Profit attributable to owners of the parent of Baht 7,008 million, or basic earnings per share of Baht 0.37), a decrease of 45.12%.

Profit for the year of Baht 4,305 million in 2023 was comprised of normal operating profit of Baht 4,509 million, net foreign exchange gain of Baht 88 million and tax expense of Baht 292 million whereas profit for the year of Baht 7,845 million in 2022 was comprised of normal operating profit of Baht 7,573 million, net foreign exchange gain of Baht 437 million and tax expense of Baht 166 million.

As at December 31, 2023, the Company and its subsidiaries’ total assets and total equity were Baht 163,415 million and Baht 64,626 million respectively. The book value per share was Baht 3.41. Details of the audited consolidated financial statements for the year ended December 31, 2023 can be summarized as follows:-

บริษัท ทีพีโอ โพลีน จำกัด (มหาชน)

TPI POLENE PUBLIC COMPANY LIMITED

Assets

The Company and its subsidiaries' total assets as at December 31, 2023 was Baht 163,415 million as compared with Baht 144,499 million as at December 31, 2022, an increase of Baht 18,915 million, or increased by 13.09%. Details of the major accounting changes are as follows:-

Unit: million Baht				
	As at 31 Dec. 2023	As at 31 Dec. 2022	Increase (Decrease)	%
Cash and cash equivalents	18,313	10,671	7,642	71.61
Other current financial assets	2,385	954	1,432	150.10
Trade accounts receivable	5,445	5,560	(115)	(2.07)
Inventories	17,864	19,355	(1,491)	(7.70)
Property, plant and equipment	109,157	100,474	8,683	8.64
Total assets	163,415	144,499	18,915	13.09

Liabilities

The Company and its subsidiaries' total liabilities as at December 31, 2023 was Baht 98,788 million as compared with Baht 81,685 million as at December 31, 2022, an increase of Baht 17,103 million, or increased by 20.94%. Details of the major accounting changes are as follows:

Unit : million Baht				
	As at 31 Dec. 2023	As at 31 Dec. 2022	Increase (Decrease)	%
Trade account payable and other payables	7,676	7,374	302	4.10
Income tax payable	88	119	(31)	(26.05)
Loans from financial institutions	9,408	4,355	5,052	116
Debentures	75,398	66,586	8,812	13.23
Interest Bearing Debts (IBD)	85,144	71,372	13,772	19.30
Net Interest Bearing Debts (Net IBD)*	64,446	59,747	4,698	7.86
Total Liabilities	98,788	81,685	17,103	20.94

Note : * Net Interest Bearing Debts means Interest Bearing Debts less cash and cash equivalents and other current financial assets.

Equity

The Company and its subsidiaries' total equity as at December 31, 2023 was Baht 64,626 million, an increase of Baht 1,812 million, from Baht 62,814 million as at December 31, 2022, or increased by 2.88% primarily due to profit from business operation. Details of the major accounting change are as follows:

Unit : million Baht

	As at 31 Dec.2023	As at 31 Dec.2022	Increase (Decrease)	%
Registered and paid-up capital	18,935.235	18,935.235	-	-
Retained earnings - unappropriated	23,919	22,685	1,234	5.44
Total equity	64,626	62,814	1,812	2.88
Book value per share (Baht)	3.41	3.32	0.10	2.88

As of December 31, 2023, the Company and its subsidiaries' Interest Bearing Debts to Equity ratio (IBD/Equity Ratio) equated 1.32 times and Net IBD to Equity Ratio equated 1.00 times.

Profit (Loss)

In 2023, the Company and its subsidiaries registered profit for the year of Baht 4,305 million (Profit attributable to owners of the parent of Baht 3,218 million, or basic earnings per share of Baht 0.17), compared with profit for the year of Baht 7,845 million (Profit attributable to owners of the parent of Baht 7,008 million, or basic earnings per share of Baht 0.37), a decrease of 45.12%. Details of the major accounting change are as follows:-

Unit: million Baht

	2023	2022	Increase (Decrease)	%
Revenue from sale of goods	42,807	48,133	(5,326)	(11.06)
Cost of sales of goods	32,900	35,326	(2,426)	(6.87)
Gross Profit	9,908	12,807	(2,899)	(22.64)
Distribution costs and administrative expenses	5,416	5,713	(296)	(5.19)
Finance cost	2,076	1,935	141	7.31
Tax income (expense)	(292)	(166)	127	76.34
Net foreign exchange gain (loss)	88	437	(349)	(79.81)
Normal operating profit	4,509	7,573	(3,064)	(40.46)
Profit attributable to owners of the parent	3,218	7,008	(3,790)	(54.08)
Profit for the year	4,305	7,845	(3,540)	(45.12)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	10,055	13,371	(3,317)	(24.80)

For the year 2023, the Company and its subsidiaries registered earnings before interest, taxes, depreciation and amortization (EBITDA) of Baht 10,055 million, representing IBD to EBITDA ratio at 8.47 times whilst Net IBD/ EBITDA ratio equated 6.41 times.

ESG Performance in 2023

The Company has implemented sustainable development in Environmental, Social and Governance (ESG) dimensions for business operations. ESG performance in 2023 is summarized as follows:-

Environmental Management

1. The Company used 361,827 tons of waste fuel to replace coal in cement production process, or accounting for 14% of total fuel.
2. The Company was able to reduce greenhouse gas emissions per cement production unit from 1.0112 tons of CO₂e/ton output in 2022 to 0.9751 tons of CO₂e/ton output in 2023 or decreased by 3.57% and reduce greenhouse gas emissions per unit of polymer production (LDPE and EVA) from 2.6850 tons of CO₂e/ton output in 2022 to 2.6492 tons of CO₂e/ton output in 2023 or decreased by 1.33%.
3. The Company invested in 41 units of 60-ton EV mining trucks and 4 units of EV wheel loader trucks to replace diesel-powered limestone trucks and wheel loader trucks and converted additional 14 units of diesel-powered trucks to EV engines trucks. Such investment will help reduce transportation costs while reducing greenhouse gas emissions and PM 2.5 emissions.
4. The Company was able to reduce energy consumption by 2,775,307.52 gigajoules, or decreased by 7.63%, from 36,384,469.33 gigajoules in 2022 to 33,609,161.81 gigajoules in 2023.
5. The Company was able to reuse the effluents from production process to re-filter of 1,362,200 cubic meters, representing 55.52% of the total water consumption of 2,453,710 cubic meters.
6. The Company utilized 6,121.85 tons of industrial waste from cement production process to be used as renewable fuels, alternative materials and recycled, representing 99.43% total quantity of industrial wastes.

Corporate Social Responsibility

1. TPI Polene Group has supported various projects and activities for public benefits in 2023, totaling approximately Baht 27.92 million to communities, academic institutions, temples, hospitals and government authorities and contributed healthcare products and products of TPI Polene Group, such as cement, other construction materials, organic fertilizers, drinking water and health products to prevent pathogens.
2. The Company has implemented human rights for stakeholders throughout the value chain with respect human rights of employees, suppliers, customers, and local communities. In 2023, there were no complaints of human rights violations.
3. The Company organizes training courses to develop potential, skills and promote the progress of the Company's personnel continuously. The average number of training hours for all courses was 22.49 hours/person/year, higher than the target of at least 20 hours/person/year.
4. The Company evaluated the level of job satisfaction and employee engagement towards the organization for the year 2023, which showed an average score of 84.17%, which is higher than the Company's target of 75%.
5. The Company provides equal opportunities for employment without discrimination in favor or against any person, covering employees with disabilities and other

disadvantaged groups. In 2023, 562 new employees were employed, which comprises 516 general staff, 45 seniors and 1 employee with disabilities.

6. For the year 2023, the Company disposed of hazardous industrial wastes and non-hazardous industrial wastes of 39,132.25 tons and 17,542.49 tons respectively.

In Compliance with Good Corporate Governance Policy

With the Company's success to adopt the value of sustainability to continuously drive its business operations, in 2023, the Company has received awards and certifications from recognized organizations for promoting sustainable development as follows:-

International Awards

1. The Company has received the prestigious 3G Environmental Responsibility Award 2023 from the Global Good Governance Awards 2023 (3G Awards), organized by Cambridge IFA International Financial Advisory (financial advisory firm) in the United Kingdom, with an aim to esteem organizations that have successfully adopted social responsibility issues to their ongoing business operations.
2. The Company has been awarded "Most Sustainable Conglomerate Group in Thailand 2023" (the most sustainable group of companies) from World Business Outlook, a print and online magazine that provides analysis of the financial industry, comprehensive coverage of international business and the global economy.
3. The Company has been awarded "Best ESG Practices for Sustainable Development in Thailand 2023" from the Global Economics, a leading financial magazine in the United Kingdom.
4. The Company has been awarded "Top Ari Biotech Company in Thailand 2023" from Agri Business Review Magazine, USA.

National Awards

1. On June 23, 2023, Thai Pat Institute announced that the Company was ranked on the ESG100 securities list for 2023 for the consecutive two years (2022 and 2023), with outstanding performance covering the areas of Environmental, Social and Governance aspects (ESG) and is assessed as an attractive company to invest in the Property & Construction Sector.
2. On July 14, 2023, the Company received two honorary awards from "The One Million Courage for Good Deeds towards the Homeland Project 2023" as follows:-
 - 1) "Good Deeds towards the homeland 2023 award in the category of agricultural innovation as the Company places importance on the agricultural sector, which is the main core of Thailand's economic system. Food Study and research of bio-organic agricultural products make food safety, organic and antibiotic-free.
 - 2) "Excellence" Award 2023 for Excellence in Management, Technology, Innovation, Research and Development due to its focus on product development Investment in technology advancement to increase operational efficiency. The Company's R&D Department has been established in collaboration with external research institutes and leading universities in the country to develop products, enhance efficiency of production processes, and create working personnel to make the products that meet the needs of customers and all related stakeholders in all sectors, by taking into account of the products that help reduce environmental problems and material impacts on the environment.

3. The Company has been certified as “Green Industry Level 4 Green Culture”. Everybody in the organization cooperatively work with the environment-friendly operation in all aspects of the business until it becomes part of the corporate culture, from the Ministry of Industry, for cement plants 1, 2 and 3, effective for the period August 26, 2021 to August 25, 2024.
Cement line no.4 has been certified as a green industry level 3, Green System, with systematic environmental management, monitoring, evaluation and review for continuous improvement, from the Ministry of Industry, effective from March 1, 2021 to February 29, 2024.
4. On September 13, 2023, the Company received the prestigious CSR-DIW Continuous Award 2023 from the Department of Industrial Works, Ministry of Industry for the 9th consecutive year since 2015.
5. On September 29, 2023, the Company received the Circular Economy Certificate for cement line no.1, 2, 3 and 4 from the Department of Primary Industries and Mines, Ministry of Industry, based on the evaluation of the effectiveness of the application of circular economy principles in the organization under the project to develop and upgrade industrial enterprises to apply circular economy principles in the organization.
6. On October 31, 2023, the Company achieved "Excellent CG Scoring, a 5-star corporate governance assessment" in Corporate Governance Report of Thai Listed Companies (CGR) for the year 2023, operated by Thai Institute of Directors (IOD) in collaboration with the Stock Exchange of Thailand and the Office of Securities and Exchange Commission.
7. On November 6, 2023, the Company received “2023 SET ESG Ratings: AA” Corporate Sustainability Assessment from the Stock Exchange of Thailand, reflecting the Company’s business operations to continuously develop towards corporate sustainability with full responsibilities to stakeholders by taking into account of Environmental, Social and Governance criteria (ESG).
8. On November 21, 2023, the Company received “Business Excellence award” from the SET Awards 2023 in the category "Outstanding Innovative Company Awards 2023" for its innovative work "Diffuser-Profile Vortex Generator", an honorary award organized by the Stock Exchange of Thailand in collaboration with the Money and Banking Magazine to recognize outstanding businesses in developing their organizations in accordance with sustainability guidelines and adherence to social and environmental criteria in the operation process along with creating good operating performance.
9. On November 22, 2023, the Company was awarded “the Honor Certificate”, as an organization that supports excellent social development for the year 2023 from the Department of Social Development and Welfare, Ministry of Social Development and Human Security.
10. On December 21, 2023, the Company received the Sustainability Disclosure Award for the second consecutive year for the disclosure of sustainability information for the year 2023 from Thaipat Institute.

Please be informed accordingly.

Sincerely Yours,

O. Leophairatana

Mrs. Orapin Leophairatana
Senior Executive Vice President