

**TPI Polene Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2023

and
Independent auditor's report



KPMG Phoomchai Audit Ltd.
50th Floor, Empire Tower
1 South Sathorn Road, Yannawa
Sathorn, Bangkok 10120, Thailand
Tel +66 2677 2000
Fax +66 2677 2222
Website home.kpmg/th

บริษัท เคพีเอ็มจี ภูมิไทย สอบบัญชี จำกัด
ชั้น 50 เอ็มไพร์ทาวเวอร์
1 ถนนสาทรใต้ แขวงยานนาวา
เขตสาทร กรุงเทพฯ 10120
โทร +66 2677 2000
แฟกซ์ +66 2677 2222
เว็บไซต์ home.kpmg/th

Independent Auditor's Report

To the Shareholders of TPI Polene Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of TPI Polene Public Company Limited and its subsidiaries (the "Group") and of TPI Polene Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2023, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2023 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



<i>Valuation of inventory</i>	
Refer to Note 3 and 7 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
Inventory is a significant balance. There is slow moving in some type of inventory. There is a risk arising from the degree of judgment involved in assessing the net realisable value which is based on assumptions concerning future events and activities.	<p>My audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> • understanding the Group's business plan and process on estimate the net realisable value. • considering the management's significant assumptions used in their assessment of the net realisable value of inventory, which included comparing them to internally and externally derived data; • assessing the appropriateness of the methodology used to calculate the net realisable value at year end, considering the reasonableness of selling price used by comparing to the selling price during subsequent sales and assessing the accuracy of the calculation; and • evaluating the adequacy of disclosure in accordance with the related Thai Financial Reporting Standards.



<i>Recognition of deferred tax assets</i>	
Refer to Note 3 and 25 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>The Group has recognised deferred tax assets for unused tax losses that it believes are recoverable.</p> <p>The recoverability of recognised deferred tax assets is in part dependent on the Group's ability to generate future taxable profits sufficient to utilise tax losses (before the latter expire).</p> <p>Due to the inherent uncertainty in forecasting the amount and timing of future taxable profits, this is one of the key judgmental areas that my audit is concentrated on.</p>	<p>My audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> • understanding the method of the management's recognition of deferred tax assets and the assessment of assumptions used in projecting the Group's future taxable profits; • considering the reasonableness of the forecast of future taxable profits by comparing the past forecast to the actual operating results and the operation plans and evaluating assumption used by management by comparing to operation plan and external information; • assessing the accuracy of the calculation; and • evaluating the adequacy of disclosure in accordance with the related Thai Financial Reporting Standards.



Emphasis of Matter

Without modifying my opinion.

I draw attention to notes 31(2) and 31(4) to 31(7) to the financial statements, which described the uncertainty related to the outcome of lawsuits filed against the Company in relation to its operation of mining. The Civil Court issued a judgement as follows:

- 1) On 2 August 2019, the Civil Court had an order on the Black Case No. SorWor.5/2559, engaging the mining activity unlawfully (engaging in the mining restricted area), that the Company has to return the limestone for cement industry back to the area where the mining activity was done and restore the area into its previous condition or pay the compensation of Baht 1,603 million with interest at 7.5 percent per annum from the date of being notified of the land survey result until the date that payment is made in full. The Company filed the appeal. The Court of Appeal's judgement, announced a revision of the calculation of interest. The Company has applied for permission to lodge an appeal to the Supreme Court challenging the judgment of the Court of Appeal together with a stay of execution pending the appeal to the Supreme Court. On 14 September 2023, the Supreme Court allowed the Company to submit an appeal to the Supreme Court and accepted the said Company's appeal for consideration. The case is pending a judgement of the Supreme Court.
- 2) On 13 December 2019, the Civil Court had an order on the Black Case No. SorWor.4/2559, the Black Case No. SorWor.6/2559 and the Black Case No. SorWor.1/2560, engaging the limestone and shale mining activity in the area outside its concession area and engaging the mining activity unlawfully, that the Company has to return the limestone and shale for cement industry back to the area where the mining activity was done and restore such area to the previous condition or pay the compensation of Baht 4,688 million with interest at 7.5 percent per annum from the discovery date of the unlawful of mining activity or the date of violation of mining until the date that payment is made in full. The Company filed the appeal. The Court of Appeal's judgement, announced a revision of the calculation of interest. The Company has applied for permission to lodge an appeal to the Supreme Court challenging the judgment of the Court of Appeal together with a stay of execution pending the appeal to the Supreme Court. On 15 and 22 November 2022, the Supreme Court allowed the Company to submit an appeal to the Supreme Court and accepted the said Company's appeal for consideration. The case is pending a judgement of the Supreme Court.
- 3) On 24 March 2020, the Civil Court issued a judgment on the Black Case No. SorWor.2/2561, the violation in relation to Company's operation of mining outside its concession area that the Company has to either make a restitution of shale and a specific performance of soil rehabilitation or pay damages totaling Baht 67 million with interest at 7.5 percent per annum from the date of violation of mining to the date that payment is made in full. The Company filed the appeal. The Court of Appeal's judgement, announced a revision of the calculation of interest. The Company has applied for permission to lodge an appeal to the Supreme Court challenging the judgment of the Court of Appeal together with a stay of execution pending the appeal to the Supreme Court. On 23 January 2023, the Supreme Court allowed the Company to submit an appeal to the Supreme Court and accepted the said Company's appeal for consideration. The case is pending a judgement of the Supreme Court.

The Company has an opinion that the outcome of lawsuit is not yet final and uncertain, the Company has not recorded the provision for liability of lawsuit. My conclusion is not modified in respect of these matters.



Other Information

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

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

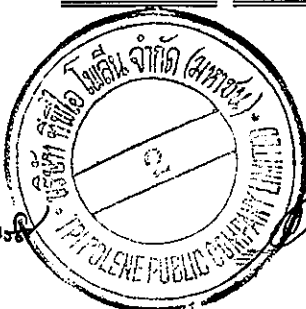
(Thanyalux Keadkeaw)
Certified Public Accountant
Registration No. 8179



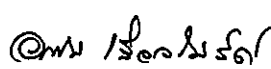
KPMG Phoomchai Audit Ltd.
Bangkok
26 February 2024

TPI Polene Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2023	2022	2023	2022
		(in thousand Baht)			
<i>Current assets</i>					
Cash and cash equivalents	5	18,313,253	10,671,192	14,813,182	8,043,775
Other current financial assets	28	2,385,492	953,799	-	-
Trade accounts receivable	4, 6	5,444,628	5,559,513	3,075,528	3,900,175
Other receivables		892,383	893,332	543,875	574,258
Short-term loans to related parties	4	-	-	109	366,269
Receivables and advances to related parties	4	116,732	129,950	223,102	468,108
Inventories	7	17,864,171	19,355,015	14,606,837	15,757,810
Other current assets		652,097	1,102,979	366,930	726,285
Non-current assets classified as held for sale		181,529	465,338	-	260,244
Total current assets		45,850,285	39,131,118	33,629,563	30,096,924
<i>Non-current assets</i>					
Other non-current financial assets	28	513,762	513,274	14,290	14,309
Investments in associates	8	880,307	856,337	880,307	856,337
Investments in joint venture	8	253,158	249,894	-	-
Investments in subsidiaries	9	-	-	31,260,826	28,736,575
Long-term investments in related party	4, 11	45,653	45,653	45,653	45,653
Receivables and advances to related parties	4	-	-	421,195	421,075
Investment properties	12	531,181	532,187	74,044	74,044
Property, plant and equipment	13	109,156,852	100,473,740	57,841,032	55,448,812
Right-of-use assets	14	488,100	567,889	293,309	347,422
Intangible assets	15	4,278,989	713,564	4,271,655	710,635
Advances payment for plant, machinery and equipment		784,722	656,659	100,811	126,237
Deferred tax assets	25	407,543	521,401	214,511	285,077
Other non-current assets		224,126	237,712	145,469	173,181
Total non-current assets		117,564,393	105,368,310	95,563,102	87,239,357
Total assets		163,414,678	144,499,428	129,192,665	117,336,281



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

TPI Polene Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2023	2022	2023	2022
		(in thousand Baht)			
Current liabilities					
Short-term loans from financial institutions	16, 28	9,407,680	4,355,338	9,407,680	4,355,338
Trade accounts payable	4, 28	2,873,940	3,791,529	2,370,681	3,129,922
Other payables		4,802,401	3,582,420	2,388,566	2,266,396
Payables and advances from related parties	4	5,944	12,549	505,175	272,268
Current portion of lease liabilities	14, 16, 28	134,989	151,050	89,723	102,038
Current portion of debentures	16, 28	15,431,900	12,843,200	11,642,300	10,023,200
Interest payable		373,595	375,212	243,723	309,896
Current income tax payable		88,262	119,352	-	-
Other current liabilities		171,720	227,203	60,645	118,400
Total current liabilities		33,290,431	25,457,853	26,708,493	20,577,458
Non-current liabilities					
Lease liabilities	14, 16, 28	204,015	280,479	101,084	144,490
Debentures	16, 28	59,965,700	53,742,400	42,547,900	41,255,000
Deferred tax liabilities	25	29,009	37,370	-	-
Non-current provisions for employee benefits	17	1,925,018	2,041,884	1,609,963	1,709,848
Other non-current liabilities		3,374,100	125,205	3,489,520	238,344
Total non-current liabilities		65,497,842	56,227,338	47,748,467	43,347,682
Total liabilities		98,788,273	81,685,191	74,456,960	63,925,140

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

TPI Polene Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity	Note	2023	2022	2023	2022
		(in thousand Baht)			
Equity					
Share capital:	18				
Authorised share capital		23,560,235	23,560,235	23,560,235	23,560,235
Issued and paid-up share capital		18,935,235	18,935,235	18,935,235	18,935,235
Share premium:					
Share premium on ordinary shares		60,600	60,600	60,600	60,600
Other surpluses		9,840,436	9,840,436	9,840,436	9,840,436
Share premium on treasury shares	19	220,536	220,536	220,536	220,536
Retained earnings					
Appropriated					
Legal reserve	20	1,720,566	1,559,673	1,720,566	1,559,673
Unappropriated		23,848,439	22,684,993	23,844,610	22,681,164
Other components of equity		109,893	109,668	113,722	113,497
Equity attributable to owners of the parent		54,735,705	53,411,141	54,735,705	53,411,141
Non-controlling interests	10	9,890,700	9,403,096	-	-
Total equity		64,626,405	62,814,237	54,735,705	53,411,141
Total liabilities and equity		163,414,678	144,499,428	129,192,665	117,336,281

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

TPI Polene Public Company Limited and its Subsidiaries
Statement of comprehensive income

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2023	2022	2023	2022
		<i>(in thousand Baht)</i>			
Income					
Revenue from sale of goods	21	42,807,456	48,132,999	32,100,772	37,719,377
Cost of sales of goods	7,23	<u>(32,899,895)</u>	<u>(35,326,332)</u>	<u>(27,700,554)</u>	<u>(29,073,010)</u>
Gross profit		9,907,561	12,806,667	4,400,218	8,646,367
Transportation income		1,186,595	1,453,474	1,383,138	1,423,617
Net foreign exchange gain		88,281	437,171	35,992	204,785
Investment income		374,380	70,890	293,446	69,553
Other income		<u>506,081</u>	<u>868,466</u>	<u>326,362</u>	<u>689,294</u>
Profit before expenses		<u>12,062,898</u>	<u>15,636,668</u>	<u>6,439,156</u>	<u>11,033,616</u>
Cost of distributions and transportations	23	<u>(3,399,628)</u>	<u>(3,749,878)</u>	<u>(3,173,118)</u>	<u>(3,414,732)</u>
Administrative expenses	23	<u>(2,016,735)</u>	<u>(1,962,876)</u>	<u>(1,301,646)</u>	<u>(1,233,758)</u>
Total expenses		<u>(5,416,363)</u>	<u>(5,712,754)</u>	<u>(4,474,764)</u>	<u>(4,648,490)</u>
Profit from operating activities		6,646,535	9,923,914	1,964,392	6,385,126
Finance costs	24	<u>(2,075,958)</u>	<u>(1,934,590)</u>	<u>(1,980,667)</u>	<u>(1,890,541)</u>
Share of profit of subsidiaries, joint venture and associates accounted for using equity method	8,9	<u>26,975</u>	<u>21,280</u>	<u>3,304,716</u>	<u>2,492,661</u>
Profit before income tax expense		4,597,552	8,010,604	3,288,441	6,987,246
Tax income (expense)	25	<u>(292,414)</u>	<u>(165,828)</u>	<u>(70,578)</u>	<u>20,361</u>
Profit for the year		<u>4,305,138</u>	<u>7,844,776</u>	<u>3,217,863</u>	<u>7,007,607</u>

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

TPI Polene Public Company Limited and its Subsidiaries
Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2023	2022	2023	2022
		<i>(in thousand Baht)</i>			
Other comprehensive income (expense)					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements		-	(177)	-	-
Gain on measurement of financial assets	28	15	3	-	-
Share of other comprehensive income (expense) of subsidiaries accounted for using equity method	9	-	-	15	(174)
Share of other comprehensive income (expense) of associates accounted for using equity method	8	259	(7,588)	259	(7,588)
Income tax relating to items that will be reclassified subsequently to profit or loss	25	-	-	-	-
Total items that will be reclassified subsequently to profit or loss		<u>274</u>	<u>(7,762)</u>	<u>274</u>	<u>(7,762)</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Gain (loss) on investments in equity instruments designated at fair value through other comprehensive income	28	(61)	(50)	(61)	(50)
Gain on remeasurements of defined benefit plans	17	-	136,275	-	132,446
Share of other comprehensive income of subsidiaries accounted for using equity method	9	-	-	-	3,829
Income tax relating to items that will not be reclassified subsequently to profit or loss	25	12	(26,479)	12	(26,479)
Total items that will not be reclassified subsequently to profit or loss		<u>(49)</u>	<u>109,746</u>	<u>(49)</u>	<u>109,746</u>
Other comprehensive income (expense) for the year, net of tax		<u>225</u>	<u>101,984</u>	<u>225</u>	<u>101,984</u>
Total comprehensive income for the year		<u>4,305,363</u>	<u>7,946,760</u>	<u>3,218,088</u>	<u>7,109,591</u>
Profit (loss) attributable to:					
Owners of the parent		3,217,863	7,007,607	3,217,863	7,007,607
Non-controlling interests		<u>1,087,275</u>	<u>837,169</u>	<u>-</u>	<u>-</u>
Profit for the year		<u>4,305,138</u>	<u>7,844,776</u>	<u>3,217,863</u>	<u>7,007,607</u>
Total comprehensive income (expense) attributable to:					
Owners of the parent		3,218,088	7,109,591	3,218,088	7,109,591
Non-controlling interests		<u>1,087,275</u>	<u>837,169</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>4,305,363</u>	<u>7,946,760</u>	<u>3,218,088</u>	<u>7,109,591</u>
Basic earnings per share (in Baht)	26	<u>0.170</u>	<u>0.370</u>	<u>0.170</u>	<u>0.370</u>

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

TPI Polene Public Company Limited and its Subsidiaries
Statement of changes in equity

Consolidated financial statements															
Note	Issued and paid-up share capital	Share premium on ordinary share	Shareholding changes in Group	Share premium on treasury share	Retained earnings			Other components of equity							
					Treasury shares reserve	Unappropriated	Treasury shares	Translation reserve	Fair value reserve	Share of other comprehensive income of associates accounted for using equity method	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity	
(in thousand Baht)															
	19,126,500	60,600	9,840,436	220,536	1,209,292	-	17,796,425	-	177	(81)	117,374	117,470	48,371,259	9,190,584	57,561,843
Year ended 31 December 2022															
Balance at 1 January 2022															
Transactions with owners, recorded directly in equity															
Contributions by and distributions to owners															
19	(191,265)	-	-	-	-	(365,554)	191,265	365,554	-	-	-	-	-	-	-
19	-	-	-	-	-	365,554	(365,554)	(365,554)	-	-	-	-	(365,554)	-	(365,554)
16, 27	-	-	-	-	-	-	(1,704,155)	-	-	-	-	-	(1,704,155)	(624,657)	(2,228,812)
	(191,265)	-	-	-	-	-	(1,878,444)	-	-	-	-	-	(2,069,709)	(624,657)	(2,624,366)
Comprehensive income for the year															
	-	-	-	-	-	-	7,007,607	-	-	-	-	-	7,007,607	837,169	7,844,776
	-	-	-	-	-	-	109,786	-	(177)	(37)	(7,588)	(7,802)	101,984	-	101,984
	-	-	-	-	-	-	7,117,393	-	(177)	(37)	(7,588)	(7,802)	7,109,591	837,169	7,946,760
Total comprehensive income (expense) for the year															
20	-	-	-	-	350,381	-	(350,381)	-	-	-	-	-	-	-	-
	18,935,235	60,600	9,840,436	220,536	1,559,673	-	22,684,993	-	-	(118)	109,786	109,668	53,411,141	9,403,096	62,814,237
Balance at 31 December 2022															
Transfer to legal reserve															

TP1 Polene Public Company Limited and its Subsidiaries
Statement of changes in equity

Consolidated financial statements												
		Other surpluses			Retained earnings		Other components of equity					
		Share premium on ordinary share		Shareholding changes in Group	Share premium on treasury share	Legal reserve	Unappropriated	Fair value reserve	Share of other comprehensive income of associates accounted for using equity method	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests
		Issued and paid-up share capital										
												</

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

TPI Polene Public Company Limited and its Subsidiaries
Statement of changes in equity

[illegible]

TPI Polene Public Company Limited and its Subsidiaries
Statement of changes in equity

		Separate financial statements									
		Other surplus		Retained earnings			Other components of equity				
		Issued and paid-up share capital	Share premium on ordinary share	Shareholding change in Group	Share premium on treasury share	Legal reserve	Unappropriated	Fair value reserve	Share of other comprehensive income of subsidiaries and associates accounted for using equity method	Total other components of equity	Total equity
	Note										
Year ended 31 December 2023											
Balance at 1 January 2023											
Transaction with owners, recorded directly in equity											
Contributions by and distributions to owners											
Dividends											
Total transactions with owners, recorded directly in equity											
Comprehensive income for the year											
Profit											
Other comprehensive income (expense)											
Total comprehensive income (expense) for the year											
Transfer to legal reserve											
Balance at 31 December 2023											

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

TPI Polene Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	4,305,138	7,844,776	3,217,863	7,007,607
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Depreciation and amortisation	3,315,814	3,292,473	2,027,877	2,012,833
Interest income	(361,678)	(52,782)	(236,463)	(34,107)
Finance costs	2,075,958	1,934,590	1,980,667	1,890,541
Dividend income	(2)	(9)	(2)	(9)
Unrealised loss on foreign exchange	171,606	606	209,211	16,854
(Reversal of) expected credit losses	(14)	(15,588)	-	868
Reversal of losses on decline in value of inventories	(22,923)	(16,915)	(21,640)	(6,129)
Provision for employees benefits	11,829	3,829	-	-
(Gain) loss on sale and write-off of plant and equipment	12,264	16,634	4,528	(53,795)
Reversal of cancellation of provision for decommissioning	-	(77,111)	-	-
Gain on fair value adjusted	(663)	-	-	-
Share of profit of subsidiaries and associates				
accounted for using equity method	(26,975)	(21,280)	(3,304,716)	(2,492,661)
Tax expense (income)	292,414	165,828	70,578	(20,361)
	9,772,768	13,075,051	3,947,903	8,321,641
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	88,287	386,303	797,532	4,720,402
Other receivables	(25,329)	11,957	26,743	16,027
Receivable and advances to related parties	13,218	(35,061)	245,006	2,723
Inventories	1,513,767	(3,622,720)	1,172,613	(3,097,752)
Other current assets	(33,472)	(434,303)	(130,439)	(500,665)
Other non-current assets	(241,309)	(14,548)	27,712	(9,444)
Trade accounts payable	(915,689)	229,647	(758,075)	28,978
Other payables	1,618,300	673,274	(109,998)	(18,299)
Payable and advances from related parties	(6,605)	5,036	232,907	(712,179)
Other current liabilities	(55,483)	(23,949)	(57,755)	24,495
Provision for employee benefits	(128,695)	(83,374)	(99,885)	(76,880)
Other non-current liabilities	(325,760)	(16,597)	4,811	(7,917)
Net cash generated from operations	11,273,998	10,150,716	5,299,075	8,691,130
Taxes received (paid)	266,374	(158,327)	489,794	(22,346)
Net cash from operating activities	11,540,372	9,992,389	5,788,869	8,668,784

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

TPI Polene Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	340,413	101,867	241,342	33,966
Dividend received	2	9	1,716,001	1,526,571
(Increase) decrease in equity and debt instruments	(1,384,036)	5,047,001	-	2,502,208
Acquisition of property, plant and equipment	(9,727,317)	(6,794,668)	(3,722,364)	(3,064,591)
Acquisition of intangible assets	(118,619)	(37,650)	(118,119)	(37,650)
Proceeds from sale of plant and equipment	4,487	8,163	3,954	637,120
Proceeds from sale of intangible asset	-	-	4,728	-
Advance payment for plant, machinery and equipment	(1,089,745)	(889,509)	(169,692)	(223,044)
Acquisition of subsidiary, net of cash acquired	-	-	(959,350)	(1,700,000)
Acquisition of interest in joint venture	-	(250,000)	-	-
Cash outflow on loans to related parties	-	-	(114,983)	-
Proceeds from repayment of loans to related parties	-	-	479,862	52,153
Cash outflow for decommissioning	(459)	(2,278)	-	-
Net cash used in investing activities	(11,975,274)	(2,817,065)	(2,638,621)	(273,267)

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

TPI Polene Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
	(in thousand Baht)			
<i>Cash flows from financing activities</i>				
Finance cost paid	(2,911,770)	(2,562,699)	(2,139,003)	(1,993,846)
Dividend paid to owners of the Company	(1,893,524)	(1,704,155)	(1,893,524)	(1,704,155)
Dividends paid to non-controlling interests	(599,671)	(624,657)	-	-
Payment of lease liabilities	(199,188)	(182,439)	(129,394)	(117,807)
Increase in short-term loans from financial institutions	5,052,342	963,664	5,052,342	963,664
Proceeds from short-term loan from related parties	-	-	1,800,000	950,000
Repayment of short-term loans from related parties	-	-	(1,800,000)	(950,000)
Repayment of long-term loans from financial institutions	-	(1,000,000)	-	(1,000,000)
Proceeds from issue of debentures	21,655,200	15,909,000	12,935,200	11,314,000
Repayment of debentures	(12,843,200)	(12,567,000)	(10,023,200)	(8,567,000)
Payment of treasury shares	-	(365,554)	-	(365,554)
Net cash from (used in) financing activities	8,260,189	(2,133,840)	3,802,421	(1,470,698)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	7,825,287	5,041,484	6,952,669	6,924,819
Effect of exchange rate changes	(183,226)	(38,900)	(183,262)	(38,918)
Net increase (decrease) in cash and cash equivalents	7,642,061	5,002,584	6,769,407	6,885,901
Cash and cash equivalents at 1 January	10,671,192	5,668,608	8,043,775	1,157,874
Cash and cash equivalents at 31 December	18,313,253	10,671,192	14,813,182	8,043,775
<i>Non-cash transactions</i>				
Advances of plant, machinery and equipment	784,722	656,659	100,811	126,237
Other payable - plant and equipment	1,601,633	679,726	59,472	157,916
Other non-current liabilities - intangible assets	3,320,989	69,813	3,320,989	69,813
Acquisitions of right-use-assets under lease agreements	106,663	106,039	73,673	117,058

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

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Related parties
5	Cash and cash equivalents
6	Trade accounts receivables
7	Inventories
8	Investments in associates and joint venture
9	Investments in subsidiaries
10	Non-controlling interests
11	Long-term investments in related parties
12	Investment properties
13	Property, plant and equipment
14	Leases
15	Intangible assets
16	Interest-bearing liabilities
17	Non-current provisions for employee benefits
18	Share capital
19	Treasury shares
20	Reserves
21	Segment information and disaggregation of revenue
22	Employee benefit expenses
23	Expenses by nature
24	Finance costs
25	Income tax
26	Basic earnings per share
27	Dividends
28	Financial instruments
29	Capital management
30	Commitments with non-related parties
31	Contingent liabilities
32	Others

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were authorised for issue by the audit committee, as appointed by the Board of Directors of the Company, on 26 February 2024.

1 General information

TPI Polene Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 26/56, TPI Tower, Chan Tat Mai Road, Tungmahamek, Sathorn, Bangkok.

The Company was listed on the Stock Exchange of Thailand in November 1990.

The Company operates in 3 major industries and has 16 distribution terminals around the country. It operates in the cement industry at Kang-Khoi, Saraburi and has 8 plants consisting of 4 cement manufacturing plants and 4 dry mortar manufacturing plants. It operates in the construction materials industry at Amphur Chalermprakiet, Saraburi and has cement roof tiles and fibre cement board manufacturing plants. It operates in the plastic industry at Amphur Muang, Rayong and has 2 LDPE and EVA plastic manufacturing plants. Details of the Company’s subsidiaries as at 31 December 2023 and 2022 are given in note 9.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies, described in note 3 have been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that are described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and joint ventures.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities, any related non-controlling interests and other components of equity of the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group recognised investments in associates and joint venture using the equity method in the consolidated financial statements in which the equity method is applied. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements in which the equity method is applied include the Group's dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, when the group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Business combinations

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred.

The Group elect to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is an assets rather than a business acquisition when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less net fair value of the identifiable assets acquired and liabilities assumed. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration and equity interests issued by the Group. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group estimates provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

(b) *Investments in subsidiaries, associates and joint ventures*

Investments in subsidiaries, associates and joint ventures in the separate financial statements of the Company are accounted for using the equity method.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group recognised investments in associates and joint ventures using the equity method in the consolidated financial statements. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Disposal of investments in the separate financial statements

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(c) *Foreign currencies*

Transactions in foreign currencies are translated to the respective functional currencies at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date.

Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve until disposal of the investment, except to the extent that the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(d) Financial instruments

(d.1) Classification and measurement

Debt securities issued by the Group are initially recognised when they are originated. Other financial assets and financial liabilities (except trade accounts receivables (see note 3(f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

Debt investments measured at FVOCI are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and expected credit loss are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss on the date on which the Group's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

(d.2) Derecognition and offset

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Write offs

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(d.4) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which have maturities of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) Trade accounts receivable

A trade receivable is recognised when the Group has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find the ECLs rates. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) *Inventories*

Inventories are measured at the lower of cost and net realisable value. Cost of finished goods, diesel and natural gas, is calculated using the first in first out principle. Cost of other inventories are calculated using the weighted average cost principle. Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

A right to recover returned products is recognised when the products are expected to be returned by customers and measured by reference to the former carrying amount of the sold inventories less any expected costs to recover those products.

(h) *Non-current assets classified as held for sale*

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, intangible assets, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

(i) *Investment properties*

Investment properties are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed assets includes capitalised borrowing costs.

Depreciation is calculated on a straight-line basis over the estimated useful lives of buildings of 20 years and recognised in profit or loss. No depreciation is charged on freehold land and assets under construction.

Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

(j) *Property, plant and equipment*

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset or on unit of production method of relevant assets and recognised in profit or loss. No depreciation is provided on freehold land, assets under construction and major spare parts have not been issued.

The estimated useful lives are as follows:

Land improvement	5 - 10 years
Leasehold improvement	8 - 10 years
Buildings and structures	10 - 40 years and per lease period
Machinery and equipment for production (concrete)	3 - 10 years
Other machinery and equipment for production	5 - 40 years
Tools and factory equipment	3 - 30 years
Furniture, fixtures and office equipment	3, 5 and 10 years
Vehicles	5 - 25 years

Machinery and equipment for production of construction materials, cement roof tiles and fibre cement board, LDPE and EVA and machine for melt sheets calculate depreciation based on units of production.

(k) Intangible assets

Concession

Cost of concessions on mining limestone and shale are include acquisition, exploration and development costs and are measured at cost less accumulated amortisation and accumulated impairment losses.

Research and development

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Other development expenditure and expenditure on research activities are recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses. The expenditure cost includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and borrowing costs.

Other intangible assets

Other intangible assets that have indefinite useful lives are measured at cost less impairment losses. Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits.

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Cost of raw material resources and cost of concessions	Units of extracted for the year
Software licenses	12 years
Capitalised development costs	12 years

(l) Leases

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

As a lessee

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which are recognised as expenses on a straight-line basis over the respective lease terms.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

As a lessor

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

At lease inception, the Group considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

The Group recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as other income in the accounting period in which they are earned.

(m) Impairment of non-financial asset

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing 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. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss of asset recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(n) Employee benefits

Defined contribution plans

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(p) Fair values 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 market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received.

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

(q) Treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity. When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity, 'Share premium on treasury shares'. Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares.

(r) Revenue from contracts with customers

Revenue recognition

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognise revenue and cost of sale for the estimated products to be returned.

Revenue for rendering of services is recognised over time as the services are provided. The stage of completion is assessed based on surveys of work performed. The related costs are recognised in profit or loss when they are incurred.

For bundled packages, the Group recognises revenue from sales of products and rendering of services separately if a product or service is separately identifiable from other items and a customer can benefit from it or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices.

Long-term advances received from customers

Long-term advances received from customers is recognised as revenue when the Group transferred control over the goods to the customers. For the advances that contain a significant financing component, they include the interest expense accreted on the contract liability under the effective interest method. The Group uses practical expedient which is not adjust the consideration for any effects of a significant financing component for the contract for which the period is 12 months or less.

Customer loyalty programme

For customer loyalty programmes that the Group offers to customers, the consideration received is allocated based on the relative stand-alone selling price of the products and the loyalty points. The amount allocated to the loyalty points is recognised as contract liabilities and revenue is recognised when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The stand-alone selling prices of the points is estimated based on the discount provided to customers and the likelihood that the customers will redeem the points. The estimate is reviewed at the end of the reporting period.

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

(s) *Income tax*

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) *Earnings per share*

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

(u) *Related parties*

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that is under common control or under the same significant influence as the Group; or a person or entity over which the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making.

(v) *Segment reporting*

Segment results that are reported to the Group's the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly insert unallocated items, e.g. corporate assets.

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

4 Related parties

Relationships with subsidiaries, associates and joint venture are described in notes 8 and 9. Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Pornchai Enterprise Co., Ltd.	Thailand	Co-director
TPI Holding Co., Ltd.	Thailand	Co-director
Leophairatana Enterprise Co., Ltd.	Thailand	Co-director
Bangkok Union Insurance Public Co., Ltd.	Thailand	Co-director
Lampang Food Products Co., Ltd.	Thailand	Co-director
Hong Yiah Seng Co., Ltd.	Thailand	Co-director
Saraburi Ginning Mill Co., Ltd.	Thailand	Co-director
Thai Petrochemical Industry Co., Ltd.	Thailand	Co-director
Rayong Forest Co., Ltd.	Thailand	Co-director
Hong Yiah Seng Real Estates and Investment Co., Ltd.	Thailand	Co-director
TPI EOEG Co., Ltd.	Thailand	Co-director
E&T Renewable Energy Co., Ltd.	Thailand	Co-director

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

<i>Significant transactions with related parties Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods	-	-	5,314,327	10,534,733
Transportation income	-	-	214,717	192,518
Purchase of raw materials and spare parts	-	-	474,746	553,417
Purchase of electricity	-	-	2,552,370	1,568,251
Purchase of steam	-	-	37,322	34,974
Purchase of goods for sales promotion	-	-	75,531	115,104
Dividend income	-	-	1,715,999	1,526,562
Interest income	-	-	3,695	14,967
Interest expense	-	-	4,731	4,589
Other income	-	-	170,273	434,567
Administrative expenses	-	-	30,358	32,351
Associates				
Sale of goods	339	4,501	45	4,197
Purchase of raw materials	546,415	566,349	517,707	529,358
Interest expense	5,909	3,564	199	182
Other income	3	-	3	-
Insurance premium	23,210	17,527	18,018	13,584
Joint Venture				
Other income	96	15	96	15
Other related parties				
Sales of goods	4,725	1,789	1,924	260
Transportation income	143	76	61	4
Interest expense	2,789	7,028	1,814	4,705
Other income	300	303	300	300
Insurance premium	304,150	284,022	135,761	129,995
Administrative expenses	59,987	61,993	54,366	57,186
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	465,621	411,429	348,005	310,723
Post-employment benefits	8,481	4,001	-	-
Total key management personnel compensation	474,102	415,430	348,005	310,723

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
Subsidiaries				
TPI Concrete Co., Ltd.	-	-	379,084	219,228
TPI Polene Power Public Co., Ltd.	-	-	12,459	385,558
TPI All Seasons Co., Ltd.	-	-	37,486	319,237
Polene Silicon Co., Ltd.	-	-	-	157,605
TPI Polene Bio Organics Co., Ltd.	-	-	255	10,426
TPI Commercial Co., Ltd.	-	-	3,280	4,364
Thai Nitrate Co., Ltd.	-	-	72	95
Associates				
BUI Life Insurance Public Co., Ltd.	3	-	-	-
United Grain Industry Co., Ltd.	89	217	21	36
Other related parties				
Bangkok Union Insurance Public Co., Ltd.	28	37	14	4
Pornchai Enterprise Co., Ltd.	20	164	5	11
Lampang Food Products Co., Ltd.	15	9	15	9
Rayong Forest Co., Ltd.	328	410	-	-
Hong Yiah Seng Co., Ltd.	697	76	697	-
	<u>1,180</u>	<u>913</u>	<u>433,388</u>	<u>1,096,573</u>
<i>Less allowance for expected credit loss</i>	-	-	-	-
Net	<u>1,180</u>	<u>913</u>	<u>433,388</u>	<u>1,096,573</u>

	Interest rate		Year ended		1		Separate financial statements		31	
	Year ended		31 December		January		Increase		December	
	2022	2023	2022	2023	2023	2023	Increase	Decrease	2023	2023
	<i>(% per annum)</i>						<i>(in thousand Baht)</i>			
Short-term loans to related parties										
Subsidiaries										
TPI Polene Bio Organics Co., Ltd.	MLR - 1.5	2.125	251,096	-	(251,096)	-				
TPI Bio Pharmaceuticals Co., Ltd.	-	2.125	-	40,100	(40,100)	-				
TPI Commercial Co., Ltd.	MLR - 1.5	2.125	93,993	33,093	(127,086)	-				
Master Achieve (Thailand) Co., Ltd.	MLR - 1.5	2.125	19,790	19,790	(39,580)	-				
TPI Healthcare Co., Ltd.	-	2.125	-	22,000	(22,000)	-				
			<u>364,879</u>	<u>114,983</u>	<u>(479,862)</u>	<u>109</u>				
Accrued interest receivable			1,390	3,695	(4,976)	109				
Total			<u>366,269</u>	<u>118,678</u>	<u>(484,838)</u>	<u>109</u>				
<i>Less allowance for expected credit loss</i>			-	-	-	-				
Net			<u>366,269</u>	<u>118,678</u>	<u>(484,838)</u>	<u>109</u>				

For the year ended 31 December 2023

	Consolidated		Separate	
<i>Balances with related parties</i>	financial statements		financial statements	
<i>At 31 December</i>	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Long-term investments in related parties</i>				
Related parties				
Pornchai Enterprise Co., Ltd.	45,653	45,653	45,653	45,653

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Receivables and advances to related parties - non-current</i>				
Subsidiary				
Thai Propoxide Co., Ltd.	-	-	421,984	421,984
Less losses recognised using the equity method in excess of the investment	-	-	(789)	(909)
Net	<u>-</u>	<u>-</u>	<u>421,195</u>	<u>421,075</u>

In 1997, the Company entered into an agreement to sell land to Thai Propoxide Co., Ltd. (a subsidiary) at the price of Baht 477 million, in consideration for a loan payable by August 2000, with interest of 16%. No payments of principal or interest were subsequently made by the subsidiary and consequently the Company deferred recording the gain on the sale land of Baht 40 million and interest income of Baht 155 million in income and ceased accrued interest. The deferred gain and interest income are disclosed as non-current liabilities in the statement of financial position of the separate financial statements.

The subsidiary used the land as collateral for a bank loan, the proceeds of which were subsequently loaned to the Company. In 2000, the subsidiary's bank loan was assigned to the Company. Subsequently, in 2011, the land has been released by the bank as collateral and the subsidiary has sold a part of land to the Company and repaid a part of the land loan to the Company of Baht 68 million.

At 31 December 2023, the outstanding amount of accounts receivable from the subsidiary from the sale of land total Baht 422 million (2022: Baht 422 million) and the deferred gain on the sale of Baht 35 million (2022: Baht 35 million) and deferred interest income of Baht 134 million (2022: Baht 134 million) in the statement of financial position of the separate financial statements.

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Trade accounts payable				
Subsidiaries				
TPI Polene Power Public Co., Ltd.	-	-	31,016	36,343
TPI All Seasons Co., Ltd.	-	-	14,290	20,069
TPI Polene Bio Organics Co., Ltd.	-	-	7	-
Thai Nitrate Co., Ltd.	-	-	7,790	8,694
TPI Healthcare Co., Ltd.	-	-	5,313	18,051
TPI Bio Pharmaceuticals Co., Ltd.	-	-	2	-
Associate				
United Grain Industry Co., Ltd.	2,871	2,424	511	-
Thai Plastic Film Co., Ltd.	129,282	137,187	129,029	136,967
Thai Plastic Products Co., Ltd.	225,583	226,358	222,220	221,512
Total	357,736	365,969	410,178	441,636

	Interest rate		1 January 2023	Separate financial statements		31 December 2023
	Year ended 31 December 2022	2023		Increase	Decrease	
	<i>(% per annum)</i>			<i>(in thousand Baht)</i>		
Short-term loans from related parties						
Subsidiaries						
TPI Polene Power Public Co., Ltd.	1.45	1.60 - 2.45	-	1,600,000	(1,600,000)	-
Thai Nitrate Co., Ltd.	1.60	1.60	-	200,000	(200,000)	-
			-	1,800,000	(1,800,000)	-
Accrued interest			-	3,645	(3,645)	-
Total			-	1,803,645	(1,803,645)	-

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Payables and advances from related parties</i>				
Subsidiaries				
TPI Concrete Co., Ltd.	-	-	2,089	1,630
TPI Polene Power Public Co., Ltd.	-	-	480,049	244,179
TPI All Seasons Co., Ltd.	-	-	2,140	2,140
TPI Polene Bio Organics Co., Ltd.	-	-	4,810	6,170
TPI Healthcare Co., Ltd.	-	-	5,938	4,099
TPI Bio Pharmaceuticals Co., Ltd.	-	-	992	1,187
Master Achieve (Thailand) Co., Ltd.	-	-	4,159	1,987
Associates				
BUI Life Insurance Public Co., Ltd.	57	97	51	97
United Grain Industry Co., Ltd.	12	10	-	-
Thai Plastic Film Co., Ltd.	2,252	1,944	2,252	1,821
Other related parties				
Pornchai Enterprise Co., Ltd.	1,462	9,757	1,312	8,245
Bangkok Union Insurance Public Co., Ltd.	1,916	105	1,212	77
Hong Yiah Seng Co., Ltd.	220	629	146	629
Rayong Forest Co., Ltd.	25	7	25	7
Total	5,944	12,549	505,175	272,268

<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Current portion of lease liabilities</i>				
Subsidiaries				
TPI Concrete Co., Ltd.	-	-	5,288	5,086
TPI Polene Bio Organics Co., Ltd.	-	-	3,290	3,165
Mondo Thai Co., Ltd.	-	-	239	230
Thai Nitrate Co., Ltd.	-	-	-	771
Associates				
United Grain Industry Co., Ltd.	12,610	11,903	3,052	3,741
Other related parties				
Pornchai Enterprise Co., Ltd.	27,605	36,591	22,715	30,747
Hong Yiah Seng Co., Ltd.	1,555	3,069	537	2,095
Rayong Forest Co., Ltd.	25	24	25	24
Saraburi Ginning Mill Co., Ltd.	2,231	1,678	963	459
Leophairatana Enterprise Co., Ltd.	4,471	4,180	-	-
Hong Yiah Seng Real Estates and Investment Co., Ltd.	1,268	1,219	-	-
Total	49,765	58,664	36,109	46,318

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

<i>Balances with related parties At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Lease liabilities				
Subsidiaries				
TPI Concrete Co., Ltd.	-	-	-	5,288
TPI Polene Bio Organics Co., Ltd.	-	-	-	3,290
Mondo Thai Co., Ltd.	-	-	14,408	14,648
Associates				
United Grain Industry Co., Ltd.	81,495	107,147	-	3,052
Other related parties				
Pornchai Enterprise Co., Ltd.	15,540	36,262	11,504	28,522
Hong Yiah Seng Co., Ltd.	795	2,351	-	537
Rayong Forest Co., Ltd.	936	961	936	961
Saraburi Ginning Mill Co., Ltd.	2,138	1,920	1,485	-
Leophairatana Enterprise Co., Ltd.	3,030	6,013	-	-
Hong Yiah Seng Real Estates and Investment Co., Ltd.	653	1,920	-	-
Total	104,587	156,574	28,333	56,298

Significant agreements with related parties

(a) Office building lease agreements

The Company and its subsidiary have long-term office building lease agreements with a related company. Previously, the initial lease term for each lease agreement was for 3 years, with the lease being renewable. In July 1999, the Company and a subsidiary entered into a 90 years office building lease agreement with a related company to replace the expired original office building lease agreements in which the Company and a subsidiary made one payment for the whole lease period (*the total rental for the 90 years term of the lease is Baht 40,000 per square meter, equivalent to a monthly rental, before discounting cash flows, of Baht 37 per square meter*). The annual rental is deducted from the prepaid rentals. Subsequently, on 24 July 2001, the Company and its subsidiary agreed to sign the amendments in addition to the existing office building lease agreements with a related company. The initial period of the lease is for 30 years, commencing from the original date on which the rentals of each respective agreement were prepaid. The related party warranted that the lease would be renewable for another 2 subsequent periods of 30 years under the same conditions, including rental fee as set out in the original agreements.

On 25 August 2006, the Company and its subsidiary registered the lease with the Land Department.

Should either party terminate the lease agreement, the unused prepaid rentals are refundable to the Companies. Both parties agreed in principle to execute a mortgage on the office building as security for the unused prepaid rentals. As at 31 December 2023, there was no mortgage agreement as security for the unused prepaid rentals, so the recoverability of prepaid rentals depends on the ability of the related company to repay.

(b) Electricity supply agreement

The Company entered into an electricity supply contract with a subsidiary company, to provide the waste heat to the subsidiary that will be used in the manufacturing process for electricity. The subsidiary company shall supply the electricity to the Company based on certain percentage as specified in the agreement. The agreement shall remain in full force and effect so long as, unless it is terminated by mutual agreement in writing of both parties.

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

(c) Office building services agreements

The Company and its subsidiaries entered into office building services agreements with related parties for 3 years. The details were as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(in thousand Baht)			
<i>Non-cancellable service contract commitments</i>				
Within one year	41,579	50,058	34,569	41,316
After one year but within five years	19,253	43,563	17,275	39,436
Total	60,832	93,621	51,844	80,752

The subsidiary had made several land rental agreements with its related parties which specified that lessee has to decommission the assets from rental area at the end of contract, causing lessee to set up the decommissioning costs as at 31 December 2023 in amount of Baht 1.8 million (31 December 2022: Baht 1.7 million).

The subsidiary had made several land rental agreements with its related parties which specified that lessee has to decommission the assets from rental area at the end of contract, causing lessee to set up the decommissioning costs as at 31 December 2021 in amount of Baht 269.6 million. Subsequently, on 30 September 2022, both parties agreed to cancel the terms of the delivery of the leased assets and decommission of the agreements.

On 1 October 2023, the Company entered into land lease agreements with the subsidiary for operate "Electricity production project from solar energy, Kaeng Khoi District, TPI Polene Power" for the period of 30 years from 1 October 2023 to 30 September 2053 whereby the subsidiary agree to pay annually fee as specified in agreement.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(in thousand Baht)			
Cash on hand	1,627	2,292	1,162	1,675
Cash at banks - current accounts	28,347	78,171	14,178	14,088
Cash at banks - savings accounts	13,086,661	6,390,424	11,100,240	3,828,012
Highly liquid short-term investments	5,196,618	4,200,305	3,697,602	4,200,000
Total	18,313,253	10,671,192	14,813,182	8,043,775

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

6 Trade account receivables

<i>At 31 December</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		<i>(in thousand Baht)</i>			
Related parties	4	1,180	913	433,388	1,096,573
Other parties		5,477,411	5,592,549	2,675,515	2,836,977
Total		5,478,591	5,593,462	3,108,903	3,933,550
Less allowance for expected credit loss		(33,963)	(33,949)	(33,375)	(33,375)
Net		5,444,628	5,559,513	3,075,528	3,900,175

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	1,140	723	433,377	766,006
Overdue:				
1 - 30 days	9	39	2	45,648
31 - 60 days	12	4	2	64,260
61 - 90 days	14	18	2	60,961
More than 90 days	5	129	5	159,698
Total	1,180	913	433,388	1,096,573
Less allowance for expected credit loss	-	-	-	-
Net	1,180	913	433,388	1,096,573
Other parties				
Within credit terms	4,721,748	4,927,888	2,391,074	2,587,836
Overdue:				
1 - 30 days	312,605	290,725	155,977	137,986
31 - 60 days	104,353	110,362	26,529	26,428
61 - 90 days	100,418	70,214	22,275	12,866
More than 90 days	238,287	193,360	79,660	71,861
Total	5,477,411	5,592,549	2,675,515	2,836,977
Less allowance for expected credit loss	(33,963)	(33,949)	(33,375)	(33,375)
Net	5,443,448	5,558,600	2,642,140	2,803,602
Net total	5,444,628	5,559,513	3,075,528	3,900,175

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

<i>Allowance for expected credit loss</i>	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
At 1 January	(33,949)	(49,537)	(33,375)	(32,507)
Addition	(14)	(1,683)	-	(1,666)
Reversal	-	15,242	-	-
Write-off	-	2,029	-	798
At 31 December	<u>(33,963)</u>	<u>(33,949)</u>	<u>(33,375)</u>	<u>(33,375)</u>

The Group requires various customers to provide cash, bank and personal guarantees as collateral.

The normal credit term granted by the Group ranges from 30 days to 120 days.

Information of credit risk is disclosed in note 29 (b.1).

7 Inventories

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Finished goods	1,712,486	2,111,902	1,996,224	2,323,165
Work in process	6,977,078	6,926,370	4,824,473	4,657,256
Raw materials and chemicals	1,728,865	2,250,291	1,495,872	1,893,293
Packages	555,509	525,996	470,717	426,911
Oil and coal	2,096,128	2,964,500	1,893,633	2,798,918
Spare parts and general supplies	4,967,643	4,658,435	3,815,350	3,428,114
Goods in transit	156,761	270,743	124,270	265,495
Total	<u>18,194,470</u>	<u>19,708,237</u>	<u>14,620,539</u>	<u>15,793,152</u>
<i>Less allowance for decline in value</i>	<i>(330,299)</i>	<i>(353,222)</i>	<i>(13,702)</i>	<i>(35,342)</i>
Net	<u>17,864,171</u>	<u>19,355,015</u>	<u>14,606,837</u>	<u>15,757,810</u>
Inventories recognised in cost of sales of goods				
- Cost	32,922,818	35,343,247	27,722,194	29,079,139
- Write-down to net realisable value	-	3,768	-	-
- Reversal of net realisable value	(22,923)	(20,683)	(21,640)	(6,129)
Net	<u>32,899,895</u>	<u>35,326,332</u>	<u>27,700,554</u>	<u>29,073,010</u>

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

8 Investments in associates and joint venture

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Associates</i>				
At 1 January	856,337	842,539	856,337	842,539
Share of profit of associates accounted for using equity method	23,711	21,386	23,711	21,386
Share of other comprehensive income (expense) of associates accounted for using equity method	259	(7,588)	259	(7,588)
At 31 December	880,307	856,337	880,307	856,337
<i>Joint venture</i>				
At 1 January	249,894	-	-	-
Acquisition	-	250,000	-	-
Share of profit (loss) of joint venture accounted for using equity method	3,264	(106)	-	-
At 31 December	253,158	249,894	-	-

The Group has not recognised loss relating to an investment in an indirect associate accounted for using the equity method where its share of loss exceeds the carrying amount of its investment. As at 31 December 2023, the Group's cumulative share of unrecognised loss was Baht 985 million (2022: Baht 985 million). The Group has no obligation in respect of this loss.

On 1 December 2022, the subsidiary entered into a memorandum of understanding with Electricity Generating Public Co., Ltd. ("EGCO") are incorporated in Thailand, in order to invest in E&T Renewable Energy Co., Ltd., a new joint venture established in Thailand. The purpose of the joint venture are manufacturing and distributing electricity. The subsidiary and EGCO equally invested 49.99% in the joint venture and paid an initial authorised share capital in 25% of the authorised share capital of Baht 500 million.

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Investments in associates and joint venture as at 31 December were as follows:

	Type of business	Ownership interest		Consolidated financial statements				At equity method	
		2023	2022	Paid-up capital		Cost		2023	2022
		(%)		2023	2022	2023	2022	(in thousand Baht)	
Associates									
BUI Life Insurance Public Co., Ltd.	Life insurance	25.00	25.00	500,000	500,000	125,000	125,000	116,427	119,991
United Grain Industry Co., Ltd.	Manufacture and sale of packaging	19.00	19.00	550,000	550,000	104,500	104,500	763,880	736,346
						229,500	229,500	880,307	856,337
Indirect associates									
Thai Special Steel Industry Public Co., Ltd.	Manufacture and sale of steel (in the process of registering the dissolution)	29.53	29.53	4,220,000	4,220,000	1,246,200	1,246,200	-	-
Thai Plastic Film Co., Ltd.	Manufacture and sale of packaging	19.00	19.00	40,000	40,000	-	-	-	-
Thai Plastic Products Co., Ltd.	Manufacture and sale of packaging	19.00	19.00	60,000	60,000	-	-	-	-
Total						1,475,700	1,475,700	880,307	856,337
Indirect joint venture									
E&T Renewable Energy Co., Ltd.	Generate electricity from renewable energy	35.11	35.11	250,000	250,000	250,000	250,000	253,158	249,894
Total						250,000	250,000	253,158	249,894

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Separate financial statements						
Type of business	Ownership interest		Paid-up capital		Cost	
	2023	2022	2023	2022	2023	2022
	(%)				(in thousand Baht)	
<i>Associates</i>						
BUI Life Insurance Public Co., Ltd. Life insurance	25.00	25.00	500,000	500,000	125,000	116,427
United Grain Industry Co., Ltd. Manufacture and sale of packaging	19.00	19.00	550,000	550,000	104,500	763,880
Total					229,500	880,307
						856,337

No dividend distribution from investments in associates held by the Group and the Company during years ended 31 December 2023 and 2022.

None of the Group's and the Company's associates are publicly listed and consequently do not have published price quotations.

All associates were incorporated in Thailand.

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

Immaterial associates

The following is summarised financial information for the Group's interest in immaterial associates based on the amounts reported in the Group's consolidated financial statements:

	2023	2022
	(in thousand Baht)	
Carrying amount of interests in immaterial associates	880,307	856,337
Group's share of:		
- Profit (loss) from continuing operations	26,975	21,280
- Other comprehensive income (expense)	259	(7,588)
- Total comprehensive income (expense)	27,234	13,692

9 Investments in subsidiaries

		Separate financial statements	
	Note	2023	2022
		(in thousand Baht)	
Subsidiaries			
At 1 January		28,736,575	26,088,167
Increase capital of TPI Concrete Co., Ltd.		-	1,700,000
Increase capital of TPI Commercial Co., Ltd.		99,900	-
Increase capital of TPI Polene Bio Organics Co., Ltd.		200,000	-
Increase capital of TPI Bio Pharmaceuticals Co., Ltd.		204,500	-
Increase capital of TPI All Seasons Co., Ltd.		320,000	-
Increase capital of TPI Healthcare Co., Ltd.		54,950	-
Increase capital of Master Achieve (Thailand) Co., Ltd.		80,000	-
Share of profit of subsidiaries		3,281,005	2,471,275
Dividends income	4	(1,715,999)	(1,526,562)
(Reversal of) losses recognised using the equity method in excess of the investment	4	(120)	40
Share of other comprehensive income (expense) of subsidiaries		15	3,655
At 31 December		31,260,826	28,736,575

None of the Company's subsidiaries are publicly listed and consequently do not have published price quotations, except for TPI Polene Power Public Co., Ltd. which is listed on the Stock Exchange of Thailand. Based on the closing price of Baht 3.40 at 31 December 2023 (31 December 2022: Baht 3.40), the fair value of the Company's investment in TPI Polene Power Public Co., Ltd. was Baht 20,060 million (31 December 2022: Baht 20,060 million).

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

On 9 February 2023, the Company paid for the newly issued ordinary shares of TPI Commercial Company Limited, a subsidiary, amounting to 5.99 million shares with the par value of Baht 10 per share, amounting to Baht 59.90 million.

On 13 February 2023, the Company paid for the newly issued ordinary shares of TPI Polene Bio Organics Company Limited, a subsidiary, amounting to 2 million shares with the par value of Baht 100 per share, amounting to Baht 200 million.

On 10 March 2023, the Company paid for the newly issued ordinary shares of TPI Bio Pharmaceuticals Company Limited, a subsidiary, amounting to 9 million shares with the par value of Baht 10 per share, amounting to Baht 90 million. On 19 December 2023, the Company paid for the remaining called-up ordinary shares amounting to 0.90 million shares with the par value of Baht 5 per share, amounting to Baht 4.50 million and paid for the newly issued ordinary shares amounting to 11 million shares with the par value of Baht 10 per share, amounting to Baht 110 million.

On 19 December 2023, the Company paid for the newly issued ordinary shares of TPI All Seasons Company Limited, a subsidiary, amounting to 32 million shares with the par value of Baht 10 per share, amounting to Baht 320 million.

On 19 December 2023, the Company paid for the newly issued ordinary shares of TPI Commercial Company Limited, a subsidiary, amounting to 4 million shares with the par value of Baht 10 per share, amounting to Baht 40 million.

On 19 December 2023, the Company paid for the remaining called-up ordinary shares of TPI Healthcare Company Limited, a subsidiary, amounting to 0.99 million shares with the par value of Baht 5 per share, amounting to Baht 4.95 million and paid for the newly issued ordinary shares amounting to 5 million shares with the par value of Baht 10 per share, amounting to Baht 50 million.

On 19 December 2023, the Company paid for the newly issued ordinary shares of Master Achieve (Thailand) Company Limited, a subsidiary, amounting to 0.80 million shares with the par value of Baht 100 per share, amounting to Baht 80 million.

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Investments in subsidiaries as at 31 December 2023 and 2022, dividend income from those investments for the years then ended, were as follows:

	Type of business	Separate financial statements									Dividend Income for the year
		Ownership interest		Paid-up capital		Cost		At equity method		Dividend Income for the year	
		2023	2022	2023	2022	2023	2022	2023	2022		
		(%)						(in thousand Baht)			
<i>Direct subsidiaries</i>											
TPI Concrete Co., Ltd.	Manufacturing and distributing ready mixed concrete	99.99	99.99	3,700,000	3,700,000	3,699,999	3,699,999	2,950,662	3,029,428	-	-
TPI Polene Power Public Co., Ltd.	Distributing gasoline, diesel and natural gas / Manufacturing and distributing electricity and refuse derived fuel (RDF)	70.24	70.24	8,400,000	8,400,000	5,899,999	5,899,999	22,836,812	21,686,754	1,416,000	1,475,000
TPI All Seasons Co., Ltd.	Manufacturing and distributing melt sheets	99.99	99.99	770,000	450,000	770,000	450,000	733,303	400,143	-	-
TPI Polene Bio Organics Co., Ltd.	Manufacturing and distributing organic fertilizer	99.99	99.99	3,500,000	3,300,000	2,854,400	2,654,400	1,722,133	1,555,664	-	-
Thai Propoxide Co., Ltd.	Manufacturing electricity (dormant)	99.99	99.99	250	250	250	250	-	-	-	-
Thai Nitrate Co., Ltd.	Manufacturing and distributing nitric acids and ammonium nitrate	99.99	99.99	468,750	468,750	784,409	784,409	2,434,374	1,903,853	299,999	51,562
TPI Healthcare Co., Ltd.	Manufacturing and distributing products for humans	99.99	99.99	60,000	5,050	59,900	4,950	63,562	8,626	-	-
TPI Commercial Co., Ltd.	Retailing business	99.99	99.94	100,000	100	99,900	-	107,146	6,000	-	-

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

	Type of business	Separate financial statements										Dividend	
		Ownership interest		Paid-up capital		Cost		At equity method		Income for the year			
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022		
		<i>(in thousand Baht)</i>											
<i>Direct subsidiaries (continue)</i>													
TPI Service Co., Ltd.	Construction service	95.10	95.10	4,600	4,600	4,457	4,457	4,457	15,362	12,151	-	-	
Master Achieve (Thailand) Co., Ltd.	Manufacturing and distributing factory equipment	99.99	99.99	180,000	100,000	179,931	99,931	164,158	95,573	-	-	-	
TPI Bio Pharmaceuticals Co., Ltd.	Manufacturing and distributing products for animals	99.99	99.99	210,000	5,500	210,147	5,647	205,210	9,198	-	-	-	
<i>Indirect subsidiaries</i>													
Mondo Thai Co., Ltd.	Property developing	83.27	83.27	36,000	36,000	10,350	10,350	9,743	9,623	-	-	-	
Polene Silicon Co., Ltd.	Export and import business	99.98	99.93	10,000	10,000	-	-	18,361	19,562	-	-	-	
TPI Biomass Power Co., Ltd.	Generate electricity from waste and biomass (dormant)	70.23	70.23	187,500	187,500	-	-	-	-	-	-	-	
TPI Polene Power (International) Co., Ltd.	Investing in alternative energy business (dormant)	70.23	70.23	100,000	100,000	-	-	-	-	-	-	-	
TPI Deep Sea Port Co., Ltd.	Port business operation (dormant)	70.23	70.23	25,000	25,000	-	-	-	-	-	-	-	

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

	Type of business	Separate financial statements						
		Ownership interest		Paid-up capital		Cost		Dividend income for the year
		2023	2022	2023	2022	2023	2022	
		(%)				(in thousand Baht)		
		2023	2022	2023	2022	2023	2022	2023
								2022
<i>Indirect subsidiaries (continue)</i>								
TPI Distribution Center Co., Ltd.	Operate business about collecting, storing, and distributing products to consumer (dormant)	70.23	70.23	1,000	1,000	-	-	-
TPI Smart City Co., Ltd.	Operate all types of communities and industrial estate (dormant)	70.22	70.22	1,000	1,000	-	-	-
TPI Solar Power Co., Ltd.	Generate electricity from solar energy (dormant)	70.23	70.22	100,000	1,000	-	-	-
TPI Wind Power Co., Ltd.	Generate electricity from wind energy (dormant)	70.22	70.22	1,000	1,000	-	-	-
Total						14,573,742	13,614,392	1,715,999
							28,736,575	1,526,562

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

10 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

<i>As at 31 December</i>	TPI Polene Power Public Co., Ltd.	
	2023	2022
	<i>(in thousand Baht)</i>	
Non-controlling interest percentage	29.75%	29.75%
Current assets	8,482,294	7,001,514
Non-current assets	51,284,881	43,577,859
Current liabilities	(6,791,053)	(5,115,055)
Non-current liabilities	(19,774,533)	(13,899,890)
Net assets	33,201,589	31,564,428
Carrying amount of non-controlling interest	9,877,473	9,390,417
Other individually immaterial subsidiaries	13,227	12,679
Total	9,890,700	9,403,096

<i>For the year ended 31 December</i>	TPI Polene Power Public Co., Ltd.	
	2023	2022
	<i>(in thousand Baht)</i>	
Revenue	11,330,528	10,625,495
Profit	3,653,161	2,812,784
Other comprehensive income	-	(177)
Total comprehensive income	3,653,161	2,812,607
Total comprehensive income allocated to non-controlling interest	1,086,815	836,751
Other individually immaterial subsidiaries	460	418
Total	1,087,275	837,169
Dividends to non-controlling interest	(599,671)	(624,657)
Cash flows from operating activities	1,514,470	1,608,807
Cash flows from investing activities	(2,380,411)	(679,687)
Cash flows from financing activities	845,785	(609,698)
Others	(2)	(49)

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

11 Long-term investments in related parties

		Consolidated and Separate financial statements				
	Type of business	Relationship	Ownership interest		Paid-up capital	Cost
			2023	2022	2023	2022
			(%)		(in thousand Baht)	
<i>Related parties</i>						
Ponchai Enterprise Co., Ltd.	Real estate and service rental	Shareholder	0.65	0.65	4,599,920	45,653
Total					45,653	45,653

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

12 Investment properties

	Consolidated financial statements			Separate financial statements	
	Land	Buildings	Total	Land	Total
	<i>(in thousand Baht)</i>				
Cost					
At 1 January 2022	585,484	4,500	589,984	130,516	130,516
Transfers	(30,436)	30,436	-	-	-
Transfer from property, plant and equipment	-	3,575	3,575	-	-
Transfer to property, plant and equipment	(56,472)	-	(56,472)	(56,472)	(56,472)
At 31 December 2022 and 1 January 2023	498,576	38,511	537,087	74,044	74,044
At 31 December 2023	498,576	38,511	537,087	74,044	74,044
Depreciation and impairment losses					
At 1 January 2022	-	4,244	4,244	-	-
Depreciation charge for the year	-	656	656	-	-
At 31 December 2022 and 1 January 2023	-	4,900	4,900	-	-
Depreciation charge for the year	-	1,006	1,006	-	-
At 31 December 2023	-	5,906	5,906	-	-
Net book value					
At 31 December 2022	498,576	33,611	532,187	74,044	74,044
At 31 December 2023	498,576	32,605	531,181	74,044	74,044

The fair value of investment properties of the Group and the Company as at 31 December 2023 of Baht 1,105 million and Baht 83 million, respectively (2022: Baht 967 million and Baht 74 million, respectively) was determined by independent professional valuers, at open market values on an existing use basis. The fair value of measurement for investment property has been categorised as a Level 3 fair value.

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

13 Property, plant and equipment

	Consolidated financial statements								
	Land and land improvement	Buildings and structures	Machinery and equipment for production	Tools and factory equipment	Office furniture, fixture and equipment <i>(in thousand Baht)</i>	Vehicle	Major spare parts	Assets under construction and installation	Total
<i>Cost</i>									
At 1 January 2022	14,635,999	18,487,779	89,207,142	9,503,383	728,985	2,371,213	371,195	8,302,196	143,607,892
Additions	780,613	3,101	116,026	390,762	37,622	7,163	40,503	6,426,589	7,802,379
Transfers - net	3,189	224,038	3,450,377	16,713	10,148	1,839	(1,780)	(3,704,524)	-
Transfer from investment property	56,472	-	-	-	-	-	-	-	56,472
Transfer to investment property	-	(3,575)	-	-	-	-	-	-	(3,575)
Transfer to assets held for sale	-	-	(1,013,650)	-	-	-	-	-	(1,013,650)
Disposals / write - off	-	(36,366)	(271,502)	(8,955)	(2,873)	(62,308)	-	(188)	(382,192)
At 31 December 2022 and									
1 January 2023	15,476,273	18,674,977	91,488,393	9,901,903	773,882	2,317,907	409,918	11,024,073	150,067,326
Additions	301,536	136,007	81,039	510,183	38,727	65,988	82,931	10,206,476	11,422,887
Transfers - net	81,983	154,514	4,743,081	192,654	3,751	5,455	(950)	(4,905,327)	45,161
Disposals / write - off	-	(12,528)	(21,122)	(3,105)	(7,854)	(12,390)	-	-	(56,999)
At 31 December 2023	15,859,792	18,952,970	96,291,391	10,601,635	808,506	2,376,960	491,899	16,325,222	161,708,375

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Consolidated financial statements

Depreciation and impairment losses

	Land and land improvement	Buildings and structures	Machinery and equipment for production	Tools and factory equipment	Office furniture, fixture and equipment <i>(in thousand Baht)</i>	Vehicle	Major spare parts	Assets under construction and installation	Total
At 1 January 2022	812	7,587,959	30,760,159	6,362,384	574,766	1,951,228	-	4,532	47,241,840
Depreciation charge for the year	284	509,999	2,031,057	422,586	41,081	54,477	-	-	3,059,484
Transfer to assets held for sale	-	-	(548,312)	-	-	-	-	-	(548,312)
Disposals / write - off	-	(22,253)	(66,611)	(5,521)	(2,839)	(62,202)	-	-	(159,426)
At 31 December 2022 and 1 January 2023	1,096	8,075,705	32,176,293	6,779,449	613,008	1,943,503	-	4,532	49,593,586
Depreciation charge for the year	468	402,064	2,064,991	432,302	44,608	53,752	-	-	2,998,185
Disposals / write - off	-	(9,222)	(10,294)	(3,040)	(7,814)	(9,878)	-	-	40,248
At 31 December 2023	1,564	8,468,547	34,230,990	7,208,711	649,802	1,987,377	-	4,532	52,551,523

Net book value

At 31 December 2022	15,475,177	10,599,272	59,312,100	3,122,454	160,874	374,404	409,918	11,019,541	100,473,740
At 31 December 2023	15,858,228	10,484,423	62,060,401	3,392,924	158,704	389,583	491,899	16,320,690	109,156,852

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

	Separate financial statements								
	Land and land improvement	Buildings and structures	Machinery and equipment for production	Tools and factory equipment	Office furniture, fixture and equipment <i>(in thousand Baht)</i>	Vehicle	Major spare parts	Assets under construction and installation	Total
Cost									
At 1 January 2022	3,095,438	15,859,187	55,548,359	9,073,270	577,609	2,334,330	272,539	5,755,824	92,516,556
Additions	54,634	-	-	343,726	23,825	7,416	32,735	2,813,996	3,276,332
Transfers – net	-	197,889	3,040,757	676	9,967	1,661	-	(3,250,950)	-
Transfer from investment property	56,472	-	-	-	-	-	-	-	56,472
Transfer to asset held for sale	-	-	(448,402)	-	-	-	-	-	(448,402)
Disposals	-	-	(13,627)	(6,547)	(2,309)	(65,093)	-	(573,097)	(660,673)
At 31 December 2022 and 1 January 2023	3,206,544	16,057,076	58,127,087	9,411,125	609,092	2,278,314	305,274	4,745,773	94,740,285
Additions	18,741	129,050	73,866	427,139	25,921	53,530	73,903	3,109,051	3,911,201
Transfers - net	-	36,910	4,022,867	183,373	1,967	5,455	-	(3,990,328)	260,244
Disposals	-	-	(9,211)	(1,763)	(4,643)	(12,390)	-	-	(28,007)
At 31 December 2023	3,225,285	16,223,036	62,214,609	10,019,874	632,337	2,324,909	379,177	3,864,496	98,883,723

1

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Security

At 31 December 2023 the Company's land, buildings, machinery and equipment with a net book value of Baht 5,459 million. (2022: Baht 5,740 million) are mortgaged or pledged as collateral for credit limit.

Capitalised borrowing costs relating to the acquisition of the construction of new factory of the Group and the Company as at 31 December 2023 are Baht 823 million and Baht 92 million, respectively (2022: Baht 624 million and Baht 89 million, respectively), with capitalisation in the consolidated and separate financial statements of 1.59% - 4.90% (2022: 1.59% - 4.90%).

14 Lease

<i>Right-of-use assets</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Land	160,497	180,425	47,333	48,708
Buildings	206,383	240,050	154,246	185,286
Equipment	4,897	5,915	4,897	5,915
Vehicles	116,323	141,499	86,833	107,513
Total	488,100	567,889	293,309	347,422

In 2023, additions to the right-of-use assets of the Group and the Company were Baht 105 million and Baht 74 million, respectively (2022: Baht 106 million and Baht 117 million, respectively).

The Group lease a number of land, buildings and vehicles for 2-30 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

Extension options

The Group has extension options on property leases exercisable up to one year before the end of the contract period. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options and will regularly reassess.

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets:				
- Land	47,578	50,688	9,233	6,062
- Buildings	53,274	51,833	46,156	47,720
- Equipment	7,288	8,956	6,579	8,956
- Vehicles	78,312	79,626	65,818	66,381
Interest on lease liabilities	8,407	23,633	992	15,264
Expenses relating to short-term leases	36,340	42,943	24,348	30,130

In 2023, total cash outflow for leases of the Group and the Company were Baht 218 million and Baht 143 million, respectively (2022: Baht 205.05 million and Baht 132.69 million, respectively).

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

15 Intangible assets

	Consolidated financial statements				
	Cost of raw material resources and cost of concessions	Software licenses	Development assets (in thousand Baht)	Others	Total
<i>Cost</i>					
At 1 January 2022	1,015,221	59,383	103,524	259,750	1,437,878
Additions	32,938	-	57,721	4,712	95,371
Transfers	225,573	-	-	(225,573)	-
Disposals	(24,687)	-	-	-	(24,687)
At 31 December 2022 and 1 January 2023	1,249,045	59,383	161,245	38,889	1,508,562
Additions	3,665,359	2,928	26,809	500	3,695,596
Transfers	26,572	-	-	(26,572)	-
At 31 December 2023	4,940,976	62,311	188,054	12,817	5,204,158
<i>Amortisation</i>					
At 1 January 2022	684,389	50,648	42,686	-	777,723
Amortisation for the year	29,889	1,734	9,607	-	41,230
Disposals	(23,955)	-	-	-	(23,955)
At 31 December 2022 and 1 January 2023	690,323	52,382	52,293	-	794,998
Amortisation for the year	113,928	1,734	14,509	-	130,171
At 31 December 2023	804,251	54,116	66,802	-	925,169
<i>Net book value</i>					
At 31 December 2022	558,722	7,001	108,952	38,889	713,564
At 31 December 2023	4,136,725	8,195	121,252	12,817	4,278,989

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

	Separate financial statements				
	Cost of raw material resources and cost of concessions	Software licenses	Development assets (in thousand Baht)	Others	Total
Cost					
At 1 January 2022	1,015,221	59,383	100,865	259,750	1,435,219
Additions	32,938	-	56,905	4,712	94,555
Transfers	225,573	-	-	(225,573)	-
Disposals	(24,687)	-	-	-	(24,687)
At 31 December 2022 and 1 January 2023	1,249,045	59,383	157,770	38,889	1,505,087
Additions	3,665,359	2,928	26,809	-	3,695,096
Transfers	26,572	-	-	(26,572)	-
Disposals	-	-	(4,728)	-	(4,728)
At 31 December 2023	4,940,976	62,311	179,851	12,317	5,195,455
Amortisation					
At 1 January 2022	684,389	50,648	42,470	-	777,507
Amortisation for the year	29,889	1,734	9,277	-	40,900
Disposals	(23,955)	-	-	-	(23,955)
At 31 December 2022 and 1 January 2023	690,323	52,382	51,747	-	794,452
Amortisation for the year	113,928	1,734	13,686	-	129,348
At 31 December 2023	804,251	54,116	65,433	-	923,800
Net book value					
At 31 December 2022	558,722	7,001	106,023	38,889	710,635
At 31 December 2023	4,136,725	8,195	114,418	12,317	4,271,655

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

16 Interest-bearing liabilities

Consolidated financial statements						
	2023			2022		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>					
Current						
Short-term loans from financial institution	-	9,407,680	9,407,680	-	4,355,338	4,355,338
Current portion of lease liabilities	-	134,989	134,989	-	151,050	151,050
Current portion of debentures	-	15,431,900	15,431,900	-	12,843,200	12,843,200
Non-current						
Lease liabilities	-	204,015	204,015	-	280,479	280,479
Debentures	-	59,965,700	59,965,700	-	53,742,400	53,742,400
Total interest-bearing liabilities	-	85,144,284	85,144,284	-	71,372,467	71,372,467
Separate financial statements						
	2023			2022		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>					
Current						
Short-term loans from financial institution	-	9,407,680	9,407,680	-	4,355,338	4,355,338
Current portion of lease liabilities	-	89,723	89,723	-	102,038	102,038
Current portion of debentures	-	11,642,300	11,642,300	-	10,023,200	10,023,200
Non-current						
Lease liabilities	-	101,084	101,084	-	144,490	144,490
Debentures	-	42,547,900	42,547,900	-	41,255,000	41,255,000
Total interest-bearing liabilities	-	63,788,687	63,788,687	-	55,880,066	55,880,066

The periods to maturity of interest-bearing liabilities as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Within 1 year	24,974,569	17,349,588	21,139,703	14,480,576
1-5 years	60,082,158	53,919,850	42,617,936	41,366,921
After 5 years	87,557	103,029	31,048	32,569
Total	85,144,284	71,372,467	63,788,687	55,880,066

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Secured interest-bearing liabilities as at 31 December were secured on the following net book value assets:

<i>Assets pledged as security for liabilities as at 31 December</i>	<i>Note</i>	Consolidated and Separate financial statements	
		2023	2022
		<i>(in thousand Baht)</i>	
Land and buildings		1,096,978	1,220,231
Machinery and equipment		4,361,797	4,519,680
Total	13	<u>5,458,775</u>	<u>5,739,911</u>

As at 31 December 2023 the Group and the Company had unutilised credit facilities totalling Baht 153 million and Baht 108 million, respectively (2022: Baht 153 million and Baht 108 million, respectively).

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Debentures

As at 31 December 2023, the Group and the Company had the unsecured, unsubordinated debentures in registered form with debentures holders' representative, payable quarterly totalling Baht 75,398 million and Baht 54,190 million, respectively (2022: Baht 66,586 million and Baht 51,278 million, respectively) as follows:

Debentures no.	Consolidated financial statements											
	The period to maturity within one year					The period to maturity over one year			Total	Interest rate (% p.a.)	Term	Maturity date
	31 December 2023		31 December 2022		31 December 2023	31 December 2022	31 December 2022					
	(in thousand Baht)											
1/2016 tranche 3	-	-	2,640,500	-	-	-	-	2,640,500	4.80	7 years	1 April 2023	
3/2019 tranche 1	-	-	2,820,000	-	-	-	-	2,820,000	3.90	3 years 6 months	11 January 2023	
3/2019 tranche 2	-	-	-	2,888,000	2,888,000	2,888,000	2,888,000	2,888,000	4.90	5 years 6 months	11 January 2025	
1/2020	-	-	4,382,700	-	-	-	-	4,382,700	3.50	3 years	16 January 2023	
2/2020	4,127,000	-	-	-	4,127,000	-	-	4,127,000	4.25	3 years 9 months	2 April 2024	
1/2020	3,789,600	-	-	-	3,789,600	-	-	3,789,600	3.90	3 years 11 months	19 July 2024	
3/2020 tranche 1	3,515,300	-	-	-	3,515,300	-	-	3,515,300	4.25	4 years	5 November 2024	
3/2020 tranche 2	-	-	-	3,410,700	3,410,700	3,410,700	3,410,700	3,410,700	4.50	5 years	5 November 2025	
1/2021	-	-	-	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4.15	4 years 3 months	4 June 2025	
2/2021	4,000,000	-	-	-	4,000,000	-	-	4,000,000	3.50	2 years 9 months	30 January 2024	
1/2021	-	-	3,000,000	-	-	-	-	3,000,000	3.00	2 years 6 months	10 December 2023	
3/2021 tranche 1	-	-	-	3,581,200	3,581,200	3,581,200	3,581,200	3,581,200	3.55	4 years 6 months	8 April 2026	
3/2021 tranche 2	-	-	-	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	3.70	4 years 11 months	8 September 2026	
2/2021	-	-	-	4,523,600	4,523,600	4,523,600	4,523,600	4,523,600	3.55	4 years 3 months	12 February 2026	

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Debentures no.	Consolidated financial statements								
	The period to maturity within one year		The period to maturity over one year		Total		Interest rate (% p.a.)	Term	Maturity date
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022			
	(in thousand Baht)								
1/2022	-	-	3,745,000	3,745,000	3,745,000	3,745,000	4.10	5 years	30 June 2027
1/2022	-	-	4,593,000	4,593,000	4,593,000	4,593,000	4.10	5 years	11 August 2027
2/2022 tranche 1	-	-	2,532,800	2,532,800	2,532,800	2,532,800	4.25	4 years	15 November 2026
2/2022 tranche 2	-	-	2,042,200	2,042,200	2,042,200	2,042,200	4.32	4 years 3 months	15 February 2027
2/2022 tranche 3	-	-	2,994,000	2,994,000	2,994,000	2,994,000	4.50	5 years	15 November 2027
1/2023 tranche 1	-	-	2,860,000	-	2,860,000	-	4.15	3 years 6 months	18 July 2026
1/2023 tranche 2	-	-	2,860,000	-	2,860,000	-	4.60	5 years	18 January 2028
1/2023	-	-	5,000,000	-	5,000,000	-	3.90	5 years	30 March 2028
2/2023	-	-	3,000,000	-	3,000,000	-	4.10	4 years 9 months	13 August 2028
2/2023 tranche 1	-	-	3,215,800	-	3,215,800	-	4.10	3 years 4 months	15 April 2027
2/2023 tranche 2	-	-	4,719,400	-	4,719,400	-	4.40	4 years 6 months	15 June 2028
Total	15,431,900	12,843,200	59,965,700	53,742,400	75,397,600	66,585,600			

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Separate financial statements														
Debentures no.	The period to maturity within one year				The period to maturity over one year				Total		Interest rate (% p.a.)	Term	Maturity date	
	31 December 2023		31 December 2022		31 December 2023		31 December 2022							
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022						
	(in thousand Baht)													
1/2016 tranche 3	-	2,640,500	-	-	-	-	-	2,640,500		4.80	7 years	1 April 2023		
3/2019 tranche 1	-	3,000,000	-	-	-	-	-	3,000,000		3.90	3 years 6 months	11 January 2023		
3/2019 tranche 2	-	-	2,888,000	2,888,000	2,888,000	-	2,888,000	2,888,000		4.90	5 years 6 months	11 January 2025		
1/2020	-	4,382,700	-	-	-	-	-	4,382,700		3.50	3 years	16 January 2023		
2/2020	4,127,000	-	-	4,127,000	4,127,000	-	4,127,000	4,127,000		4.25	3 years 9 months	2 April 2024		
3/2020 tranche 1	3,515,300	-	-	3,515,300	3,515,300	-	3,515,300	3,515,300		4.25	4 years	5 November 2024		
3/2020 tranche 2	-	-	3,410,700	3,410,700	3,410,700	-	3,410,700	3,410,700		4.50	5 years	5 November 2025		
1/2021	-	-	4,000,000	4,000,000	4,000,000	-	4,000,000	4,000,000		4.15	4 years 3 months	4 June 2025		
2/2021	4,000,000	-	-	4,000,000	4,000,000	-	4,000,000	4,000,000		3.50	2 years 9 months	30 January 2024		
3/2021 tranche 1	-	-	4,000,000	4,000,000	4,000,000	-	4,000,000	4,000,000		3.55	4 years 6 months	8 April 2026		
3/2021 tranche 2	-	-	4,000,000	4,000,000	4,000,000	-	4,000,000	4,000,000		3.70	4 years 11 months	8 September 2026		
1/2022	-	-	3,745,000	3,745,000	3,745,000	-	3,745,000	3,745,000		4.10	5 years	30 June 2027		
2/2022 tranche 1	-	-	2,532,800	2,532,800	2,532,800	-	2,532,800	2,532,800		4.25	4 years	15 November 2026		
2/2022 tranche 2	-	-	2,042,200	2,042,200	2,042,200	-	2,042,200	2,042,200		4.32	4 years 3 months	15 February 2027		
2/2022 tranche 3	-	-	2,994,000	2,994,000	2,994,000	-	2,994,000	2,994,000		4.50	5 years	15 November 2027		
1/2023	-	-	5,000,000	5,000,000	5,000,000	-	5,000,000	-		3.90	5 years	30 March 2028		
2/2023 tranche 1	-	-	3,215,800	3,215,800	3,215,800	-	3,215,800	-		4.10	3 years 4 months	15 April 2027		
2/2023 tranche 2	-	-	4,719,400	4,719,400	4,719,400	-	4,719,400	-		4.40	4 years 6 months	15 June 2028		
Total	11,642,300	10,023,200	42,547,900	41,255,000	54,190,200	51,278,200								

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

17 Non-current provisions for employee benefits

<i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Post-employment benefits				
Defined benefit plan	<u>1,925,018</u>	<u>2,041,884</u>	<u>1,609,963</u>	<u>1,709,848</u>

Defined benefit plan

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

<i>Present value of the defined benefit obligations</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
At 1 January	2,041,884	2,257,704	1,709,848	1,919,174
<i>Recognised in profit or loss:</i>				
Current service cost and interest on obligation	10,660	3,829	-	-
Loss from benefit payments	1,267	-	-	-
<i>Recognised in other comprehensive income:</i>				
Actuarial gain	-	(136,275)	-	(132,446)
Other				
Benefit paid	(128,793)	(83,374)	(99,885)	(76,880)
At 31 December	<u>1,925,018</u>	<u>2,041,884</u>	<u>1,609,963</u>	<u>1,709,848</u>

<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(%)</i>			
Discount rate	3.08 - 3.76	3.33 - 3.78	3.08 - 3.49	3.33 - 3.72
Future salary growth	2.50 - 4.50	2.50 - 4.50	2.50	3.50

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2023, the weighted-average duration of the defined benefit obligation was 22 years (2022: 23 years).

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

<i>Effect to the defined benefit obligation At 31 December</i>	Consolidated financial statements			
	1% increase in assumption		1% decrease in assumption	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Discount rate	(150,332)	(161,993)	173,851	186,597
Future salary growth	149,201	160,651	(131,747)	(142,780)
	Separate financial statements			
	1% increase in assumption		1% decrease in assumption	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Discount rate	(118,290)	(129,445)	136,603	150,151
Future salary growth	117,308	129,342	(103,739)	(114,040)

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

18 Share capital

	Par value per share (in Baht)	Consolidated and Separate financial statements			
		2023		2022	
		Number	Amount (thousand shares / in thousand Baht)	Number	Amount
<i>Authorised</i>					
At 1 January	1	23,560,235	23,560,235	23,751,500	23,751,500
- ordinary shares					
Reduction of shares	1	-	-	(191,265)	(191,265)
At 31 December					
- ordinary shares	1	<u>23,560,235</u>	<u>23,560,235</u>	<u>23,560,235</u>	<u>23,560,235</u>
<i>Issued and paid-up</i>					
At 1 January	1	18,935,235	18,935,235	19,126,500	19,126,500
- ordinary shares					
Reduction of shares	1	-	-	(191,265)	(191,265)
At 31 December					
- ordinary shares	1	<u>18,935,235</u>	<u>18,935,235</u>	<u>18,935,235</u>	<u>18,935,235</u>

19 Treasury shares

At the Board of Directors meeting held on 23 December 2021, it approved the Company's share repurchase for financial management purposes scheme, the maximum amount for the share repurchase is not greater than Baht 450 million, number of shares repurchased 191.27 million shares, at par value Baht 1 per share, or representing 1% of the total paid-up capital. The repurchase period has started from 10 January 2022 to 10 April 2022.

On 21 January 2022, the Company has completely repurchased the shares under the program of 191.27 million shares at a total cost of Baht 365.55 million.

On 27 July 2022, the Company registered to decrease capital totalling 191.27 million shares, at par value Baht 1 per share, totalling Baht 191.27 million and registered with the Department of Business Development, the Ministry of Commerce and write-off all treasury shares and treasury shares reserve from equity.

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

20 Reserves

Reserves comprise:

Appropriations of profit and retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Treasury shares reserve

The treasury shares reserve represents the amount appropriated from retained earnings equal to the cost of the Company's own shares held by the Company. The treasury shares reserve is not available for dividend distribution.

21 Segment information and disaggregation of revenue

Management determined that the Group has four reportable segments which are the Group's strategic divisions for different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments.

- Construction Materials
- Petrochemical & Chemicals
- Energy & Utilities
- Agriculture

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

(a) Reportable segment results

	Consolidated Financial Statements					
	Revenue from external customers		Inter-segment revenue		Total reportable segment revenue	
	2023	2022	2023	2022	2023	2022
	<i>(in thousand Baht)</i>					
Construction Materials	24,092,370	22,999,991	5,122,224	6,028,419	29,214,594	29,028,410
Petrochemical & Chemicals	10,542,023	16,766,659	433,945	4,757,551	10,975,968	21,524,210
Energy & Utilities	8,055,942	8,234,425	2,933,873	1,965,549	10,989,815	10,199,974
Agriculture	117,121	131,924	100,377	149,418	217,498	281,342
Total	42,807,456	48,132,999	8,590,419	12,900,937	51,397,875	61,033,936
Other gain (loss)					<u>829</u>	<u>3,058</u>
					<u>10,054,930</u>	<u>13,371,430</u>
Finance costs						
Depreciation and amortisation					(2,075,958)	(1,934,590)
Share of profit (loss) of associates and joint venture accounted for using equity method					(3,315,814)	(3,292,473)
Elimination of inter-segment (profit) loss					26,975	21,280
Profit before income tax expense for the year					<u>(92,581)</u>	<u>(155,043)</u>
					4,597,552	8,010,604

Timing of reportable segment revenue recognition of the Group is at a point in time.

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

<i>For the year ended 31 December</i>	Consolidated financial statements	
	Reportable segment	
	profit (loss) before tax	
	2023	2022
	<i>(in thousand Baht)</i>	
Construction Materials	(262,462)	(312,106)
Petrochemical & Chemicals	2,430,080	6,230,390
Energy & Utilities	3,670,108	2,826,835
Agriculture	(42,439)	(28,084)
Total	5,795,287	8,717,035
Other gains (losses)	(2,994)	1,926
Finance costs for investment	(1,147,280)	(620,647)
Elimination of inter-segment (profit) loss	(47,461)	(87,710)
Profit (loss) before income tax expense for the year	4,597,552	8,010,604

(b) Reportable segment financial position

	Consolidated financial statements	
	Segment assets	
	2023	2022
	<i>(in thousand Baht)</i>	
Construction Materials	94,628,314	84,542,431
Petrochemical & Chemicals	10,374,972	10,452,895
Energy & Utilities	54,545,705	46,571,295
Agriculture	2,104,168	2,108,930
Others	460,437	587,747
	162,113,596	144,263,298
Unallocated assets	5,280,806	4,286,799
Total	167,394,402	148,550,097
Elimination of inter-segment assets	(3,979,724)	(4,050,669)
Total assets	163,414,678	144,499,428

(c) Disaggregation of revenue

	Separate financial statement	
	Revenue from sale of goods	
	2023	2022
	<i>(in thousand Baht)</i>	
Construction Materials	23,984,697	23,330,546
Petrochemical & Chemicals	8,116,075	14,388,831
Total	32,100,772	37,719,377

Timing of revenue recognition of the Company is at a point in time.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

<i>Geographical information</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Thailand	31,148,604	29,301,215	21,332,762	24,889,630
China	6,167,132	9,348,358	6,167,132	6,061,270
Bangladesh	1,976,315	548,642	1,976,315	274,799
Australia	1,125,613	912,155	563,348	424,834
India	390,726	1,579,077	363,660	1,145,110
Others	1,999,066	6,443,552	1,697,555	5,348,568
Total	42,807,456	48,132,999	32,100,772	37,719,377

The Group is managed and operates principally in Thailand.

(d) *Disaggregation of finance cost*

	Separate financial statements	
	Finance cost	
	2023	2022
	<i>(in thousand Baht)</i>	
Construction Materials	759,331	1,175,785
Petrochemical & Chemicals	74,056	94,109
Investing	1,147,280	620,647
Total	1,980,667	1,890,541

22 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Management				
Wages and salaries	390,567	349,848	301,556	276,640
Defined benefit plan	8,481	4,001	-	-
Others	75,054	61,581	46,449	34,083
	474,102	415,430	348,005	310,723
Other employees				
Wages and salaries	6,429,638	5,958,508	4,939,770	4,628,090
Defined benefit plan	7,840	4,303	-	-
Others	388,107	370,422	274,242	271,119
	6,825,585	6,333,233	5,214,012	4,899,209
Total	7,299,687	6,748,663	5,562,017	5,209,932

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Defined contribution plans

The defined contribution plans comprise provident funds established by some companies of the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 10% of their basic salaries and by the Company at rates ranging from 3% to 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

23 Expenses by nature

The statements of comprehensive income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Included in cost of sales of goods:</i>				
Changes in inventories of finished goods and work in progress	348,708	(1,868,651)	159,724	(1,602,960)
Raw materials and consumables used	17,930,296	19,445,547	8,617,476	9,880,376
Reversal of loss on decline in value of inventories	(22,923)	(16,915)	(21,640)	(6,129)
Depreciation of plant and equipment	2,886,076	2,916,137	1,609,852	1,663,852
Amortisation of intangible assets	94,292	6,411	94,292	6,411
<i>Included in distribution costs:</i>				
Depreciation of plant and equipment	162,712	164,275	172,748	185,720
Amortisation of intangible assets	14,509	9,607	13,686	9,277
<i>Included in administrative expenses:</i>				
Depreciation of plant and equipment	136,854	170,831	115,929	122,361
Amortisation of intangible assets	21,370	25,212	21,370	25,212

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

24 Finance costs

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2023	2022	2023	2022
		<i>(in thousand Baht)</i>			
Interest expense :					
Loans from related party		-	-	3,645	3,168
Loans from financial institutions		162,885	95,462	162,885	95,462
Debentures		2,727,149	2,435,727	1,904,868	1,865,181
Leases	15	8,407	23,633	992	15,264
Total interest expense		2,898,441	2,554,822	2,072,390	1,979,075
Others		165	4,126	-	-
		2,898,606	2,558,948	2,072,390	1,979,075
<i>Less: amounts included in the cost of qualifying assets:</i>					
- Construction contracts work in progress		(822,648)	(624,358)	(91,723)	(88,534)
Net		2,075,958	1,934,590	1,980,667	1,890,541

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

25 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	186,707	172,388	-	-
Adjustment for prior years	198	2,530	-	-
	<u>186,905</u>	<u>174,918</u>	<u>-</u>	<u>-</u>
Deferred tax expense				
Movements in temporary differences	105,509	(9,090)	70,578	(20,361)
Total tax (income) expense	<u>292,414</u>	<u>165,828</u>	<u>70,578</u>	<u>(20,361)</u>

Consolidated financial statements						
<i>Income tax</i>	Before tax	2023	Net of tax	Before tax	2022	Net of tax
		Tax (expense) benefit			Tax (expense) benefit	
Recognised in other comprehensive income						
Foreign currency translation differences for foreign operations	-	-	-	(177)	-	(177)
Financial assets at FVOCI	(46)	12	(34)	(47)	10	(37)
Defined benefit plan actuarial gains	-	-	-	136,275	(26,489)	109,786
Share of other comprehensive income (expense) of associates	259	-	259	(7,588)	-	(7,588)
Total	<u>213</u>	<u>12</u>	<u>225</u>	<u>128,463</u>	<u>(26,479)</u>	<u>101,984</u>

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

<i>Income tax</i>	Separate financial statements					
	Before tax	2023 Tax (expense) benefit	Net of tax (in thousand Baht)	Before tax	2022 Tax (expense) benefit	Net of tax
<i>Recognised in other comprehensive income</i>						
Financial assets at FVOCI	(61)	12	(49)	(50)	10	(40)
Defined benefit plan						
actuarial gains	-	-	-	132,446	(26,489)	105,957
Share of other						
comprehensive income						
(expense) of						
subsidiaries accounted						
for using equity method	15	-	15	3,655	-	3,655
Share of other						
comprehensive income						
(expense) of associates						
accounted for using						
equity method	259	-	259	(7,588)	-	(7,588)
Total	213	12	225	128,463	(26,479)	101,984

Reconciliation of effective tax rate

	Consolidated financial statements			
	2023	2022		
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		4,597,552		8,010,604
Income tax using the Thai corporation				
tax rate	20	919,510	20	1,602,121
Income not subject to tax		(114,027)		(117,776)
Profit was derived from promoted				
activities		(703,363)		(541,197)
Expenses not deductible for tax purposes		28,623		58,568
Deferred tax asset from tax loss expired		181,938		45,709
Prior year losses recognised as deferred				
tax asset in current year		-		(367,816)
Recognition of previously unrecognised				
tax losses		(32,332)		(558,246)
Current year losses for which no deferred				
tax asset was recognised		11,867		41,935
Under provided in prior years		198		2,530
Total	6	292,414	2	165,828

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Reconciliation of effective tax rate

	Separate financial statements			
	2023		2022	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		<u>3,288,441</u>		<u>6,987,246</u>
Income tax using the Thai corporation tax rate	20	657,688	20	1,397,449
Income not subject to tax		(700,395)		(529,586)
Expenses not deductible for tax purposes		19,435		25,776
Deferred tax asset from tax loss expired		124,264		-
Prior year losses recognised as deferred tax assets in current year		-		(367,816)
Recognition of previously unrecognised tax losses		(30,414)		(546,184)
Total	2	<u>70,578</u>	(0.29)	<u>(20,361)</u>

Deferred tax At 31 December	Consolidated financial statements			
	Assets		Liabilities	
	2023	2022	2023	2022
		(in thousand Baht)		
Total	1,175,187	1,246,516	(796,653)	(762,485)
Set off of tax	<u>(767,644)</u>	<u>(725,115)</u>	<u>767,644</u>	<u>725,115</u>
Net deferred tax assets (liabilities)	<u>407,543</u>	<u>521,401</u>	<u>(29,009)</u>	<u>(37,370)</u>

Deferred tax At 31 December	Separate financial statements			
	Assets		Liabilities	
	2023	2022	2023	2022
		(in thousand Baht)		
Total	993,119	1,021,635	(778,608)	(736,558)
Set off of tax	<u>(778,608)</u>	<u>(736,558)</u>	<u>778,608</u>	<u>736,558</u>
Net deferred tax assets (liabilities)	<u>214,511</u>	<u>285,077</u>	<u>-</u>	<u>-</u>

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

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

	At 1 January 2023	Consolidated financial statements (Charged) / Credited to		At 31 December 2023
		Profit or loss (in thousand Baht)	Other comprehensive income	
<i>Deferred tax assets</i>				
Allowance for expected credit loss	11,962	-	-	11,962
Allowance for decline in value of inventories	754	(257)	-	497
Allowance for impairment of assets	1,806	-	-	1,806
Provision for sales discount and sales promotional	38,613	(20,529)	-	18,084
Provision for employee benefit	399,689	(23,133)	-	376,556
Loss carry forward	793,531	(27,422)	-	766,109
Others	161	-	12	173
Total	1,246,516	(71,341)	12	1,175,187
<i>Deferred tax liabilities</i>				
Amortisation gap of concessions	(3,095)	171	-	(2,924)
Lease liabilities	(182,710)	(21,625)	-	(204,335)
Depreciation gap of assets	(529,421)	(21,384)	-	(550,805)
Property, plant and equipment	(47,259)	8,670	-	(38,589)
Total	(762,485)	(34,168)	-	(796,653)
Net	484,031	(105,509)	12	378,534

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

	At 1 January 2022	Consolidated financial statements (Charged) / Credited to		At 31 December 2022
		Profit or loss (in thousand Baht)	Other comprehensive income	
<i>Deferred tax assets</i>				
Allowance for expected credit loss	15,398	(3,436)	-	11,962
Allowance for decline in value of inventories	2,911	(2,157)	-	754
Allowance for impairment of assets	1,806	-	-	1,806
Provision for sales discount and sales promotional	13,249	25,364	-	38,613
Provision for employee benefit	442,853	(16,675)	(26,489)	399,689
Loss carry forward	772,307	21,224	-	793,531
Provision for decommissioning costs	13,125	(13,125)	-	-
Others	132	19	10	161
Total	1,261,781	11,214	(26,479)	1,246,516
<i>Deferred tax liabilities</i>				
Amortisation gap of concessions	(3,275)	180	-	(3,095)
Lease liabilities	(166,633)	(16,077)	-	(182,710)
Depreciation gap of assets	(534,524)	5,103	-	(529,421)
Property, plant and equipment	(55,929)	8,670	-	(47,259)
Total	(760,361)	(2,124)	-	(762,485)
Net	501,420	9,090	(26,479)	484,031

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

		Separate financial statements (Charged) / Credited to		
	At 1 January 2023	Profit or loss (in thousand Baht)	Other comprehensive income	At 31 December 2023
<i>Deferred tax assets</i>				
Allowance for expected credit loss	11,962	-	-	11,962
Allowance for impairment of assets	900	-	-	900
Provision for sales discount and sales promotional	37,833	(20,421)	-	17,412
Provision for employee benefit	341,970	(19,977)	-	321,993
Loss carry forward	628,810	11,870	-	640,680
Others	160	-	12	172
Total	1,021,635	(28,528)	12	993,119
<i>Deferred tax liabilities</i>				
Amortisation gap of concessions	(3,095)	172	-	(2,923)
Lease liabilities	(149,922)	(27,962)	-	(177,884)
Depreciation gap of assets	(583,541)	(14,260)	-	(597,801)
Total	(736,558)	(42,050)	-	(778,608)
Net	285,077	(70,578)	12	214,511

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

		Separate financial statements (Charged) / Credited to		
	At 1 January 2022	Profit or loss (in thousand Baht)	Other comprehensive income	At 31 December 2022
Deferred tax assets				
Allowance for expected credit loss	12,122	(160)	-	11,962
Allowance for impairment of assets	900	-	-	900
Provision for sales discount and sales promotional	12,437	25,396	-	37,833
Provision for employee benefit	383,835	(15,376)	(26,489)	341,970
Loss carry forward	599,173	29,637	-	628,810
Others	150	-	10	160
Total	1,008,617	39,497	(26,479)	1,021,635
Deferred tax liabilities				
Amortisation gap of concessions	(3,275)	180	-	(3,095)
Lease liabilities	(126,436)	(23,486)	-	(149,922)
Depreciation gap of assets	(587,711)	4,170	-	(583,541)
Total	(717,422)	(19,136)	-	(736,558)
Net	291,195	20,361	(26,479)	285,077

As at 31 December 2022, the Group has deferred tax arising from loss carry forward has not been recognised in the consolidated financial statements amounting to Baht 267 million. The tax losses expire in 2023 to 2027. The deductible temporary differences do not expire under current tax legislation. The Group has not recognised these items as deferred tax assets because it is not probable that the Group will have sufficient future taxable profit to utilise the benefits therefrom.

Recognition of deferred tax asset from tax loss

In 2023, management estimates future taxable profits and, as at 31 December 2023, the Group recognised deferred tax assets from tax losses in the consolidated and separate financial statements amounting to Baht 159 million and Baht 136 million, respectively (2022: Baht 794 million and Baht 629 million, respectively) because management considered it is probable that future taxable profits would be available against which such losses can be used.

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Deferred tax asset from loss carry forward in the consolidated and separate financial statements will expire as detail shown below.

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Deferred tax assets from loss carry forward expiring in year				
- 2023	-	395,853	-	338,180
- 2024	21,161	50,797	-	29,637
- 2025	257,225	260,993	257,225	260,993
- 2026	48,592	48,592	-	-
- 2027	284,722	37,296	247,426	-
- 2028	154,409	-	136,029	-
Total	766,109	793,531	640,680	628,810

26 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2023 and 2022 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years, after adjusting the own shares held by subsidiaries. The calculations are as follows:

	Consolidated and Separate financial statements	
	2023	2022
	<i>(in thousand Baht / thousand shares)</i>	
Profit attributable to ordinary shareholders of the Company (Basic)	3,217,863	7,007,607
Number of ordinary shares outstanding at 1 January	18,935,235	19,126,500
Effect of treasury shares	-	(182,992)
Weighted average number of ordinary shares outstanding (basic)	18,935,235	18,943,508
Earnings per share (basic) (in Baht)	0.170	0.370

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

27 Dividends

	Approval date	Payment schedule	Dividend rate per share (in Baht)	Amount (in million Baht)
2023				
2022 Annual dividend	25 April 2023	18 May 2023	0.07	1,325
2023 Interim dividend	31 August 2023	29 September 2023	0.03	568
2022				
2021 Annual dividend	20 April 2022	17 May 2022	0.06	1,136
2022 Interim dividend	24 November 2022	22 December 2022	0.03	568

28 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, but does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

	Note	Consolidated financial statements							
		Carrying amount		Fair value					
		Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total (in thousand Baht)	Level 1	Level 2	Level 3	
<i>At 31 December 2023</i>									
<i>Financial assets</i>									
Other financial assets									
Investment in equity instruments		-	122	-	122	122	-	-	122
Investment in debt instruments		300,663	1,224	510,819	812,706	-	776,678	-	776,678
Total financial assets		<u>300,663</u>	<u>1,346</u>	<u>510,819</u>	<u>812,828</u>				
<i>Financial liabilities</i>									
Promissary Note	16	-	-	9,407,680	9,407,680	-	9,408,074	-	9,408,074
Debentures	16	-	-	75,397,600	75,397,600	-	75,932,177	-	75,932,177
Total financial liabilities		<u>-</u>	<u>-</u>	<u>84,805,280</u>	<u>84,805,280</u>				

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

	Note	Consolidated financial statements											
		Carrying amount		Fair value									
		Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total (in thousand Baht)	Level 1	Level 2	Level 3	Total				
At 31 December 2022													
Financial assets													
Other financial assets													
Investment in equity instruments		-	183	-		183		183		-			183
Investment in debt instruments		-	1,210	515,301		516,511		-		470,610			470,610
Total financial assets		-	1,393	515,301		516,694							
Financial liabilities													
Promissory Note	16	-	-	4,355,338		4,355,338		-		4,356,344			4,356,344
Debentures	16	-	-	66,585,600		66,585,600		-		66,929,768			66,929,768
Total financial liabilities		-	-	70,940,938		70,940,938							

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

<i>At 31 December 2023</i>	<i>Note</i>	Carrying amount			Separate financial statements			Fair value		
		Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total	
					<i>(in thousand Baht)</i>					
Financial assets										
Other financial assets										
Investment in equity instruments		-	122	-	122	122	-	-	-	122
Investment in debt instruments		-	-	12,571	12,571	-	12,623	-	-	12,623
Total financial assets		<u>-</u>	<u>122</u>	<u>12,571</u>	<u>12,693</u>					
Financial liabilities										
Promissory Note	16	-	-	9,407,680	9,407,680	-	9,408,074	-	-	9,408,074
Debentures	16	-	-	54,190,200	54,190,200	-	54,557,944	-	-	54,557,944
Total financial liabilities		<u>-</u>	<u>-</u>	<u>63,597,880</u>	<u>63,597,880</u>					

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

	Note	Carrying amount		Separate financial statements				Fair value	
		Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total (in thousand Baht)	Level 1	Level 2		Level 3
At 31 December 2022									Total
Financial assets									
Other financial assets									
Investment in equity instruments		-	183	-	183	183	-	-	183
Investment in debt instruments		-	-	12,529	12,529	-	12,872	-	12,872
Total financial assets		-	183	12,529	12,712				
Financial liabilities									
Promissory Note	16	-	-	4,355,338	4,355,338	-	4,356,344	-	4,356,344
Debentures	16	-	-	51,278,200	51,278,200	-	51,659,611	-	51,659,611
Total financial liabilities		-	-	55,633,538	55,633,538				

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

The following tables present valuation technique of financial instruments measured at fair value in the statements of financial position:

Type	Valuation technique
Investments in government bonds guaranteed by the government, classified as financial assets measured at amortised cost	Thai Bond Market Association Government Bond Yield Curve as of the reporting date.
Investments in marketable unit trusts classified as financial assets measured at FVTPL or FVOCI	The net asset value as of the reporting date.
Debentures	A valuation technique incorporating observable market data which is adjusted with counterparty credit risk (excluding own credit risk) and other risks to reflect true economic value.

(b) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

(b.1.1) Trade accounts receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 22(c).

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's commercial terms and conditions are offered. The Group's review financial statements, industry information and in some cases bank references. Sale limits are established for each customer and reviewed regularly. Any sales exceeding those limits require approval from the risk management committee.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 360 days. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for groupings of various customer segments with similar credit risks to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade accounts receivables and contract assets are disclosed in note 6 and 22, respectively.

(b.1.2) Investment in debt securities

The Group considers that all debt investments measured at amortised cost and FVOCI have low credit risk. Then the credit loss allowance assessed during the year was therefore limited to 12 months expected losses or 'low credit risk'. Marketable bonds are considered to be an investment grade credit rating published by external credit rating agencies. The credit risk of other instruments are considered to be low when the risk of default is low and the issuer has a strong capacity to meet its contractual cash flow obligations.

(b.1.3) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

The following table shows the remaining contractual maturities of financial liabilities at the reporting date.

Consolidated financial statements					
Contractual cash flows					
	Carrying amount	1 year or less	After 1 year but within 5 years	More than 5 years	Total
<i>At 31 December 2023</i>			(in thousand Baht)		
Non-derivative financial liabilities					
Short-term loans from financial institutions	9,407,680	9,407,680	-	-	9,407,680
Trade payables	2,873,940	2,864,183	3,482	6,275	2,873,940
Lease liabilities	339,004	145,866	139,591	131,502	416,959
Debentures	75,397,600	15,431,900	59,965,700	-	75,397,600
Total	88,018,224	27,849,629	60,108,773	137,777	88,096,179
<i>At 31 December 2022</i>					
Non-derivative financial liabilities					
Short-term loans from financial institutions	4,355,338	4,355,338	-	-	4,355,338
Trade payables	3,791,529	3,751,996	35,212	4,321	3,791,529
Lease liabilities	431,529	181,368	217,364	140,055	538,787
Debentures	66,585,600	12,843,200	53,742,400	-	66,585,600
Total	75,163,996	21,131,902	53,994,976	144,376	75,271,254
Separate financial statements					
Contractual cash flows					
	Carrying amount	1 year or less	After 1 year but within 5 years	More than 5 years	Total
<i>At 31 December 2023</i>			(in thousand Baht)		
Non-derivative financial liabilities					
Short-term loans from financial institutions	9,407,680	9,407,680	-	-	9,407,680
Trade payables	2,370,681	2,363,003	3,024	4,654	2,370,681
Lease liabilities	190,807	94,005	76,773	39,900	210,678
Debentures	54,190,200	11,642,300	42,547,900	-	54,190,200
Total	66,159,368	23,506,988	42,627,697	44,554	66,179,239
<i>At 31 December 2022</i>					
Non-derivative financial liabilities					
Short-term loans from financial institutions	4,355,338	4,355,338	-	-	4,355,338
Trade payables	3,129,922	3,114,876	11,030	4,016	3,129,922
Lease liabilities	246,528	122,502	134,943	42,648	300,093
Debentures	51,278,200	10,023,200	41,255,000	-	51,278,200
Total	59,009,988	17,615,916	41,400,973	46,664	59,063,553

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

(b.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales of goods, purchases of machine and equipment and loans which are denominated in foreign currencies.

<i>Exposure to foreign currency at At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>United States Dollars</i>				
Cash and cash equivalents	6,236,014	2,441,951	6,232,329	2,431,049
Trade accounts receivable	1,155,360	1,192,951	1,129,071	1,171,381
Trade accounts payable	(63,842)	(642,653)	(63,513)	(642,320)
Other payables - machines	(1,539,644)	(507,970)	(9,882)	(23,418)
	<u>5,787,888</u>	<u>2,484,279</u>	<u>7,288,005</u>	<u>2,936,692</u>
<i>Euro</i>				
Cash and cash equivalents	591	6,491	42	214
Trade accounts receivable	4,070	7,676	-	-
Trade accounts payable	(14,063)	(14,098)	(14,063)	(14,098)
Other payables - machines	(60,721)	(167,868)	(49,590)	(134,498)
	<u>(70,123)</u>	<u>(167,799)</u>	<u>(63,611)</u>	<u>(148,382)</u>
<i>Others</i>				
Cash and cash equivalents	184	1,273	113	836
Trade accounts receivable	128,381	121,571	128,381	121,571
Trade accounts payable	(42,933)	(68,268)	(42,933)	(68,268)
Other payables - machines	(1,269)	(2,035)	-	-
	<u>84,363</u>	<u>52,541</u>	<u>85,561</u>	<u>54,139</u>
Net exposure	<u>5,802,128</u>	<u>2,369,021</u>	<u>7,309,955</u>	<u>2,842,449</u>

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (see note 16). The Group mitigates this risk by ensuring that the majority of its debt securities and borrowings are at fixed interest rates.

29 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

30 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
Agreements for construction, machine and equipment	<u>7,567,462</u>	<u>9,041,368</u>	<u>1,061,570</u>	<u>1,396,171</u>
<i>Other commitments</i>				
Short-term lease and services commitments	1,633	1,628	-	-
Unused letters of credit	234,926	306,244	232,004	306,244
Purchase agreement for raw material	157,667	99,001	152,704	99,001
Bank guarantees	718,572	1,093,476	300,221	263,169
Total	<u>1,112,798</u>	<u>1,500,349</u>	<u>684,929</u>	<u>668,414</u>

31 Contingent liabilities

As at 31 December 2023, the Company had the major lawsuits as follows:

- 1) Due to on 20 February 2017, Tham Phra Phothisat Temple (the "Plaintiff") filed a complaint with the Central Administrative Court (the "Court") being the Black Case No. Sor. 3/2560, and claimed that Plaintiff is authorized by the Fine Arts Department to be the caretaker of the Phothisat cave (Tham Phra Phothisat), but did not have a written power of attorney, and alleged that the Company's mining activity caused damage to the engraved images in Phothisat cave. Later, on 2 June 2017, the Court called the Company to be a party (as an interpleader) in the case where the Plaintiff filed a lawsuit against the Minister of the Ministry of Industry, 1st Defendant, the Director-General of Department of Primary Industries and Mines, 2nd Defendant, Department of Mineral Resources, 3rd Defendant and Saraburi Provincial Industry Office, 4th Defendant (collectively "Defendants"); claiming that the Defendants' issuance of Prathanabat to the Company is done in contradiction to regulation of Ministry of Interior on the Conditions and Means of Prathanabat Issuance, under Section 9 of the Land Code B.E. 2497, which such regulation of Ministry of Interior was issued in B.E. 2535; thus, the Plaintiff requested that such Prathanabat issued by the Defendants to "Petrochemical Industry Company Limited" which such Prathanabat was later assigned to the Company, be revoked. Further, the Plaintiff filed a request for an emergency interim measure demanding that the Court orders the Company to stop the blasting of rocks for mining activity, until the decision of this case is reached.

On 3 August 2017, the Court, together with the parties of this case went to examine the location at Phothisat cave and found the Bas-relief art images of Buddha, Shiva god, Narai god, Hermit, etc. located at the front area of the cave; and during the examination at the location, the officer of Fine Arts Department informed that according to the evidences which are the photographed pictures of the art images which were taken in B.E. 2507, B.E. 2508, B.E. 2534, B.E. 2535, B.E. 2559 and B.E. 2560, there is no traces of any changes to the art images based on comparison with those pictures. Further, the Court, together with the parties of this case, examined the area of the Company (interpleader) which was granted with Prathanabat by witnessing the rock blasting activity of the interpleader around 15.30 o'clock, standing approximately 300-400 metres from the area of blasting activity; which at the time of blasting, it made a slightly loud sound, but no vibration was detected. Later, on 8 September 2017, Court denied the Plaintiff's request for an emergency interim measure for the Company to comply with the order of the 4th Defendant.

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

The 1st Defendant submitted a written statement dated 8 May 2017 to the Court, which stated that the 1st Defendant is authorized with the power to issue Prathanabat to each applicant in accordance with the Minerals Act, B.E. 2510. The 2nd Defendant submitted a written statement dated 4 May 2017 to the Court, which stated that the 2nd Defendant was assigned with the administration power from Department of Mineral Resources according to the Reorganization of Ministry, Sub-Ministry, and Department Act, B.E. 2545 and is authorized with the duty to consider the application for Prathanabat which have been submitted to the officials at the local Industry Office, and the 2nd Defendant is authorized with the power to grant Prathanabat in accordance with Section 54 of the Minerals Act, B.E. 2510; and after Prathanabat is granted, the 2nd Defendant has the duty to control, monitor and inspect that the person whom has been granted with Prathanabat, shall comply with the Minerals Act, B.E. 2510 and the conditions set forth in the annex of Prathanabat. The 3rd Defendant submitted a written statement dated 28 March 2017 to the Court, which stated that the presently, the 3rd Defendant is not authorized by the laws related to the issuance of Prathanabat, which is due to the Royal Decree on transfer of administration duty and power of the administrative agencies issued according to the Reorganization of Ministry, Sub-Ministry, and Department Act, B.E. 2545, Section 151 which transferred the said duty, power and asset to Department of Primary Industries and Mines (2nd Defendant). The Fine Arts Department also submitted a written statement dated 5 April 2017 to the Court, which stated that the Phothisat cave is deemed as ancient monument under Section 4 of Act on ancient monuments, antiques, objects of art and national museum, B.E. 2504 and the Fine Arts Department had already announced the registration of Phothisat cave as ancient monuments in the government gazette since 6 April 1965; and the Fine Arts Department authorized the director of Regional Office of the Arts Department, No.3, Ayutthaya, with the authority to file any complaint to the inquiry officer who has authority in the area, against any wrongdoer. The statement further clarified that on 14 December 2016, the Fine Arts Department had inspected the Phothisat cave and there appeared to be no traces of any damage, nor any damage to the Bas-relief art images from Dvaravati era, e.g. images of Buddha, Narai god, Shiva god or other persons; which are in good order and it was found that the conditions of the other areas within the cave are normal without traces of any damage being caused by the mining activity of the Company.

The fact-finding procedure of the case had ended and the Court had set the first trial date to be 9 September 2020 together with submission of summary of facts from the Judge who presided over this case dated 11 August 2020 and scheduled the date of rendering the Court's decision to be on 30 September 2020.

The Court ruled that the Defendants lawfully issued Prathanabat to "Petrochemical Industry Company Limited" and in accordance with the Land Code and Minerals Act, B.E. 2510, which such Prathanabat was later transferred to the Company, which were done lawfully and legitimately; the mining activity of the Company which is the blasting of rocks according to Prathanabat and using the explosives not exceeding the rate of 130 kilograms, further, the result of vibration or compression level inspection are according to the safety standard, when compared with the standard set forth by the Ministry of Natural Resources and Environment. Additional, the Fine Arts Department also stated that according to the inspection result, there is no additional damage, the Bas-relief art images are in good condition and there is no damage to the area within the cave; thus, the Court has no reason nor cause to issue the order according to the Plaintiff's request and the Court has ruled that the case is dismissed and the Court's order relating to the emergency interim measure dated 8 September 2017 shall be revoked starting from the first day of which the appeal submission period has expired (in case there is no appeal submission) or starting from the date on which the Court has ordered its decision to accept or not accept the appeal (in case there is submission of an appeal), as the case maybe.

The Plaintiff submitted the appeal to the Court on 27 October 2020 and the Court accepted the appeal of the Plaintiff. Therefore, the Court's order dated 8 September 2017 relating to the emergency interim measure ceased to be in effect. The Court allowed the date to submit the answer to the appeal to be within 21 February 2021. The interpleader submitted the answer to the appeal on 5 February 2021.

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

On 22 March 2023, the Supreme Administrative Court issued a notice advising the parties of the Court's order that 28 April 2023 shall be the date of fact inquiry termination. At the moment, a judge of the Supreme Administrative Court who is the judge rapporteur is in the process of preparing the statement of this case.

- 2) This case is due to the Company received permit to dig the water-well, from Mittraphap Subdistrict Administration Organization and the Company dig the water-well in the Company's own land, in order to preserve the environment and to be used for prevention of fire (the Black Case No. SorWor.2/2561). Later, on 21 June 2018, the Department of Primary Industry and Mines, Ministry of Industry, by representation of the district attorney, the Office of Attorney General (the "Plaintiff"), filed a lawsuit against the Company (the "Defendant") at the Civil Court (the "Court"), claiming the violation in mining activity with the principal amount of claim of Baht 71,566,889.42. The Plaintiff claimed that the Company conducted its shale mining unlawfully in the area in which Prathanabat for such area has not been granted, totaling 2 locations; thus, requesting that the Court to order the Company to return the shale totaling of 249,159.96 metric tons back to the original area and restore the area into its previous condition or pay the compensation consisting of the value of the shale and royalty fee to the government in the amount of Baht 66,650,289.31 together with interest.

The Company plead in its defense that the Plaintiff does not have any authority to file such lawsuit according to the Enhancement and Conservation of National Environmental Quality Act B.E. 2535, the lawsuit is vague, delusive without any evidence and is already time-barred by prescription period; further, the lawsuit is a civil claim in connection with criminal offence, the Plaintiff claimed that the Company conducted unlawful mining activity, however, the claim is fault, the Company did not commit any criminal offence and did not infringe any rights of the Plaintiff, thus, the civil claim does not exist due to non-existence of infringement, the Company has not committed any wrongdoing according to the complaint and is not liable to any claim. The hearing was finished and the Court ordered the date to render the Court's decision to be on 24 March 2020.

On 24 March 2020, the Court ordered the Company to return the shale totaling 249,159.96 metric tons back to the original area and restore the area to its previous condition or pay the compensation consisting of the value of the shale and royalty fee to the government in the amount of Baht 66,650,289.31 together with interest at the rate of 7.5 percent per annum on the said amount, starting from the date of the violation (28 June 2017) until the date of the complaint filing (359 days) making the interest to be Baht 4,916,600.11. Total amount of combined principal and interest is Baht 71,566,889.31. The Court also ordered that the interest on the principal amount of Baht 66,650,289.31, in the rate of 7.5 percent per annum would be paid calculating from the next day after the date of filing of the complaint until the payment is received in full together with the court fees in behalf of the Plaintiff and attorney fee of Baht 80,000.

The Company filed the appeal together with the request for delay of judgement execution on 19-August 2020.

On 20 October 2021, the Civil Court pronounced the judgment of the Court of Appeal in which the Court of Appeal modified the judgment by charging interest at a rate of 5 percent per annum pursuant to the judgment of the Court of First Instance from 11 April 2021 onwards until payment to the Plaintiff in full or by making an adjustment to decrease or increase the interest in accordance with the Royal Decree enacted under newly amended Section 7 of the Civil Procedure Code plus an increasing rate of 2 percent per annum but not exceeding the rate of 7.5 percent per annum as requested by the Plaintiff. Other than the amendment, the judgment of Court of Appeal shall govern.

The Company has applied for permission to lodge an appeal to the Supreme Court challenging the judgment of the Court of Appeal together with a stay of execution pending the appeal to the Supreme Court on 18 February 2022.

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

On 23 January 2023, the Civil Court made the announcement of the Supreme Court's order, whereby the Supreme Court allowed the Company to submit an appeal to the Supreme Court and accepted the said Company's appeal for consideration. The case is pending a judgement of the Supreme Court.

The complaint of this case described that the lawsuit is a civil claim in connection with the criminal offence for the part concerning the Department of Primary Industry and Mines' filling of report to the inquiry official requesting the inquiry official to commence the criminal proceeding against the Company for unlawful mining activity without permit; and the inquiry official issued the opinion that this case shall not be prosecuted and later on, the District Attorney also concurred and issued the final order that the criminal case will not be prosecuted against the Company, thus, the criminal case is final.

- 3) On 20 June 2019, Tham Phra Phothisat Temple (the "Plaintiff") filed a lawsuit against the Ministry of Industry, as 1st defendant and other related persons as co-defendants, totaling 31 persons, in a Black Case No. Sor. 17/2562, which the Company is the 30th Defendant in the lawsuit and the Plaintiff also filed request for the Court to order an emergency interim measure, until the decision of this case is reached. Later on, the Court also ordered the Committee of Professional on Environmental Impact Assessment Report (the "Committee"), as the 32nd Defendant. The Court has considered and issued the order dated 17 September 2019, to accept the complaint against some of the respondents and denied to accept the complaint against some respondents and some claims (the Court only accept the followings as defendants: Ministry of Industry, as 1st Defendant, Minister of Ministry of Industry, as 2nd Defendant, Department of Primary Industry and Mines, as 3rd Defendant, Director-General of Department of Primary Industry and Mines, as 4th Defendant, the Company, as the 30th Defendant and the Committee, as the 32nd Defendant, respectively). The Court also issued order dated 17 September 2019 which denied the Plaintiff's request for an emergency interim measure. The Plaintiff claimed to be the authorized person from the Fine Arts Department as caretaker of the Phothisat Cave, but did not have a written power of attorney, but requested to the Court to order that the application for Prathanabat of the Company is unlawful, the Plaintiff also claimed that the resolution of the 32nd Defendant which approved the Company's Environmental Impact Assessment Report for the Company's mining activity, concealed the facts, thus, unlawful. The Plaintiff requested the Court to order the revocation of the Company's application for Prathanabat of limestone mining, in which the Company has submitted for approval.

The Defendant submitted written statement of defense which informed the Court that the Plaintiff has no authority to file the complaint and this complaint repeated the complaint filed in Black Case No. Sor.3/2560, and the Company's application for Prathanabat of limestone mining is lawful and in accordance with the rules, procedures and methods as prescribed by the laws, further, the applied area for Prathanabat is not the restricted area under the laws in respect of Mineral and Forest; and there is an Environmental Impact Assessment Report which have been prepared correctly and completely in accordance with the law in relation to Enhancement and Conservation of National Environmental Quality and law related to Mineral, for application for Prathanabat which have been submitted for approval from the authority. The application for Prathanabat is pending the consideration for approval of the authority and the Company's application for Prathanabat did not cause any damage or grievance to the Plaintiff, thus, the Defendant requested the Court to dismiss the complaint.

The Company have made and submitted the additional statement of defense to the Court on 14 January 2021, the case is under the process of the Court's fact finding procedure.

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

- 4) On 8 July 2015, the Department of Primary Industries and Mines, Ministry of Industry by the representation of the Saraburi Office of District Attorney (the "Plaintiff") filed a civil lawsuit (the Black Case No. SorWor.4/2559) against the Company (the "Defendant") with the principle amount of claim in total of Baht 4,066,535,823. The Plaintiff later amended the complaint to increase the amount of claim to be the total of Baht 4,338,558,231.54; claiming that the Company engaged its limestone mining activity in the area outside the designated area under the Prathanabat and requested that the Company returned the limestone ore in total of 31,522,374.26 metric tons and restore the area to be in its previous condition or pay the compensation together with the 7.5 per annum interest.

The Company plead in its statement of defense that the Plaintiff does not have any authority to file such lawsuit according to the Enhancement and Conservation of National Environmental Quality Act B.E. 2535, the lawsuit is vague, delusive without any evidence and is already time-barred by prescription period; further, the lawsuit is a civil claim in connection with criminal offence relating to unlawful mining activity, however, the Company has not committed any criminal offence and did not infringe any rights of the Plaintiff, thus, the civil claim does not exist due to non-existence of infringement, the Company has not committed any wrongdoing according to the complaint and is not liable to any claim, therefore, the Company denied all claims under the complaint. Additionally, the Company also has, in reserve pursuant to the Prathanabat, several hundred million tons of limestone and the said reserves, if not used before the expiration of the Prathanabat, would not be usable after the expiration date, therefore, the Defendant does not have any cause or necessity to the engage in mining activity outside the designated area.

The case was requested to be transferred to the Environmental Law Division of the Civil Court to be jointly considered with other related cases and the Court granted the said request.

On 13 December 2019, the Civil Court ordered the Company to return the limestone ore in total of 31,522,374.26 metric tons back to the area where the mining activity was done and to restore such area to the previous condition or pay the compensation of Baht 4,047,472,854.98 together with the 7.5 percent per annum interest on the said principle amount, calculating from the discovery date of the unlawful mining activity (24 July 2014) until the date of the filing of complaint (350 days) totaling Baht 291,085,376.56 making it Baht 4,338,558,231.54 in total. The Court also ordered the Defendant to pay 7.5 percent per annum interest on the principal of Baht 4,047,472,854.98 counting from the day after the complaint filing date until the payment is made in full.

The Company filed an appeal with the request for a delay of judgement execution on 8 May 2020.

On 17 November 2021, the Civil Court pronounced the judgment of the Court of Appeal in which the Court of Appeal modified the judgment by charging interest at a rate of 5 percent per annum pursuant to the judgment of the Court of First Instance from 11 April 2021 onwards until payment to the Plaintiff in full or by making an adjustment to decrease or increase the interest in accordance with the Royal Decree enacted under newly amended Section 7 of the Civil Procedure Code plus an increasing rate of 2 percent per annum but not exceeding the rate of 7.5 percent per annum as requested by the Plaintiff. Other than the amendment, the judgment of Court of Appeal shall govern. There is no court cost at the appellate level.

The Company has applied for permission to lodge an appeal to the Supreme Court challenging the judgement of the Court of Appeal together with a stay of execution pending the appeal to the Supreme Court on 17 March 2022.

On 22 November 2022, the Civil Court made the announcement of the Supreme Court's order, whereby the Supreme Court allowed the Company to submit an appeal to the Supreme Court and accepted the said Company's appeal for consideration. The case is pending a judgement of the Supreme Court.

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

The complaint of this case described that the lawsuit is a civil claim in connection with the criminal offence for the part concerning the Department of Primary Industry and Mines's filling of report to the inquiry official requesting the inquiry official to commence the criminal proceeding against the Company for unlawful mining activity without permit; and the inquiry official issued the opinion that this case shall not be prosecuted and later on, the District Attorney also concurred and issued the final order that the criminal case will not be prosecuted against the Company, thus, the criminal case is final.

- 5) On 24 March 2016, the Department of Primary Industries and Mines, Ministry of Industry by the representation of the Saraburi Office of District Attorney (the "Plaintiff") filed a civil lawsuit (the Black Case No. SorWor.6/2559) against the Company (the "Defendant") claiming that the Company engaged its limestone mining activity in the area outside the designated area under the Prathanabat. The complaint requested the Company to return the limestone ore of 2,447,906.76 metric tons and restore the area into the previous condition or pay the compensation of Baht 327,680,219.25 together with 7.5 percent per annum interest.

The Company plead in its defense that the Plaintiff does not have any authority to file such lawsuit according to the Enhancement and Conservation of National Environmental Quality Act B.E. 2535, the lawsuit is vague, delusive without any evidence and is already time-barred by prescription period; further, the lawsuit is a civil claim in connection with criminal offence relating to unlawful mining activity, however, the Company has not committed any criminal offence and did not infringe any rights of the Plaintiff, thus, the civil claim does not exist due to non-existence of infringement, the Company has not committed any wrongdoing according to the complaint and is not liable to any claim, therefore, the Company denied all claims under the complaint. Additionally, the Company also has, in reserve pursuant to the Prathanabat, several hundred million tons of limestone and the said reserves, if not used before the expiration of the Prathanabat, would not be usable after the expiration date, therefore, the Defendant does not have any cause or necessity to the engage in mining activity outside the designated area.

The case was requested to be jointly considered with other related cases and the Court granted the said request.

On 13 December 2019, the Civil Court ordered the Company to return the limestone ore for cement industry, in total of 2,447,906.76 metric tons back to the area where the mining activity was done and restore such area to the previous condition or pay the compensation of Baht 314,311,227.98 together with the 7.5 percent per annum interest, calculating from the discovery date of the unlawful mining activity (31 August 2015) until the date of the filing of complaint (207 days) totaling Baht 13,368,991.27 making it Baht 327,680,219.25 in total. The Court also ordered the Defendant to pay 7.5 percent per annum interest on the principal of Baht 314,311,227.98 counting from the day after the complaint filing date until the payment is made in full and ordered that the Defendant pay the court fees on the Plaintiff's behalf (court fee shall be calculated from the amount of claim ordered in favour of the Plaintiff) and to pay the attorney fee of Baht 100,000.

The Company filed an appeal with the request for a delay of judgement execution on 8 May 2020.

On 17 November 2021, the Civil Court pronounced the judgment of the Court of Appeal in which the Court of Appeal modified the judgment by charging interest at a rate of 5 percent per annum pursuant to the judgment of the Court of First Instance from 11 April 2021 onwards until payment to the Plaintiff in full or by making an adjustment to decrease or increase the interest in accordance with the Royal Decree enacted under newly amended Section 7 of the Civil Procedure Code plus an increasing rate of 2 percent per annum but not exceeding the rate of 7.5 percent per annum as requested by the Plaintiff. Other than the amendment, the judgment of Court of Appeal shall govern. There is no court cost at the appellate level.

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

The Company has applied for permission to lodge an appeal to the Supreme Court challenging the judgement of the Court of Appeal together with a stay of execution pending the appeal to the Supreme Court on 17 March 2022.

On 22 November 2022, the Civil Court made the announcement of the Supreme Court's order, whereby the Supreme Court allowed the Company to submit an appeal to the Supreme Court and accepted the said Company's appeal for consideration. The case is pending a judgement of the Supreme Court.

The complaint of this case described that the lawsuit is a civil claim in connection with the criminal offence for the part concerning the Department of Primary Industry and Mines' filling of report to the inquiry official requesting the inquiry official to commence the criminal proceeding against the Company for unlawful mining activity without permit; and the inquiry official issued the opinion that this case shall not be prosecuted and later on, the District Attorney also concurred and issued the final order that the criminal case will not be prosecuted against the Company, thus, the criminal case is final.

- 6) On 24 March 2016, the Department of Primary Industries and Mines, Ministry of Industry by the representation of the Saraburi Office of District Attorney (the "Plaintiff") filed a civil lawsuit (the Black Case No. SorWor.5/2559) against the Company (the "Defendant") in the civil case claiming for compensation totaling Baht 1,671,128,829.14 stating that the Company engaged its limestone mining activity unlawfully (engaged in the mining restricted area) demanding that the ore totaling 12,484,023.50 metric tons be returned and the area be restored into its previous condition or pay the compensation together with the 7.5 percent per annum interest.

The Company plead in its statement of defense that the Plaintiff does not have any authority to file such lawsuit according to the Enhancement and Conservation of National Environmental Quality Act B.E. 2535, the lawsuit is vague, delusive without any evidence and is already time-barred by prescription period; further, the lawsuit is a civil claim in connection with criminal offence relating to unlawful mining activity, however, the Company has not committed any criminal offence and did not infringe any rights of the Plaintiff, thus, the civil claim does not exist due to non-existence of infringement, the Company has not committed any wrongdoing according to the complaint and is not liable to any claim, therefore, the Company denied all claims under the complaint. Additionally, the Company also has, in reserve pursuant to the Prathanabat, several hundred million tons of limestone and the said reserves, if not used before the expiration of the Prathanabat, would not be usable after the expiration date, therefore, the Defendant does not have any cause or necessity to the engage in mining activity outside the designated area.

On 2 August 2019, the Court ordered the Company to return the limestone for cement industry totaling 12,484,023.50 metric tons back to the area where the mining activity was done and restore such area to the previous condition or pay the compensation of Baht 1,602,948,617.40 together with the interest of 7.5 percent per annum of such amount calculating from the date of being notified of the land survey result (31 August 2015) until the date of the filing of complaint (207 days) making the interest to be Baht 68,180,211.74, making it Baht 1,671,128,829.14 in total, together with payment of 7.5 percent per annum interest on the principle amount of Baht 1,602,948,617.40 counting from the day after the complaint filing date until the payment is made in full and ordered that the Defendant pay the court fees on the Plaintiff's behalf (court fee shall be calculated from the amount of claim ordered in favour of the Plaintiff) and to pay the attorney fee of Baht 200,000.

The Company does not agree with the decision of the Court of the First Instance and filed the appeal together with the request for a delay of judgement execution on 3 December 2019. The case is pending the consideration of the Court of Appeal. The Court makes an appointment for the hearing of a judgement or order of the Court of Appeal on 10 May 2022.

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

On 10 May 2022, The Civil Court pronounced the judgment of the Court of Appeal in which the Court of Appeal modified the judgment by charging interest at a rate of 5 percent per annum pursuant to the judgment of the Court of First Instance from 11 April 2021 onwards until payment to the Plaintiff in full or by making an adjustment to decrease or increase the interest in accordance with the Royal Decree enacted under newly amended Section 7 of the Civil Procedure Code plus an increasing rate of 2 percent per annum but not exceeding the rate of 7.5 percent per annum as requested by the Plaintiff. Other than the amendment, the judgment of Court of Appeal shall govern. There is no court cost at the appellate level. The future court fee on entry of a complaint of Baht 100 baht shall be paid back to the defendant. The defendant shall be required to pay for the appellate fees on behalf of the plaintiff together with an attorney fee imposed at Baht 200,000.

The Company has applied for permission to lodge an appeal to the Supreme Court challenging the judgement of the Court of Appeal together with a stay of execution pending the appeal to the Supreme Court on 12 October 2022.

On 14 September 2023, the Civil Court made the announcement of the Supreme Court's order, whereby the Supreme Court allowed the Company to submit an appeal to the Supreme Court and accepted the said Company's appeal for consideration. The case is pending a judgement of the Supreme Court.

- 7) On 2 March 2017, the Department of Primary Industries and Mines, Ministry of Industry by the representation of the district attorney of the Office of the Attorney General (the "Plaintiff"), filed a complaint against the Company (the "Defendant") at the Civil Court, Environmental Law Department (the Black Case No. SorWor.1/2560) with the lawsuit amount of Baht 344,882,135.15 claiming that the Company partially engaged its mining activity in the area designated in the Prathanabat unlawfully requesting that the shale totaling 1,220,559.82 metric tons be returned to the area and the area be restored into its previous condition or to pay compensation together with the 7.5 percent per annum interest.

The Company plead in its statement of defense that the Plaintiff does not have any authority to file such lawsuit according to the Enhancement and Conservation of National Environmental Quality Act B.E. 2535, the lawsuit is vague, delusive without any evidence and is already time-barred by prescription period; further, the lawsuit is a civil claim in connection with criminal offence relating to unlawful mining activity, however, the Company has not committed any criminal offence and did not infringe any rights of the Plaintiff, thus, the civil claim does not exist due to non-existence of infringement, the Company has not committed any wrongdoing according to the complaint and is not liable to any claim, therefore, the Company denied all claims under the complaint. Additionally, the Company also has, in reserve pursuant to the Prathanabat, several hundred million tons of limestone and the said reserves, if not used before the expiration of the Prathanabat, would not be usable after the expiration date, therefore, the Defendant does not have any cause or necessity to the engage in mining activity outside the designated area.

On 13 December 2019, the Civil Court ordered the Company to return the shale for cement production industry totaling 1,220,559.82 metric tons back to the area where the mining activity was done and restore such area to the previous condition or pay the compensation consisting of the value of the shale and royalty fee to the government in the amount totaling Baht 326,499,751.86 together with 7.5 percent per annum interest calculating from the date of the violation (2 June 2016) until the date of the complaint filing (274 days) making the interest to be Baht 18,382,383.29. The total amount from combining the principal and interest, is the amount of Baht 344,882,135.15. The Court also ordered that the interest on the principal amount of Baht 326,499,751.86 in the rate of 7.5 percent per annum be paid counting from the day after the complaint filing date until the payment is made in full together with the court fees in behalf of the Plaintiff and attorney fee of Baht 200,000.

TPI Polene Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

The Company filed the appeal with the request for delay of judgement execution to Court on 5 June 2020. On 24 June 2021, the Civil Court pronounced the judgment of the Court of Appeal in which the Court of Appeal modified the judgment by charging interest at a rate of 5 percent per annum pursuant to the judgment of the Court of First Instance from 11 April 2021 onwards until payment to the Plaintiff in full or by making an adjustment to decrease or increase the interest in accordance with the Royal Decree enacted under newly amended Section 7 of the Civil Procedure Code plus an increasing rate of 2 percent per annum but not exceeding the rate of 7.5 percent per annum as requested by the Plaintiff. Other than the amendment, the judgment of Court of Appeal shall govern. There is no court cost at the appellate level.

The Company has applied for permission to lodge an appeal to the Supreme Court challenging the judgment of the Court of Appeal together with a stay of execution pending the appeal to the Supreme Court on 9 November 2021.

On 15 November 2022, the Civil Court made the announcement of the Supreme Court's order, whereby the Supreme Court allowed the Company to submit an appeal to the Supreme Court and accepted the said Company's appeal for consideration. The case is pending a judgement of the Supreme Court.

The complaint of this case described that the lawsuit is a civil claim in connection with the criminal offence for the part concerning the Department of Primary Industry and Mines' filling of report to the inquiry official requesting the inquiry official to commence the criminal proceeding against the Company for unlawful mining activity without permit; and the inquiry official issued the opinion that this case shall not be prosecuted and later on, the District Attorney also concurred and issued the final order that the criminal case will not be prosecuted against the Company, thus, the criminal case is final.

Incidentally, the information regarding cases 1) - 7) above are under the consideration of the court, the above cases are not final. The Company and the legal advisors hereby opines that based on the evidence and information the Company possesses, the Company did not commit any wrongful acts against the plaintiff as detailed in the complaints; the plaintiff claimed that the defendant committed wrongful action against the plaintiff, therefore, the plaintiff has the burden of proof to prove that the defendant had committed such act as the plaintiff claimed and since the plaintiff had not presented the evidences which show that in fact, the defendant had committed wrongful act against the plaintiff, the, the court could consider to dismiss the case. However, the judgment depends on the consideration and discretion of the court. As at 30 September 2023, the outcome of lawsuit is not yet final, the Company has not recorded a provision for liability of lawsuit in the financial statements.

- 8) On 16 December 2019, individuals in total of 222 people sued Energy Regulatory Commission (ERC) et al to the Central Administrative Court which a subsidiary was listed as the 5th Defendant. The Plaintiffs requested that the approval of Environmental and Health Impact Assessment (EHIA) report for the project of 150 megawatts thermal power plant, the license to operate electricity generating business and the construction approval of the subsidiary be revoked. The Plaintiffs also requested that the Court take evidence out of Court and issued an interim measure and ordering that the electricity generating system be temporarily stopped until the final decision is reached.

On 25 December 2019, the Court inquired both Parties in considering the request for interim measure and rendered its decision on 28 January 2020 denied the request for interim measure due to the lack of reason to believe that the license-to operate electricity generating business of the subsidiary is unlawful.

TPI Polene Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

On 31 January 2020, the Court issued an order accepting the complaint and requesting the subsidiary to file the answer. The lawyer submitted the answer to Court on 1 July 2020.

On 7 December 2020, the Court sent the objection to the answer of the 5th Defendant and requested the subsidiary to submit additional answer to the Court within the prescribed period. The subsidiary submitted the additional answer to the Court on 12 March 2021, the case is under the Court consideration.

The subsidiary's legal consultant considered the complaint and its appendixes and hereby opines that the subsidiary lawfully and transparently received the license to operate the electricity generating business and the construction approval from the competent authorities, in accordance with the applicable laws and that the relevant public official have lawfully and honestly performed their duties without any conflict of interest in issuing the said license. The complaint of the Plaintiffs is untrue. As the case is in the preparation for answer, the subsidiary has causes to relieve itself of any liability generated from the complaint depending on the Central Administrative Court Decision. Moreover, the subsidiary has pressed charges against the 222 Plaintiffs to the Muak Lek police station, Saraburi, for taking the false information to charge the person in the Court. The case is under the investigation of the police.

For all above lawsuit, the Group's legal consultant opines that, based on the Company's evidences and information, the Company has a chance to defend itself in the court trial depending on the consideration of each courts.

32 Others

- 1) The subsidiary is a power company that produces electricity by turning community municipal solid waste to energy, which is clean and green energy. The subsidiary has participated in the Thailand Voluntary Emission Reduction Program, according to Thai standards, which is a waste management project ("T-VER"), with the Thailand Greenhouse Gas Management Organization ("TGO").

At the end of year 2021, the subsidiary registered with the TGO to apply for the reduction of greenhouse gases, which subsequently TGO has certified the reduction of greenhouse gases (carbon credit) for the subsidiary's project of 82,056 tons of carbon dioxide equivalent, and after sale of 34,690 tons of carbon dioxide equivalent, the subsidiary has the balance of 47,366 tons of carbon dioxide equivalent.

Subsequently, on 24 May 2022, TGO has certified the reduction of greenhouse gases (carbon credit) for the subsidiary's project for the period from 1 May 2017 to 31 December 2020, increased by 717,931 tons of carbon dioxide equivalent. As a result, the subsidiary has the balance of 765,297 tons of carbon dioxide equivalent.

On 28 April 2023 and 26 September 2023, TGO has certified carbon credit for the subsidiary increased by 462,797 tons of carbon dioxide equivalents and 331,135 tons of carbon dioxide equivalents, respectively. As a result, the subsidiary has the balance of 1,559,229 tons of carbon dioxide equivalent.

- 2) From December 2021 until the end of the year 2023, the Company has been granted limestone and shale concession for the manufacturing of cement industry from the Department of Primary Industries and Mines, Ministry of Industry, totaling 28 plots, with long-term concession period of 25 - 30 years for total areas of 7,481 Rai, with limestone, shale and soil-cement reserves of 399,539,500 tons, 43,043,400 tons, and 272,500 tons, respectively, totaling 448,355,400 tons (average of 16.30 million tons per year).

