

2022



## Annual Report (56-1 One report)

Shun Thai Rubber Gloves Industry Public Company Limited.

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## Message from the Chairman

Dear Shareholders and Stakeholders

Under unsustainable and uncertain situations as well as intensified COVID-19 pandemic around the world in the last 2020 – 2022, resulting in the business operations of Shun Thai Rubber Gloves Industry Public Company Limited is in condition that shall have business operation adaptation to correspond to current context. The Company's business operation therefore has to aware and consider carefully.



At the same time, the board of directors focuses on quickly coping and adapting on business operation to correspond to the business landscape changed in many aspects both customer's behavior and needs as well as competitor's strategies, by assigning executive board together with management division monitor and supervise the Company to adjust management approach and business strategies to correspond to market condition and competition as well as customer's needs by controlling costs and expenses of the business to be in level appropriated to business condition and shall be efficient in making the highest income.

As well as paying attention to corporate governance in order to the Company has a good internal control system and appropriate risks management, relevant policies and guidelines to enhance efficiency and improve standards of governance to correspond to official's rules and international standards in order to make a positive change in business.

On this occasion, I would like to thank you all sectors for always supporting and trusting the Company and I promise that I will take our Shun Thai Rubber Gloves Industry Public Company Limited to grow up forward steadily and sustainably.

Respectfully Yours,

A handwritten signature in blue ink, consisting of a stylized 'C' followed by a long horizontal stroke.

( Dr. Chakarn Saengruksawong )

Chairman

*Part 1*

*Business and Operations*

## 1. Structures and Operations of the Group

### 1.1 Policy and Overview of Business Operationso

Shun Thai Rubber Gloves Industry Public Company Limited had started business since 1988 and registered as a public company limited on September 4, 2001, conducting business of manufacturing, distribution and export of rubber gloves, classifying into 3 types, consisting of:

(1) Medical Glove, classifying into 2 subtypes:

- Surgical Glove: It is used for surgery. This glove has thin texture with strength, durability and length to elbow. It must be treated by sterilization 100% using gamma irradiation. For its packaging, it has refinement and convenience for using. This glove is a disposable glove for protecting from pathogen.

- Examination Glove: It is for general medical examination, possessing both Powdered and Powder free gloves. This glove shall be designed to be appropriate to the use, namely, it shall be wear easily and easy to open its package. This glove will not have left or right side. It is designed to be Ambidextrous (can wear both side of it). This glove is thin, fits for hands. It is short at wrist and cheap. This glove is a disposable glove for protecting pathogen transmission.

(2) Household Glove has a large size. It is durable and resisted for using that shall expose to water or detergent with long lifetime. Its design is emphasized to be beautiful appearance, easy to wear, soft lining and packed finely in order to attract the maid's interest.

(3) Industrial Glove for general use. It is used for packing which is unnecessary to be beautiful appearance. This glove is suitable for using in industrial factory such as food preservation industry or instant food production, etc.

#### 1.1.1 Vision, Objectives, Goals

Board of directors is contributed to prescribe and approve vision, mission, strategies, goals, business plan and budgets of the Company as well as govern the management division to operate to meet the business plan and the given budget efficiently and effectively in order to add the highest economic value to the business, taking account into the Sustainable Growth, relevant sectors or Stakeholders in the Value Chain.

Board of directors has provided the Company to have internal control system. internal audit and risk management measures as well as monitoring the operations of the said matter regularly in the meeting of board of directors.

### Objectives

- Focus in marketing for products with high profitability ratios and Custom Made,
- Reduce and control production costs,
- Improve production processes and internal management to increase productivity and reduce the damaged product,
- Maintain Product Quality to meet the international standards,
- Improve the Green Product,
- Build Brand Loyalty by delivery of quality products that customers require.

### Goals

“There is efficient production process, modern management system, eco-freindly and -community, build sustainable growth to all sectors of Stakeholders and produce variety products and standardized, emphasizing on effectiveness of production and marketing, and continuous development of Value Chain.”

#### 1.1.2 Key Changes and Development

Shun Thai Rubber Gloves Industry Public Company Limited had been registered establishment on May 24, 1988 with initial registered capital of 30 million baht.

- **1998**

The Company had joint business with B Mark Company Limited, Italy to establish B Mark Shun Thai Company Limited in Italy to be a dealer of rubber gloves of the Company to customer in Italy and Europe, holding shares of 40 percent (amount of 46,920 shares).

The Company had increased the paid-up registered capital as 75 million baht in 1999 and increased paid-up registered capital as 125 million baht in 2000 in order to support the Company’s growth and had started to constrcut the 2nd factory.

- **2001**

The Company had registered as a public company on September 4, 2001 and changed par value from 10 baht to 1 baht per share.

Later, the Ordinary General Meeting of Shareholders No. 7/2544 on December 28, 2001 had resolution to increase the registered capital as 195 million baht, issuing 70 million shares of the common stock which is issuance and offer for sale to Private Placement (PP) of 20 million shares at price of 1 baht per share, the remaining 50 million shares is offer for sale to general public at price of 1.80 baht per share.

- **2002**

It is the important year of the Company because of the Company had offer for sale of shares to general public at the first time and at the same year, the Company's shares had been listed as the registered security in stock exchange MAI, which opened to trade on August 1, 2002 using stock trading acronyms as "STHAI".

- **2003**

The Company had invested in shares of S.T. Med Company Limited, an associate, established as the company limited in United States of America in order to be a product dealer in United States of America and Americas by the Company holds 19 percent of shares (amount of 95,000 shares).

And increase the registered capital from 195 million baht to 260 million baht, issuing 65 million new ordinary shares by allocated to existing shareholders in ratios of 3 previous shares per 1 new share at price of 1 baht per share as per the resolution of Extraordinary Meeting of Shareholders No. 1/2546 on July 31, 2003.

The said capital increase causes the Company has the paid-up capital exceeding 200 million baht. Stock Exchange of Thailand therefore transferred the Company's securities which are the registered securities in MAI to be the registered securities in SET by trading in Pharmaceutical Products & Cosmetics using acronyms as "STHAI" as before. It became effective in security trade system since January 1, 2004 which is the beginning date of accounting period.

- **2004**

The Company had invested in ordinary shares in Latex Systems Company Limited, a company manufactured and distributed latex mattress by the Company holds 5.77 percent of shares (amount of 80,000 shares).

- **2006**

The Company had issued the warrants to purchase ordinary shares allocated to existing shareholders No. 1 (STHAI-W1) and allocated to board of directors and employees of the Company No. 1 (ESOP-W1) of 195,000,000 units and 15,000,000 units, respectively, with term of 3 years and the first conversion to ordinary

shares on September 29, 2006, which exercise ratio as per the warrant of 1 unit per 1 ordinary share at price of 2 baht per share.

- **2008**

The Company had increased the registered capital of the Company of 102,657,633 baht from previous registered capital of 600,000,000 baht to the registered capital of 702,657,633 baht, issuing 102,657,633 new ordinary shares with par value of 1 baht per share, which offered for sale to existing shareholders in ratios of 4 previous shares per 1 new share at price of 1.70 baht per share.

Later, 76,092,793 shares remaining from increasing the capital were allocated to distribute as the 2nd time to offer for sale to existing shareholders in ratios of 5 previous shares per 1 new share at price of 1.70 baht. Moreover, there were those who exercised the subscription rights of 62,198,000 shares, accounting for amount of 105,736,600 baht, which the remaining shares of 13,894,793 shares.

And there is investment sale of S.T.MED Company Limited and B Mark Shun Thai Company Limited, which are associates, holding 19 percent and 40 percent of shares, respectively by 95,000 Shares of S.T.MED Company Limited were sold on July 4, 2008 to outsiders at price of 10,000 US Dollars.

- **2009**

The Company had exercised the final right of conversion of warrant to purchase ordinary shares of the Company allocated to existing shareholders No.1 (STHAI-W1) and allocated to board of directors and employees of the Company No. 1 (ESOP-W1), commencing to exercise the first right on 2006 and expiring on 2009 with person who exercised the rights of 60,000 shares, resultign in the Company had paid-up registered capital of 499,453,373 baht and registered capital of 702,657,633 baht.

The Board of Directors Meeting No. 3/2552 on August 11, 2009 had resolution to sell investment in Latex Systems Company Limited which operates business of manufacturing and distribution of latex mattress, holding 5.77 percent of shares (amount of 80,000 shares) to Thai Rubber Latex Corporation Thailand PCL with amount of 739,200 baht in December 2009.

The Company had sold investment in B Mark Shun Thai Company Limited, an associate in Italy which is responsible for a dealer of rubber gloves in Italy and Europe, holding 40 percent of shares (amount of 46,920 shares). The said investment sale met the resolution of Board of Directors Meeting No. 4/2551 on June 10, มิถุนายน 2551, selling to outsider at price of 40,000 US Dollars and already had transferred the ownership un May 2010.



- **2010**

The Ordinary Meeting of Shareholders No. 1/2553 on April 9, 2010 had resolution to reduce the registered capital by writing off the registered shares remaining from supporting the capital increase in proportion and exercise of subscription right of warrant to purchase ordinary shares of the Company.

The Company had 13,894,793 unsold shares from supporting the capital increase in proportion and 189,309,467 ordinary shares remaining from supporting exercise of exercise of warrant conversion, resulting in the Company had total 203,204,260 unsold ordinary shares with registered capital of 702,657,633 baht and paid-up registered capital of 499,453,373 baht.

Therefore, when already write-off the registered capital as per resolution of Ordinary Meeting of Shareholders No. 1/2553, the Company had the paid-up registered capital of 499,453,373 baht.

In addition, the Ordinary Meeting of Shareholders No. 1/2553 had resolution to amend Clause 4 of the Company's memorandum of association regarding the Company's registered capital to correspond to the reduced registered capital which the Company already had amended it with Ministry of Commerce.

- **2012**

The Company had administration policy emphasizing the work quality improvement and expansion of customer group to increase the sales, reduce the cost and intend to make a profit in order to the Company's financial status becomes strong and be able to return profits to shareholders in the future.

- **2013**

The Annual Ordinary Meeting of Shareholders 2556 had resolution to increase the Company's registered capital from former capital of 499,453,373 baht to the registered capital of 998,906,746 baht, issuing 499,453,373 new ordinary shares, at price of 1 baht per share by offer for sale to existing shareholders in rate of 1 former ordinary shares per 1 new ordinary shares at price of 0.25 baht per share. After distribution of the said common stocks, the Company had the paid-up registered capital of 998,906,746 baht and ordinary share discount of 270.90 million baht due to capital increase is lower than the Par Value.

- **2014**

The Ordinary Meeting of Shareholders No. 1/2557 on December 29, 2014 had resolution to increase the Company's registered capital from former ordinary shares of 998,906,746 baht to new ordinary shares of 3,995,626,984 baht, issuing 2,996,720,238 new ordinary shares with par value of 1 baht per share through

offer for sale to existing shareholders in ratios of 1 former ordinary share per 3 new ordinary shares at price of 0.10 baht per share by paid on February 11-13, 16-17, 2015. However, the Company received money from the capital increase of 299,672,023.80 baht. After the said operations, there was no shares remaining from the allocation.

In addition, it also had resolution to approve business potential development plan as informed to stock exchange.

- **2015**

In June 2015, the Company had hold the Extraordinary Meeting of Shareholders No. 2/2558 on Tuesday, June 9, 2015 with resolution to increase the Company's registered capital from former capital of 3,995,626,984 baht to the registered capital of 19,978,134,920 baht by issuing 15,982,507,936 new ordinary shares splitting into offer for sale of common stock of 11,986,880,952 shares per existing shareholders of the Company as per the Rights Offering, splitting into 2 payments and allocating the common stock not exceeding 3,995,626,984 shares to support exercise of rights as per the warrant to purchase ordinary share No. 2 (STHAI-W2) issued for existing shareholders after the Company already had increased the capital and paid both payments.

In August 2015, the Board of Directors Meeting No. 12/2558 on August 18, 2015 had resolution to approve the Company to purchase ordinary shares of Northern Renewable Energy Company Limited ("NRE") with main objectives of business operations of comprehensive production and distribution of biomass energy, production of electricity from biomass and waste by purchase 3,136,000 ordinary shares with par value of 100 baht per share, accounting for 48.25 percent of paid-up registered capital of NRE at price of 100 baht per share, totaling 313,600,000 baht from 21 existing shareholders of NRE which were not involve with the Company. After the said transactions, the Company hold the ordinary shares in NRE, accounting for totally 48.25 percent.

- **2016**

Board of Directors Meeting No. 10/2559 on May 19, 2016 had resolution to purchase common stock of NRE as per the former Rights Offering which the Company hold in ratios of 48.25 percent of registered capital by purchased 1,688,750 shares at price of 100.00 baht per share, accounting for total paid-up share price of 168.88 million baht.

- **2017**

Board of Directors Meeting No. 2/2560 on February 14, 2017 had resolution to reduce proportion of investment in NRE by selling 2.43 million shares of NRE with amount of 243 million baht by Mr. Phatchari Nitsiriphat as a representative offer to the board of directors meeting.

Board of Directors Meeting No. 2/2560 on February 14, 2017 had resolution to reduce size of power plant of the project from 9.9 MW to 3 MW.

- **2018**

As per the Board of Directors Meeting No. 2/2561 on January 26, 2018 had notified the changes of directors and authority of board of directors by approving resignation of chairman of board of directors and auditor / independent director, totaling 2 persons.

Later, in February 2018, Board of Directors Meeting No. 4/2561 on February 14, 2018 had notified additional changes of directors and authority of board of directors by approving resignation of a director/chief executive officer, and approving appointment of a new director substitute for the resigned director and change of 3 positions in board of directors.

On September 3, 2018, Shun Thai Rubber Gloves Industry Public Company Limited had clarified to stock exchange regarding submission of annual financial statement 2017 which auditor from ANA Audit Company Limited did not express opinion to the Company's financial statement because of limitation under criteria of significant unexpression of opinion.

The said action affected and was very important to financial statement, auditor of Shun Thai Rubber Gloves Industry Public Company Limited therefore was unable to express opinion to the financial statement.

Because of Shun Thai Rubber Gloves Industry Public Company Limited had additional invested in NRE in 2017 and paid for the increased capital of 168,875,000 baht on May 30, 2017. Later, it was found that other shareholders of NRE did not pay for the said common stock to NRE anyway, Shun Thai Rubber Gloves Industry Public Company Limited therefore asked NRE to refund the increased capital amount of 168,875,000 baht to Shun Thai Rubber Gloves Industry Public Company Limited by submitting the Letter No. Inv-Out 031/2561 dated August 30, 2018 to Northern Renewable Energy Company Limited to request to refund the increased capital because of the capital increase of the Company in NRE was incompleted and the Company had notified stock exchange on September 5, 2018.

During the 1<sup>st</sup> quarter of 2018, there was change of directors and executives, replanning a new operation plan in organization, planning to reduce manufacturing cost and improving the efficiency of machines in order to have better productivity and quality.

Sale Department had planned to increase the sales in powder market in order to correspond to global market's direction with utilization rate of powder gloves decreased continuously due to problem of starch protein allergy.

Outcomes of control and improvement of this work plan result in manufacturing cost in 2018 decreases and the Company's performance had gross profit.

● **2019**

As per the Company was unable to submit the annual financial statement 2018 under the due date, it was from Northern Renewable Energy Company Limited, the associate, was unable to submit the final annual financial statement 2017, resulting in the Company was unable to know the performance of Northern Renewable Energy Company Limited in annual financial statement 2017.

The Company, as the majority shareholders of Northern Renewable Energy Company Limited, therefore was necessary to proceed all respects in order to the Company solves the said situation.

The Company by virtue of Section 1173 and 1174 of Civil and Commercial Code therefore invited shareholders to attend the Extraordinary Meeting of Shareholders No. Special / 2562 of the Company on Thursday, November 7, 2019 at 10.00 a.m. at the Meeting Room of Shun Thai Rubber Gloves Industry Public Company Limited, No. 1, Promphan Tower 2, Room No. 608, the 6<sup>th</sup> Floor, Latphrao Soi 3, Chomphon Sub-district, Chatuchak District, Bangkok, which on the meeting date of the said Extraordinary Meeting of Shareholders No. Special / 2562, the meeting had considered and approved agenda as follows:

Agenda Item 1: Consider to remove 6 members of the board from their position as follows:

Agenda Item 1.1 Mr. Phatchari Nitsiriphat

Agenda Item 1.2 Miss Plabplueng Suwan

Agenda Item 1.3 Mr. Kamol Kowanaisaisukkul

Agenda Item 1.4 Mr. Suwan Damnernthong

Agenda Item 1.5 Mr. Jongjet Boonkerd

Agenda Item 1.6 Mrs. Chareerat Teraratanashewin

**Resolution:** The Meeting of Shareholders had resolution with majority vote to remove all of 6 members of the board from their position.

Agenda Item 2: Consider to appoint 6 new members of the board as the name lists as follows:

Agenda Item 2.1 Mr. Ekkachai Tangsatjatham

Agenda Item 2.2 Mr. Chai Wattanasuwan

Agenda Item 2.3 Mr. Chumpol Sonchai

Agenda Item 2.4 Mr. Wisit Kanjanopas

Agenda Item 2.5 Mr. Kittipat Intarakaset

Agenda Item 2.6 Mr. Anuwat Lhaykitrung

**Resolution:** The Meeting had resolution with majority vote to appoint all of 6 new members of the board.

Agenda Item 3: Consider to change the authorized directors as per the certificate of affidavit.

From “Mr. Phatchari Nitsiriphat, Miss Plabplueng Suwan, Mr. Kamol Kowanaisaisukkul, two-third of these directors sign their name and affix the Company seal”,

To “Mr. Ekkachai Tangsatjatham, Mr. Chai Wattanasuwan, Mr. Chumpol Sonchai, two-third of these directors jointly sign their names”.

**Resolution:** The Meeting had resolution with majority vote to change the authorized directors to Mr. Ekkachai Tangsatjatham, Mr. Chai Wattanasuwan, Mr. Chumpol Sonchai, two-third of these directors jointly sign their names”

Agenda Item 4: Consider to authorize new authorized directors of the Company to have power to consider and prescribe other details and any operation regarding the changes and/or increase numbers of members of the board and appoint new members of the board and to have power to sign in the request form of registration to Department of Business Development, Ministry of Commerce, requests for permission and proofs that are necessary and related to change and/or increase numbers of members of the board, including contact and submission of the request for permission and the said documents and proofs to government agencies and relevant agencies, and have power to proceed any other action that is necessary and appropriate regarding the change and/or increase of the numbers of the board and appointment of new members of the board as well as the change of authority of authorized directors as mentioned in Agenda Item 2 and Agenda Item 3 above.

**Resolution:** The Meeting had resolution with majority vote to authorize to the new authorized directors to have power to consider and prescribe other details.

Agenda Item 5: Consider to prosecute civil and/or criminal case to director and/or any other person related to registration of capital increase of the Company from 650,000,000 baht to 1,000,000,000 baht on May 19, 2016 that may be illegal and offenses under the Determining Offence Relating to Registered Partnership, Limited Partnership, Limited Company, Association and Foundation Act B.E. 2499 (1956) as mentioned above.

**Resolution:** The Meeting had resolution with majority vote to prosecute civil and/or criminal case to director and/or any other relevant person.

Later, on November 19, 2019, a new group of directors that had been appointed from shareholders of NRE had submitted the said request for registration to change director and director's authority of NRE to registrar of Department of Business Development which the said submission of request for registration is the case of the director, applicant, unnamed as per the Company's certificate, therefore, registrar also shall submit the said request for registration to former shareholders and directors of NRE that they will agree or protest any aspect or not.

It was appeared that during December 6-9, 2019, there were 4 shareholders and former directors of NRE protested the said registration to the registrar.

New directors of NRE already had prepared clarification of registration protest to submit to the registrar of Bangkok Office of the Central Company and Partnership Registration. After this, the registrar of Bangkok Office of the Central Company and Partnership Registration would further have an order in the said issue.

## ● 2020

The Company had proceeded from previous action by the registrar of Bangkok Office of the Central Company and Partnership Registration already had considered the request for registration to change numbers and authority of directors of NRE and had the order to accept the said registration on January 28, 2020.

The Ordinary Meeting of Shareholders on June 26, 2020 has resolution to approve:

1. Reduction of unpaid registered capital of the Company from 19,978,103,486 shares at par value of 1 baht per share, amount of 19,978,103,486 baht to 15,982,476,502 shares at par value of 1 baht, amount of 15,982,476,502 baht, and approve amendment of memorandum of association of the Company to correspond

to the said reduction of registered capital. The Company already had registered to reduce capital to Ministry of Commerce on July 10, 2020,

2. Change of par value of the Company from 1 baht per share to 0.50 baht per share, resulting in numbers of shares changed from 15,982,476,502 shares at par value of 1 baht per share to 31,964,953,004 shares at par value of 0.50 baht, and approve amendment of memorandum of association of the Company to correspond to the said change of par value. The Company already had registered to change to Ministry of Commerce on July 13, 2020, and

3. Reduction of registered capital of the Company from 31,964,953,004 shares at par value of 0.50 baht per share, amount of 15,982,476,502 baht to 1,633,859,004 shares at par value of 0.50 baht per share, amount of 816,929,502 baht, in order to compensate ordinary share discount and accumulated loss, and approve amendment of memorandum of association of the Company to correspond to the said reduction of registered capital. The Company already had registered to reduce capital to Ministry of Commerce on September 30, 2020.

- **2021**

On March 31, 2021, the Company already had submitted the request for purchase and currently, it is in request consideration process of stock exchange.

On April 28, 2021, the Board of Directors Meeting No. 4/2564 had resolution to approve payment of interim dividend at rate of 0.098 baht per share for 1,633,859,004 ordinary shares, totally dividend payment of 160.12 million baht which the said interim dividend payment already had offered to ordinary meeting of shareholders on July 7, 2021 by the said dividend had been paid to shareholders on May 24, 2021.

- **2022**

The Company had resolution of Board of Directors Meeting No. 1 / 2565 on January 27, 2022 to approve appointment of Mr. Chatsawat Settaluck to take position of Audit Committee substitute for vacancy, taking effect from January 27, 2022 onwards.

Therefore, there were 3 Audit Committees, namely Mr. Teerawit Thanakitsunthorn, Chairman of Audit Committee/Independent Director, Mr. Chakan Sangraksawong, Audit Committee/Independent Director, and Mr. Chatsawat Settaluck, Audit Committee/Independent Director.

The Board of Directors Meeting No. 2/2565 on February 28, 2022 and the Annual Ordinary Meeting of Shareholders 2022 on April 29, 2022 had resolution to approve the dividend payment for 2021 to shareholders at rate of 0.11 baht per share for 1,633,859,004 ordinary shares, totally dividend payment of 179.72 million baht by the said dividend had been paid to shareholders in May 27, 2022.

## 1.2 Natures of Business Operations

### 1.2.1 Revenue Structure

From rubber gloves of the Company in 10 years with details as follows:

Year	Rubber Gloves Distribution (Thousand Baht)				Total
	Domestic	%	Foreign	%	
2013	182,178	26.51%	504,915	73.49%	687,093
2014	226,344	29.95%	529,462	70.05%	755,806
2015	298,915	39.85%	451,136	60.15%	750,051
2016	241,538	33.34%	482,846	66.66%	724,384
2017	224,107	32.00%	476,304	68.00%	700,411
2018	252,979	33.37%	505,121	66.63%	758,100
2019	246,805	37.25%	415,752	62.75%	662,557
2020	735,395	62.22%	446,523	37.78%	1,181,918
2021	940,847	65.82%	488,593	34.18%	1,429,440
2565	251,491	38.65%	399,252	61.35%	650,743

### 1.2.2 Product Information

#### (1) Characteristics of Products and Services and Development of Business Innovation

##### A. Medical Glove, dividing into:

- Surgical Glove: For using in surgery. It has thin texture, durability and length up to elbow, treated by sterilization 100%. It is a disposal glove for single; and
- Examination Glove: For using in medical examination. It has thin texture, fits to hand, length at wrist level. This glove will not have left or right side. It is designed to be



Ambidextrous and disposal glove for single use without reuse. The examination glove consists of powder natural rubber glove, powder free natural rubber glove and nitrile rubber glove.

B. Industrial Glove has resistance to work in industrial factory and to chemical substance. It has cleanliness and is able to expose to food and electronic workpiece.

C. Household Glove is a rubber glove that maid uses for cleaning and washing. It has thick texture, durability for use, long lifetime and comfort to wear.

However, the Company has manufactured both in manners of Original Equipment Manufacturer (OEM) and Original Brand Manufacturer (OBM), consisting of Pure Glove, Royal Guard and Sunshine Brands.



Standards of products are international standards which the Company had taken to be guidelines and reference for manufacturing rubber gloves to sell to customer. The Company's rubber gloves receive certification of product standards and product quality test, referencing standards as follows:

No.	Product Standards	Descriptions
1	TISI. 538-2560 Received the license on December 23, 2020	Industrial product standard for disposal sterile rubber surgical glove
2	TISI. 1056-2556 Received the license on January 26, 2021	Industrial product standard for disposal examination glove
3	TISI. 2505-2553 Received the license on September 9, 2013	Industrial product standard for food industry rubber glove
4	Protective Gloves acc.EN ISO 374-1:2016+A1	Standard for Protective Gloves (Europe)
5	510K Certificate FDA (Food Drug administration)	Standard for Examination and Surgical Gloves (United State of America)
6	EN455 Standard	Standard for Examination and Surgical Gloves (Europe)
7	ASTM D3577, ASTM D3578, ASTM D 6319	Standard for Examination and Surgical Gloves (United State of America)
8	ISO 11193, ISO 10282	Standard for Examination and Surgical Gloves (International)

In addition, the Company receives factory standards certified from external institutes and gets the reward of Good Performance Exporter of Thailand from Thai government, resulting in the Company receives the right of ranking good exporter from The Revenue Department with details as follows:

No.	Standards that Factory Received	Received Year	Certifier
1	Quality Management System - ISO 9001: 2015	2006	BSI
2	Quality Management System - ISO 13485: 2016 & EN ISO 13485: 2016	2009	BSI
3	510K Certificate FDA (Food Drug Administration)	1989	USFDA (U.S. Food and Drug Administration)

**Quantity of Rubber Gloves Delivered to Customers (Order Shipment)**

Quantity of gloves delivery to customers was shown during 2018 – 2022, dividing into yearly and comparing as quarterly.

***Quantity of gloves delivery to customers divided as quarterly of 2018 - 2022***

<b>Quantity of Gloves in Each Quarter</b>	<b>Quantity (Thousand Pieces)</b>
Quarter 1/2018	164,780
Quarter 2/2018	195,005
Quarter 3/2018	171,365
Quarter 4/2018	213,376
<b><u>Total Quantity of Gloves in 2018</u></b>	<b><u>744,526</u></b>
Quarter 1/2019	182,562
Quarter 2/2019	193,031
Quarter 3/2019	157,300
Quarter 4/2019	178,510
<b><u>Total Quantity of Gloves in 2019</u></b>	<b><u>711,403</u></b>
Quarter 1/2020	207,982
Quarter 2/2020	256,551
Quarter 3/2020	254,664
Quarter 4/2020	242,233
<b><u>Total Quantity of Gloves in 2020</u></b>	<b><u>961,430</u></b>
Quarter 1/2021	247,428
Quarter 2/2021	221,509
Quarter 3/2021	237,785
Quarter 4/2021	175,785
<b><u>Total Quantity of Gloves in 2021</u></b>	<b><u>882,507</u></b>
Quarter 1/2022	244,069
Quarter 2/2022	137,903
Quarter 3/2022	100,754
Quarter 4/2022	61,453
<b><u>Total Quantity of Gloves in 2022</u></b>	<b><u>544,179</u></b>
<b><u>Total Quantity of Gloves in 2018 - 2022</u></b>	<b><u>3,844,045</u></b>

## (2) Marketing and Competition

### (A) Marketing Policies of Major Products or Services

The company has formulated a marketing plan to determine the buyer group or target group, which is considered an important factor in increasing sales for the company. The company is looking for a specific group of customers who have the purchasing power of high-priced gloves with more special characteristics, whether from the existing customer base, both foreign and domestic customers, and finding new customers. together with maintaining the existing market with the proportion of sales divided by domestic and foreign markets as the following table

Income proportion (%)	Year 2562	Year 2563	Year 2564	Year 2565
International Customer	63	38	34	61
Domestic customer	37	62	66	39
<b>total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

#### Marketing Strategies

- The Company had a policy emphasized to expand marketing base by the Company focuses on expansion of product market that the Company has potential to manufacture and gives high yield such as Power Free Rubber Natural Medical and Nitrile Gloves, and Household Glove, manufacturing under quality requirements in standard criteria and to be suitable for production line of the Company.
- The Company has distribution via vareity of channels including via mediums such as trader, broker and direct sale to large user group such as hospital, industrial factory, etc. both domestic and foreign.
- For pricing, the Company will take account into material cost, foreign exchange rate, oder quantity and proportion of glove sizes per order list, and compare the glove prices of competitors in the market to be a criteria for determining the sale price.

## **B. Competition Conditions in Industry**

### **Domestic Market Condition**

Domestic demand of rubber glove decreases because of global demands of rubber glove fall down after COVID-19 pandemic situation and domestic rise of many rubber glove factories, resulting in traders have many choices for purchasing rubber gloves, resulting in there is relative high competition conditions in the market.

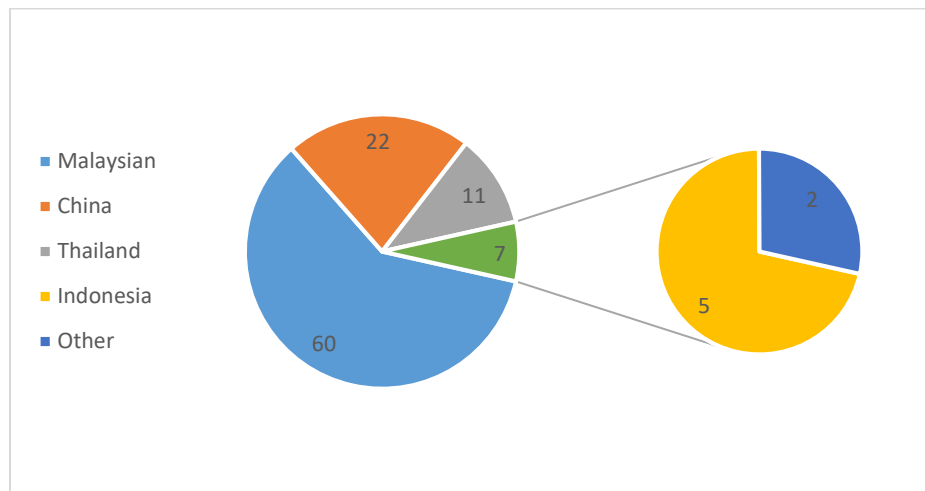
### **Foreign Market Conditions**

Foreign demand of rubber glove decreases because of global demands of rubber glove fall down after COVID-19 pandemic situation and rise of many rubber glove factories in abroad, especially in China, the country with high purchasing power, that is able to manufactures nitrile glove as much as equal to Malaysia, and currently, becomes the top exporter in rubber glove market. In addition, there is the rise of manufacturing surgical glove in India and due to India is the second most populated country in the world, it therefore results in customers have choices for purchasing gloves from other countries and marketing proportion is higher than as before.

### **Competition Condition of Rubber Glove Industry**

Thailand is considered as one of countries with location of production and net export of rubber glove products in the world. In 2021, Thailand has export value proportion of more than 11 percent of total rubber glove export value. Of course, crisis of COVID-19 pandemic results in rubber glove market has competition of proportion in global market, especially new rubber glove manufacturer such as China that becomes a formidable market share competitor and ahead of Thailand to be the 2<sup>nd</sup> most exporter inferior to Malaysia.

For overall rubber glove market in 2022, it was found that it is in oversupply condition and its price fall down considerably after both domestic and international COVID-19 pandemic situations are resolved as well as the market also is under pressure from higher production capacity expansion in the last 2 years, resulting in both Thai and foreign investor interested in establishment of rubber glove factory slows down investment because of the market condition is in down trend while certain rubber glove manufacturing factories with production capacity expansion plan slows down additional investment as well. It reflects that Thai rubber glove business is suffering the rubber glove production capacity higher than demand.

**Chart of Estimation of Market Share of Rubber Glove Manufacturer By Manufacturer's Countries in 2022****Supply of Rubber Glove Industry****1) Government Policy for Promotion of Rubber Glove Manufacturing and Export**

For Thailand, government sector focuses on stimulus of domestic latex use and building a mechanism for stability on price and sustainability of domestic rubber tree plantation. The said policy is a policy supported rubber glove manufacturing and export industry. Government sector therefore issues a policy for promotion of rubber glove manufacturing and export in order to stimulate economy and rubber glove export to be able to compete with exporter from other countries.

**2) Sufficiency and Price of Raw Materials**

Sufficiency and price of raw materials used in manufacturing rubber gloves are key factors affected to rubber glove supply and competitiveness of global rubber glove manufacturer. Main raw materials used for manufacturing rubber gloves such as concentrated latex for manufacturing natural rubber gloves and synthetic latex for manufacturing nitrile glove.

**(3) Procurement of Products and Services****Manufacturing Rubber Gloves**

Currently, the Company has 2 rubber glove manufacturing factories and total 15 sets of machines for manufacturing rubber gloves, dividing as follows:

- Factory 1 has 7 sets of rubber glove production line (Set No. 1 – 7)
- Factory 2 has 8 sets of rubber glove production line (Set No. 8 – 15)

### Procurement of Raw Materials and Raw Material Distributor

The Company had purchased concentrated latex from concentrated latex producer in Rayong, Chon Buri and provinces in southern part such as Surat Thani, etc. by it is domestic concentrated latex purchase totally which the Company has focused on quality of concentrated latex of each distributor. For synthetic latex, it is purchased from other countries to support the manufacturing.

The Company's policy of concentrated latex purchase will select distributor distributed the best quality latex and offered the most appropriated price as well as provided longer credit payment. For purchase price of latex will be under the market price at that time and there is comparison of quotations from at least 3 distributors at the same period of time and compare the estimated price with Rubber Authority of Thailand

**Table of Comparison of Raw Materials used for Manufacturing Rubber Gloves in 2020 - 2022**

Production Costs	Concentrated Latex (%)	Fuel (%)	Chemicals (%)	Wages (%)	Depreciation (%)	Electricity Cost (%)	Other Expenses (%)
2020 750.47 Million Baht	36.53	14.44	11.11	14.63	7.24	5.26	10.79
2021 950.36 Million Baht	42.02	13.31	10.03	11.81	6.03	4.14	12.66
2022 634.83 Million Baht	37.68	11.28	11.39	12.86	11.67	5.17	9.95

**Table of Price Comparison of Concentrated Latex 60% in 2018 – 2022**

Price (Baht/Kg.)	2018	2019	2020	2021	2022
Natural Latex	34.24	32.29	31.73	43.30	43.39
Increased/Decreased Rate	-26.2%	-5.7%	-1.7%	36.5%	0.2%

**(4) Assets used in Business Undertaking**

In 2022 and 2021, the Company had total property of 1,268.95 million baht and 1,646.05 million baht, respectively. The property mainly consisted of cash, fixed asset, inventories and account receivable, and investment property.

In 2022, the Company had net cash or cash equivalents of 269.45 million baht, net lands, buildings and equipment for operating the rubber glove manufacturing business of 472.38 million baht with details as follows:

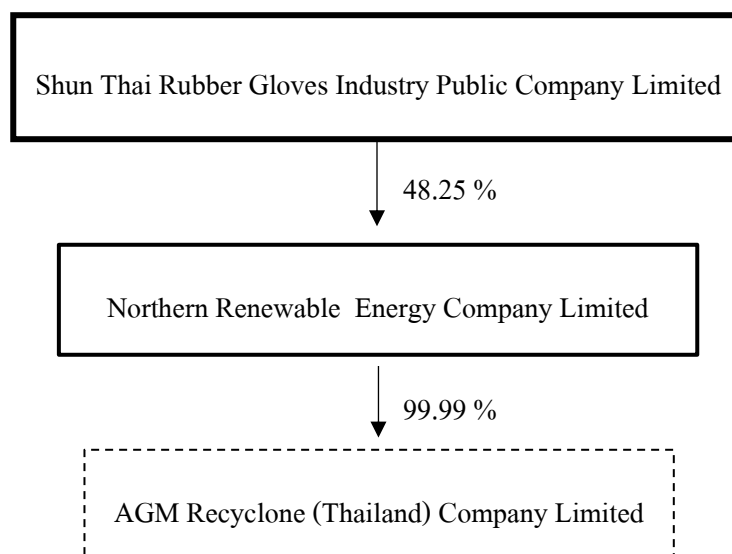
**Key Features of Fixed Asset that the Company used for Business Operations as of December 31, 2022**

<b>Types/Features of Property</b>	<b>Nature of Ownership</b>	<b>Book Value (Million Baht)</b>	<b>Obligations</b>
Land and Land Improvements Located at Kachet Sub-district, Mueang Rayong District, Rayong Total Area of 141 rai 0 ngan 60.4 square wah	Owner	92.99	Area of 108 rai 1 ngan 16 square wah is mortgaged with value of 70 million baht
Buildings and Building Improvements Located at Kachet Sub-district, Mueang Rayong District, Rayong	Owner	108.32	Factory Buildings is mortgaged with value included with the Land
Machines and Equipment	Owner	264.27	is mortgaged with value of 91.14 million baht
Others	Owner	6.81	-
<b>Total</b>		<b>472.38</b>	

**1.3 Shareholding Structure of Group****1.3.1 Shareholding Structure of the Group of Company**

Shun Thai Rubber Gloves Industry Public Company Limited had been registered as company limited in Thailand on May 24, 1988 and had been registered as a public company limited on September 4, 2001. Currently, the Company has registered capital of 816,929,502 baht and it is paid-up capital of 816,929,502 baht, splitting into 1,633,859,004 ordinary shares at par value of 0.50 baht per share.





Company Name	Types of Business	Shareholding Proportions
1. Main Business Shun Thai Rubber Gloves Industry Public Company Limited	Manufacturing, distribution and export of rubber gloves	
2. Other Businesses Northern Renewable Energy Company Limited	Comprehensive production and distribution of biomass energy and production of electricity from biomass and waste (temporary business closure)	48.25 %
3. AGM Recyclone (Thailand) Company Limited	Transformation of biomass to be renewable energy to generate eco-friendly electricity (temporary business closure)	Northern Renewable Energy Company Limited 99.99 %

**1.3.2 Person with a potential conflict of interest holds shares of a subsidiary or associated company at an amount exceeding 10 percent of the voting shares.**

- No Conflict -

**1.3.3 Relationship with Group of Major Shareholders**

-None

### 1.3.4 Shareholders

#### (1) List of Major Shareholders

List of top 10 highest major shareholders of the Company as of March 13, 2023 and shareholding proportion:

No.	List of Major Shareholders	Number of Held Shares	Shareholding Proportion %
1	UOB KAY HIAN PRIVATE LIMITED	132,896,582	8.13
2	MISS CHUN-CHING TENG	102,760,138	6.29
3	MISS CHOTIROS ATTHAKORNWARODOM	82,136,428	5.03
4	MR. POLLAPAT NIJSIRIPAT	81,738,644	5.00
5	MISS TENG CHUN-YU	79,718,485	4.88
6	MR.HSUN-MIN YANG	62,026,817	3.80
7	MR. APICHART CHAIPORRAMAT	38,454,384	2.35
8	MR. PATCHARI NIJSIRIPAT	37,098,003	2.27
9	MR. PITTAYUT TANGSATJATHAM	26,168,274	1.60
10	MR. LUCKCHAI KITTIPOL	25,807,358	1.58
<b>Total</b>		<b>668,805,113</b>	<b>40.93</b>

Source : Thailand Securities Depository Company Limited

### 1.4 Amounts of Registered Capital and Paid-Up Capital

The Company has registered capital of 816,929,502 baht and it is paid-up capital of 816,929,502 baht, splitting into 1,633,859,004 ordinary shares, - preference shares at par value of 0.50 baht per share.

### 1.5 Issuance of Other Securities (Convertible Securities and Debt Securities)

As of December 31, 2022, the Company did not issue convertible and debt securities.

## 1.6 Dividend Payment Policy

The Company has dividend payment policy in rate of not less than 40 percent of net profit as per the separate financial statement after deduction of corporate income tax and legal reserves of each year. The said dividend payment rate may be changed from the prescribed rate, depending on performance, financial status, liquidity, necessity of investment, current capital, additional investment, business expansion, conditions and limitations as prescribed in loan agreement and other factors related to administration as see appropriate by board of directors and/or shareholders of the Company. The said dividend payment will have accumulated profit as shown in separate financial statement and be under relevant laws. When board of directors has resolution to approve to pay for annual dividend, shall be offered for approval to the meeting of shareholders of the Company, unless it is interim dividend payment which board of directors has power to approve to pay for dividend and report to the meeting of shareholders in the next meeting.

As per the Board of Directors Meeting No. 2/2565 on February 28, 2022 and Annual Ordinary Meeting of Shareholders 2022 on April 29, 2022 had resolution to approve to pay for dividend for the year 2022 to shareholders at rate of 0.11 baht per share for 1,633,859,004 ordinary shares, totaling 179.72 million baht by the said dividend had been paid to shareholders in May 27, 2022.

As per the Board of Directors Meeting No. 4/2564 on April 28, 2021 had resolution to approve to pay for interim dividend at rate of 0.098 baht per share for 1,633,859,004 ordinary shares, totaling 160.12 million baht which the said interim dividend payment already had been offered to the ordinary meeting of shareholders on July 7, 2021 and the said dividend had been paid to shareholders on May 24, 2021.

Year	2020	2021	2022
Net Profit Per Share (baht/share)	0.010	0.230	(0.048)
Net Profit Rate Per Share (%)	21.40	26.26	(12.05)
Dividend Rate Per Share of Accounting Period	Not Pay	0.11	Not Pay
Interim Dividend Per Share (baht/share)	-	0.098	-
Dividend Payment Rate Per Net Profit (%)	-	48.46%	-

## 2. Risk Management

### 2.1 Risk Management Policy and Plan

Shun Thai Rubber Gloves Industry Public Company Limited awares of the importance of good management to support driving organization toward sustainable success, having readiness for handling the changed conditions that the Company has to suffer at all time bith from internal and external factors which may affect to capacity of goal acheivement of the organization.

In complicated and continuous changed environment of business operation, the Company will use risk management system as a tool for supporting the strategic planning, management, operation improvement, potential enhancement, increase business opportunities, added-value creation to organization and supporting overall objective acheivement by prescribing all levels of employees to aware of their duties and responsibilities in risk management mutually as organizational culture.

2.1.1 The Company prescribes the risk management is responsibility of all levels of employees that shall aware of the operational risk in their agencies and the organization and shall pay attention to risk management under systemetic internal control to be sufficient and appropriate.

2.1.2 The Company promote and support to use risk management as an important tool for management of the Company that all levels of personnel shall understand, cooperate and mutal use risk management to build good image, strengthen good corporate governance and excellent management, and build confidence to shareholders and stakeholders of the Company.

2.1.3 The Company provided to have efficient risk management under principles of Good Corporate Governance and integration as well as risk management report systematization in order to Risk Management Committee manages the risk efficiently to reduce opportunity of risk occurence and impact from the risk, reduce uncertainty in overall performance and increase opportunity of success.

2.1.4 The Company promotes and stimulates the risk management to become organizational culture by encouraging all employees aware of the importance of risk management.

2.1.5 All employee are responsible for complying with the risk management system and procedures in organizational, line of work, and operational levels as prescribed by the Risk Management Committee.

2.1.6 Risk Management Committee and executives audit, monitor and evaluate the performance to manage the risks of organization to be appropriate.

## 2.2 Risk Factors on Business Operations of the Company

### 2.2.1 Risks from Business Operations

- **Risks from Competition, Marketing and External Factors**

Since 2020 onwards, There is COVID-19 pandemic, leading to exponential growth of of rubber glove demand until 2021, resulting in there is fluctuation of the sale price increased and changed rapidly. However, cost price of raw materials is increased as well. Nevertheless, rubber glove industry remains have performance and turnovers higher than as before, resulting in both domestic and foreign major manufacturers such as Malaysia had increased production capacity to respond to higher market's demand as well as there are many new manufacturers established factory in the said period.

Until 2022, especially in the second half of the year, rubber glove market has fierce price competition condition due to rubber glove industry had entered into Over supply condition from increasing production capacity of manufacturers both in Malaysia and Thailand as well as taking over market of manufacturerers from China along with COVID-19 pandemic situations around the world that are resolved and going back to normal from early 2020 onwards, are factors affecting average sale price decreases significantly compared to period of COVID-19 pandemic or 2020-2021.

However, condition of industry is expected that will pass period of Over supply in the middle of 2023 by the Company remains focus on development of new product and focus on customers in Custom Made group to reduce the risks of price war and build the difference of the Company's product.

- **Production Risk Factors on Procurment of Raw Materials**

The Company had procured main raw materials for domestic and foreign manufacturing by purchasing natural latex from sellers and farmers in nearby area.

#### Concentrated Latex 60% (Natural Rubber)

The Company had procured concentrated latex from domestic trading partners with risks from fluctuation of raw material price. Concentrated latex 60% is the main raw material of manufacturing the rubber gloves by average price of concentrated latex in 2022 increases from 2021. In order to prevent the risk of raw material shortage and price of raw materials, the Company therefore orders concentrated latex from many ditributors both in eastern and southern parts of Thailand by entering into futures contract, and compares the quotations of at least 3 distributorsin the same period of time along with compare with estimated price from Rubber Authority of Thailand (RAOT), in addition, the Company also considers the Credit Term as well.

### Synthetic Latex (Nitrile Rubber)

In 2022, 65.34 percent of synthetic latex was purchased from domestic dealers and 34.66 percent were purchased from foreign countries. The reason why the proportion of domestic purchases increased from 2021 was. Due to the production plan for some products has a relatively short planning period, causing some periods to not be able to purchase and wait for synthetic latex from abroad due to lead time limitations. Therefore, there is a domestic procurement instead.

### Fuels for Steam Energy

The Company uses fuels from 4 fuel sources consisting of palm kernel shell, woodchips, wood pellet and wood slab by all of them are purchased from domestic trading partners, however, in order to procure sufficient and quality raw materials, the Company therefore advance orders as well as finds trading partners to be sufficient to be able to deliver raw materials for production.

#### ● **Production Risks**

Production is a key factor of business operations. If machine is unable to run normally, it will cause the losses of opportunity of monetization and delivery of products to customers. However, the Company has improved the machines regularly in order to be able to manufacture products continuously as well as additional invested to enhance efficiency of production and have reduced cost.

#### ● **Personnel Risks**

The Company shall rely on expertised personnel on manufacturing rubber gloves as well as shall always administer numbers of employees to be sufficient for manufacturing due to characteristics of the Company's products shall rely on personnel with experts and specific skills.

However, the Company has set appropriate and competitive compensation and pay attention to treat to employees fairly and correctly under the principles of human rights, to have training and development of employee's skill continuously in order to maintain numbers of personnel to be sufficient and enhance capability of personnel to keep up with change of competition world at the present and in the future, and give opportunity to personnel to sustainable grow up together with the Company.

- **Inventory Risks**

Due to the Company's business is the manufacturing industry, therefore suffers to the risks of inventory level. If numbers of inventory is too low, the Company may suffer the risks of delivery and sale opportunity. If there is over inventory, it may be the burden of the Company in part of too high Carrying Cost.

The Company therefore has inventory management in order to the inventory to be in the appropriate level by considering the delivery schedule, to be sufficient for sale and delivery to customers in the prescribed term, taking account into the use of Working Capital to be the highest useful and appropriate, and maintain inventory level to not too high or low.

- **Exchange Rate Risks**

The Company has exchange rate risk due to selling products to foreign customers and purchasing main raw materials from abroad. However, the Company has opened the Foreign Currency Deposit both USD and EURO to manage the risk using foreign currency derived from customers and using the said currency for payment of product or as called Natural Hedging, resulting in the Company does not loss the difference from exchange rate to exchange the foreign currency to Thai baht everytime as well as reduce the risk of currency fluctuation, and the Company also use other financial instrument such as Forward Contract or Option for foreign currency that is unable to use Natural Hedging as mentioned above.

- **Risk of Outstanding Payment from Customers**

The Company considers to give different credit term for each customer under the principles of the Company by policy for selecting each customer will be considered the customer's reputation and financial status in order to ensure that there will not be problem on debt payment that may occur in the future.

For estimating the allowance for doubtful accounts, the Company will consider it from debtor's behavior. If it is over the given term and there is the definite indication that the debtor is unable to pay for debt to the Company, the Company will estimate the full amount of allowance for doubtful accounts and demand payment of a debt closely in order to reduce the loss.

- **Environment and Community Risks**

The Company operates business and manufactures products located in area with community and nature surrounding. In order to prevent from problems, the Company had comply with standard and relevant

regulations in manufacturing procedures in order to ensure that it will not have negative impact on environment and community.

The Company has been audited from competent official via the Report Form of Type and Amount of Pollutants Discharged From the Factory regularly by the Company does not operate any illegal action and has treatment system improvement continuously.

### 3. Business Sustainability Development

#### 3.1 Policy and Objectives of Sustainable Management

The Company operate business under scopes of Good Governance, transparency and checkable with intention to develop business parallel with building the balance of economy, society and environment. However, the Company insists on being good model of society on sustainable business operations and managing business to grow up steadily and be acceptable in society on basis of morals and Principles of Good Corporate Governance and correspond to the Sustainable Development Goals (SDGs) of United Nations as well as United Nations Guiding Principles on Business and Human Rights (UNGPs), including building returns to shareholders efficiently, taking account into impact of business operations on stakeholders of the Company in all aspects. The Company therefore prepares social responsibility policy to be guidelines of business operations of the Company in various aspects.

In 2021, the Company set 4 Sustainable Development Goals (SDGs) of United Nations as follows:

- Goals 3 : To ensure healthy lives and promote well-being for all at all ages
- Goals 5 : Achieve gender equality and empower all women and girls
- Goals 14 : Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- Goals 16 : Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels





In 2022, the Company had set the Sustainable Development Goals (SDGs) of United Nations both in short-term and long-term as follows:

Short-term goals by 2024, the Company sets 2 additional Sustainable Development Goals (SDGs) of United Nations as follows:

Goals 4 : Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Goals 6 : Ensure availability and sustainable management of water and sanitation for all



Long-term goals by 2027, the Company set 3 additional Sustainable Development Goals (SDGs) of United Nations as follows:

Goals 1 : End poverty in all its forms everywhere

Goals 2 : End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Goals 11 : Make cities and human settlements inclusive, safe, resilient and sustainable



- **Operating Business on Fair Basis**

The Company has set guidelines for taking care stakeholders in Code of Conduct, taking account into responsibility to stakeholders whether shareholders, employees, customers, partners, contract parties, community, society and environment as well as promote free and fair trade competition, avoid operation that may cause the conflicts of interest and intellectual property infringement including anti-corruption for all formats in the following topics.

- **Corporate Governance**

The Company intends to operate business correctly with honesty, fairness, transparency, disclose important information and be checkable as well as use the principles of good corporate governance as operational guidelines which the Company and its subsidiaries will take account into interest and impact on shareholders, customers, partners, employees and all parties of stakeholders as well as sharing benefits appropriately and fairly by the Company has separated authority scope of board of directors, subcommittees and executives obviously.

- **Governance of Compliance with Laws, Regulations and Rules**

The Company pays attention to compliance with laws, regulations related to environment, occupational health and safety as well as compliance with International Code of Business Conduct by prescribing directors, executives and employees to conduct oneself to be in scope of laws, regulations, rules and shall be not involved to or help or do any action which is violation or break the laws or other relevant regulations.

- **Administration on Sustainable Social Responsibility**

**Social and Environment Responsibility Policies**

The Company operates business under scope of good corporate governance with transparency and be checkable by intending to develop business together with building balances of economy, society and environment. However, the Company insists on being good model of society for sustainable business operation and is able to administer business to grow steadily and be accepted in society on basis of morals and principles of good corporate governance as well as making returns to shareholders effectively, taking account into impacts of business operation on stakeholders of the Company in all aspects. The Company therefore prepare policy of social responsibility to be guidelines of business operations of the Company in various aspects.

- **Anti-Corruption**

The Company has anti-corruption policy focusing on strengthening organizational culture to all levels of personnel to aware of dangers of corruption, building the correct value and enhance confidence to all parties of stakeholders with policies and guidelines regarding anti-corruption specifically in order to anti-corruption is efficient such as provides guidelines to prevent various corruptions such as political assistance, charitable contributions, sponsorships, gift payment, welcome service fee, etc., and provide governance and monitoring the said operation to have transparency, uncontrast to relevant laws or incorrect or inappropriate favoritism.

- **Human Rights Respect**

The Company has policy supporting and respecting the human rights by treating to involved person whether employees, community and surrounding societies with respect in human dignity, taking account into equality and equal freedom, non-violation of basic rights and nondiscrimination whether on race, nationality, religions, language, ethnicity, skin tone, gender, age, education, physical conditions or social status as well as supervises to prevent the Company's business from contributions of violation of human rights both directly and indirectly including non-exploitation of child labour and forced labor.

- **Fair Treat to Labour**

The Company awares of the importance of human resource development and fair treat to labor which are factors added value of business and strengthened competitiveness and sustainable growth of the Company and its subsidiaries in the future. The Company pays attention to respect of employee's rights under the principles of human rights and compliance of labour laws by providing fair employment procedures and conditions as well as remuneration payment that is fair and appropriate to employee's potential and fair performance evaluation procedures including providing appropriate welfares for employees. The Company promotes development of all levels of personnel by providing relevant academic trainings and seminars in order to develop competency and strengthen potential of personnel as well as cultivation of good attitude, morals, ethics and team work to personnel, and build happiness working environment and accepts each other and treat to all levels of employees without exploitation each other. In addition, the Company also gives opportunity to employees to express their opinions or complain regarding unfair treat or incorrect action in the Company and its subsidiaries as well as giving protection for employees who reports the said action including taking account into safety, occupational hygiene and working environment by promoting the agenda of safety as important agenda.

- **Responsibility to Customers and Consumers**

The Company will manufacture and distribute the standardized quality products in order to build highest satisfaction to customers and consumers, give correct and sufficient information regarding products and services to customers, meet the customer's needs quickly and efficiently, provide system and channels for customers for complaining regarding products and services conveniently and efficiently. In addition, the Company will treat customers fairly without discrimination, and keep the customer's secret as well as intend to build satisfaction and confidence to customers under appropriate safety and technology in order to maintain international standardized quality and improve standards to higher continuously.

- **Caring For Environment**

The Company pays attention to natural environment conservation by supporting the efficient use of resource, aware of safety of social, community and environment, operate business with standardized operation system with good control, supporting sustainable development of social and environment as well as building awareness and responsibility to social, community and environment in the Company and all levels of employee continuously including supporting activities contributed in environment conservation.

### 3.2 Management of Impacts on Stakeholders in the Business Value Chain

#### 3.2.1 Business Value Chain

Internal Stakeholders	Channels for Communication/Participation	Needs/Expectations	Method for Meeting Expectation	Indicators/Results
Employees	<ul style="list-style-type: none"> <li>● Monthly Meeting of the Company</li> <li>● 5S Activities, Safety talk, QCC, KYT</li> <li>● Channel for receiving the complaints and opinions</li> <li>● Activities</li> </ul>	<ul style="list-style-type: none"> <li>● Appropriate remuneration and good welfares</li> <li>● Good working environment and safety</li> <li>● Security and progression in working</li> <li>● Competency development</li> </ul>	<ul style="list-style-type: none"> <li>● Estimating appropriate and energetic remuneration</li> <li>● Annual health check-up</li> <li>● Provide trainings</li> <li>● Policy for receiving the complaints</li> <li>● Policy of fairness</li> </ul>	<ul style="list-style-type: none"> <li>● Rate Lost Time Injury more than 3 days in 2022 is zero</li> <li>● Amount of complaints in 2022 is zero</li> <li>● Resignation rate in 2022 is less than 4.5%</li> </ul>
External Stakeholders	Channels for Communication/Participation	Needs/Expectations	Method for Meeting Expectation	Indicators/Results
Shareholders and Investors	<ul style="list-style-type: none"> <li>● Shareholder's Meeting</li> <li>● Annual Report</li> <li>● Communication channels of stock exchange (ELCID)</li> </ul>	<ul style="list-style-type: none"> <li>● Returns from investment meet the expectation</li> <li>● Sustainable returns of the Company</li> </ul>	<ul style="list-style-type: none"> <li>● The Company complies with principles of Good Corporate Governance - CG</li> </ul>	<ul style="list-style-type: none"> <li>● operate in order to the Company's stocks resume to trade in trading board (Resume Trade)</li> </ul>

	<ul style="list-style-type: none"> <li>● Investor Relationship Agency</li> </ul>	<ul style="list-style-type: none"> <li>● Growth of returns</li> <li>● Transparency in administration</li> <li>● Efficiency of administration</li> </ul>	<ul style="list-style-type: none"> <li>● There is a dividend payment policy</li> <li>● Administer business to build wealth and sustainability to all shareholders and stakeholders</li> </ul>	
Consumers and Investors	<ul style="list-style-type: none"> <li>● Satisfaction survey</li> <li>● Calling on customers</li> <li>● Exhibiting products on events</li> <li>● Doing activities together with customers</li> <li>● Communication channels via telephone, email and website</li> </ul>	<ul style="list-style-type: none"> <li>● Receive quality products by needs</li> <li>● Receive products on time</li> <li>● Problems are resolved, in case of there is problems</li> <li>● Keep trade secrets</li> </ul>	<ul style="list-style-type: none"> <li>● International standard systems such as ISO9001</li> <li>● Manufacturing control and inspection procedures with quality</li> <li>● Code of Conduct</li> <li>● Product Improvement</li> </ul>	<ul style="list-style-type: none"> <li>● Increased quantity of sales</li> <li>● Increased sales</li> <li>● Increased new customers</li> <li>● Customer's satisfaction</li> </ul>
Partners/Suppliers	<ul style="list-style-type: none"> <li>● Communication channels via telephone, email and website</li> <li>● Site Visit</li> <li>● Meeting</li> </ul>	<ul style="list-style-type: none"> <li>● Pay the payment on schedule time</li> <li>● Transparent procurement system</li> <li>● Setting specification of products and services</li> </ul>	<ul style="list-style-type: none"> <li>● Fair and transparent procurement policy</li> <li>● Channels for receiving complaints</li> <li>● Anti-Corruption Policy</li> </ul>	<ul style="list-style-type: none"> <li>● Annual Performance Evaluation Result</li> <li>● Deliver work on the prescribed specification and on scheduled time</li> </ul>

Community	<ul style="list-style-type: none"> <li>● Mutual do activities</li> </ul>	<ul style="list-style-type: none"> <li>● No build negative impacts to community</li> <li>● Support community activities</li> <li>● Have responsibility to environment and safety in community</li> </ul>	<ul style="list-style-type: none"> <li>● Employ community's members</li> <li>● Attend community activities</li> <li>● Support community activities</li> </ul>	<ul style="list-style-type: none"> <li>● CSR</li> <li>● Budgets for social and community</li> <li>● Employment in community</li> <li>● Expense of employees in community</li> </ul>
Relevant supervisory authorities	<ul style="list-style-type: none"> <li>● Attending various projects</li> <li>● Meeting and activities</li> </ul>	<ul style="list-style-type: none"> <li>● Comply with relevant laws</li> <li>● Cooperate to agencies for resolving problems</li> <li>● Support government projects</li> </ul>	<ul style="list-style-type: none"> <li>● Comply with relevant laws</li> <li>● Cooperate in other aspects (if any)</li> </ul>	<ul style="list-style-type: none"> <li>● Receive licenses for business operations continuously</li> </ul>

### 3.2.2 Analysis of Stakeholders in the Business Value Chain

The Company has main business as manufacturing rubber gloves both in parts of gloves manufactured from natural latex and synthetic latex by the Company has glove manufacturing factories for delivering to domestic and foreign customers with procedures in value chain as follows:

<b>Main Activities</b>	Procure raw materials from domestic and abroad	Manufacture and package products in the Company's factory	Use domestic and foreign transportation services for delivering products to customers	Providing after-sales services
<b>Supporting Activities</b>	Marketing, accounting, financing, procurement, personnel, IT			

## **Main Activities**

### **Procurement of Raw Materials for Manufacturing**

The Company purchases main raw materials consisting of natural latex, synthetic latex and chemical substances for manufacturing by the natural latex is purchased from domestic source consisting of direct purchase from local area and other sources such as Rayong, Chon Buri and provinces in southern part including Surat Thani, etc., which the Company pays attention to quality of concentrated latex of each distributor. For synthetic latex, it is purchased from manufacturer in abroad to support the manufacturing.

### **Manufacture and Package in the Company's Factory**

The Company manufactures gloves using machines as well as packages the products in the factory under each customer's needs and control manufacturing and quality by personnels both in production and engineering departments by the Company has been certified relevant standards from both government agencies and customers. The manufactured products has been manufactured to sell domestic and in abroad which shall be passed the required and accepted standards by customers.

### **Transportation of Product Export**

The Company uses both domestic and foreign transportation services to deliver products to customers by using the land water transportations for foreign market.

### **After-Sales Services**

The Company has Marketing Department to be responsible for supervising the product's quality after sales with receiving complaints in case of product has problems and resolving problems for each customer.

## **Supporting Activities**

### **Marketing**

The Company has Marketing Department to be responsible for building reliability to the Company as well as coordinate to customers on new needs or improve products for meet each customer's needs as well as building and maintaining relationship for sustainable growth of both the Company and customers.

### **Personnel Management**

Personnel plays important role in business operations, the Company therefore pays attention to personnel, sufficiency of manpower, creating incentives at work, improving competency of personnel such as training and safety of workers.

### **Accounting and Finance**

The Company emphasizes to have a good, correct, accurate and fast accounting and financial system in order to obtain updated information for planning a business plan in the present world.

### **IT System Development**

The Company focuses on taking technologies that are able to develop supporting works to more quick and efficient with development plan for website and social media to build reliability to the Company and support product information to customers, improve office suppliers for personnel, and install ERP system for integrated work, etc.

## **3.3 Management of Environmental Sustainability**

### **3.3.1 Environmental Policy and Guidelines**

- **Management for Reducing Greenhouse Gas Problems**

Quantity of greenhouse gas emission is reflected in form of Carbon Footprint Assessment of products and Carbon Footprint of organization which are assessment of quantity of greenhouse emission that a product or organization emits into the atmosphere of earth, depending on relevant activities as well as use of relevant resources or the organization.

Shun Thai Rubber Gloves Industry Public Company Limited is one of rubber glove manufacturing entrepreneurs paid attention to the importance of participation in reduction of quantity of greenhouse gas emission. The Company therefore prepares the Carbon Footprint Assessment Project of organization for fiscal year 2022 in order to reflect quantity of greenhouse gas emission in each activity period in order to find out guidelines for reducing quantity of greenhouse gas emission aiming to be organization with net greenhouse gas emission as Net Zero in the future.

Sources of Greenhouse Gases from Business Operations dividing into 2 aspects, namely

- 1.) Direct greenhouse gas emission such as burning of engine, uses of refrigerant and fuels, generation of methane gas from employees and waste water treatment system, etc.
- 2.) Indirect greenhouse gas emission such as indirect greenhouse gas emission from purchasing raw materials and services, indirect greenhouse gas emission from acquisition of fuels and energies, waste management, greenhouse gas emission from transportation of wastes from products for disposal, etc.



The Company pays attention to management for reducing green house gas problems by finds that the Company's activities with highest greenhouse gas emission is use of fuels (Biomass), the Company therefore has more policies for specifying quality of fuels.

In 2022, the first year of assessment, it was found that the Company has quantity of direct greenhouse gas emission of 2,476 ton carbondioxide equivalent (tCO<sub>2</sub>e) and quantity of indirect greenhouse gas emission of 23,903 ton carbondioxide equivalent (tCO<sub>2</sub>e) in order to be the base of performance evaluation in the next year by verifier is Research Unit For Energy, Economic and Ecological Management, Chaing Mai University

- **Water Resource Management**

Water resource is a limited resource, the Company should use water resource efficiently. Use of public water resources shall correspond to laws related to water resource utilization. In addition, water resource dependence also may cause risk to business operation such as in case of business suspension due to water resource shortage or higher cost of business operation from water resource shortage.

#### **Relevant Standards**

Water Resources Act B.E. 2561 (2018)

- Public Water Resources Utilization
  - The use of public water resources for the industry, tourism industry, electricity generation, waterworks and other undertakings is classified as Water Use of Type Two (Section 41 (2));
  - The use of public water resources for a large-sized undertaking which requires the use of a large quantity of water or possibly has effects across drainage basins or covering large areas is classified as Water Use of Type Three (Section 41(3));
  - The water use of Type Two requires a licence from the Director-General of the Royal Irrigation Department, Director-General of the Department of Water Resources or Director-General of the Department of Groundwater Resources, as the case may be, with the approval of the drainage basin committee in whose area such water resources are located (Section 43);
  - The Water Use of Type Three requires a licence from the Director General of the Royal Irrigation Department, Director-General of the Department of Water Resources or Director-General of the Department of Groundwater Resources, as the case may be, with the approval of the N.W.R.C. (Section 44);

- The Water Use of Type Two and Type Three shall pay for water use under rules, procedures and conditions of for the collection or deduction of, or exemption from, water use charges, provided that they may be prescribed differently, having regard to activities and the nature or quantity of water use of each type and in each drainage basin (Section 49);

- In order to benefits of inspection and control of public water use, licensee of Water Use of Type Two and Type Three shall install the used measurement or quantity evaluation tools and collect necessary data in order to the competent officers appointed by Minister of Agriculture and Cooperatives or Minister of of Natural Resources and Environment, as the case may be, to inspect under rules and procedures as prescribed by Director-General of the Royal Irrigation Department, Director-General of the Department of Water Resources or Director-General of the Department of Groundwater Resources, as the case may be, by publishing in the Royal Gazette.

### **Policy and Guidelines**

In order to support the goals of sustainable water management , the Company aware of responsibility of water resource use in all of the Company's establishments to have maximum benefits and available for everyone. The Company has complied with Water Resources Act B.E. 2561 (2018), namely the Company is approved to use public water resources and pay for water use as prescribed by laws as well as has installed measurement and evaluation tools of the used water quantity and collect data regarding water resources use under the laws.

The Company has goals to operation for efficient water resources use and concrete water resources management in many aspects such as

- Reduce water resource use in production process per production of product unit by 5%;
- Take account into quality and quantity of water use in order to unaffected to community around the factory.

The Company has operated under laws related to water resources use and measured the water resource use in the process as well as analyzed the risks from water resource dependence continuously.

**Performance**

<b>Year</b>	<b>Quantity of Used Water (Cubic Meter/Million Pieces)</b>	<b>Decreased Water Use Rate (Percent)</b>
<b>2020</b>	1,389	7.81
<b>2021</b>	1,325	4.60
<b>2022</b>	1,786	34.85 (Increased)

The Company has operated under guidelines and goals regarding supporting efficiency of water resource use and risk analysis from water resource dependence in many aspects.

The Company knows that water resource dependence may affect the business suspension and cost of business operation of the Company. In order to manage the occurred risks, the Company therefore operates as follows:

1.1 Control manufacturing process and water flow rate at all points to be under the regulations by setting points and checks it 2 times per week;

1.2 Control opening – closing water valves. Leave opening water valve is prohibited;

1.3 Schedule drain water and wash tank under the scheduled cycle in order to reduce unnecessary leaving water drainage;

1.4 Control machines to be under the prescribed plan regularly and set goals of all relevant agencies of the Company (relevant KPI)

1.5 Hold the Meeting everyday before starting work, talking about efficient water resource use and follow up regularly.

- **Waste Management**

Waste production (industrial waste, hazardous waste) as well as any operation contributed in waste production of the Company may affect to environment and at the same time may casue the Company risks to legal liability from waste management. The Company therefore should display information regarding quantity

of waste that the Company has produced or contributed in production, and guidelines for waste management and residue disposal and reduce impact from waste from business operation.

### **Relevant Standards**

1. Announcement of the Ministry of Interior on solid Waste management B.E.2560 (2017)
2. Act on the Maintenance the Cleanliness and Orderliness of the Country B.E.2535 (1992) (No.1)
3. Act on the Maintenance the Cleanliness and Orderliness of the Country B.E.2560 (2017) (No.2)
4. Factory Act B.E.2535 (1992) Re: entitled Disposal of Wastes or Unusable Materials B.E. 2548 (2005)
5. Act Public Health B.E. 2535 (1992)

### **Policy and Guidelines**

The Company has legal policies and guidelines regarding maintenance of cleanliness and orderliness of the country as well as Factory Act entitled waste and attempt to reduce quantity of waste and impacts from waste to environment.

The Company has goals of operation to reduce waste production and impacts on environment from waste production of establishment by

1. The Company provides program of awareness cultivation and raising awareness to employees in waste sorting from the origin by communication via electronic media, Line application as well as Daily Morning talk, sorting and applying waste to be benefits continuously;
2. The Company has improved production system to reduce waste and impacts from waste production from business operations;
3. Reduce quantity of waste per production unit by 5% compared to base year (2020) by 2027.

During the last year, the Company had operated under laws regarding maintenance of cleanliness and orderliness of the country, and measured reduced wastes.

## Performance

During the last year, the Company has operated under policy and guidelines regarding waste production reduction with the performance on waste management as shown as follows:

Year	Hazardous Waste (tons)	Non-Hazardous Waste (tons)	Decreased Proportion of Hazardous Waste (Percent)	Decreased Proportion of Non-Hazardous Waste (Percent)
2020	31.21	161.72	13.4%	20.9%
2021	16.39	87.16	46.5%	45.1%
2022	13.4	87.31	111%	158.8%

The Company has planned guidelines as follows:

1. Held training, review and campaign to raise awareness to employees via social media and Daily Meeting;
2. Sort and store unusable waste by types and storage point on order to take to utilize or send to dispose under the laws efficiently;
3. Improve production process by install equipment to reduce waste production.

### ● Energy Management

Energy is a main composition in business operation and an important cost for engaging in business, at the same time, energy consumption always affects environment. Therefore, the Company is responsible for complying with laws regarding energy conservation, cooperating to use energy economically, efficiently and worthily as well as promoting efficient technology application.

## Relevant Standards

Energy Industry Act B.E.2550 (2007)

- The government should promote economical, efficient and worthwhile use of energy, including application of efficient technologies as well as the distributed generation system, in order to reduce investment

in energy utilization, fuel costs in generation processes, health impact and other associated impacts resulting from energy generation and utilization; and to increase economic competitive edge of the country (Section 8(2))

The Energy Conservation Promotion Act B.E. 2535 (1992)

- The Company with controlled factory shall comply with the Ministerial Regulations prescribing standards, rules and procedures for energy management that must be followed by owner of the controlled factory (Section 9(1));

- The owner of the controlled factory must provide a person, who will be the permanent responsible person for energy in each controlled factory as well as to prescribe qualifications and duties of the person, who will be permanently responsible for the energy (Section 9(2)).

### **Policy and Guidelines**

The Company has set a policy and guidelines for energy management, referencing from Energy Industry Act and The Energy Conservation Promotion Act as well as standardized international laws in order to reduce quantity of energy use and impacts on environment.

The Company promotes participation of employees for being a part of energy use reduction which has communicated the measures, campaigned the participation as well as monitored and reported the performance.

- Adjust time for turning on and off air conditioners in all buildings,
- Turn off the lights in buildings and parking at the scheduled time and turn on it as much as necessary,
- Campaign to turn off the light in the meeting room and unplug electrical devices when not in use,
- Turn off computer screen/unplug electrical device/turn off the lights, fans, air conditioners at the unused point.
- Turn on air conditioner at 08.00 a.m. everyday
- Set the air conditioner temperature at 25°C or more

During the last year, the Company has complied with laws on energy conservation promotion, and operated to promote energy use efficiency.

## Performance

During the last year, the Company has implemented policy, guidelines and goals regarding energy use reduction.

Year	Quantity of Used Energy per Production Unit (kW/million pieces)	Decreased Quantity of Electricity (Percent)
2020	13,864	9%
2021	13,146	5.18%
2022	16,503	0.26% (Increased)

## Work Plans

1. Control voltage drop not exceeding 3%,
2. Install common lighting systems at all points to be automatic systems,
3. Replace the broken fluorescence light bulb to be LED,
4. Replace spotlight, mercury-vapor lamp to be floodlight LED,
5. Improve work control system to be Inverter and reduce motor duty cycles.

## Facts, Progress, Reasons

During the last 2 years, the Company had attended the program of energy conservation promotion in small and medium industrial factories, Department of Alternative Energy Development and Efficiency.

### ● Pollution Management

The Company is responsible for complying with laws regarding promotion and maintenance of environment quality which the said compliance of laws always affects to cost of business operation. In addition, pollution may cause the risks that the Company shall be liable legally. The Company therefore collect data regarding emission of pollutants directly and indirectly in order to show the risk of the Company and environment from emission of pollutants.

### Relevant Standards

1. Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992)
2. Factory Act B.E. 2535 (1992)
3. Ministerial Regulation No. 2 B.E. 2535 (1992) Issued pursuant to the Factory Act B.E.2535 (1992) (Discharge by Dilution is prohibited)
4. Notification of Ministry of Industry Re: Preparation of Report on Type and Amount of Pollutants Discharged from A Factory B.E. 2558 (2015) (Air)
5. Notification of Ministry of Industry Re: Reporting Form For Type And Amount Of Pollutants Discharged From A Factory B.E.2559 (2016)

### Policy and Guidelines

Monitor the discharged air quality of the Company and inspecting air quality as per indicators under the regulations of laws.

The Company has prescribed to measure parameters: 1. Total Suspended Particulate (TSP), 2. Sulphur dioxide (SO<sub>2</sub>), 3. Nitrogen dioxide (NO<sub>2</sub>) and 4. Carbon monoxide (CO) in discharged air which meet measures as prescribed in the regulations under the laws.

The Company has recorded the air pollution data discharged out of the factory in order to ensure that it meets the standards of regulations of Department of Industrial Works.

### Performance

Year/Parameters		Boiler 15 T				Boiler 20 T			
		TSP	SO <sub>2</sub>	NO <sub>2</sub>	CO	TSP	SO <sub>2</sub>	NO <sub>2</sub>	CO
		Standard	Standard	Standard	Standard	Standard	Standard	Standard	Standard
		≤320 mg/m <sup>3</sup>	≤60 ppm	≤200ppm	≤690ppm	≤320 mg/m <sup>3</sup>	≤60 ppm	≤200ppm	≤690ppm
2020	1 <sup>st</sup> Measurement	3.74	5.08	5.67	457.1	33.4	3.45	278	64.6
	2 <sup>nd</sup> Measurement	190	7.34	8.19	12.1	2.57	1.63	1.82	199
2021	1 <sup>st</sup> Measurement	32.1	<1	52	279	147	<1	164	72
	2 <sup>nd</sup> Measurement	160	<1	184	199	121	<1	108	229
2022	1 <sup>st</sup> Measurement	14	<0.2	121	131	29	<0.2	55	173
	2 <sup>nd</sup> Measurement	31	<0.1	32	497	64	<0.1	7	195



ปี พ.ศ./พารามิเตอร์	Boiler 7.5 T A				Boiler 7.5 T B				
	TSP Standard	SO2 Standard	NO2 Standard	CO Standard	TSP Standard	SO2 Standard	NO2 Standard	CO Standard	
	≤320 mg/m3	≤60 ppm	≤200ppm	≤690ppm	≤320 mg/m3	≤60 ppm	≤200ppm	≤690ppm	
2022	1 <sup>st</sup> Measurement	32	<0.1	110	299	24	<0.1	103	434
	2 <sup>nd</sup> Measurement	83	<0.1	53	252	52	<0.1	4	295

During the last year, the Company has implemented policy, guidelines and goals regarding discharged air pollution management.

### Work Plans

The Company has measured air quality discharged out of chimney legally every 6 months and has the report certified by external company that has been certified by Department of Industrial Works. The discharged air quality will be taken to report in the Report on Types and Amount of Pollutants Discharged from A Factory every 6 months.

### Facts, Progress, Reasons

During the last 2 years, the Company has been inspected by competent officers via the Report on Types and Amount of Pollutants Discharged from A Factory regularly by the Company does not operate illegal action anyway and improves the treatment system continuously.

#### ● Hazardous Materials Management

Production, import, export or possession of hazardous materials is activity under the regulations of the Hazardous Substance Act B.E. 2535 (1992) which in business operations regarding hazardous materials, the Company is necessary to know and understand information on hazardous materials as well as environmental management due to the hazardous materials are able to cause the risks to health of workers and users as well as environment.

### Relevant Standards

The Hazardous Substance Act B.E. 2535 (1992)

Section 18 hazardous substances shall be classified into categories as per the necessity of control as follows:

(1) Category 1 Hazardous Substance: The production, importation, exportation or possession of hazardous materials shall be in accordance with the prescribed criteria and procedure;

(2) Category 2 Hazardous Substance: The production, importation, exportation or possession of hazardous materials requires an advance notification to be made to the competent official, and shall be in accordance with prescribed criteria and procedure;

(3) Category 3 Hazardous Substance: The production, importation or exportation or possession of hazardous materials requires licensing;

(4) Category 4 Hazardous Substance: The production, importation or exportation or possession of hazardous materials is prohibited. For the purpose of prevention and extinguishing of any harm which may happen to people, animals, plants, property or environment, the Minister of Industry, with the recommendation of the Committee, shall have the power to publish in the Government Gazette the name, or properties and category of hazardous substance, enforcement period and responsible agency for the control of such hazardous substance.

### Policy and Guidelines

The Company has policy and guidelines under laws on hazardous materials and take account into risks to health of workers and users, and risks to environment from results of hazardous materials involvement of the Company.

The Company has goals of operation to reduce risks of hazardous substances affected to the worker's and user's healths as well as environment by operating as follows:

1. Improve process to reduce waste production by 5 %
2. Improve production process to reduce chemical substances use in the process.

During the last year, the Company has complied with laws on hazardous materials, and reduced hazardous substances/materials which meet goals as prescribed by the Company.

### Performance

The Company has implemented policy, guidelines and goals regarding the use of hazardous substances/materials.

Year	Quantity of Hazardous Waste (tons)	Decreased Quantity (Percent)
2021	16.39	47.48%
2022	25.90	58.02% (Increased)

## Work Plans

In order to assess the risks of hazardous substances in production process and products affected the worker's or user's healths and environment, the Company has:

1. Specified hazardous substances/materials on site and stored it as SDS documents at the center,
2. Collected data regarding hazardous substances,
3. Assessed the risks by collecting and analysing data regarding hazardous substances and potential danger,
4. Set a risk control plan,
5. Improved the measures regularly,
6. Collected data of risk control for advantages in risk control review and development.

## Facts, Progress, Reasons

During the last year, the Company has submitted for approval of export, use, possession and delivery of hazardous documents/materials by receiving approval from relevant government agencies regularly.

Production, import, export or possession of hazardous materials is activity under the regulations of Hazardous Substance Act B.E. 2535 (1992) which in business operations regarding hazardous materials, the Company is necessary to know and understand information on hazardous materials as well as environmental management due to the hazardous materials are able to cause the risks to health of workers and users as well as environment by the Company has the performance as follows:

### 3.4 Social Sustainability Management

#### 3.4.1 Policy and Guidelines

- **Certification of Freedom of Association and Protection of Rights of Collective Bargaining**

Frustration of employees in establishment always leads to problems of business operation more or less. Hearing those problems and solving it are responsibility of employer because of in addition to is building good encouragement in working to employees, it also causes the employer's business run smoothly. However, each employee has different problems and unhappinesses regarding work, some problems are personal problem and some problems are collective problems. Resolving collective problem is the first problem that employer should pay attention. Grouping of employees therefore is like as a forum that employees can reflect obstacles and problems on working and their need regarding work conditions. If their needs have the common point, it can be assumed that it is the important problem of the establishment or business operation that employer or entrepreneur should pay attention and solve it promptly by the company may attend in negotiation or discussion for solving the said problems with employees. If the Company is unable to agree with employees, they should reconcile it to end the uncorresponded desire with good understanding which acquired answer is satisfied by both parties, leading to peaceful in labor society. However, if negotiation process is failed, the Company should accept the labor pressure, namely lockout and strike as tools assisted both parties to have opportunities to negotiate for mutual understanding which may lead to agreements on acceptable basis. Observation that is the important challenged issue is relevant provisions of Thai laws remain uncorrespond to international principles completely. In order to good corporate governance which is acceptable and correspond to international principles and guidelines, the Company therefore considers acceptable guidelines internationally as well.

The Company has policy and guidelines supported grouping and negotiation of employee corresponding to principles under the Labour Relations Act, B.E. 2518 (1975) as prescribed to the Company as a private organization.

In 2022, there was no any action and dispute. In 2023, the Company will have project of potential development and raising awareness of employees in organization in order to the Company's employees aware of the importance of participation in prescribing work conditions and creative employment conditions.

- **Elimination of Forced Labor and All Concriptions**

The Company has policy and guidelines to not support exploitation of forced labor by employment of the Company shall be under the provisions of laws and fair. However, the Company aware of the importance of scheduling working time, resting time, holidays, leave days and remuneration payment both in normal case and case of working on holidays to be under the Labour Protection Act B.E. 2541 (1998) as prescribed to the Company as a private organization.

In 2022, there was no any action and dispute. In 2023, the Company will have the potential development and raising awareness of employees in organization in order to the Company's employees aware of the importance of policy and guidelines that not support the forced labor employment in order to be under the laws and fair.

- **Abolition of Child Exploitation and Child Exploitation in Worst Forms**

Poverty is the important obstacle of prosperity of economy and social.. Education is the important tools of elimination of poverty. Child's working shall not be obstacle of education. Development of growth, fertility and dignity of child as well as the child can work in conditions that is not danger to body and mind as follows: child employment shall be restricted under strict conditions as well as it shall not reduce opportunities of education, learning and development of child's experiences. However, the Company shall understand as basis that this principle focuses on control of "child labor employment" which is condition caused the child falls in status of an employee or labor under supervision of employer which differs from "child exploitation" that is the general term and may include parents, legal representatives as well as guardian asking the child to work in order to promote learning development which should be done and unlimited the scope as like as the child employment.

In 2022, there was no any action and dispute. In 2023, the Company will have the potential development and raising awareness of employees in organization and improve the regulations in order to the Company's employees aware of the importance of participation in policy implementation.

- **Employment and Occupation Discrimination Elimination**

Inequality and difference cause bias and the bias is the root cause of disputes in labor society. The different employment and laboring lead to dissatisfaction of worker, resulting in posing questions on equality and non-discrimination. If those who receives the answer unsatisfy in the answer, it always leads to social problems. Therefore, labor practices should use characteristics of performance work for working and worker's competency as the basis. If the Company will prescribe the different working conditions or employment

conditions as follows: different employment and prescribing working conditions from the difference of birthplace, nationality, language, gender, age, disability, physical conditions or health, person's status, economic or social status, religious belief, education and training, or political opinions should not occur, therefore, the same working, the same or similar characteristics should be the same or equal treated.

In 2022, there was no any action and dispute. In 2023, the Company will have the potential development and raising awareness of employees in organization and improve the regulations in order to the Company's employees aware of the importance of participation in policy implementation.

- **Supporting Equality between Gender and Sexuality**

Gender and Sexuality Equality has a root cause from principles of equality and discrimination with evolution from calling for gender equality between men and women and currently, has expanded to gender equality of everyone whether which Sexual Orientation and Gender Identity are. In addition to labor dimension, entrepreneurs should take the Gender Lens, especially respect of gender equality to intervene in their and partner's business operations in order to prevent discrimination from gender to other stakeholders such as not supporting gender stigma or sexual objectification in their and partner's advertising media, loan approval to customers regardless sexual orientation or gender identity, as well as respect of right to privacy regarding sexual orientation or gender identity of customers or other stakeholders.

In 2022, there was no any action and dispute. In 2023, the Company will have the potential development and raising awareness of employees in organization and improve the regulations in order to the Company's employees aware of the importance of participation in regulations implementation.

- **Health and Safety Right Protection**

The Company has policy and guidelines supporting health and safety right protection by operating to prevent the Company's goods or products with characteristics that is unsafe to consumers which may be the offense under the Liability for Damage Arising from Unsafe Products Act B.E. 2551 (2008), and to the Company's goods or products meet the relevant industrial standards which all these correspond to sustainable development goals.

In 2022, there was no any action and dispute. In 2023, the Company will have the potential development and raising awareness of employees in organization and improve the regulations in order to the Company's employees aware of the importance of participation in policy implementation.

- **Personal Rights and Personal Data Protection**

In 2022, the Company provides training the employee on personal rights and personal data protection with announcement of Personal Data Protection Policy and Guidelines. The Personal Data Protection Policy and Guidelines shall be effective to board of directors, executives and all employees of the Company and its subsidiaries as well as partners, service providers and the Company's stakeholders and effective to all activities of the Company and its subsidiaries regarding personal data by shall meet principles and be under the provisions of laws.

#### **4. Management Discussion and Analysis (MD&A)**

##### **4.1 Analysis of Operations and Financial Status, Important Change**

- **Overall Operations**

In 2022, the Company suffered intensified price competition condition due to rubber glove industry had entered into Over supply condition due to increasing production capacity of producer both in Malaysia and Thailand as well as taking over the market of producers from China and the resolved COVID-19 pandemic situations around the world that return to normal since 2020 until now.

However, Conditions of industry are expected that will pass Over supply period in the middle of 2023 by the Company remains focus on new product development and Custom Made customer to reduce the risks of price war and build the difference to the Company's products.

- **Performance**

##### Income

Proportions of income consist of domestic income of 38.6%, accounting into sales for 251.52 million baht and income from abroad of 61.4%, accountign into sales for 399.25 million baht.

Total income from selling rubber gloves in 2022 was 650.77 million baht, decreasing from 2021 by 54%, resulted from intensified competition condition after COVID-19 pandemic situation with higher price competition as well as the increased Supply of rubber gloves in the market that major producer had increased the production capacity during COVID-19 pandemic period as well as the established emergence of new rubber glove manufacturing factory had started to produced products into the market.

However, the Company has total sales volume of rubber gloves of 544 million pieces, decreasing from previous year by 38% while average sale price per piece is decreased as well compared to the sale price in 2021 decreased by 26%.

#### Cost of Sales

Average cost of sales in 2022 is higher from the cost of sales in 2021 by 16% with the root cause from decreased quantity of production by sales as well as higher prices of some raw materials.

#### Gross Profit

Gross profit is 8.15 million baht, decreasing from the gross profit of previous year by 98% with the root cause from the decreased average cost of sales by 26% and the decreased quantity of sales by 38% from 2021 while the cost of sales is decreased in lower rate as equal to 28% compared to the cost of sales in 2021.

#### Loss in Asset Impairment

In 2022, the Company had the loss in asset impairment of 54.39 million baht (in separate financial statement), resulted from impairment of machine for production and for total financial statement with loss in asset impairment of 35.94 million baht due to its subsidiaries have net transaction from adding back impaired asset, resulting in total financial statement of the group has the loss of asset impairment in lower amount than the separate financial statement.

#### Expenses in Sale and Management

For the expenses of SG&A, the Company focuses to reduce the said expenses by decreasing the cost of sales by 34% and administrative expenses by 17% from 2021.

#### Net Profit

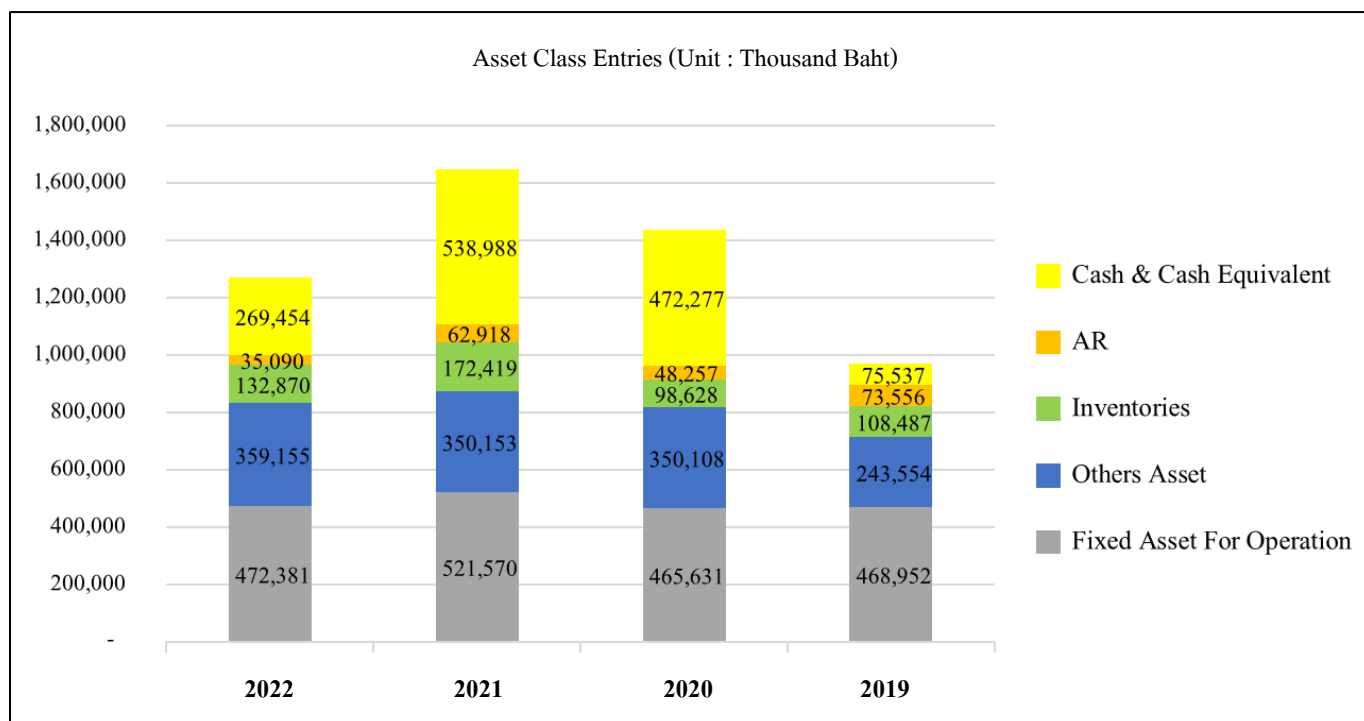
In 2022, the Company has net loss of 69.03 million baht, which is the loss in operation of 33.10 million baht and loss in total net asset impairment of 35.94 million baht and has earnings before tax, interests, depreciation and amortization (EBITDA) of 1.56 million baht.



Total Financial Statements (Unit : Thousand Baht)	2022	2021	2020	2019	2022	2021	2020	2019
<b>Comprehensive Income Statement</b>								
<b>Income from Selling Rubber Gloves</b>								
Domestic Sale	251,521	940,847	736,137	246,851	38.7%	65.8%	62.2%	37.3%
Foreign Sale	399,245	488,593	446,523	415,752	61.4%	34.2%	37.8%	62.7%
<b>Total Income from Selling Rubber Gloves</b>	<b>650,766</b>	<b>1,429,440</b>	<b>1,182,660</b>	<b>662,603</b>	100.0%	100.0%	100.0%	100.0%
Cost of Sales	(642,617)	(897,413)	(763,063)	(654,785)	-98.7%	-62.8%	-64.5%	-98.8%
<b>Gross Profit</b>	<b>8,149</b>	<b>532,029</b>	<b>419,597</b>	<b>7,818</b>	1.3%	37.2%	35.5%	1.2%
Other Incomes	4,797	5,017	3,211	3,215	0.7%	0.4%	0.3%	0.5%
Profit (Loss) from Exchange Rate	7,325	4,295	2,823	(812)	1.1%	0.3%	0.2%	-0.1%
Credit Loss of Receivable (Reversing Entries)	(292)	933	(937)	20	0.0%	0.1%	-0.1%	0.0%
Distribution Cost	(10,853)	(16,553)	(17,724)	(14,116)	-1.7%	-1.2%	-1.5%	-2.1%
Asset Impairment Loss	(35,935)			(38,298)	-5.5%	0.0%	0.0%	-5.8%
Administrative Expenses	(54,067)	(64,765)	(62,884)	(50,518)	-8.3%	-4.5%	-5.3%	-7.6%
<b>Profit (Loss) from Operating Activities</b>	<b>(80,876)</b>	<b>460,956</b>	<b>344,086</b>	<b>(92,691)</b>	-12.4%	32.2%	29.1%	-14.0%
Share of Loss of Associates				(136,922)	0.0%	0.0%	0.0%	-20.7%
Financial Cost	(1,105)	(1,298)	(911)	(155)	-0.2%	-0.1%	-0.1%	0.0%
Profit (Loss) Before Income Tax Expenses	(81,981)	459,658	343,175	(229,768)	-12.6%	32.2%	29.0%	-34.7%
Expenses (Income) of Income Tax	12,949	(95,053)	(27,183)		2.0%	-6.6%	-2.3%	0.0%
<b>Net Profit (Loss)</b>	<b>(69,032)</b>	<b>364,605</b>	<b>315,992</b>	<b>(229,768)</b>	-10.6%	25.5%	26.7%	-34.7%
Profit and Loss Sharing								
Equity of Parent Company	(73,897)	370,182	325,823	(229,768)	-11.4%	25.9%	27.6%	-34.7%
Equity of Non-Controlling Interests	4,865	(5,577)	(9,831)		0.7%	-0.4%	-0.8%	0.0%
	<b>(69,032)</b>	<b>364,605</b>	<b>315,992</b>	<b>(229,768)</b>	-10.6%	25.5%	26.7%	-34.7%
Depreciation and Amortization	82,437	65,699	65,178	56,487	12.7%	4.6%	5.5%	8.5%
<b>EBITDA</b>	<b>1,561</b>	<b>526,655</b>	<b>409,264</b>	<b>(36,204)</b>	0.2%	36.8%	34.6%	-5.5%

Total Financial Statements (Unit: Thousand Baht)	2022	2021	2020	2019
<b>Liquidity Ratio</b>				
Liquidity Ratio	5.50	3.70	3.04	2.17
Quick Liquidity Ratio	3.83	2.87	2.56	1.26
Operating Cash Flow to Current Liabilities	(0.16)	1.66	2.78	0.58
Receivable Turnover	13.28	25.72	19.42	7.10
Average Collection Period	28	15	19	52
Inventory Turnover	4.21	6.62	7.37	6.02
Average Inventory Period	87	56	50	61
Accounts Payable Turnover	5.65	5.77	5.58	6.07
Payment Period	65	64	66	61
Cash Cycle	50	7	3	52
<b>Profitability Ratio</b>				
Gross Profit Margin	1.25%	37.22%	35.48%	1.18%
Operating Profit Margin	-12.43%	32.25%	29.09%	-13.99%
Ratio of Other Income to Total Income	0.73%	0.35%	0.27%	0.48%
Cash-to-Profitability Ratio	33.16%	94.06%	141.47%	-27.03%
Net Profit Margin	-10.61%	25.51%	26.72%	-34.68%
Profit Margin Before Taxes, Interests, Depreciation and Amortization	0.24%	36.84%	34.61%	-5.46%
Return on Equity	-5.31%	27.58%	30.67%	-23.95%
<b>Operating Efficiency Ratio</b>				
Return on Total Assets	-4.74%	23.67%	26.28%	-21.33%
Return on Fixed Assets	2.70%	87.18%	81.57%	-34.77%
Total Assets Turnover	0.45	0.93	0.98	0.62
<b>Leverage Ratio or Financial Ratio</b>				
Total Debt to Equity Ratio	0.08	0.16	0.18	0.15

- **Financial Status**



- **Assets**

#### Cash and Cash Equivalent

As of December 31, 2022, The Company had cash and cash equivalent of 269.45 million baht, decreasing from the beginning of accounting period of 269.53 million baht, dividing into net cash flow from operation of 22.89 million baht, net cash flow from investing activities of 66.46 million baht, and net cash flow from financing activities 180.19 million baht by paying dividends of 179.72 million baht.

#### Accounts Receivable and Other Receivables - Net

The Company had net accounts receivable and other of 35.09 million baht, dividing into accounts receivable of 19.60 million baht and other current receivables of 15.49 million baht.

#### Inventory - Net

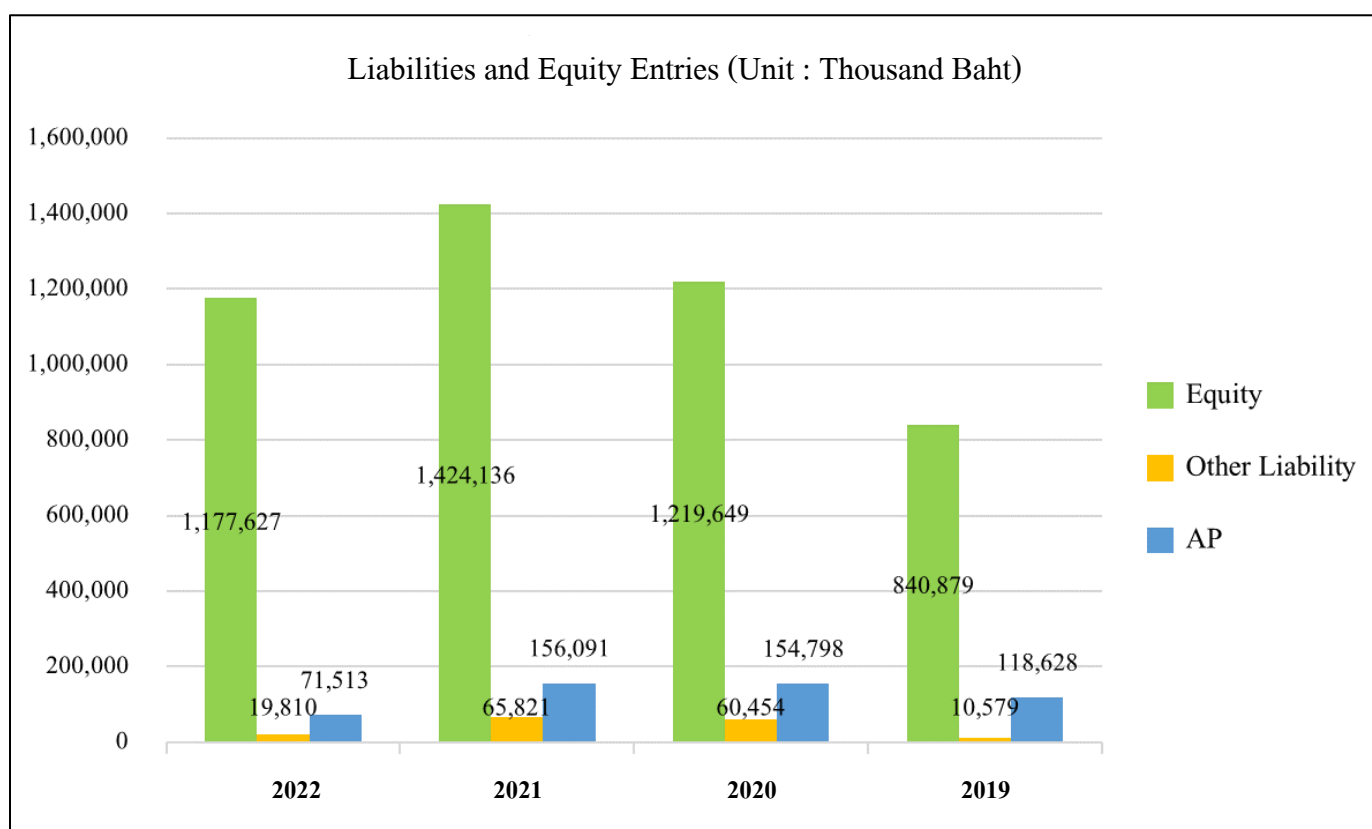
The Company had inventory of 132.87 million baht (after deducting allowance for diminution of value of -17.27 million baht) by it is Raw Materials for production of 31.90 million baht and it is in the form of rubber gloves of 100.97 million baht.

Land, Buildings and Equipments - Net

The Company had assets for business operations as rubber glove manufacturing factory with total net value of 472.38 million baht, mainly dividing into net land and land improvements of 92.97 million baht, net machines and equipment of 264.27 million baht, and net others of 6.81 million baht.

Other Assets - Net

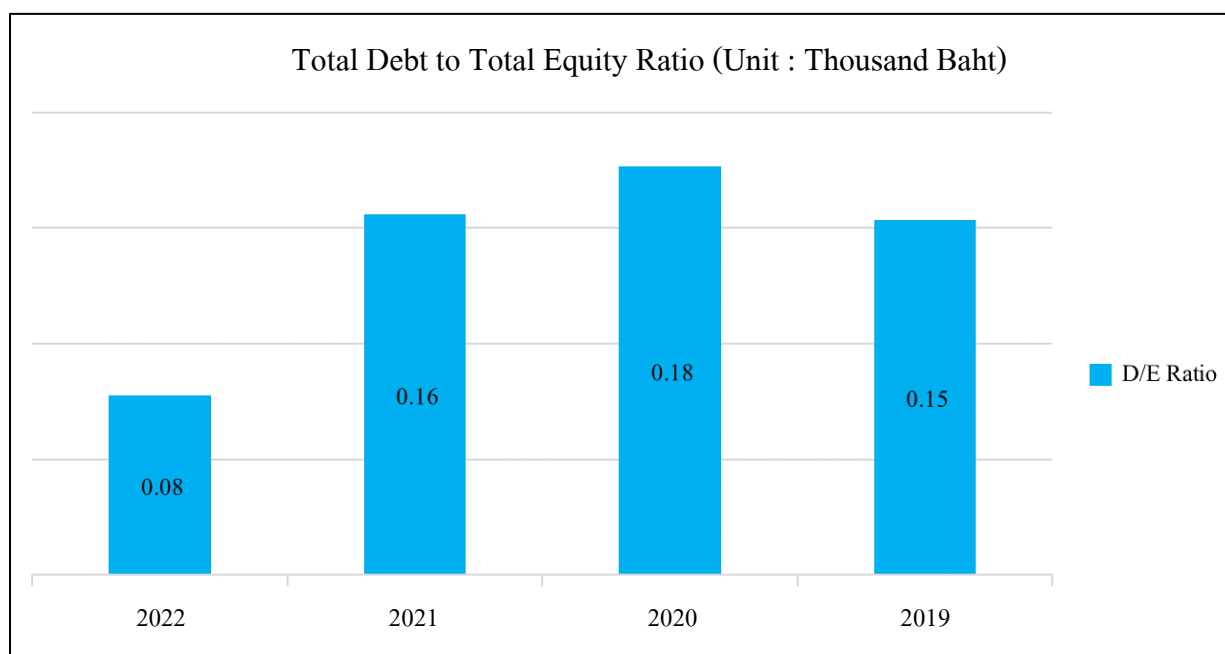
The Company had net other assets of 359.16 million baht, dividing into net investment property of 313.52 million baht and other properties of 45.64 million baht, consisting of fix deposit of 15.94 million baht, assets for normal business operations such as deferred tax assets of 25.76 million baht, etc.



- **Liabilities**

The Company had total liabilities of 91.32 million baht, accounting for debt to equity of 0.08 times, decreasing from the year 2021 with previous debt to equity of 0.16 times.

Total liabilities consisted of accounts receivable of 71.51 million baht, liabilities from business operations such as employee's benefits of 5.28 million baht and deferred tax liabilities of 6.17 million baht and short-term loan of its subsidiaries of 7.48 million baht. By as of the end of 2022, the Company did not have financial liabilities.



- **Equity**

In 2022, the Company had registered capital of 816,929,502 baht and paid-up capital of 816,929,502 baht, legal reserve appropriated retained earnings of 75.75 million baht, additional appropriated in installment of 750,000 baht, unappropriated retained earnings as of the end of year of 207.64 million baht (during 2022, there was dividend payment of 179.73 million baht), equity of parent company of 1,125.00 million baht and total equity of 1,177.63 million baht.

Details of reduction of registered capital and stock value change shall meet the resolution of Annual Ordinary Meeting of Shareholders 2020 on June 26, 2020 with resolution as follows:

1. Reduction of registered capital of the Company from 19,978,103,486 share, value of 1 baht per share, amount of 19,978,103,486 baht to 15,982,476,502 shares, value of 1 baht per share, amount of

15,982,476,502 baht, and approved amendment of memorandum of association of the Company. In order to correspond to the said registered capital reduction, the Company already had registered the capital reduction to Ministry of Commerce on July 10, 2020.

2. Change of par value of the Company from 1 baht per share to 0.50 baht per share, resulting in numbers of shares are changed from 15,982,476,502 shares with par value of 1 baht per share to 31,964,953,004 shares with par value of 0.50 baht per share, and approved amendment of memorandum of association of the Company. In order to correspond to change of the said par value, the Company already had registered the change to Ministry of Commerce on July 13, 2020.

3. Capital reduction registration of the Company from 31,964,953,004 shares with value of 0.50 baht per share, amount of 15,982,476,502 baht to 1,633,859,004 shares with value of 0.50 baht per share, amount of 816,929,502 baht to compensate ordinary share discount and accumulated loss, and approved amendment of memorandum of association of the Company. In order to correspond to the said capital reduction, the Company already had registered the capital reduction to Ministry of Commerce on September 30, 2020.

Total Financial Statements (Unit: Thousand Baht)	2022	2021	2020	2019	2022	2021	2020	2019
<b>Liquidity Ratio</b>								
<b>Assets</b>								
<b>Current Assets</b>								
Cash and Cash Equivalent								
Accounts Receivable and Other Current Receivables – Net	269,454	538,988	472,277	75,537	21.2%	32.7%	32.9%	7.8%
Inventory – Net	35,090	62,918	48,257	73,556	2.8%	3.8%	3.4%	7.6%
Other Current Financial Assets	132,870	172,419	98,628	108,487	10.5%	10.5%	6.9%	11.2%
	397	397	397	3	0.0%	0.0%	0.0%	0.0%
<b>Total Current Assets</b>	<b>437,811</b>	<b>774,722</b>	<b>619,559</b>	<b>257,583</b>	<b>34.5%</b>	<b>47.1%</b>	<b>43.2%</b>	<b>26.6%</b>
<b>Non-Current Assets</b>								
Other Non-Current Assets	15,936	33,434	25,826	15,637	1.3%	2.0%	1.8%	1.6%
Investment in Associates – Net			0	226,205	0.0%	0.0%	0.0%	23.3%
Investment Property – Net	313,516	301,608	308,462	0	24.7%	18.3%	21.5%	0.0%
Land, Buildings and Equipment – Net	472,381	521,570	465,631	468,952	37.2%	31.7%	32.5%	48.3%
Right of Use Asset (ROU) - Net	1,032				0.1%	0.0%	0.0%	0.0%
Intangible Assets – Net	21	29	68	296	0.0%	0.0%	0.0%	0.0%
Deferred Tax Assets	25,756	13,186	13,769	0	2.0%	0.8%	1.0%	0.0%
Other Non-Current Assets	2,497	1,499	1,586	1,413	0.2%	0.1%	0.1%	0.1%
<b>Total Non-Current Assets</b>	<b>831,139</b>	<b>871,326</b>	<b>815,342</b>	<b>712,503</b>	<b>65.5%</b>	<b>52.9%</b>	<b>56.8%</b>	<b>73.4%</b>
<b>Total Assets</b>	<b>1,268,950</b>	<b>1,646,048</b>	<b>1,434,901</b>	<b>970,086</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Liabilities and Equity</b>								
<b>Current Liabilities</b>								
Accounts Receivable and Other Current Receivables	71,513	156,091	154,798	118,628	5.6%	9.5%	10.8%	12.2%
Liabilities under lease agreement due payment term within 1 year	582	0	26	0	0.0%	0.0%	0.0%	0.0%
Short-term Loan from Involved Person	7,475	7,475	7,475	0	0.6%	0.5%	0.5%	0.0%
Outstanding Income Tax	0	45,888	40,846	0	0.0%	2.8%	2.8%	0.0%
Other Current Financial Liabilities			352	0	0.0%	0.0%	0.0%	0.0%
<b>Total Current Liabilities</b>	<b>79,570</b>	<b>209,454</b>	<b>203,497</b>	<b>118,628</b>	<b>6.3%</b>	<b>12.7%</b>	<b>14.2%</b>	<b>12.2%</b>
<b>Non-Current Liabilities</b>								
Lease Liability	304				0.0%	0.0%	0.0%	0.0%
Deferred Tax Liabilities	6,170	5,987	5,987	5,987	0.5%	0.4%	0.4%	0.6%
Non-Current Provisions for Employee Benefit	5,279	6,471	5,768	4,592	0.4%	0.4%	0.4%	0.5%
<b>Total Non-Current Assets</b>	<b>11,753</b>	<b>12,458</b>	<b>11,755</b>	<b>10,579</b>	<b>0.9%</b>	<b>0.8%</b>	<b>0.8%</b>	<b>1.1%</b>
<b>Total Liabilities</b>	<b>91,323</b>	<b>221,912</b>	<b>215,252</b>	<b>129,207</b>	<b>7.2%</b>	<b>13.5%</b>	<b>15.0%</b>	<b>13.3%</b>
<b>Equity</b>								
<b>Share Capital</b>								
Registered Capital	816,930	816,930	816,930	19,978,103				
Unappropriated	207,641	460,497	312,433	(1,409,433)				
Other components of shareholders' equity	24,681	23,949	23,949	23,949				
Total Equity of Parent Company	1,125,002	1,376,376	1,166,312	840,879	88.7%	83.6%	81.3%	86.7%
Non-Controlling Interests	52,625	47,760	53,337	0				
<b>Total Equity</b>	<b>1,177,627</b>	<b>1,424,136</b>	<b>1,219,649</b>	<b>840,879</b>	<b>92.8%</b>	<b>86.5%</b>	<b>85.0%</b>	<b>86.7%</b>
<b>Total Liabilities and Equity</b>	<b>1,268,950</b>	<b>1,646,048</b>	<b>1,434,901</b>	<b>970,086</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## 5. General Information and Other Material Facts

### 5.1 General Information

**The Company Name:**

Shun Thai Rubber Gloves Industry Public Company Limited

**Registration Number:**

No. 0 1 0 7 5 4 4 0 0 0 8 6 (Fomer No. LPC. 669)

**Types of Business Operation:**

Manufacture, distribute and export medical, household and industrial gloves

**Amount and Types of All Distributed Shares of the Company:**

Rergistered Capital	816,929,502	baht	Par Value	0.50 baht per share
Paid-Up Capital	816,929,502	baht		
Numbers of Ordinary Shares	1,633,859,004	shares		

**Locations of Head Office and Factories:**

No. 9, Village No. 4, Kachet Sub-district, Mueang District, Rayong 21100, Thailand

Telephone No. (038) 634-072-3 , 634 – 482-5

Fax No. (038) 634-001, 634-480

[www.shunthaiglove.com](http://www.shunthaiglove.com)

**Location of Branch Offices:**

No. 14 Village No. 4, Kachet Sub-district, Mueang District, Rayong 21100, Thailand

No. 52/18 Village No. 4, Kachet Sub-district, Mueang District, Rayong 21100, Thailand

No. 52/19 Village No. 4, Kachet Sub-district, Mueang District, Rayong 21100, Thailand

Telephone No. (038) 634 – 482-5, Fax No. (038) 634-001, 634-480

No. 1, Promphan Tower 2, the 6<sup>th</sup> Floor, Room No. 608, Latphrao Soi 3,

Chomphon Sub-district, Chatuchak District, Bangkok 10900, Thailand

Telephone No. (02) 511 – 6040, Telephone No. (02) 511 – 6049



**Securities Registrar:**

Thailand Securities Depository Company Limited  
93 Ratchadaphisek Road, Din Daeng Sub-district,  
Din Daeng District, Bangkok 10400, Thailand  
Telephone No. (02) 009 – 9000, Fax No. (02) 009 – 9991

**Auditor:**

Miss Kultida Pasurakul, Certified Public Accountant Registration No. 5946  
ANS Audit Company Limited  
100/72, the 22<sup>nd</sup> Floor, Vongvanij Building B, Building No. 100/2  
Rama IX Road, Huai Khwang Sub-district, Bangkok  
Telephone No. (02)645-0109, Fax No. (02)645-0110

**Company Secretary:**

Miss Duangdao Saranpakdee  
No. 1, Promphan Tower 2, the 6<sup>th</sup> Floor, Room No. 608, Latphrao Soi 3,  
Chomphon Sub-district, Chatuchak District, Bangkok 10900, Thailand  
Telephone No. (02) 511 – 6040, Telephone No. (02) 511 – 6049  
Email : [duangdao.s@shunthaiglove.com](mailto:duangdao.s@shunthaiglove.com)

**Consultant:**

Mr. Chumpol Sonchai  
Pichayathan & Associates Company Limited  
45/174, Village No. 5, Wat Chalo Sub-district, Bang Kruai District  
Nonthaburi 11130, Thailand  
Telephone No. (089) 799 9331

**Subsidiaries:**

(Details of its subsidiaries that the Company holds share from 10 percent or more of all numbers of distributed shares of the Company)

**Company Name:**

Northern Renewable Energy Company Limited

**Registration Number:**

0 1 0 5 5 5 4 0 4 1 2 4 7

**Types of Business Operation:**

Produce and distribute comprehensive biomass energy,  
and produce electricity from biomass and waste

**Registered Capital of the Company:**

1,000,000,000 baht, dividing into 10,000,000 ordinary shares

Par value of 100 baht per share

**Paid-Up Capital of the Company:**

1,000,000,000 baht, dividing into 10,000,000 ordinary shares

Par value of 100 baht per share

**Numbers of Hold Shares:**

Ordinary shares of 4,824,750 shares, accounting for 48.25 percent of  
paid-up registered capital

**Location of Head Office:**

No. 75/28, The Prime, Soi Ramkhamhaeng 21,

Ramkhamhaeng Road, Hua Mak Sub-district, Bang Kapi District, Bangkok 10240, Thailand

**Location of Branch Offices and Factories:**

No. 333/3, Village No. 1, Khao Hin Son Sub-district, Phanom Sarakham

Chachoengsao

No. 168/1 Village No. 2, Pak Chalui Sub-district, Tha Chang

Surat Thani

**5.2 Other Material Facts**

5.2.1 The Company already had submitted the request for resuming normal flow of execution (Resume Stage) on March 31, 2021 and currently, it is in process of the request consideration of Stock Exchange.

**5.3 Legal Disputes**

As of December 31, 2022, the Company did not have legal disputes during the year 2022.

In case of the Company found that submission of request for registration of capital increase of the subsidiaries has reporting false statements and on February 19, 2021, the Company therefore had filed a suit regarding reporting false statements to the court. However, due to COVID-19 pandemic situation, the court had postponed the preliminary examinations and currently, the case is in process of preliminary examinations of the court.

**5.4 Secondary Market**

The Company does not have registration in stock exchanges of other countries.

**5.5 Financial Institution with Regular Contact (only in case of issuance of debt instruments)**

The Company does not have issuance of debt instruments.

*Part 2*

*Corporate Governance*

## 6. Corporate Governance Policy

Shun Thai Rubber Gloves Industry Public Company Limited is confident that good corporate governance can enable the Company to gain efficient and effective management with transparency and accountability as well as to improve the corporate performance for increasing trust and confidence of shareholders and all stakeholders. In addition, corporate governance can enable the Company to get success and achieve the most important goals of the Company by building sustainable growth and prosperity for all stakeholders in the value chain of the business. Therefore, the Company sets the corporate governance policy as the Company's guidelines and operational framework in accordance with the approaches of the supervising authorities, the United Nations Sustainable Development Goals (SDGs), and the United Nations Guiding Principles on Business and Human Rights (UNGPs).

### 6.1. Overview of the Corporate Governance Policy and Practice

#### 6.1.1 Policy on Directors to Management

Shun Thai Rubber Gloves Industry Public Company Limited is aware of importance of corporate governance as the main factor to build fairness to stakeholders, promote effectiveness of the Company's operation, and create sustainable growth and prosperity to all stakeholders in the business value chain. Therefore, the Company emphasizes on good corporate governance with the following important goals.

- To get competitiveness and good performance with consideration on long-term impact
- To operate business with ethics, right respect, and responsibility to all stakeholders in the business value chain
- To be friendly with society and environment
- To get adaptability under changing factors

#### 6.1.2 Policy on Shareholders and Stakeholders

Stakeholders play very important roles for the Company so the Company organizes the corporate governance system relating to the main stakeholders such as customers, receivables, payables, trade partners, employees, community where the Company is located, society, the government sector, other stakeholders such as competitors and auditors etc. The principles and guidelines are set as follows.

- The Company shall treat each group of stakeholders by being aware of stakeholders' right according to laws or agreements with the Company.

- The Company shall not do anything that violates the stakeholders' right.
  - The Company shall determine compensation measure in case that any stakeholder gets damage from right violation.
  - The Company shall develop mechanism for stakeholders to involve in promoting the Company performance to create sustainable stability to the business.
  - The Company shall disclose relevant important information to stakeholders adequately for involving with the business effectively.
  - The Company shall provide a measure for whistleblowing to the directors about illegal matters, inaccuracy of financial statements, defects of the internal control system, or unethical matters. In addition, the Company shall set mechanism for right protection of whistleblowers.
  - The Company shall manage on social responsibility especially in direct effects on business operation for ensuring the stakeholders that the Company runs business by considering environmental and social factors for sustainable development.
- 
- Shareholders: The Company is always aware of transparency of business operation, is committed to create continuous growth and good benefits for the stakeholders in a long term.
  - Customers: The Company is committed to develop product quality and standards, pay attention to give customer service in a friendly manner for full customer satisfaction, and arrange a work unit or personnel responsible for receiving and dealing with customers' complaints quickly and keep customer information in confidence.
  - Trade Partners: The Company shall adhere to and treat its partners equally on the basis of fairness by considering on mutual benefits.
  - Payables: The Company shall treat its payables fairly by strictly complying to terms and conditions of contracts and financial obligations.
  - Competitors: The Company shall behave in accordance with the framework of international competition rules, and the Company shall treat competitors with fairness by avoiding dishonest methods to destroy competitors' reputation.

- **Employees:** The Company shall adhere that employees are valuable resources which should be treated fairly in terms of benefit opportunity, potential development, and assurance in quality of life, work safety, appropriate welfares, and provident fund.
- **Society and Environment:** The Company shall be committed to operate business for the benefits of economy and society. The Company shall give importance in environmental preservation by appointing the governance committee for supervision and social responsibility as well as for promoting organizational cultures and raising awareness of all personnel in the organization and all stakeholders to develop and promote society and environment in parallel to the Company's growth.

### **Shareholder Meeting**

The Company applies the Public Company Act, Articles of Association, and rules and regulations of Stock Exchange of Thailand as guidelines for strict practice. Accordingly, the shareholder meetings are managed as follows.

- (1) All directors perceive importance and participate in the shareholder meetings.
- (2) Support and opportunity for the shareholders who are unable to attend the meeting to appoint proxy.
  - (2.1) In case that any shareholder is unable to attend the shareholder meeting, the Company shall facilitate such shareholder by providing 3 types of the proxy forms to give opportunity for the grantor to choose as wished. All proxy forms must conform to the specification of Department of Business Development, Ministry of Commerce.
  - (2.2) The grantor shall be facilitated in appointing an independent director to be a proxy performing as the grantor's intention. The Company shall attach the descriptive list of such independent directors and the proxy form to the shareholders every year.

- (3) Equality in the shareholder meeting
  - (3.1) Before the meeting, the meeting chairman clearly notifies the shareholders about rules and regulations used in the meetings and voting procedure for resolution of each agenda.
  - (3.2) In the shareholder meeting, the Chairman of the Board of Directors who attends the meeting and is the board of directors provides opportunity for the shareholders to ask questions and clearly explains issues relevant to the meeting agenda or the Company in every meeting.
  - (3.3) The Company provides opportunity for each shareholder to vote for the election of the directors.
  - (3.4) The shareholder meeting must be conducted according to the agendas specified in the meeting notification to the shareholders. The Company does not have a policy to add more agendas or change the agenda sequence in exception that such addition or change is reasonable and legal in all aspects.
  - (3.5) For transparency and accountability, the Company shall use ballots in every agenda of the shareholder meeting. To increase quickness and accuracy, the Company shall use the computer system for the shareholder registration and resolutions.
- (4) After the shareholder meeting, the Company shall prepare the meeting minute according to the agendas, resolutions, and the number of votes 'yes', votes 'no', or no votes as well as important details for consideration within 14 days after the meeting. Then the Company notify the meeting minutes to shareholders through the Stock Exchange of Thailand.
- (5) In the meeting, opportunity is provided for the shareholders to give opinions, ask questions, and give suggestions fully in adequate and suitable time. The important issues from discussion and opinions shall be recorded in the meeting minutes.



## **6.2 Business Ethics**

The Company issues code of conduct for the board of directors, management, and employees to be adhere to as guidelines for performing duties and responsibilities according to the Company's missions with integrity, honest, and fairness as well as treatment to the Company, stakeholders, public, and society. The Company shall regularly communicate with the employees, monitor the implementation to be compliant to such guidelines, and impose disciplinary sanctions.

## **6.3 Important Changes and Development of Policies, Practice, and Corporate Governance System in the Previous Year**

6.3.1 The Company revised the corporate governance policy to be compliant to the United Nations Sustainable Development Goals (SDGs) and the United Nations Guiding Principles on Business and Human Rights (UNGPs).

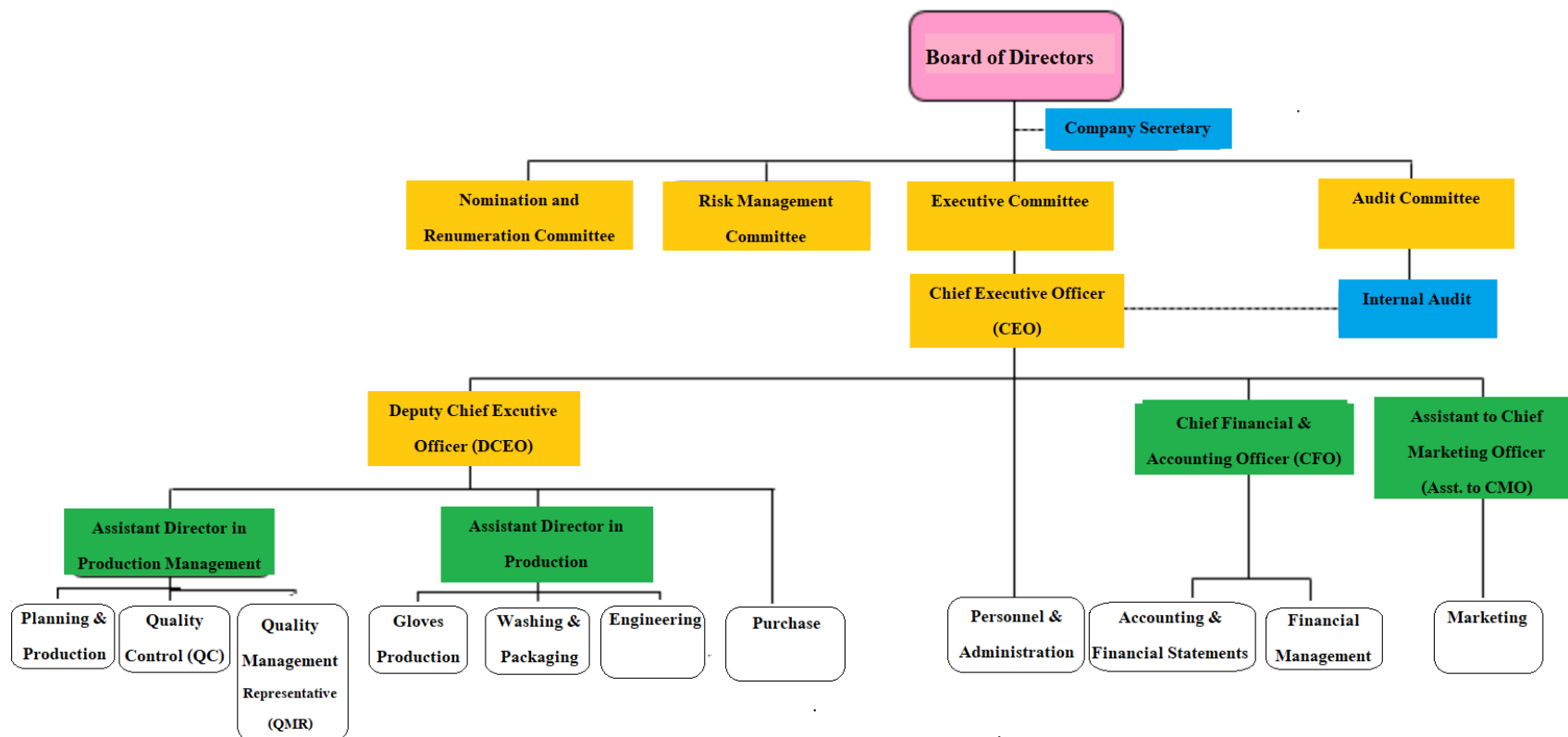
6.3.2 The Company issued the policies on corporate governance and management of subsidiaries and associated companies for the Company to operate work with the subsidiaries and the associated companies in accordance with the Company's different policies, laws on public companies, laws on securities and exchange, and relevant rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

6.3.3 The Company appointed the risk management committees and sub-committees consisting of 3 committee members to make the corporate governance or risk management process systematic in order to suitably reduce effects on business.

7. Corporate Governance Structure and Important Information about Committees, Sub-committees, Executives, Employees and Others

7.1 Corporate Governance Structure

The Company has established the management structure, as illustrated in the following organizational chart (Data as of December 31, 2022).



## 7.2 Details of the Committees

The management structure of the Company includes 5 sets of committees: 1) Board of Directors, 2) Executive Committee, 3) Audit Committee, 4) Risk Management Committee, and 5) Nomination and Remuneration Committee.

The Company's Board of Directors and executives consists of qualified people with all qualifications according to Section 68 of Public Limited Companies Act B.E. 2535 (1992) (including the Amendment) and The Notification of the Capital Market Supervisory Board No. Torlor 39/2559 on Application for Approval and Granting of Approval for Offering of Newly Issued Shares dated on December 15, 2008.

The structure of the Board of Directors consists of the following committees.

### 7.2.1 Components of the Board of Directors

On March 30, 2022, the Board of Directors consists of 7 directors as follows.

No.	Names	Positions
1.	Dr. Chakarn Saengruksawong	Chairman of the Borad of Directors, Independent Committee, Audit Committee, Chairman of the Nomination and Remuneration Committee
2.	Mr. Chai Wattanasuwan	Vice Chairman of the Borad of Directors, Chairman of the Executive Committee, Nomination and Remuneration Committee, Risk Management Committee, Committee
3.	Mr. Ekkachai Tangsatjatham	Chief Executive Officer, Committee, Executive Committee, Nomination and Remuneration Committee, Risk Management Committee
4.	Mr. Sirasit Pasawat	Deputy Chief Executive Officer, Committee, Executive Committee
5.	Miss Chun-Ching Teng	Committee
6.	Mr. Teerawit Tanakijsoontorn	Chairman of the Audit Committee, Independent Committee, Chairman of the Risk Management Committee, Committee
7.	Mr. Chatchawas Sethaluck	Audit Committee, Independent Committee, Committee

According to the Company's Articles of Association, in every annual general meeting of the shareholders, one-third of the committee shall retire from the positions. If the number of the committees to be retired cannot be divided exactly into 3 parts, the number nearest to one-third shall be applied and the committee who has been in the position for the longest period shall retire. However, the committees who retire by rotation may be nominated and re-elected to the position.

### 7.2.2 Committees and Controlling Authorities

The Company has 2 authorized signatories as follows.

No.	Names	Positions
1.	Mr. Ekkachai Tangsatjatham	Chief Executive Officer, Committee
2.	Mr. Chai Wattanasuwan	Vice Chairman of the Borad of Directors, Chairman of the Executive Committee, Committee
Both committees sign together with affixation of the Company's seal.		

### The Scope of Authority and Duties of the Board of Directors

#### 1. Performance of the Board of Directors

The Company's Board of Directors performs duties by using knowledge, ability, and experience useful for the Company's business, and performs duties according to the Company's objectives, articles of association, and resolutions from the Company's shareholder meetings with carefulness to protect the Company's benefits and responsibility to the shareholders.

#### 2. Review and Approval of Appropriate Policies

The Board of Directors is responsible for reviewing and approving on policies and operational direction proposed by the Executive Committees in exception of the issues prescribed by laws which need to get prior approvals from the shareholder meetings.

#### 3. Supervision on the Executive Committees

The Board of Directors supervises the Executive Committees to effectively manage work operation as specified in the policies, and notifies the Executive Committees to present important implementational matters on connected transactions for consideration according to the regulation of The Securities and Exchange Commission and Stock Exchange of Thailand.

If necessary, the Board of Directors may determine to employ external consultants for giving professional advices or opinions supplementing to descion-making on important issues in the Company's business operation.

#### **4. Arrangement of the Internal Control and Internal Audit Systems**

The Board of Directors supervises the Company to arrange the effective internal control and internal audit systems by appointing an audit team, supervising internal work operation, and employing outsource auditors to monitor and implement the internal audit together, and coordinate with the Audit Committee.

#### **5. Code of Conduct and Business Ethics**

The Board of Director arranges for the Company to prepare a compliance manual concerning code of conduct and business ethics as guidelines for executives and employees to practice in the organization.

### **7.3 Details of the Sub-committees**

#### **7.3.1 Appointment, Duties, and Responsibilities**

##### **The Scope of Authority and Duties of the Executive Committee**

The Executive Committee has authority, duties, and important roles in implementation according to the Company's strategies, policies, and regulations. The Executive Committee has authority to supervise the Company's business and implement various matters as assigned by the Board of Directors to achieve the Company's goals and mission.

In addition, the Executive Committee has authority, duties, and responsibilities on the following matters.

1. Plan and manage the Company's business to achieve the specified objectives and goals
2. Supervise and monitor the Company's performance and financial postion, and report the performance and financial position to the Board of Directors on the monthly basis.
3. Consider, review, and approve transactions on investment, sales of assets, personnel resource management, finance and financial management, general management, and other matters concerning the Company's business under the scope approved by the Board of Directors.
4. Consider in screening and giving opinions on issues to get approval from the Board of Directors, excepts activities which the Board of Directors assigns to other sub-committees to implement.

5. Consider and review on the Company's risk management and the internal control system.
6. The Board of Directors may assign sub-delegation to any executive or person to implement one or more matters as the Board of Directors considers appropriate. The transaction approval of the Executive Committee or sub-delegation should not be connected transactions, transactions with conflict of interest, or transactions which the Executive Committee has a stake as specified in the Company's Articles of Association and the notifications of the Capital Market Advisory Board. Any transaction approval must be compliant to the policies and procedures prescribed by the Board of Directors and the regulatory agencies.
7. Have authority to invite the management or any person relating to the Company to give opinions, attend meetings, or give relevant information..
8. Report the main performance to the Board of Directors regularly including main issues which should be informed to the Board of Directors.
9. Regularly consider and review appropriateness and sufficiency of the Articles of Association to be suitable and up to date.
10. Perform other duties as assigned by the Board of Directors.

#### **The Scope of Authority and Duties of the Audit Committee**

The Audit Committee has authority, duties, and responsibilities as prescribed in Audit Committee Charter in the following issues.

#### **Authority**

1. Has authority to invite management or employees to attend meetings, to give opinions, or to submit documents as required and necessary.
2. Consider in selection, appointment, or employment termination of auditors as well as in remuneration to propose to the Board of Committee to present in the general meeting of shareholders, and assess auditors' performance annually.
3. Know about non-audit work and remuneration for such work for consideration without making auditors lack of independence in implementation.

4. Attend meetings with auditors for discussion without participation of the management at least once a year.
5. Consider to make decision in case of disagreement between the management and auditors on financial statements or limitations in auditing implementation.
6. Review the implementational procedure and supervise connected transaction which may get conflict of interest to be compliant to relevant laws or regulations.
7. Consider reports of the Risk Management Sub-committee and the management of the Company. Consult with the management about policies on risk assessment and management.
8. Manage to get external consultants or professional experts to give advices or opinions as the Board of Director considers appropriate.
9. Report to the Board of Director to take corrective action on transactions with conflict of interest, fraud, corruption, and defects of internal control as well as transactions incompliant to relevant laws with important details of the financial position.

#### **Duties and Responsibility**

1. Review the Company's financial reports to be accurate according to the accounting standards publicly approved with sufficient disclosure.
2. Review the Company's internal control and internal audit systems to be appropriate and effective.
3. Review to ensure that the Company is compliant to the laws on securities and exchange, regulations of stock exchange, or other laws concerning the Company's business.
4. Consider and propose on selection, re-selection, employment termination, and remuneration of auditors.
5. Consider and review connected transactions or transactions with conflict of interest to be compliant to the laws and regulations of The Stock Exchange of Thailand to ensure that such transactions are reasonable and highly beneficial for the Company.
6. Review the Company's risk management system to be appropriate and effective.

7. Consider on independence of the internal audit unit, and approve appointment, transfer, and employment termination. Consider performance and promotion to the head of the internal audit unit.
8. Review and give opinions on the internal audit plans. Coordinate with the internal audit office and the auditors.
9. Prepare reports of the Internal Audit Committee by disclosing them in the Company's annual reports. These reports are signed by the Chairman of the Audit Committee. The reports must contain at least the following details.
  - 1) Opinion about accuracy, completeness, and reliability of the Company's financial reports.
  - 2) Opinion about sufficiency of the Company's internal control system.
  - 3) Opinion about compliance to the laws of securities and exchange, regulations of stock exchange, or other laws concerning the Company's business.
  - 4) Opinion about appropriateness of auditors.
  - 5) Overall opinion or observation of the Audit Committee in compliance to the charter.
  - 6) Any other issues that the shareholders and general investors should know under the scope of duties and responsibilities as assigned by the Board of Directors.
10. Have authority to employ consultants or external people according to the Company's regulations to give opinions or advices, if necessary.
11. Have authority to invite the management or any person relating to the Company to give opinions, attend meetings, or give relevant information.
12. Report performance of the Audit Committee to the Board of Directors at least 4 times a year.
13. Regularly consider, review, and assess sufficiency of the charter to be suitable and up to date.

#### **The Scope of Authority and Duties of the Risk Management Committee**

The Risk Management Committee has authority, duties, and responsibilities as prescribed in Risk Management Committee Charter in the following issues.



1. Determine, review, and approve risk management policies and framework in accordance with objectives, goals, strategies, and risk appetite of the Company and the subsidiaries. Present them to the Board of Committee for consideration and approval.
2. Consider and determine guidelines, measures, and action plans for risk management of the Company and the subsidiaries in accordance with the risk management policies and framework as approved by the Board of Directors. Consider and give opinions about the results of risk assessment.
3. Review sufficiency of risk management policies, strategies, process, and systems every year for improving them to be adequately effective in accordance with the business conditions of the Company and the subsidiaries.
4. Supervise and monitor implementation according to the risk management policies as approved by the Board of Directors. Regularly develop guidelines and risk management systems for the Company and the subsidiaries to have effective risk management systems with continuous implementation.
5. Suggest methods of risk prevention and reduction into the risk appetite level. Monitor implementation according to the action plans to continuously reduce risk and to ensure that risk is managed sufficiently and appropriately.
6. Review the risk management reports to monitor main risks of the Company and the subsidiaries, and take actions to ensure that risk is managed sufficiently and appropriately to the level of risk appetite on a regular basis.
7. Supervise and promote the executives and the employees of the Company and the subsidiaries to possess knowledge and understanding about one's own duties in risk management of the Company and the subsidiaries. Give advices and consultation to practioners who deal with risk management.
8. Regularly communicate and exchange information, and coordinate with the Audit Committee about risk and the internal control which affects or may affect on the Company and the subsidiaries. The internal audit unit is responsible for the review to ensure that the Company and the subsidiaries have appropriate internal control for risk management.
9. Regularly report to the Board of Firectors about the main risk of the Company and the subsidiaries, risk statuses, approaches for risk management, and progress and outcome of risk management.
10. Perform other work relating to risk management, as assigned by the Board of Directors and approved by the Audit Committee.

### **The Scope of Authority and Duties of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee has authority, duties, and responsibilities as prescribed in the charter in the following issues.

1. Consider and review the criteria on qualifications of people to take a position of the Board of Directors in line with the Company's business strategies.
2. Determine the process to consider, recruit, assess, and select qualified people to take the positions in the Board of Directors in replacement of the full-term positions or other cases, and present to receive approval from the Board of Directors and/or the shareholder meetings.
3. Consider and review on independence of the Board of Directors as well as on conflict of interest which may occur from the directors' implementation. Consider appropriateness of position-taking in the Board of Directors in case of changes relevant to qualification of the directors in the Board.
4. Prepare a plan for succession of the Chief Executive Officer to present to the Board of Directors for consideration.
5. Propose guidelines on the method to pay remuneration to the Board of Directors and Sub-committees appointed by the Board of Directors, including annual bonus and meeting allowance.
6. Propose policies on consideration of remuneration payment to the Chief Executive Officer, including salary and annual bonus in accordance with the Company's performance and the performance of the Chief Executive Officer.
7. Appraise performance of the Chief Executive Officer to determine remuneration before present to get approval to the Board of Directors every year.
8. Consider budgets for salary increase, changes of wages, and annual rewards for the employees before presenting for approval to the Board of Directors every year.
9. Regularly consider, review, and study on changes and trends of remuneration for the Board of Directors and Chief Executive Officers to present for approval from the Board of Directors.
10. Consider, review, and suggest if there is any change about the charter of the Nomination and Remuneration Committee to the Board of Directors to get approval for suitable improvement to be always up to date.
11. Have authority to invite the management or any person relevant to the Company to give opinions, attend the meeting, or give relevant information.

### 7.3.2 Namelist of the Sub-Committees

**The Board of Directors consists of 3 committees.**

No.	Names	Positions
1.	Mr. Chai Wattanasuwan	Chairman of the Executive Committee
2.	Mr. Ekkachai Tangsatjatham	Committee
3.	Mr. Sirasit Pasawat	Committee

**The Audit Committee consists of 3 committees.**

No.	Names	Positions
1.	Mr. Teerawit Tanakijsoontorn	Chairman of the Audit Committee, Independent Committee
2.	Dr. Chakarn Saengruksawong	Audit Committee, Independent Committee
3.	Mr. Chatchawas Sethaluck	Audit Committee, Independent Committee

**The Risk Management Committee consists of 3 committees.**

No.	Names	Positions
1.	Mr. Teerawit Tanakijsoontorn	Chairman of the Risk Management Committee, Independent Committee
2.	Mr. Ekkachai Tangsatjatham	Committee
3.	Mr. Chai Wattanasuwan	Committee

**The Nomination and Remuneration Committee consists of 3 committees.**

No.	Names	Positions
1.	Dr. Chakarn Saengruksawong	Chairman of the Nomination and Remuneration Committee, Independent Committee
2.	Mr. Ekkachai Tangsatjatham	Committee
3.	Mr. Chai Wattanasuwan	Committee

## Chief Executive Officer

### The Scope of Authority and Duties of the Chief Executive Officer

1. Make decision on important issues of the Company. Determine the Company's mission, objectives, approaches, and policies. Supervise the overall implementation, products, and customer relationship, and be responsible for the Board of Directors.
2. Have authority to approve expenses for projects which have been approved by the Board of Directors. Each expense and payment is considered according to actual expense.
3. Consider on investment and trade of the Company's fixed assets to present to the Executive Committee and/or the Board of Directors.
4. Consider on fundraising to present to the Executive Committee and/or the Board of Directors.
5. Have authority to employ, appoint, lay off, terminate, or dismiss the employees below the manager level as well as to determine wage rate, give rewards, increase salary, benefits and bonus to the employees below the manager level.
6. Have authority to approve provision of bad debt allowance/bad debt, prosecution, and debt trading not exceeding 500,000 baht.
7. Have authority to take actions or act as the representative of the Company with outsiders in activities which are related and beneficial to the Company.
8. Approve appointment of consultants in various aspects necessary for the business operation.
9. Perform activities related to general management of the Company.

However, approval of the aforementioned transactions does not include approval of transactions which the Chief Executive Officer or people may have a stake or conflict of interest in one way or another with the Company, including transactions required approval from the shareholders in connected transactions and acquisition/sales of important assets of the Company or associated companies. These transactions must comply to the requirements of the Stock Exchange of Thailand.

## 7.4 Details of the Executives

### 7.4.1 Names and Positions of the Executives of the Company

No.	Names	Positions	Notes
1	Mr. Ekkachai Tangsatjatham	Chief Executive Officer, Committee	Starting Date: January 26, 2018
2	Mr. Sirasit Pasawat	Deputy Chief Executive Officer in Factory, Committee	Starting Date: February 14, 2018
3	Mr. Kiattiphoom Somrit	Chief Financial & Accounting Officer (CFO)	Starting Date: April 1, 2022
4	Ms. Duangdao Salarnpugdee	Company Secretary	Starting Date: April 1, 2022
5	Mr. Thana Auewitthaya	Assistant to Chief Executive Officer / Company Secretary	Starting Date: February 1, 2013 – March 31, 2022
6	Ms. Chanphen Watthanaphichitphong	Assistant Director in Production Management	Starting Date: May 18, 1998
7	Mr. Prasit Sokaew	Assistant Director in Production	Starting Date: January 4, 2021
8	Ms. Photjana Duangkoson	Senior Manager in Accounting and Financial Statements	Starting Date: August 17, 2015
9	Ms. Kannika Kongsapcharoen	Senior Manager in Purchase	Starting Date: April 1, 2015

### 7.4.2 Remuneration Policy and Suitability Report

#### Remuneration for the Committees

The Company sets a clear and transparent policy on remuneration for the committees at the same level of the industry. The remuneration is high enough for supporting and retaining qualified committees as required. The policy is approved in the shareholder meeting. The committees who are appointed to be the Audit Committee will get additional remuneration according to the increase of workload.

#### Remuneration for the Executives

Remuneration for the executives complies to the principles and policy specified by the Board of Directors in relation to the Company's performance and the performance of each executive.

**Financial Remuneration in 2022** is described below.

### 7.4.3 Total Remuneration

**Remuneration for the Board of Directors:** In the 2022 Annual General Shareholder Meeting, it was unanimously resolved to approve the remuneration for the committees in 2022 in the following rate.

The amount of remuneration for the committees in 2022 was not more than 5 million baht, only on the monthly basis without the meeting allowance.

1. The Board of Directors

1.1 Chairman 35,000 baht per month

1.2 Committee 20,000 baht per month

2. The Audit Committee

2.1 Chairman of the Audit Committee 20,000 baht per month

2.2 Audit Committee 15,000 baht per month

3. The Executive Committee appointed by the resolution of the Board of Directors, except the executives with regular salary who will receive payment not more than 6 times/year and only once per month.

3.1 Chairman 20,000 baht per time

3.2 Committee 15,000 baht per time

4. In case that the Company has already paid remuneration to the committees as mentioned above, the Board of Committee shall consider to pay remuneration to the committees who are beneficial. However, the total remuneration for all the committees must not exceed the approved amount.

### 7.5 Details of the Employees

On December 31, 2022, the Company has 397 employees in total who are 178 men and 219 women, classified into 156 Thai nationality and 241 other nationalities. The employees are classified according to the main lines of work as follows.

The Company paid remuneration to the employees in the forms of salary and daily wages. In 2020 – 2022, the remuneration payment is described below.

Companies/Lines of Work/Business/Subsidiaries	2022	2021	2020
Operating / Service Employees	67.97	78.88	115.36
Administration Employees	11.01	11.63	11.31
Total Remuneration (million baht)	78.98	90.51	126.67

In addition, the Company provided other welfares to the employees such as staff uniforms, male/female dormintories, shuttle bus service, food allowance, extra payment (depending on difficulty of work), overtime/shift wages, position allowance, travel/accommodation allowance, and provident fund.

### **Policy on Employee Development**

The Company emphasized on training to increase employees' knowledge and skills suitable for work in each department. The Company managed employees to join both in-house training and public training such as in relevant laws and regulations of the government agencies, safety and environment in production, accounting and financial standards, ISO standards, skills development, training organized by the Stock Exchange of Thailand and the Securities and Exchange Commission to the listed companies, technology in compound rubber production, production system, chlorine, and assets and equipment etc.

Moreover, employee performance standards were measured after completing the training to increase operational potential and review appropriate wage rate.

In the past 3 years, the Company did not have any labor disputes.

## **7.6 Other Important Details**

### **7.6.1 Details of The Employee Responsible for Other Supervision**

The Board of Directors has resolved to appoint Ms. Duangdao Saranphakdi to be the Company Secretary since April 1, 2022. The qualification of a person in the Company Secretary position appears in Attachment 1.

### 7.6.2 Details of Head of Investor Relations

The Company has appointed Mr. Thanakrit Khunkampoat, the manager of investor relations, to be the Head of Investor Relations since May 23, 2022.

### 7.6.3 Remuneration for Auditor

In 2022, the Company paid audit fee to auditors of ANS Audit Co. Ltd., and non-audit service fee such as for accommodation, travel, and allowance to auditors to work in Rayong Province where the main office of the Company is located. The remuneration for auditors is summarized in the following table.

Description	ANS Audit Company Limited					
	2022	2021	2020	2019	2018	2017
1. Audit Fee	2,200,000	2,200,000	2,000,000	2,000,000	2,000,000	2,000,000
2. Non-audit Service Fee	162,000	45,700	134,761	109,395	58,165	340,320
<b>Total</b>	<b>2,362,000</b>	<b>2,245,700</b>	<b>2,134,761</b>	<b>2,109,395</b>	<b>2,058,165</b>	<b>2,340,320</b>

## 8. Report on Key Performance of Corporate Governance

### 8.1 Summary of the Committees' Performance in the Previous Year

The committees reviewed and improved the corporate governance policy, and issued additional issues of corporate governance to be compliant to the sustainability report and One Report. Moreover, the committees implemented to prepare various aspects to conform to the standards of One Report.

#### 8.1.1 Nomination, Development, and Performance Appraisal of the Committees

##### A. Independent Committee: Selection Criteria, Qualifications, and Nomination Procedure

#### Qualification of Independent Committee

Independent Committee refers to a person with all qualifications and independence specified by The Securities and Exchange Commission, and the Stock Exchange of Thailand, as follows.

1. Hold shares not more than 1% of paid-up capital of the Company, affiliated companies, associated companies, and related companies.



2. Be a committee who does not involve in the Company's management; is not an employee or a consultant with regular salary; is not a professional service provider receiving service fee more than 2 million baht per year from the Company, affiliated companies, associated companies, related companies, and juristic people which may have conflict of interest in the past not less than 2 years.
3. Be a committee without direct/indirect benefits or stake in terms of finance and management of the Company, affiliated companies, associated companies, or juristic people which may have conflict of interest.
4. Be a committee who is not relevant or a close relative of an executive or a major shareholder.
5. Be a committee who is not appointed to be a representative to protect interest of the Board of Directors, a major shareholder, or a shareholder who relates to the major shareholder.

In addition, the independent committee must express ability to give opinions or report freely according to the assigned mission without consideration on any interest concerning assets or position. The independent committee must not be under influence of any person or groups of people, and he/she should not be forced not to give opinion as it should be.

#### B. Nomination of the Committees and Top Executives Through the Nomination Committee

##### **Nomination of the Committees and Executives**

The Nomination and Remuneration Committee is responsible for selecting persons to be appointed as the committees by considering on qualification, knowledge and ability, experience, and regularity of meeting attendance with the Board of Directors to present to the meeting of the Board of Directors for consideration and present to the shareholder meeting for approval of the committee appointment through majority of votes according to the following criteria and procedures.

1. One shareholder has the number of votes equal to the number of shares i.e., one vote per one share.
2. One shareholder may use all their votes according to (1) for selecting one or more persons to be committees but cannot divide their votes to any committee more or less than the other committees.
3. Persons with the highest number of votes in a descending order will be appointed to be the committees equal to the number of persons to be elected at a time. In case that the persons elected in a descending order have equal votes or exceeding number of the persons to be elected at that time, the Chairman shall give a casting vote.

4. In every annual general meeting, one-third of the committees must retire from the positions. If the number of the committees cannot be divided exactly into 3 parts, the number nearest to one-third shall be applied. In the 1<sup>st</sup> or 2<sup>nd</sup> years after being registered as the public company, the committee retirement by rotation is performed by drawing lots. In the following years, the committees who have been in the positions for the longest period shall retire. However, the committee with retirement by rotation may be nominated and re-elected to the position.
5. Any committee who wishes to resign before the end of term shall submit the letter of resignation to the Company and the resignation is effective from the date of submitting the resignation letter to the Company.
6. In case that the committee position becomes vacant by reason other than retirement by rotation, the Board shall elect a new committee to fill in the vacant position. The person who is the new committee shall be in the committee position only for the remaining term of the committee he/she replaces.
7. Resolution for any committee to retire before the end of term can be done only by virtue of the shareholder meeting resolution through votes not less than three-quarters of the shareholders who attend the meeting, have right to vote, and have shares in total not less than half of the number of shares holding.

#### **Appointment of the Audit Committee**

The Board of Committee considers and select persons with qualifications, knowledge, ability, and work experience supporting to the systems of corporate governance and internal control according to standards in the right way. The selected persons must possess qualifications according to the relevant requirements of the laws and the notifications of The Securities and Exchange Commission and the Stock Exchange of Thailand.

1. The Board of Directors appoints the audit committees who have qualifications according to the requirements of The Securities and Exchange Commission and the Stock Exchange of Thailand. At least, 3 audit committees are appointed, and at least one of them must be knowledgeable and experienced in finance and accounting adequately for reviewing creditability of the financial statements.

2. The Audit Committee must contain at least 3 committees. If the number of committees are less than the mentioned number, additional appointment should be made to complete the specified number within 3 months after the date of decreasing number.
3. The Committee selects 1 audit committee to be the Chairman of the Audit Committee, and select a person with qualifications approved by the Audit Committee to be the Secretary of the Audit Committee.
4. A person to be appointed to hold the position of the Company's audit committee must have the following qualifications.
  - 1) Hold shares not more than 1% of paid-up capital of the Company, affiliated companies, associated companies, and related companies, including shares held by a related person.
  - 2) Be a committee who does not involve in management of the Company, affiliated companies, related companies, or the Company's major shareholders; and is not an employee or a consultant with regular salary of the Company, affiliated companies, associated companies, related companies or the Company's major shareholders.
  - 3) Be a committee without direct/indirect benefits or stake in terms of finance and management of the Company, affiliated companies, associated companies, or the Company's major shareholders; and do not have such benefits or stake in the past 1 year before being appointed to be the audit committee in exception that the Board of Directors carefully considers that such benefits and stake do not have any effects on the audit committee's implementation and independence in giving opinions.
  - 4) Be a committee who is not a related person or a close relative of an executive or a major shareholder of the Company.
  - 5) Be a committee who is not appointed to be a representative to protect interest of the Board of Directors, a major shareholder, or a shareholder relating to the Company's major shareholder.
  - 6) Be a committee with capability to perform tasks, give opinions, or report work performance independently as assigned by the Board of Directors without under control of the major shareholders of the Company or a related person or a close relatives of such persons.
  - 7) Be a committee with appropriate knowledge, ability, and skills.

## 8.1.2 Meeting Attendance and Remuneration for Each Committee

Names of Committee	Position	Meetings		
		Board Meeting (Right of Meeting Attendance)	Annual General Meeting of Shareholders (Right of Meeting Attendance)	Extraordinary General Meeting of Shareholders (Right of Meeting Attendance)
Dr. Chakarn Saengruksawong	Chairman, Audit Committee, Independent Committee, Committee	18/18	1/1	1/1
Mr. Chai Wattanasuwan	Vice Chairman of the Borad of Directors, Committee	16/18	1/1	1/1
Mr. Ekkachai Tangsatjatham	Chief Executive Officer, Committee	18/18	1/1	1/1
Mr. Sirasit Pasawat	Deputy Chief Executive Officer, Committee	18/18	1/1	1/1
Miss Chun-Ching Teng	Committee	17/18	1/1	1/1
Mr. Teerawit Tanakijsoontorn	Chairman of the Audit Committee, Independent Committee, Committee	18/18	1/1	1/1
Mr. Chatchawas Sethaluck	Audit Committee, Independent Committee, Committee	13/18	1/1	1/1

Note: - Mr. Chatchawas Sethaluck was appointed according to the resolution of the Borad of Diretors Meeting No. 12/2564 on December 15, 2021.

- Mr. Chai Wattanasuwan n was appointed Vice Chairman of the Board of Directors according to the resolution of the Board of Directors Meeting No. Special 1/2565 on April 26, 2522.

Table of Remuneration for All Sets of Committees in 2022 and the Number of Meetings

No.	Names	Positions	The Board of Directors	The Audit Committee	The Risk Management Committee	The Nomination and Remuneration Committee	The Executive Committee	Total Monthly Remuneration in Jan. – Dec. 2022
1	Dr. Chakarn Saengruksawong	Chairman, Audit Committee, Independent Committee, Nomination and Remuneration Committee	18 / 18	9 / 9	-	5 / 5	-	640,000.00
2	Mr. Chai Wattanasuwan	Vice Chairman of the Borad of Directors, Chairman of the Executive Committee, Nomination and Remuneration Committee, Risk Management Committee, Committee	16 / 18	-	5 / 5	5 / 5	32 / 34	475,000.00
3	Mr. Ekkachai Tangsatjatham	Chief Executive Officer, Committee, Executive Committee, Nomination and Remuneration Committee, Risk Management Committee	18 / 18	-	5 / 5	5 / 5	34 / 34	240,000.00
4	Mr. Sirasit Pasawat	Deputy Chief Executive Officer, Committee, Executive Committee	18 / 18	-	-	-	34 / 34	240,000.00
5	Miss Chun-Ching Teng	Committee	17 / 18	-	-	-	-	240,000.00
6	Mr. Teerawit Tanakijsoontorn	Chairman of the Audit Committee, Independent Committee, Committee, Chairman of the Risk Management Committee	18 / 18	9 / 9	5 / 5	-	-	540,000.00
7	Mr. Chatchawas Sethaluck	Audit Committee, Independent Committee, Committee	13 / 18	7 / 9	-	-	-	407,465.75
<b>Total</b>			<b>2,782,465.75</b>					

### 8.1.3 Supervision of Subsidiaries and Associated Companies

The Company determines important guidelines for corporate governance of its subsidiaries and associated companies in order for the Company to manage both subsidiaries and associated companies to operate business in accordance with the Company's various policies, public company laws, and securities and exchange laws as well as regulations and requirements of The Securities and Exchange Commission and the Stock Exchange of Thailand, as follows.

- 1) The Company by the Board of Directors shall appoint persons to be committees, executives, or persons with controlling authority in the subsidiaries and the associated companies according to the shareholding proportion in each company.
- 2) The Company shall determine scope of duties and responsibilities of committees, executives, or persons with controlling authority as the Company's representatives according to Item 1 to supervise the subsidiaries and the associated companies to operate business in compliance to the Company's corporate governance policy and other policies.
- 3) In case that any transactions are connected transactions, the subsidiaries shall deal with such transactions only after getting approval from the Board of Directors meetings and/or the shareholder meetings of the Company. If such transactions of the subsidiaries requires the Company to disclose information to the Stock Exchange of Thailand, the committees who are the Company's representatives need to notify the Company immediately that the subsidiaries plans to deal with such transactions.
- 4) The committees, executives, or persons with controlling authority who are the Company's representatives have duties to disclose information about financial positions and performance to the Company, and to implement duties according to relevant notifications of The Securities and Exchange Commission and the Stock Exchange of Thailand.
- 5) The committees, executives, or persons with controlling authority who are the Company's representatives have duties to disclose and submit information about their own stakes and related persons to the Board of Directors about relationship and transactions with the Company, subsidiaries, and associated companies which may cause conflict of interest as well as to avoid dealing with transactions which may cause conflict of interest.
- 6) The Company shall monitor business operation of the subsidiaries and associated companies, and shall present the analyzing results, opinions, and suggestions to the Board of Directors for supporting decision-making in setting or improving the policies on business promotion of the subsidiaries and associated companies.

#### **8.1.4 Monitor on Compliance to the Corporate Governance Policy and Guidelines**

The Company plans for the Board of Directors meeting at least once a month to consider the main agendas set in each year. However, if there is any important agenda, the Chairman of the Board of Directors shall call for the meeting for such important agenda by notifying in advance not less than the period specified by laws. In 2022, the Board of Directors held 18 meetings in total. The authority, duties, and responsibility of the Board of Directors are specified by referring to Public Company Limited Act, Securities and Exchange Act, Regulations of the Stock Exchange of Thailand, and the Company's Articles of Association.

##### **The Scope of Authority and Duties of the Board of Directors**

- 1) Have authority, duties, and responsibilities on the Company's management to be compliant to laws, objectives, Articles of Association, and resolutions of the shareholder meetings by adhering to the principle of "Best Practice for Directors of Listed Companies" as prescribed by the Stock Exchange of Thailand.
- 2) Arrange the annual general meeting of shareholders.
- 3) Manage for arranging the Company's balance sheets and profit and loss statements at the end of the Company's accounting period which are audited by auditors and presented to the annual general meeting of shareholders for consideration and approval.
- 4) Determine vision, mission, goals, guidelines, policies, business plans, and budgets of the Company. Control and supervise administration and management of the Executive Committee to be compliant to the assigned policies. However, regarding the issues which are prescribed by laws to receive approval from the shareholder meetings such as capital increase, capital decrease, issuance of corporate bonds, sales or transfer the entire business or some important parts of the Company to other persons, purchase or acceptance of transfer of business of another company to the Company, or amendments to the Company's memorandum of association or articles of association etc.; the Board of Directors needs to receive approval before proceeding.
- 5) Monitor and supervise the management to ensure that the implementation is continuously compliant to plans and budgets. Regularly consider and review such policies, plans, and budgets.
- 6) Supervise for the Company to be compliant to the laws on securities and exchange, notifications of The Securities and Exchange Commission, requirements of the Stock Exchange of Thailand such as in connected transactions, acquisition or sales of important assets, and laws relevant to the Company's business.

- 7) Consider and determine the management structure; and have authority to appoint the Executive Committee, Chairman of the Executive Committee, Sub-committees, and Chief Executive Officer (CEO) as appropriate. Determine the scope of authority, duties, and responsibilities of the Executive Committee, Chairman of the Executive Committee, Sub-committees, and Chief Executive Officer (CEO) as appropriate.
- 8) Prepare the annual report of the Board of Directors. Be responsible for arranging and disclosing financial statements to show the financial position and performance in the previous year, and present to the shareholder meeting for consideration and approval.
- 9) Appoint the Company Secretary to be responsible for implementing various tasks for the benefits of the business operation of Company or the Board of Directors such as arranging register of directors, appointment letters for the Board of Directors meeting, and appointment letters for the shareholder meeting etc.

## **Compliance to Good Corporate Governance**

### **1. Prevention of Conflict of Interest**

The Board of Directors in Shun Thai Rubber Gloves Industry Public Company Limited sets the policy on prevention of conflict of interest on the principle that any decision to entering any transactions of the Company must be for the full benefits of the Company and the shareholders. The Company's personnel including committees, executives, and employees shall not take chance from acting as the Company's personnel to seek advantages for themselves or companions, regardless of financial matters or other matters. They must attempt to avoid involving activities which may cause conflict of interest. However, any business activities either on one's own behalf or on behalf of a juristic person which he/she has stake relating the Company, such transactions must be disclosed according to the criteria specified by the Company. The duties of the committees, executives, and employees are to maintain fair benefits of the Company by limiting the scope of freedom in different activities of the executive committee and employees to the minimum.

### **2. Use of Internal Information to Seek Benefits**

Shun Thai Rubber Gloves Industry Public Company Limited operates business with transparency and awareness of importance in using the internal information to be compliant to Securities and Exchange Act B.E. 2535 (1992) (including the Amendment) and relevant rules and regulations. The Company sets the policy on use of internal information and supervision to prevent the committees and executives including persons in the administration level of accounting or finance at the manager level or higher and employees not to use confidential/internal information of the Company which is not disclosed to public to seek benefits for oneself or others regardless of direct or indirect way, or receiving or not receiving benefits, or using such information for securities trading. The Company performs according to the main policy on use of internal



information to seek benefits and communicate for the committees, executives, and employees to use as practical guidelines.

### 3. Anti-Corruption

Shun Thai Rubber Gloves Industry Public Company Limited emphasizes on anti-corruption so the Company sets the anti-corruption policy and the whistleblowing and complaint policy with the focus on communicating to the committees, executives, and employees to adhere as guidelines. The whistleblowing and complaint policy is set for listening to opinions, suggestions, or complaints from personnel and outsiders who are affected or at risk of being affected from the Company's business operation or illegal/unethical behaviors regarding corruption of the Company's personnel. The Company implements appropriate internal control to decrease risk of corruption and to raise awareness and values of anti-corruption to the Company's personnel, as the main factors for enabling the Company to prevent corruption in the organization through the anti-corruption measure.

### 4. Whistleblowing

#### 4.1 Consulting Channel

Before notifying clues, if the personnel are not sure that an action is behavior according to "Item 2 on Scope of Whistleblowing", and want information about the whistleblowing policy and procedure, they can seek information from Code of Conduct and consult with organizations responsible for whistleblowing and complaints or the Compliance Unit of Sustainability, Governance and Corporate Communication Office.

#### 4.2 Whistleblowing Channel

Personnel, outsiders, business partners, and business alliances can notify clues of behaviors according to "Item 2 on Scope of Whistleblowing" through the following channels.

1.1 Whistleblowing organizations and channels which each business group or each company establishes such as creating user accounts or email to particularly receive whistleblowing or sealed letters etc.

1.2 The website of Shun Thai Rubber Gloves Industry Public Company Limited at

[www.shunthaiglove.com](http://www.shunthaiglove.com).

1.3 Email to HR Department at [hr@shunthaiglove.com](mailto:hr@shunthaiglove.com).

1.4 Email to the Audit Committee at [Whisitleblow@shunthaiglove.com](mailto:Whisitleblow@shunthaiglove.com).

1.5 Mail to the Board of Director or the Audit Committee

Shun Thai Rubber Gloves Industry Public Company Limited

No. 1 Promphan 2 Building, Room 608, 6<sup>th</sup> Floor, Lat Phrao Soi 3, Chomphon Sub-district,  
Chatuchak District, Bangkok 10900

Shun Thai Rubber Gloves Industry Public Company Limited

No. 9 Moo 4, Kachet Sub-district, Mueang District, Rayong Province 21100

## 8.2 Report on Performance of the Audit Committee in the Previous Year

### 8.2.1 Number of Meetings and Meeting Attendance of Each Audit Committee

#### The Audit Committee

Names of Committees	Positions	Number of Meeting Attendance/Time	Notes
Mr. Teerawit Tanakijsoontorn	Chairman of the Audit Committee	9 / 9	Appointed by the Board Resolution No. 7/2564 on July 21, 2021
Dr. Chakarn Saengruksawong	Audit Committee	9 / 9	Appointed by the Board Resolution No. 1/2561 on January 26, 2018
Mr. Chatchawas Sethaluck	Audit Committee	7 / 9	Appointed by the Board Resolution No. 1/2565 on January 24, 2022

Mr. Teerawit Tanakijsoontorn is the committee who is knowledgeable and experienced in accounting or finance or audit adequately for reviewing creditability of the Company's financial statements.

### 8.2.2 Performance of the Audit Committee

On December 31, 2022, the Audit Committee consisted of 3 independent committees who have all qualifications according to the laws of securities and exchange, the notifications of The Securities and Exchange Commission, and notifications, regulations and/or requirements of the Stock Exchange of Thailand. According to the criteria specified in the notifications of The Securities and Exchange Commission and the Stock Exchange of Thailand, the Company must appoint at least 1 audit committee who is knowledgeable and experience in accounting and finance, and be able to review creditability of the financial statement. The Audit Committee has authority, duties, and responsibilities prescribed in the Audit Committee Charter as follows.

#### Authority

1. Have authority to invite the management or employees to attend the meeting, give opinions, or submit documents as required and necessary.
2. Consider in selection, appointment, or employment termination of auditors as well as in remuneration to propose to the Board of Committee to present in the general meeting of shareholders, and assess auditors' performance annually.
3. Know about non-audit work and remuneration for such work for consideration without making auditors lack of independence in implementation.

4. Attend meetings with auditors for discussion without participation of the management at least once a year.
5. Consider to make decision in case of disagreement between the management and auditors on financial statements or limitations in auditing implementation.
6. Review the implementational procedure and supervise connected transactions which may get conflict of interest to be compliant to relevant laws or regulations.
7. Consider reports of the Risk Management Sub-committee and the management of the Company. Consult with the management about policies on risk assessment and management.
8. Manage to get external consultants or professional experts to give advices or opinions as the Board of Director considers appropriate.
9. Report to the Board of Director to take corrective action on transactions with conflict of interest, fraud, corruption, and defects of internal control as well as transactions incompliant to relevant laws with important details of the financial position.

#### **Duties and Responsibility**

1. Review the Company's financial reports to be accurate according to the accounting standards publicly approved with sufficient disclosure.
2. Review the Company's internal control and internal audit systems to be appropriate and effective.
3. Review to ensure that the Company is compliant to the laws on securities and exchange, regulations of stock exchange, or other laws concerning the Company's business.
4. Consider and propose on appointment, re-selection, employment termination, and remuneration of auditors.
5. Consider and review connected transactions or transactions with conflict of interest to be compliant to the laws and regulations of The Stock Exchange of Thailand to ensure that such transactions are reasonable and highly beneficial for the Company.
6. Review the Company's risk management system to be appropriate and effective.
7. Consider on independence of the internal audit unit, and approve appointment, transfer, and employment termination. Consider performance and promotion to the head of the internal audit unit.

8. Review and give opinions on the internal audit plans. Coordinate with the internal audit office and the auditors.
9. Prepare reports of the Internal Audit Committee by disclosing them in the Company's annual reports. These reports are signed by the Chairman of the Audit Committee. The reports must contain at least the following details.
  - 1) Opinion about accuracy, completeness, and reliability of the Company's financial reports.
  - 2) Opinion about sufficiency of the Company's internal control system.
  - 3) Opinion about compliance to the laws of securities and exchange, regulations of stock exchange, or other laws concerning the Company's business.
  - 4) Opinion about appropriateness of auditors.
  - 5) Overall opinion or observation of the Audit Committee in compliance to the charter.
  - 6) Any other issues that the shareholders and general investors should know under the scope of duties and responsibilities as assigned by the Board of Directors.
10. Have authority to employ consultants or external people according to the Company's regulations to give opinions or advices.
11. Have authority to invite the management or any person relating to the Company to give opinions, attend meetings, or give relevant information.
12. Report performance of the Audit Committee to the Board of Directors at least 4 times a year.
13. Regularly consider, review, and assess sufficiency of the charter to be suitable and up to date.

### 8.3 Summary of the Sub-committees' Performance

#### 8.3.1 Number of Meetings and Meeting Attendance of Each Sub-committee

##### The Executive Committee

Names of Committees	Positions	Number of Meeting Attendance/Time	Notes
Mr. Chai Wattanasuwan	Chairman	32 / 34	Appointed by the Board Resolution No. 8/2562 on May 8, 2019
Mr. Ekkachai Tangsatjatham	Committee	34 / 34	Appointed by the Board Resolution No. 8/2562 on May 8, 2019
Mr. Sirasit Pasawat	Committee	34 / 34	Appointed by the Board Resolution No. 8/2562 on May 8, 2019

Miss Chanphen Watthanaphichitphong acts as the Secretary of the Executive Committee.

##### The Risk Management Committee

Names of Committees	Positions	Number of Meeting Attendance/Time	Notes
Mr. Teerawit Tanakijsoontorn	Chairman	5/5	Appointed by the Board Resolution No. 9/2564 on September 15, 2021
Mr. Ekkachai Tangsatjatham	Committee	5/5	Appointed by the Board Resolution No. 9/2564 on September 15, 2021
Mr. Chai Wattanasuwan	Committee	5/5	Appointed by the Board Resolution No. 9/2564 on September 15, 2021

Mr. Weeradet Ket-um acts as the Secretary of the Risk Management Committee.

### The Nomination and Remuneration Committee

Names of Committees	Positions	Number of Meeting Attendance/Time	Notes
Dr. Chakarn Saengruksawong	Chairman	5 / 5	Appointed by the Board Resolution No. 9/2564 on September 15, 2021
Mr. Ekkachai Tangsatjatham	Committee	5 / 5	Appointed by the Board Resolution No. 9/2564 on September 15, 2021
Mr. Chai Wattanasuwan	Committee	5 / 5	Appointed by the Board Resolution No. 9/2564 on September 15, 2021

Miss Kimfan Watthanaphichitphong acts as the Secretary of the Nomination and Remuneration Committee.

### 8.3.2 Performance of the Sub-committees as Assigned by the Board of Directors

#### The Executive Committee

#### The Scope of Authority, Duties, and Responsibility of the Executive Committee

1. Control and supervise the Company's management to be compliant to laws, objectives, articles of associations, resolutions of the shareholder meeting, and resolution of the Board of Directors meeting with integrity, carefulness, and maintenance of the Company's benefits by arranging the meeting of the Executive Committee at least once a month.
2. Consider to refine the following issues according to necessary for the business and present to the Board of Directors for approval.
  - 2.1 Policies, goals, and annual plans of the Company
  - 2.2 Annual budget of the Company
  - 2.3 Guidelines, policies, and goals of investment as the framework for the management implementation
3. Perform tasks as assigned by the Board of Directors
4. Have authority to take actions on the following matters within the scope of each matter specified as follows.
  - 4.1 Control and determine approaches for investment management on other business of the Company within the scope assigned by the Board of Directors and compliance to laws.

- 4.2 Have authority to issue instructions, rules, notifications, and memorandum to implement work according to the Company's policies and benefits, and to maintain disciplines in the organization.

#### Components

1. The Executive Committee consists of at least two (2) directors in the Board of Directors.
2. The Board of Directors appoints one (1) executive committee to hold the position of the Chairman of the Executive Committee.
3. The Executive Committee can appoint one (1) employee of the Company to act as the Secretary of the Executive Committee for assisting the implementation of the Executive Committee in meeting appointment, preparation of meeting agendas, submission of meeting documents, and arrangement of meeting minutes.

#### **The Risk Management Committee**

The risk management committee has the scope of authority, duties, and responsibilities as prescribed in the Risk Management Committee Charter on the following issues.

- 1) Determine, review, and approve the risk management policies and framework in compliance to objectives, goals, strategies, and risk appetite of the Company and the subsidiaries, and present to the Board of Directors for consideration and approval.
- 2) Consider and determine approaches, measures, and action plans for risk management of the Company and the subsidiaries in compliance to risk management policies and framework approved by the Board of Directors. Consider and give opinions on results of risk assessment.
- 3) Review adequacy of the policies, strategies, procedures, and systems of risk management every year to improve effectiveness and adequacy in accordance with the business conditions of the Company and the subsidiaries.
- 4) Supervise and monitor implementation according to the risk management policies approved by the Board of Directors. Continuously develop risk management approaches and systems to ensure that the risk management systems of the Company and the subsidiaries are effective and continuous.
- 5) Suggest methods for risk prevention and decrease into the risk appetite level. Monitor implementation as planned to continuously decrease risk and to ensure that risk is managed adequately and appropriately.

- 6) Review risk management report to monitor main risks of the Company and the subsidiaries. Implement to ensure that risk management is adequate and appropriate and risks can be managed into the risk appetite level, and risk management is performed continuously.
- 7) Supervise and promote knowledge and understanding of executives and employees of the Company and the subsidiaries about their own duties in risk management of the Company and the subsidiaries. Give suggestions and advices to employees relating to risk management.
- 8) Regularly communicate and exchange information through coordination with the Audit Committee about risks and internal control which have or may have effects on the Company or the subsidiaries. The internal audit unit review such matters to ensure that the Company and the subsidiaries have internal control suitable for risk management.
- 9) Regularly report to the Board of Directors about the main risks of the Company and the subsidiaries, risk conditions, approaches for risk management, progress, and results of risk management.
- 10) Perform other tasks concerning risk management as assigned by the Board of Directors and approved by the Risk Management Committee.

#### **The Nomination and Remuneration Committee**

The Nomination and Remuneration Committee has authority, duties, and responsibilities on the following issues.

The Nomination and Remuneration Committee of Shun Thai Rubber Gloves Industry Public Company Limited is appointed by the Board of Directors to implement work independently within the scope of duties and responsibilities as prescribed in the Nomination and Remuneration Committee Charter, and compliant to the corporate governance requirement and guidelines of the Securities and Exchange Commission.

In 2021 and 2022, the Nomination and Remuneration Committee held 2 meetings and 3 committees attended all meetings. The performance report of the Nomination and Remuneration Committee which was presented to the Board of Directors is summarized as follows.

1. Consider and review the criteria on qualifications of persons to hold the positions in the Board of Directors to be compliant to the business strategies of the Company.



The Nomination and Remuneration Committee determined qualifications of persons to hold the positions in the Board of Directors to possess qualifications of audit committee and independent committee.

2. The Nomination and Remuneration Committee considered and examined specific qualifications of each candidate, and then the Chairman nominated each qualified candidate to the Board of Directors to consider, approve, and appoint to be a committee.
3. The shareholders and/or the Board of Directors are eligible to nominate candidates. The namelist of the candidates was submitted to the Chief Executive Officer (CEO) to consider and examine the candidates' qualification on December 10, 2021.

## **9. Internal Control and Connected Transactions**

### **9.1 Internal Control**

The Company gives importance in the internal control system. The Board of Directors appoints the Audit Committee to an independent unit to support and implement on behalf of the Board of Directors as an important instrument of good corporate governance to ensure that the organizational operation is compliant to the requirements and code of conduct. The internal control system must be effective without conflict of interest and corruption. The Company manages on review and monitor of the internal control system by arranging sufficient personnel for implementing the internal control system and monitoring the operation of the Company and the subsidiaries to ensure that the Company and the subsidiaries have the internal control and internal audit systems which are efficient and effective.

In the Board of Directors meeting on February 28, 2022, 3 committees attended the meeting to consider and assess adequacy of the existing internal control systems of the Company and the subsidiaries by basing an assessment form on adequacy of the internal control system of the Securities and Exchange Commission, inquiry with the executives and relevant departments of the Company and the subsidiaries about the adequacy of the internal control system. The Board of Directors considered that the Company and the subsidiaries had the internal control and internal audit systems appropriate and adequate for the business size; able to protect assets of the Company and the subsidiaries from loss or taking advantages by unauthorized persons; able to significantly manage risk; and helpful for accounting and financial reports of the Company and the subsidiaries to be accurate with complete, sufficient, and reliable information disclosure. In addition, the executives and the employees of the Company and the subsidiaries operated work in compliance to the specified internal control system. Moreover, the ANS Audit Company Limited, the Company's auditor, gave opinions that no situations were found with weaknesses of the existing internal control system which might significantly affect the financial statements of the Company and the subsidiaries.

In addition, the Company resolved to appoint Ascent Advisory Company Limited to assess the internal control system by referring to the international standard of COSO 2013 (The Committee of Sponsoring Organization of Treadway Commission). The 2022 audit plan of the internal auditors is detailed as follows.

**Audit Issues** in Quarter 1/2022 are summarized below.

- Sales and payment system
- Product delivery system
- Follow up on the remaining issues from the last quarter report

**Audit Issues** in Quarter 2/2022 are summarized below.

- Quality Management Systems and Quality Systems
- Maintenance System
- Payment System
- Follow up on the remaining issues from the last quarter report

**Audit Issues** in Quarter 3/2022 are summarized below.

- Information technology system
- Human Resource Management System
- Follow up on the remaining issues from the last quarter report

**Audit Issues** in Quarter 4/2022 are summarized below.

- Budget management system
- Financial report system
- Follow up on the remaining issues from the last quarter report

#### **Opinions of the Audit Committee for the Chief of the Internal Audit**

Mr. Weeradet Ket-um was appointed to be the Secretary of the Audit Committee and the Manager of the Internal Audit by the meeting of the Audit Committee No. 6/2565 on July 18, 2022. In the meeting of the Audit Committee No. 1/2565 on February 28, 2022, the resolution was to appoint Ascent Advisory Company Limited to be an internal auditor of the Company. The consideration was on the audit fee in 2022 of Ascent Advisory Company Limited (IA Outsource). The audit fee was higher than the previous year due to the

additional audits for 4 quarters. Previously, the quarter audits in 2021 were performed in 2 quarters. The fee for the adequacy assessment of the internal control system according to the COSO 2013 framework decreased as the assessment was continuous. Therefore, the audit fee decreased from 2021 and such fee was included in the 2022 expense budget approved by the authority and not exceeding the budget.

## **9.2 Connected Transactions**

Please refer to the section of financial statements in Note No. 4.

*Part 3*

*Financial statement*

SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2022

**Independent Auditor's Report****To the Shareholders and the Board of Directors of Shun Thai Rubber Gloves Industry Public Company Limited****Qualified Opinion**

I have audited the consolidated and separate financial statements of Shun Thai Rubber Gloves Industry Public Company Limited and its subsidiary, and of Shun Thai Rubber Gloves Industry Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2022, the consolidated and separate statement of comprehensive income, the consolidated and separate statements of changes in shareholders' equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the matter possibly affecting the financial statements as mentioned in the paragraph "Basis for Qualified Opinion", the accompanying consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of Shun Thai Rubber Gloves Industry Public Company Limited and its subsidiary, and of Shun Thai Rubber Gloves Industry Public Company Limited, respectively, as at December 31, 2022, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (TFRSs).

**Basis for Qualified Opinion**

As described in Notes to Financial Statements No 8 investment in subsidiaries included investment in AGM Recyclone (Thailand) Co Ltd. (AGM), which is an indirect subsidiary of the Company of Baht 18 million. The financial statement of AGM for the year 2022 has not been provided and I was unable to satisfy myself by means of audit procedures for the financial position and operating results of such the Company. Therefore, I am unable to identify whether there is any necessary adjustment. In my opinion, the financial statement for December 31, 2022, is qualified in that matter.

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 Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

**Emphasis of Matter**

As described in Notes to Financial Statements No 8, as at December 31, 2022, other shareholders in the subsidiary have not fully paid for shares to which they have subscribed. As a result, there is an outstanding share subscription receivable of Baht 179.45 million in the financial statements of the subsidiary.

Management of the Company recognized 48.25% of its investments in the subsidiary in the consolidated financial statement, according to the proportion of shares registered with the Ministry of Commerce. This is, despite that the Company paid for the shares with a higher than registered proportion, as other shareholders have not paid Baht 179.45 million for the share increase. Management of the Company and its legal counsel believe that the registered capital increase of the subsidiary is invalid. The Company files a lawsuit to the court. Currently, the Court is pending consideration.

Management of the Company believes that the result of litigation will not have any significant impact on the consolidated and separate financial statements because the Company will be able to receive the refund of the registered capital increase in the subsidiary in the amount of Baht 168.88 million from the fair value of net assets of the subsidiary and the Company made conservative judgment to assess the results of the litigation by recognition an allowance for impairment of investment in the amount of Baht 337.88 million in the separate finance statement which calculated based on the proportion of investment at 48.25% of the fair value of net assets of the subsidiary which appraised by the independent appraiser.

However, my opinion is not modified in respect of the above matters.

**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 year. 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.

***Allowance for impairment of investments in subsidiary (in Separate Financial Statements)******Risk***

As described in Note to Financial Statements No. 8, in the separate financial statements, the Company has investments in subsidiary as at of December 31, 2022, in the amount of Baht 144.59 million, representing 13 percent of total assets. The subsidiary ceased operation since April 1, 2020, resulting in loss from operation. This is an indication of the impairment of the investment. Most of assets of the subsidiary company are property plant and equipment. The management engaged an independent appraiser to evaluate of property, plant and equipment. The independent appraiser has evaluated the land by using the Market Approach, and plant and equipment by using the Depreciated Replacement Cost method for the management to use as a basis for determining the value of the business.

I focused on this area because of the value of investment in the subsidiary are significant in the separate financial statements. This also involves the use of important judgments of independent appraisers and executives in considering the reasonableness of important assumptions used in the valuation of such assets.

*Auditor's Response*

I obtain an understanding about the valuation of investments in subsidiary and perform the following procedures:

- Understand and evaluate the appropriateness of the methods that the independent appraiser assess the value of the subsidiary's property, plant and equipment, to be in accordance with financial reporting standards.
- Understand the assumptions which the appraiser uses that are reasonably comparable data, such as sale price comparisons of adjacent land as well as compare cost of construction with the appraised value from the announcement of the Values Association of Thailand.
- Ensure the qualification, knowledge and independence of the independent appraisers.
- Compare the property values according to the appraisal report of the independent appraiser with the fixed assets register and the carrying amount of the subsidiary as at December 31, 2022 and check the approval for setting of allowance for impairment of assets.
- Observe the assets of the subsidiary to prove the existence.
- Compare between the carry amount of investments in subsidiary - net and recoverable amount from investments in subsidiary to assess the impairment of investments in subsidiary.

***Valuation of investment properties and property, plant and equipment (in Consolidated Financial Statements)***

*Risk*

As described in Note to financial statement No. 9 as at December 31, 2022, the allowance for impairment as presented in investment property of Baht 190.64 million, the Group assessed the allowance for impairment of investment properties account stated at cost method by considering the recoverable amount based on appraisal value by an independent appraiser less cost to sales.

As described in Note to financial statement No. 10 as at December 31, 2022, the allowance for impairment as presented in property plant and equipment of 106.84 million, the Company measures land in property, plant and equipment account at the revalued amount based on appraisal value by an independent appraiser and the Company assessed the allowance for impairment of building and equipment as presented in property plant and equipment account stated at cost method by considering the recoverable amount based on appraisal value by an independent appraiser less cost to sales.

I focused on this area because of the allowance for impairment of investment properties and property plant and equipment are significant in the consolidated financial statements. This also involves the use of important judgments of independent appraisers and executives in considering the reasonableness of key assumptions used in the valuation of such assets.

*Auditor's Response*

I obtain an understanding for measurement of investment properties and property, plant and equipment and perform audit procedures the following:

- A consideration of related internal and external information to assess whether there are any indicators of impairment of investment properties and property plant and equipment and an analysis of information related to the asset's fair value less costs to sell and its value in use.
- A review of the basis applied in determining impairment of investment properties, the consistency of the application of that basis, and the rationale for the recording of impairment.
- Understand and evaluate the appropriateness of the methods that the independent appraiser assesses the value of investment properties and property, plant and equipment to be in accordance with financial reporting standards.
- Understand the assumptions that the appraiser uses that are reasonably comparable data, such as sale price comparisons of adjacent land as well as compare the cost of construction with the appraised value from the announcement of the Values Association of Thailand.
- Ensure the qualification, knowledge and independence of the independent appraisers.
- In addition, I assessed the disclosure of information by the Group's management with respect to assessment of impairment of investment property and property plant and equipment

**Other information**

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

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 for correction of the misstatement.



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

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

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the 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 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the 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.

Kultida Pasurakul

Certified Public Accountant

Registration Number 5946

ANS Audit Company Limited

Bangkok, February 25, 2023

## SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

		Unit: Thousand Baht				
		Consolidated Financial Statements		Separate Financial Statements		
Notes		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	
<b>Assets</b>						
<b>Current assets</b>						
	Cash and cash equivalents	5, 23	269,454	538,988	267,994	538,741
	Trade and other current receivables - net	4, 6	35,090	62,918	34,993	63,743
	Short-term loan to subsidiary	4	-	-	-	4,000
	Inventories - net	7	132,870	172,419	132,870	172,419
	Other current financial assets		397	397	3	3
	<b>Total current assets</b>		<b>437,811</b>	<b>774,722</b>	<b>435,860</b>	<b>778,906</b>
<b>Non-current assets</b>						
	Other non-current financial assets	23	15,936	33,434	15,936	31,734
	Other non-current receivable - net	4	-	-	10,457	-
	Long-term loan to subsidiary	4	-	-	4,000	-
	Investments in subsidiary - net	8	-	-	144,593	144,593
	Investment properties - net	9	313,516	301,608	-	-
	Property, plant and equipment - net	4, 10	472,381	521,570	472,381	521,570
	Right-of-use assets - net		1,032	-	1,032	-
	Intangible assets - net		21	29	21	29
	Deferred tax assets	11	25,756	13,186	25,756	13,186
	Other non-current assets	4	2,497	1,499	2,490	1,414
	<b>Total non-current assets</b>		<b>831,139</b>	<b>871,326</b>	<b>676,666</b>	<b>712,526</b>
	<b>Total assets</b>		<b>1,268,950</b>	<b>1,646,048</b>	<b>1,112,526</b>	<b>1,491,432</b>

SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
 STATEMENTS OF FINANCIAL POSITION  
 AS AT DECEMBER 31, 2022

		Unit: Thousand Baht				
		Consolidated Financial Statements		Separate Financial Statements		
Notes		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	
<b>Liabilities and Shareholders' Equity</b>						
<b>Current liabilities</b>						
	Trade and other current payables	4, 12	71,513	156,091	46,970	123,955
	Current portion of lease liabilities		582	-	582	-
	Short-term borrowings from related person	4	7,475	7,475	-	-
	Income tax payable		-	45,888	-	45,888
	<b>Total current liabilities</b>		<b>79,570</b>	<b>209,454</b>	<b>47,552</b>	<b>169,843</b>
<b>Non-current liabilities</b>						
	Lease liabilities		304	-	304	-
	Deferred tax liabilities	11	6,170	5,987	6,170	5,987
	Non-current provisions for employee benefit	13	5,279	6,471	5,279	6,471
	<b>Total non-current liabilities</b>		<b>11,753</b>	<b>12,458</b>	<b>11,753</b>	<b>12,458</b>
	<b>Total liabilities</b>		<b>91,323</b>	<b>221,912</b>	<b>59,305</b>	<b>182,301</b>
<b>Shareholders' Equity</b>						
Share capital						
Authorized share capital						
	1,633,859,004 ordinary shares, at Baht 0.5 each		816,930	816,930	816,930	816,930
Issued and paid-up share capital						
	1,633,859,004 ordinary shares, at Baht 0.5 each		816,930	816,930	816,930	816,930
Retained earnings						
	Appropriated - legal reserve	15	75,750	75,000	75,750	75,000
	Unappropriated		207,641	460,497	135,860	393,252
	Other components of shareholders' equity		24,681	23,949	24,681	23,949
	<b>Total Shareholders' Equity attributable to owners of parent</b>		<b>1,125,002</b>	<b>1,376,376</b>	<b>1,053,221</b>	<b>1,309,131</b>
	Non-controlling interests		52,625	47,760	-	-
	<b>Total Shareholders' Equity</b>		<b>1,177,627</b>	<b>1,424,136</b>	<b>1,053,221</b>	<b>1,309,131</b>
	<b>Total Liabilities and Shareholders' Equity</b>		<b>1,268,950</b>	<b>1,646,048</b>	<b>1,112,526</b>	<b>1,491,432</b>

SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Notes	Unit: Thousand Baht			
		Unaudited but reviewed			
		Consolidated Financial Statements		Separate Financial Statements	
		2022	2021	2022	2021
Revenues from sales	4	650,766	1,429,442	650,744	1,429,440
Costs of sales	4	(642,617)	(897,413)	(643,314)	(897,385)
<b>Gross profit</b>		8,149	532,029	7,430	532,055
Other incomes	4	4,797	5,017	5,298	5,059
Gain on exchange rate		7,325	4,295	7,325	4,295
Loss on credit of receivables (reverse)		(292)	933	-	937
Distribution costs		(10,853)	(16,553)	(10,853)	(16,550)
Impairment loss on investments in associate		-	-	-	-
Impairment loss on investments in subsidiary	8	-	-	-	-
Impairment loss on assets	9, 10	(35,935)	-	(54,398)	-
Administrative expenses	4	(54,067)	(64,765)	(46,160)	(55,360)
<b>Profit before share of loss from investment in associate</b>		(80,876)	460,956	(91,358)	470,436
Share of loss from investment in associate		-	-	-	-
<b>Profit (loss) from operating activities</b>		(80,876)	460,956	(91,358)	470,436
Finance costs	4	(1,105)	(1,298)	(24)	-
<b>Profit (loss) before tax expenses</b>		(81,981)	459,658	(91,382)	470,436
Tax expenses (income)	14	12,949	(95,053)	12,949	(95,053)
<b>Profit (loss) for the year</b>		(69,032)	364,605	(78,433)	375,383

**Other comprehensive income***Items that may be reclassified subsequently to profit or loss*

Loss on revaluation of available-for-sale investment - net from tax	-	-	-	-
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*Components of other comprehensive income**that will not be reclassified to profit or loss*

Gains on revaluation of land and land improvements - net of tax	732	-	732	-
Gains on remeasurements of defined benefit plans	1,515	-	1,515	-
Loss on remeasurements of defined benefit plans	-	-	-	-
<b>Other comprehensive income for the year</b>	<u>2,247</u>	<u>-</u>	<u>2,247</u>	<u>-</u>
<b>Total comprehensive income (loss) for the year</b>	<u>(66,785)</u>	<u>364,605</u>	<u>(76,186)</u>	<u>375,383</u>

**Profit (loss) attributable to**

Equity holders of the parent	(73,897)	370,182	(78,433)	375,383
Non-controlling interests	4,865	(5,577)	-	-
	<u>(69,032)</u>	<u>364,605</u>	<u>(78,433)</u>	<u>375,383</u>

**Total comprehensive income (loss) attributable to**

Equity holders of the parent	(71,650)	370,182	(76,186)	375,383
Non-controlling interests	4,865	(5,577)	-	-
	<u>(66,785)</u>	<u>364,605</u>	<u>(76,186)</u>	<u>375,383</u>

**Basic earning (loss) per share (Baht)**

Equity holders of the parent	18	<u>(0.045)</u>	<u>0.227</u>	<u>(0.048)</u>	<u>0.230</u>
Weighted average number of issued ordinary shares (Thousand shares)	18	<u>1,633,859</u>	<u>1,633,859</u>	<u>1,633,859</u>	<u>1,633,859</u>

## SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2022

Unit: Thousand Baht

	Equity attributable to shareholders' equity of the Company									
	Retained earnings				Other components of shareholders' equity					
					Other comprehensive income		Total other components of shareholders' equity	Total Shareholders' Equity of the Company	Non-controlling interests	Total Shareholders' Equity
	Issued and paid-up share capital	Discount on ordinary share capital	Appropriated - legal reserve	Unappropriated	Gains on remeasurements of defined benefit plans	Revaluation surplus on land and land improvements				
Notes										
<b>Balance as at January 1, 2022</b>	816,930	-	75,000	460,497	-	23,949	23,949	1,376,376	47,760	1,424,136
Changes in shareholders' equity for the year:										
Legal reserve	15	-	-	750	(750)	-	-	-	-	-
Dividends	16	-	-	(179,724)	-	-	-	(179,724)	-	(179,724)
Transferred to retained earnings (deficits)		-	-	1,515	(1,515)	-	(1,515)	-	-	-
Total comprehensive loss for the year		-	-	(73,897)	1,515	732	2,247	(71,650)	4,865	(66,785)
<b>Balance as at December 31, 2022</b>	<b>816,930</b>	<b>-</b>	<b>75,750</b>	<b>207,641</b>	<b>-</b>	<b>24,681</b>	<b>24,681</b>	<b>1,125,002</b>	<b>52,625</b>	<b>1,177,627</b>
<b>Balance as at January 1, 2021</b>	<b>816,930</b>	<b>-</b>	<b>13,000</b>	<b>312,433</b>	<b>-</b>	<b>23,949</b>	<b>23,949</b>	<b>1,166,312</b>	<b>53,337</b>	<b>1,219,649</b>
Changes in shareholders' equity for the year:										
Legal reserve	15	-	-	62,000	(62,000)	-	-	-	-	-
Dividends	16	-	-	(160,118)	-	-	-	(160,118)	-	(160,118)
Total comprehensive income for the year		-	-	370,182	-	-	-	370,182	(5,577)	364,605
<b>Balance as at December 31, 2021</b>	<b>816,930</b>	<b>-</b>	<b>75,000</b>	<b>460,497</b>	<b>-</b>	<b>23,949</b>	<b>23,949</b>	<b>1,376,376</b>	<b>47,760</b>	<b>1,424,136</b>

## SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2022

		Unit: Thousand Baht							
		Separate Financial Statements							
		Retained earnings				Other components of shareholders' equity			
						Other comprehensive income		Total other components of shareholders' equity	Total Shareholders' Equity
Notes	Issued and paid-up share capital	Discount on ordinary share capital	Appropriated - legal reserve	Unappropriated	Gains on remeasurements of defined benefit plans	Revaluation surplus on land and land improvements			
	<b>Balance as at January 1, 2022</b>	816,930	-	75,000	393,252	-	23,949	23,949	1,309,131
	Changes in shareholders' equity for the year:								
	Legal reserve	15	-	-	750	(750)	-	-	-
	Dividends	16	-	-	-	(179,724)	-	-	(179,724)
	Transferred to retained earnings (deficits)		-	-	-	1,515	(1,515)	-	(1,515)
	Total comprehensive loss for the year		-	-	-	(78,433)	1,515	732	2,247
	<b>Balance as at December 31, 2022</b>	<b>816,930</b>	<b>-</b>	<b>75,750</b>	<b>135,860</b>	<b>-</b>	<b>24,681</b>	<b>24,681</b>	<b>1,053,221</b>
	<b>Balance as at January 1, 2021</b>	816,930	-	13,000	239,987	-	23,949	23,949	1,093,866
	Changes in shareholders' equity for the period:								
	Legal reserve	15	-	-	62,000	(62,000)	-	-	-
	Dividends	16	-	-	-	(160,118)	-	-	(160,118)
	Total comprehensive income for the period		-	-	-	375,383	-	-	375,383
	<b>Balance as at December 31, 2021</b>	<b>816,930</b>	<b>-</b>	<b>75,000</b>	<b>393,252</b>	<b>-</b>	<b>23,949</b>	<b>23,949</b>	<b>1,309,131</b>



## SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Unit: Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2022	2021	2022	2021
<b>Cash flows from operating activities:</b>				
Profit (loss) for the year	(69,032)	364,605	(78,433)	375,383
Adjustments to reconcile profit (loss) for the year to net cash flow from (used in) operating activities:				
Tax expenses (income)	(12,949)	95,053	(12,949)	95,053
Depreciation and amortization	82,437	65,699	75,883	58,844
(Reversal of) Loss on credit of receivables	292	(933)	-	(937)
Allowance for devaluation inventories	9,285	564	11,542	566
Gain on disposal and write-off of fixed assets	(571)	(321)	(571)	(321)
Loss on impairment of fixed assets	54,398	-	54,398	-
Gain on reversal of impairment of investment properties	(18,463)	-	-	-
Employee benefit expenses	4,256	703	4,256	703
Unrealized (Gain) loss on exchange rates	(1,213)	4,070	(1,213)	4,070
Gain on fair value of derivative instrument	-	(352)	-	(352)
Gain from transfer right in other receivable	(594)	-	(594)	-
Interest incomes	(464)	(980)	(964)	(1,053)
Finance costs	1,105	1,298	24	-
Profit from operating activities before changes in operating assets and liabilities	48,487	529,406	51,379	531,956
Operating assets (increased) decreased				
Trade and other current receivables	32,837	(17,798)	32,693	(18,648)
Inventories	30,264	(74,356)	28,007	(74,357)
Other non-current assets	(998)	85	(1,078)	100
Operating liabilities increased (decreased)				
Trade and other current payables	(72,283)	(4,681)	(72,203)	(4,864)
Employee benefit obligations paid	(3,555)	-	(3,555)	-
Interest paid	-	(278)	-	-
Income tax paid	(49,642)	(89,427)	(49,642)	(89,427)
Cash paid for transferred right in other receivable	(8,000)	-	(8,000)	-
<b>Net cash provided by (used in) operating activities</b>	<b>(22,890)</b>	<b>342,951</b>	<b>(22,399)</b>	<b>344,760</b>

## SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Unit: Thousand Baht			
	Unaudited but reviewed			
	Consolidated Financial Statements		Separate Financial Statements	
	2022	2021	2022	2021
<b>Cash flows from investing activities:</b>				
Decrease (increase) in other non-current financial assets	17,498	(7,608)	15,798	(5,908)
Cash paid for acquisition of fixed assets	(85,283)	(109,931)	(85,283)	(109,931)
Cash received from disposal of fixed assets	916	463	916	463
Cash paid for acquisition of intangible assets	(44)	-	(44)	-
Cash received from interest incomes	456	980	452	700
<b>Net cash used in investing activities</b>	<b>(66,457)</b>	<b>(116,096)</b>	<b>(68,161)</b>	<b>(114,676)</b>
<b>Cash flows from financing activities:</b>				
Payment of lease liabilities	(463)	(26)	(463)	-
Dividends paid	(179,724)	(160,118)	(179,724)	(160,118)
<b>Net cash used in financing activities</b>	<b>(180,187)</b>	<b>(160,144)</b>	<b>(180,187)</b>	<b>(160,118)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(269,534)</b>	<b>66,711</b>	<b>(270,747)</b>	<b>69,966</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>538,988</b>	<b>472,277</b>	<b>538,741</b>	<b>468,775</b>
<b>Cash and cash equivalents at end of the year</b>	<b>269,454</b>	<b>538,988</b>	<b>267,994</b>	<b>538,741</b>
<b>Supplemental disclosures of cash flows information</b>				
Non-cash transaction				
Payable for purchase of fixed assets increase (decrease)	(4,860)	4,954	(4,860)	4,954
Increasing of right-of-use assets	1,325	-	1,325	-

**SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED DECEMBER 31, 2022****1. GENERAL INFORMATION**

Shun Thai Rubber Gloves Industry Public Company Limited (“the Company”) was incorporated as a limited company in Thailand on May 24, 1988 and converted to a Public Company on September 4, 2001, which was also the date that the Company’s common shares were approved as listed securities on the Stock Exchange of Thailand. The registered office of the Company is at No.1, Promphan Tower 2, Room No. 608, 6<sup>th</sup> Floor, Soi Lat Phrao 3, Chom Phon, Chatuchak, Bangkok. Factory is located at No. 9, 14, 52/18, 52/19 Moo 4, Tambon Kached, Amphur Muang, Rayong Province.

The Company mainly engages in the manufacture and distribution of rubber gloves.

**2. BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS**

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and applicable rules and regulations of the Thai Securities and Exchange Commission.

Presentation of the financial statements complies with Notification of the Department of Business Development, dated December 26, 2019, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided, translated based on the Thai version.

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

Preparation of the financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

**Basis for preparation of the consolidated financial statements**

- a) The consolidated financial statements included the financial statements of Shun Thai Rubber Gloves Industry Public Company Limited and its subsidiary (that together referred to as “the Group”).

The details of the Company’s subsidiary as at December 31, 2022 and 2021 are as follows:

Company’s name	Nature of business	Percentage of shareholding	
		2022	2021
<u>Subsidiary</u>			
Northtern Renewable Energy Co., Ltd.	Manufacture and distribution of biomass energy solution and power generation from biomass and waste (temporary cease operation)	48.25	48.25
<u>Subsidiary shareholding by Northtern Renewable Energy Co., Ltd.</u>			
AGM Recyclone (Thailand) Co., Ltd.	Transfrom biomass to renewable energy and anufacture power friendly generation (temporary cease operation)	99.99	99.99

- b) The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.
- c) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.
- d) The balances between the Company and its subsidiary, and significant intercompany transactions have been eliminated in the consolidated financial statements.

The financial statements of Northern Renewable Energy Co., Ltd. are included in the consolidated financial statements because the Company has power to control over their financial and operating policies, even though the Company’s shareholding less than 50 percent, therefore, they are regarded as subsidiary company.

Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not belong to the Company and are presented separately in the consolidated statement of comprehensive income, and within equity in the consolidated statement of financial position.

The separate financial statements, which present investments in subsidiary under the cost method, have been prepared solely for the benefit of the public.

**New financial reporting standards****a) Financial reporting standards that became effective in the current year**

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

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

**b) Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2023**

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

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

**3. SIGNIFICANT ACCOUNTING POLICIES**Revenues and expenses recognition*Revenue from sale*

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

*Other revenues and expenses*

The Group recognized revenues and expenses on an accrual basis.

Cash and Cash Equivalents

Cash on hand is kept for general use purposes within the Group. Cash equivalents are savings deposits and current accounts, highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of change in value.

Trade receivables

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at present value.

The Group applies simplified approach to measure expected credit losses which calculated based on its historical credit loss experience and consider for forward-looking information specific to the debtors and the economic environment. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables.

## Financial assets and financial liabilities

### **Classification and measurement of financial assets and financial liabilities**

#### ***Classification***

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows of financial assets.

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt instruments when and only when the Group change its business model for managing those assets.

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

#### ***Measurement***

At initial recognition, where a financial asset is not at FVPL, the Group measures the financial asset at its fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

There are three measurement categories into which the Group classifies its debt instruments:

- *Amortised cost:* A financial asset will be measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.
- *FVOCI:* A financial asset will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised on other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.

- *FVPL*: A asset that does not meet the criteria for amortised cost or FVOCI is measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments shall be subsequently measured at fair value and the fair value change is to be recognised through profit or loss or other comprehensive income depending on the classification of such equity instrument.

Derivatives are classified and measured at fair value through profit or loss except derivatives for hedge.

Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

### **Impairment**

Expected credit losses associated with financial assets carried at amortized cost and FVOCI, and assets from loan commitments and financial guarantees, are assessed without the increases in credit risk. The Group applies the general approach to the measurement of expected credit losses. In the case of trade receivables, however, the Group applies the simplified approach to measure expected credit losses.

### Inventory

Inventories are stated at the lower of cost or net realizable value, by using the following methods:

Finished goods and work in process	-	at first-in, first-out method
Raw materials and factory supplies	-	at average cost method

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

### Investments in subsidiary

Investment in subsidiary is applied by using the cost method less allowance for impairment losses (if any) in the separate financial statements.

### Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in ordinary course of business, for the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and provision for impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 3 - 20 years.

Depreciation of the investment properties is included in determining operation performance.

No depreciation is provided on land.

On disposal of investment properties, the Group recognized the difference between the net disposal proceeds and the carrying amount of the asset profit or loss in the period when the asset is derecognized.

#### Property, Plant and Equipment

Land and land improvements are stated at revalued amounts. Revaluations are performed with sufficient regularity by an independent professional valuator with to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the financial reporting date.

Buildings and equipment are stated at cost less accumulated depreciation and allowance for impairment losses (if any). When assets are sold or retired, their cost and accumulated depreciations are eliminated from the accounts and any gain or loss resulting from their disposal is included in statement of profit or loss.

The Group records the differences incurred from revaluation as follows:

- When an asset's carrying amount is increased as a result of a revaluation, the increase is recognized in other comprehensive income and accumulated in equity under the heading "Revaluation surplus of fixed assets". However, the increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.
- When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized in profit or loss. However, the decrease is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity under the heading "Revaluation surplus of fixed assets".

The revaluation surplus of fixed assets is not available for dividend distribution.

Upon the disposal of the revalued property, plant and equipment, the relevant portion of the revaluation surplus realized in respect of the previous valuation is released from the property, plant and equipment valuation surplus directly to retained earnings or deficit.



*Depreciation*

Depreciation of plant and equipment is calculated according to the straight-line basis over the following estimated useful lives:

	Useful lives (Years)
Land improvements	20
Buildings and building improvements	5 to 20
Machinery and equipment	2 to 20
Furniture, fixtures and office equipment	3 to 10
Vehicles	5

Intangible assets*Computer Software*

Computer software acquired by the Group is stated at cost less accumulated amortization and allowance for impairment losses (if any).

*Amortization*

Amortization of computer software is calculated by reference to its costs on a straight-line basis for the periods of 3 to 5 years.

Impairment of non-financial assets

The Group reviews the impairment of assets whenever events or changes in circumstances indicate that the recoverable amount (the higher of the asset's selling price or value in use) of assets is below the carrying amount. The review is made for individual assets or for the cash-generating unit.

If the carrying value of an asset exceeds its recoverable amount, the Group recognizes the impairment losses by reducing the carrying value of the asset to its recoverable amount and recording the devaluation in profit or loss or reducing revaluation increment in assets in case that those assets were previously revalued. The reversal of impairment loss recognized in prior years is recorded as part of other income or as a revaluation increments in assets when there is an indication that the impairment losses recognized for the assets no longer exist or are decreased. Such a reversal should not exceed the carrying amount that would have been determined (net of the associated depreciation or amortization).

Leases*Leases - where the Group is the lessee*

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

The Group recognizes right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The lease liability is initially measured at the present value by discounting lease payments that are not paid at the commencement date using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- Fixed payments including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee;
- The exercise price, under a purchase option that the Group is reasonably certain to exercise, whereby the exercise price is considered as lease payments in an optional renewal period; and
- Payments of penalties for early termination of a lease if the Group is reasonably certain to terminate early.

To apply a cost model, the Group measures the ROU asset at cost, less accumulated depreciation and accumulated impairment loss and then makes adjustments for any remeasurement of the lease liability. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the ROU asset reflects that the Group will exercise a purchase option, the Group depreciates the ROU asset from the commencement date to the end of the useful life of the underlying asset. The useful life of the ROU asset is determined on the same basis as those of property, plant and equipment.

Depreciation of right of use assets is calculated by reference to their cost on the straight – line basis over the shorter of their estimated useful lives and the lease term. The estimated useful lives are 2 years.

The lease liability is re-measured when there is a change in future lease payments arising from the following:

- A change in an index or a rate used to determine those payments
- A change in the Group's estimate of the amount expected to be payable under a residual value guarantee
- The Group changes its assessment of whether it will exercise a purchase, extension or termination option

When the lease liability is re-measured to reflect changes to the lease payments, the Group recognises the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

#### *Short-term leases and leases of low-value assets*

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### Related party transactions

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

They also include associated companies and individuals which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors and officers of the Group and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

### Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

In a business combination achieved in stages, the Group shall remeasure its previously held equity interest in the acquiree to its acquisition-date fair value and recognize the resulting gain or loss in profit or loss.

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the fair value amount of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognized in profit for the period immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination.

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.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports 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 recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

### Foreign Currency Transactions

Foreign currency transactions are accounted for at the exchange rates prevailing on the date of the transactions. Monetary assets and liabilities at the statement of financial position dates denominated in foreign currencies are translated into Baht at the rates prevailing on the transaction dates. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of comprehensive income as incurred.

### Provision

A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. A provision is reviewed at the statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

### Employee Benefits

#### *Short-term benefits*

The Group recognizes salaries, wages, bonuses and social security contributions as expenses on an accrual basis.

#### *Post-employment benefits*

##### (A) Defined contribution plans

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

##### (B) Defined benefit plans and other long-term employee benefits

The employee benefit obligation for severance payment under labor law is recognized as a charge to results of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Group in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by actuarial technique using the Projected Unit Credit Method.

Actuarial gains and losses arising from post-employment benefits are recognized immediately in the other comprehensive income and actuarial gains and losses arising from other long-term employee benefits are recognized immediately in the profit or loss.

### Finance Costs

Interest expenses and similar costs are charged to the statement of profit or loss for the year in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognized in the statement of profit or loss using the effective interest rate method.

### Income Tax

Income tax expenses represent the sum of corporate income tax currently payable and deferred tax.

#### *Current tax*

The Group records current income tax at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

#### *Deferred tax*

The Group recognizes deferred income tax on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

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

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

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

### Fair value measurement

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

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

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 Use of unobservable inputs such as estimates of future cash flows

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

#### Basic earnings per share

Basic earnings per share are computed by dividing net profit for the years by the weighted average number of common shares outstanding during the years.

#### **Significant accounting judgments and estimates**

The preparation of the financial statements in conformity with Thai Financial Reporting Standard requires management to make judgments and estimates. Judgments and estimations will affect the amounts in the financial statements and the information presented in the Notes to financial statements. Actual results may differ from these judgments and estimates. Significant judgments and estimates are as follows:

#### Allowance for expected credit losses of trade receivables

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

#### Impairment of investment in subsidiary

The Company treats investments in subsidiary as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment of the management.

#### Property, plant and equipment and depreciation

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

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

#### Deferred tax assets

Deferred tax assets are recognized in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilized. Significant judgment by management is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future profits.

#### Post-employment benefits under defined benefit plans

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

Provisions

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

**4. TRANSACTIONS WITH RELATED PARTIES**

The following presents relationships with enterprises and individuals that control or are controlled by the Group, whether directly or indirectly, or have common directors or shareholders with the Group as follow:

Related Company	Nature of relationship
Northern Renewable Energy Co., Ltd	Subsidiary
Thai Hua Holding Co., Ltd.	Shareholders
Advance Power Conversion Co., Ltd.	Common shareholders
Bright Blue Water Corporation Co., Ltd.	Common shareholders
Akesit Automation Technology Co., Ltd.	Common shareholders
M.R.I. Co., Ltd.	Common directors
Ploenchit Capital Co., Ltd.	Common directors
AGM Recyclone (Thailand) Co., Ltd.	Shareholding by Northern Renewable Energy Co., Ltd.

The Group had significant related parties transactions, both directly and indirectly related through common shareholders and/or common directors. The Group had significant transactions for the years ended December 31, 2022 and 2021, as follows:

	Unit: Thousands Baht				The pricing policy
	Consolidated		Separate Financial		
	Financial Statements	2022	2021	Statements	
<b>Transactions between related parties</b>					
<b>Shareholder</b>					
Finance costs	467	468	-	-	6.25% per annum.
<b>Northern Renewable Energy Co., Ltd</b>					
Finance costs	-	-	549	354	6.97% - 7.50% per annum.
Purchase raw material	-	-	695	-	Mutually agreed which reference to market price
<b>Thai Hua Holding Co., Ltd.</b>					
Revenues from domestic sales	-	46,521	-	46,521	Mutually agreed which reference to market price
Other income	-	51	-	51	reference to market price

	Unit: Thousands Baht				The pricing policy
	Consolidated		Separate Financial		
	Financial Statements		Statements		
	2022	2021	2022	2021	
<b>Ploenchit Capital Co., Ltd.</b>					
Financial advisory expenses	(1,500)	3,300	(1,500)	3,300	Base on the agreement

In 2022, the Company received the letter to terminate financial advisory services from Ploenchit Capital Co.,Ltd. and granted service fee waiver from August 2021 to January 2022.

The outstanding balances with the relate parties as at December 31, 2022 and 2021 were as following:

	Unit: Thousands Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2022	2021	2022	2021
<b>Statements of financial position</b>				
<b>Trade receivables</b>				
Thai Hua Holding Co., Ltd.	-	4,396	-	4,396
<b>Other receivables</b>				
Northern Renewable Energy Co., Ltd.				
Other receivables	-	-	-	1,261
Interest income receivables	-	-	-	354
<u>Less</u> Credit loss allowance	-	-	-	(405)
Net	-	-	-	1,210
<b>Short-term loan to subsidiary</b>				
Northern Renewable Energy Co., Ltd.	-	-	-	4,000
<b>Other non-current receivables</b>				
Northern Renewable Energy Co., Ltd.				
Other receivables	-	-	8,611	-
Interest income receivables	-	-	2,251	-
<u>Less</u> Credit loss allowance	-	-	(405)	-
Net	-	-	10,457	-



	Unit: Thousands Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2022	2021	2022	2021
<b>Long-term loan to subsidiary</b>				
Northern Renewable Energy Co., Ltd.	-	-	4,000	-
<b>Machinery and equipment</b>				
Northern Renewable Energy Co., Ltd.				
Factory equipment (purchase price)	2,010	2,010	2,010	2,010
Vehicles (purchase price)	820	820	820	820
Advance Power Conversion Co., Ltd.				
Machinery - Boiler (purchase price)	49,500	49,500	49,500	49,500
<u>Less</u> Allowance for impairment of machinery	(19,167)	-	(19,167)	-
<u>Less</u> Accumulated depreciation	(22,583)	-	(22,583)	-
Net	7,750	49,500	7,750	49,500
Boiler control system (purchase price)	5,500	5,500	5,500	5,500
Roof structure (purchase price)	18,000	18,000	18,000	18,000
Bright Blue Water Corporation Co., Ltd.				
Machinery - water supply system (purchase price)	45,595	45,595	45,595	45,595
<u>Less</u> Allowance for impairment of machinery	(34,158)	(34,158)	(34,158)	(34,158)
<u>Less</u> Accumulated depreciation	(11,437)	(11,437)	(11,437)	(11,437)
Net	-	-	-	-
<b>Non-current assets</b>				
Akesit Automation Technology Co., Ltd.				
Non-current assets - deposits for feasibility study of power plant	36,000	36,000	36,000	36,000
<u>Less</u> Allowance for impairment of deposits	(36,000)	(36,000)	(36,000)	(36,000)
Net	-	-	-	-
<b>Accrued expenses</b>				
Ploenchit Capital Co., Ltd.				
Accrued financial advisory expenses	-	1,605	-	1,605
<b>Shareholder</b>				
Short-term borrowings from related person	7,475	7,475	-	-
Accrued interest expenses	1,562	1,095	-	-

On September 23, 2021, the Company renewed the short-term loan agreement with the subsidiary for another year with land and buildings as collateral. The interest rate is 6.97 % per annum. The agreement was due on September 23, 2022. Subsequently, the subsidiary submit the repayment extension request letter dated February 7, 2023 to extend loan repayment for another two years, which is due on September 23, 2024, to the Company because the subsidiary does not have enough cashflow for loan repayment of Baht 4 million. However, the subsidiary will pay for accrued interest of Baht 0.56 million, which is accrued from September 23, 2020 (effective date) to September 22, 2022, within 7 days from the date of this letter including request waiver default interest from September 23, 2022, onward. The Company will consider this matter in the next board of director meeting.

During the year, the management assessed the ability and plan of subsidiary to repay the loan which will be paid once the subsidiary's assets has been sold, as a result, the loan had been classified as a long-term loan.

The subsidiary entered into short-term borrowing agreements with related person are due at call without collateral. The loan bears interest at 6.25% per annum and is due for repayment at call.

Northern Renewable Energy Co., Ltd. (Subsidiary) entered into short-term loan agreements with AGM Recyclone (Thailand) Co., Ltd. in total amount of Baht 9.17 million. This is due at call without collateral. The loan bears interest at the rate of 6.25% per annum. As AGM Recyclone (Thailand) Co., Ltd. temporary cease operation, the subsidiary's management provide full allowance for credit loss - loans to and accrued interest income of Baht 10.39 million.

The Company purchases the assets from related companies according to mutually agreed price.

On July 18, 2022, the Company paid a judgment creditor of the subsidiary in Baht 8 million. Then, the Company received transferring all of the right to claim amount of Baht 8.59 million (consisting of a principle of Baht 7.20 million with the interest of Baht 1.39 million). As a result, The Company recognized gain from transferring of right to claim of Baht 0.59 million in profit or loss in 2022.

The transfer of rights has been presented as other receivable - subsidiary and charged interest at the rate of 7.50% (the judgment rate) for the principal amount of Baht of 7.20 million.

The management reviewed the repayment plan of other receivables - subsidiary and consider that it will be repaid when the subsidiary sells its assets. Therefore, the Company reclassified other receivables to other non-current receivables - net.

#### Compensation - for key management personnel

Compensation - for key management personnel for the the years ended December 31, 2022 and 2021, consisted of:

	Unit: Thousands Baht	
	Consolidated Financial Statements / Separate Financial Statements	
	2022	2021
Short-term benefits	10,549	12,796
Post-employment benefits	142	139
Total	10,691	12,935

**5. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents as at December 31, 2022 and 2021, consisted of:

	Unit: Thousands Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2022	2021	2022	2021
Cash	22	64	21	64
Cash at banks	269,031	538,772	267,572	538,525
Cheque received that are due	401	152	401	152
<b>Total</b>	<b>269,454</b>	<b>538,988</b>	<b>267,994</b>	<b>538,741</b>

**6. TRADE AND OTHER CURRENT RECEIVABLES - NET**

Trade and other current receivables - net as at December 31, 2022 and 2021, consisted of:

	Unit: Thousands Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2022	2021	2022	2021
<b>Trade receivables</b>				
Trade receivables - others	99,335	126,945	79,890	107,500
Trade receivables - related company	-	4,396	-	4,396
<u>Less Credit loss allowance</u>	<u>(79,731)</u>	<u>(77,924)</u>	<u>(60,286)</u>	<u>(58,479)</u>
<b>Total trade receivables - net</b>	<b>19,604</b>	<b>53,417</b>	<b>19,604</b>	<b>53,417</b>
<b>Other current receivables</b>				
Other receivables - related company	-	-	-	1,261
<u>Less Credit loss allowance - related company</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(405)</u>
Other receivables - related company - net	-	-	-	856
Prepaid expenses	2,349	4,946	2,299	4,896
Input VAT not yet due	2,945	2,923	2,674	2,659
Revenue Department receivable	5,311	37	5,274	-
Prepaid corporate income tax	3,755	-	3,755	-
Others	1,418	1,595	1,387	1,915
<u>Less Credit loss allowance – other receivables</u>	<u>(292)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other current receivables</b>	<b>15,486</b>	<b>9,501</b>	<b>15,389</b>	<b>10,326</b>
<b>Total trade and other current receivables - net</b>	<b>35,090</b>	<b>62,918</b>	<b>34,993</b>	<b>63,743</b>

The Group has trade receivables classified by age analysis as follows:

	Unit: Thousands Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2022	2021	2022	2021
Undue	9,086	42,624	9,086	42,624
Overdue				
Within 3 months	10,236	6,397	10,236	6,397
Over 3 - 6 months	-	4,396	-	4,396
Over 6 - 12 months	282	-	282	-
Over 12 months	79,731	77,924	60,286	58,479
Total trade receivables	99,335	131,341	79,890	111,896

Due to the short-term nature of trade and other current receivables, their carrying amount is considered to be the same as their fair value.

## 7. INVENTORIES - NET

Inventories - net as at December 31, 2022 and 2021, consisted of:

	Unit: Thousands Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2022	2021	2022	2021
Finished goods	33,835	69,551	33,755	67,215
Work in process	83,451	49,034	83,451	49,034
Raw materials and supplies	31,897	61,818	31,768	61,688
Goods in transit	956	-	956	-
Total inventories	150,139	180,403	149,930	177,937
<u>Less</u> Allowance for devaluations	(17,269)	(7,984)	(17,060)	(5,518)
Total inventories - net	132,870	172,419	132,870	172,419

**8. INVESTMENTS IN SUBSIDIARY - NET**

Investments in subsidiary – net as at December 31, 2022 and 2021 consisted of:

		Unit: Thousands Baht					
Company's name	Nature of business	Percentage of shareholding		Paid up share capital		At cost	
		2022	2021	2022	2021	2022	2021
Northern Renewable Energy Co., Ltd. (NRE)	Manufacturing and distribution of biomass energy solutions (temporary cease operation)	48.25	48.25	1,000,000	1,000,000	482,475	482,475
<u>Less</u> Allowance for impairment on investments in subsidiary						(337,882)	(337,882)
Investments in subsidiary - net						<u>144,593</u>	<u>144,593</u>

Subsidiary shareholding by Northern Renewable Energy Co., Ltd.

		Unit: Thousands Baht					
Company's name	Nature of business	Percentage of shareholding		Paid up share capital		At cost	
		2022	2021	2022	2021	2022	2021
AGM Recyclone (Thailand) Co., Ltd. (AGM)	Transform biomass to renewable energy and manufacture power friendly generation (temporary cease operation)	99.99	99.99	100,000	100,000	100,000	100,000
<u>Less</u> Allowance for impairment on investments						(82,000)	(82,000)
Investments - net						<u>18,000</u>	<u>18,000</u>

The financial statement of AGM Recyclone (Thailand) Co., Ltd. for the year 2022 has not been provided.

In 2016, The Company paid for the capital increase shares in the subsidiary in the amount of Baht 168.88 million. Currently, other shareholders in the subsidiary have not paid the full value of the shares. There was share subscription receivable outstanding on the financial statements of the subsidiary amounting to Baht 179.45 million. Management of the Company recognized 48.25% of its investments in the subsidiary in the consolidated financial statement, according to the proportion of shares registered with the Ministry of Commerce. This is, despite that the Company paid for the shares with a higher than registered proportion. Management of the Company and its legal counsel believe that the registered capital increase of the subsidiary is invalid. On February 19, 2021, the Company files a lawsuit to the court. Currently, the Court is pending consideration.

Management of the Company believes that the result of litigation will not have any significant impact on the consolidated and separate financial statements because the Company will be able to receive the refund of the registered capital increase in the subsidiary in the amount of Baht 168.88 million from the fair value of net assets of the subsidiary and the Company made conservative judgement to assess the results of the litigation by recognition an allowance for impairment of investment in the amount of Baht 337.88 million in the separate finance statement which calculated based on the proportion of investment at 48.25% of the fair value of net assets of the subsidiary which appraised by the independent appraiser.

Subsidiary have significant non-controlling interests as follows:

Subsidiary	Country of incorporation And main place of business	Owner and voting Rights held by non-controlling Interests (percent)	Unit : Thousands Baht			
			Total comprehensive loss		Accumulated	
			Attributable to		Non-controlling interests	
			2022	2021	2022	2021
Northern Renewable Energy Co., Ltd	Thailand	51.75%	4,865	(5,577)	52,625	47,760

The financial information of the subsidiaries before eliminating related transactions is as follows:

	Unit : Thousands Baht	
	Northern Renewable Energy Co., Ltd.	
	2022	2021
Current assets	1,951	2,726
Non-current assets	313,523	301,693
Current liabilities	46,473	44,820
Non-current liabilities	-	-
Non-controlling interests	52,625	47,760
<b>Non-controlling interests (percent)</b>	<b>51.75%</b>	<b>51.75%</b>

	Unit : Thousands Baht	
	Northern Renewable Energy Co., Ltd.	
	2022	2021
<b>Revenue</b>	721	35
Net gain (loss) during the year of non-controlling interests	4,865	(5,577)
Net comprehensive income (loss) of non-controlling interest	4,865	(5,577)
Net cash flows from (use in)		
Operating activities	(491)	(1,808)
Investing activities	1,704	280
Financing activities	-	(26)
Net increased (decreased) in cash	1,213	(1,554)

### 9. INVESTMENT PROPERTIES - NET

Investment properties – net as at December 31, 2022, consisted of:

	Unit: Thousand Baht			
	Consolidated Financial Statements			
	As at			As at
	January 1, 2022	Increase	Decrease	December 31, 2022
<b>Cost</b>				
Land and land improvement	420,811	-	-	420,811
Factory and building	57,519	-	-	57,519
Machinery	60,879	-	-	60,879
Factory equipment	24,577	-	-	24,577
Furniture, fixtures and office equipment	4,677	-	-	4,677
Vehicles	778	-	-	778
Total	569,241	-	-	569,241
<b>Accumulated depreciation</b>				
Land and land improvement	9,492	1,238	-	10,730
Factory and building	16,371	2,746	-	19,117
Machinery	18,579	1,461	-	20,040
Factory equipment	8,658	1,089	-	9,747
Furniture, fixtures and office equipment	4,670	4	-	4,674
Vehicles	761	17	-	778
Total	58,531	6,555	-	65,086

	Unit: Thousand Baht			
	Consolidated Financial Statements			
	As at January 1, 2022	Increase	Decrease	As at December 31, 2022
<b>Allowance for impairment</b>				
Land and land improvement	177,125	-	(29,648)	147,477
Factory and building	1,533	11,185	-	12,718
Machinery	30,444	-	-	30,444
Total	209,102	11,185	(29,648)	190,639
Net book value	301,608			313,516

Land of Baht 63.34 million and building of Baht 10.47 million of subsidiary were pledged as a security on borrowings from the Company as described in Note 4.

In 2022, the Subsidiary arranged for independent professional appraisers to appraise the value of certain assets according to the report dated on December 21, 2022. The fair values (categorized as Level 2 fair value) and the basis of the revaluation were as follows :

Assets	The basis of the revaluation	Unit: thousand Baht	
		2022	2021
Land and land improvements	Land and land improvements were revalued using the market approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as spaces, location, environment, and highest best use. The most significant input into this valuation approach is price per Rai and size of land.	264,913	237,398
Building	The valuation of buildings and structures by new replacement cost is calculated from construction prices in the market to build the similar characteristics of properties in close proximity and adjusted for depreciation which calculated from utilised period and remaining expected useful lives. The most significant input into this valuation approach is construction price per square meter, utility spaces and useful lives of buildings.	49,485	54,896



Assets	The basis of the revaluation	Unit: thousand Baht	
		2022	2021
Machine	The valuation of machinery and equipment by new replacement cost is an estimate of the cost of new machinery to be brought to replace deducted by physical depreciation, functional depreciation, and economic obsolescence. The Fair Market Value is calculated based on the New Replacement Cost minus the total depreciation. The assumptions of the valuation of the machinery are made based on the Company's purchasing documents (if any) and market information, the market comparative price inquired from the vendors or sales agents, and the previous data of the independent appraisers from the appraisal of machinery in the same category.	13,412	21,504

According to appraisal of assets during 2022, the Group reversed loss on impairment of land of Baht 29.65 million and recognized impairment loss of factory and building of Baht 11.19 million in the statement of comprehensive income.

#### 10. PROPERTY, PLANT AND EQUIPMENT – NET

Property, plant and equipment - net as at December 31, 2022 consisted of:

	Unit: Thousand Baht				
	Consolidated Financial Statements/ Separate Financial Statements				
	As at January 1, 2022	Increase	Decrease	Transfer in/(out)	As at December 31, 2022
<b>Cost</b>					
Land and land improvement					
- Historical cost	75,057	-	-	-	75,057
- Revaluation surplus	29,936	915	-	-	30,851
Buildings and Building improvement	248,174	4,032	(6,892)	18,541	263,855
Machinery and equipment	942,897	27,975	(78,338)	87,555	980,089
Furniture, fixtures and office equipment	8,825	1,316	(1,940)	-	8,201
Vehicles	6,831	-	-	-	6,831
Construction in progress	63,802	47,100	(245)	(106,096)	4,561
<b>Total</b>	<b>1,375,522</b>	<b>81,338</b>	<b>(87,415)</b>	<b>-</b>	<b>1,369,445</b>
<b>Accumulated depreciation</b>					
Land and land improvement	12,234	688	-	-	12,922
Buildings and Building improvement	147,122	10,043	(6,709)	5,081	155,537
Machinery and equipment	618,588	64,219	(78,197)	4,370	608,980
Furniture, fixtures and office equipment	7,850	445	(1,939)	-	6,356

Vehicles	6,262	164	-	-	6,426
Total	792,056	75,559	(86,845)	9,451	790,221

	Unit: Thousand Baht				
	Consolidated Financial Statements/ Separate Financial Statements				
	As at January 1, 2022	Increase	Decrease	Transfer in/(out)	As at December 31, 2022
<b>Allowance for impairment</b>					
Buildings and Building improvement	11,851	-	(6,770)	(5,081)	-
Machinery and equipment	50,045	68,850	(7,682)	(4,370)	106,843
Total	61,896	68,850	(14,452)	(9,451)	106,843
Net book value	521,570				472,381

As at December 31, 2022 and 2021, all of the Company's land, buildings and improvements that exist or that are to be constructed thereon including a portion of machinery and equipment are mortgaged/pledged as collateral for credit facilities from several local banks (Note 21.1.)

In 2022, the Company arranged for independent professional appraisers to appraise the value of certain assets. The fair value has been categorized as Level 2 fair value and the basis of the revaluation of property plant and equipment is the same as the basis of the revaluation of investment properties. (Note 9)

As at December 31, 2022 and 2021, the Group had revaluation surplus land and land improvements presented in other components of shareholder's equity net tax of Baht 24.68 million and Baht 23.95 million, respectively.

According to appraisal of assets during 2022, there is charging in valuation of property plant and equipment, which affect the financial statements as follows:

- The fair value of land increased in the amount of Baht 0.92 million, which is recognised in the revaluation surplus account as presented in other components of shareholders' equity.
- Buildings and structures was revaluated in 2022 and the recoverable amount was higher than the carrying value, therefore, the Company reversed the allowance for impairment in the amount of Baht 11.85 million and recognized the amount in the statement of comprehensive income.
- The impairment for machine and equipment charges of Baht 56.80 million, was made as a result of the carrying values higher than the recoverable amount (value in use or fair value less cost to sell). The recoverable amount was determined from the fair value which was appraised by the management's expert less cost to sell. The company recognized impairment loss in the statement of comprehensive income.

As at December 31, 2022 and 2021, the Company's buildings and equipment at cost amounting to Baht 510.63 million and Baht 539.51 million, respectively, are fully depreciated but still in use.

**11. DEFERRED TAX ASSETS AND LIABILITIES**

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

	Unit: Thousands Baht			
	Consolidated Financial Statements / Separate Financial Statements			
	As at	Profit	Other	As at
	January 1, 2022	(loss)	comprehensive income (loss)	December 31, 2022
<b>Deferred tax assets</b>				
Allowance for stock obsolescence	1,103	2,309	-	3,412
Allowance for impairment of fixed assets	10,788	10,500	-	21,288
Non-current provisions for employment benefit	1,295	140	(379)	1,056
<b>Total</b>	<b>13,186</b>	<b>12,949</b>	<b>(379)</b>	<b>25,756</b>
<b>Deferred tax liabilities</b>				
Gains on revaluation of assets	(5,987)	-	(183)	(6,170)
<b>Net</b>	<b>7,199</b>	<b>12,949</b>	<b>(562)</b>	<b>19,586</b>

	Unit: Thousands Baht		
	Consolidated Financial Statements / Separate Financial Statements		
	As at	Profit	As at
	January 1, 2021	(loss)	December 31, 2021
<b>Deferred tax assets</b>			
Credit loss allowance for trade receivables	455	(455)	-
Allowance for stock obsolescence	990	113	1,103
Allowance for impairment of fixed assets	11,170	(382)	10,788
Non-current provisions for employment benefit	1,154	141	1,295
<b>Total</b>	<b>13,769</b>	<b>(583)</b>	<b>13,186</b>
<b>Deferred tax liabilities</b>			
Gains on revaluation of assets	(5,987)	-	(5,987)
<b>Net</b>	<b>7,782</b>	<b>(583)</b>	<b>7,199</b>

As at December 31, 2022 and 2021, the Group has unused tax losses and deferred tax assets have not been recognised as the Group believe future taxable profits may not be sufficient to allow utilization of the unused tax losses. The defind tax asset is not recognised in the statement of financial position consisted of:

	Unit: Thousands Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2022	2021	2022	2021
Unused tax losses expire in 2-5 years	38,298	-	26,292	-
<b>Total</b>	<b>38,298</b>	<b>-</b>	<b>26,292</b>	<b>-</b>

## 12. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, 2022 and 2021, consisted of:

	Unit: Thousands Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2022	2021	2022	2021
Trade payables	39,937	83,059	34,441	77,563
Other current payables				
Other payables	6,013	15,228	3,307	5,321
Payable for purchase of assets	94	4,954	94	4,954
Advance received for goods	6,150	16,356	1,150	11,356
Accrued expenses	18,456	35,244	7,682	24,080
Others	863	1,250	296	681
Total other current payables	31,576	73,032	12,529	46,392
Total trade and other current payables	71,513	156,091	46,970	123,955

Due to the short-term nature of trade and other current payables, there carrying amount is considered to be the same as their fair value.

**13. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT**

Movement of the present value of non-current provisions for employee benefits for the years ended December 31, 2022 and 2021, as follows:

	Unit: Thousands Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2022	2021	2022	2021
Non-current provisions for				
employee benefit at beginning of year	6,471	5,768	6,471	5,768
Include in profit or loss:				
Current service cost	628	619	628	619
Interest cost	95	84	95	84
Loss on settlement	3,533	-	3,533	-
Include in other comprehensive income:				
Actuarial (gain) losses arising from				
Financial assumptions changes	(1,069)	-	(1,069)	-
Demographic assumptions changes	547	-	547	-
Experience adjustments	(1,371)	-	(1,371)	-
Benefit paid during the year	(3,555)	-	(3,555)	-
Non-current provisions for				
employee benefit at ending of year	5,279	6,471	5,279	6,471

Employee benefit expenses in profit or loss for the the years ended December 31, 2022 and 2021, were as follows:

	Unit: Thousands Baht			
	Consolidated Financial Statements		/Separate Financial Statements	
	2022	2021	2022	2021
Cost of sales	4,043	495	4,043	495
Selling and Administrative expenses	213	208	213	208
Total employee benefit expenses	4,256	703	4,256	703

The actuarial assumption of discount rate is estimated from weighted average of yield rate of government bonds as at the end of reporting date that reflects the estimated timing of benefit payments.

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from the mortality table.

Principal actuarial assumptions as at December 31, 2022 and 2021, (represented by the weighted-average) consisted of:

	Percentage/annum	
	Consolidated Financial Statements / Separate Financial Statements	
	2022	2021
Discount rate	3.06	1.47
Salary increase rate	3.00	3.00
Mortality	100% of Thai Mortality Ordinary Tables of 2017	
Turnover rate		
Under 31 years old	24.00	25.00
31 - 40 years old	14.00	17.00
41 – 50 years old	14.00	16.00
Above 51 years old	0.00	0.00

The result of sensitivity analysis for significant assumptions that affect the present value of the non-current provisions for employee benefit as at December 31, 2022 are summarized below:

	Unit: Thousands Baht	
	Consolidated Financial Statements / Separate Financial Statements	
	Increase 1%	Decrease 1%
Discount rate	(635)	746
Salary increase rate	739	(640)
Turnover rate	(40)	41

As at December 31, 2022, the maturity analysis of undiscounted cash flows of benefit payments was as follows:

	Unit: Thousands Baht
With in 1 year	-
Over 1 and up to 5 years	605
Over 5 years	22,035

**14. TAX EXPENSES**

Tax expenses for the years ended December 31, 2022 and 2021, as follow:

	Unit: Thousands Baht	
	Consolidated Financial Statements / Separate Financial Statements	
	2022	2021
<b>Current tax expenses</b>		
Current year	-	94,470
<b>Deferred tax expenses</b>		
Movement in temporary differences	(12,949)	583
Total	(12,949)	95,053

Tax expenses recognized in other comprehensive income for the years ended December 31, 2022 and 2021, as follows:

	Unit: Thousands Baht	
	Consolidated Financial Statements / Separate Financial Statements	
	2022	2021
Gains on remeasurement of defined benefit plans	(379)	-
Gains on revaluation surplus on land and land improvements	(183)	-
Total	(562)	-

Reconcile between income tax expenses and the product of accounting profit multiplied by the applicable tax rates are as follows:

	Unit: Thousands Baht			
	Consolidated Financial Statements			
	2022		2021	
Tax rate (%)	Unit: Thousands Baht	Tax rate (%)	Unit: Thousands Baht	
Profit (loss) before tax expenses	(81,981)		459,658	
Income tax using the corporate tax rate	20.00	(16,396)	20.00	91,932
Expenses not deductible for tax purposes		562		1,310
Revenues granted income tax exemption or expenses that are deductible at a greater amount		(6,986)		(122)
Unrecorded deferred tax assets		2,211		1
Net loss in current year are not recognized as deferred tax		7,660		1,477
Effect on eliminate transactions		-		455
Tax expenses (income)	15.80	(12,949)	20.68	95,053

	Unit: Thousands Baht			
	Separate Financial Statements			
	2022		2021	
	Tax rate (%)	Unit: Thousands Baht	Tax rate (%)	Unit: Thousands Baht
Profit (loss) before tax expenses		(91,382)		470,436
Income tax using the corporate tax rate	20.00	(18,276)	20.00	94,087
Expenses not deductible for tax purposes		138		1,088
Double expense by the revenue code		(69)		(122)
Net loss in current year are not recognized as deferred tax		5,258		-
Tax expenses (income)	14.17	(12,949)	20.21	95,053

#### 15. LEGAL RESERVE

Under the provisions of the Thai Public Company Limited Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward (if any) as reserve fund until the reserve equal to 10% of authorized share capital. The reserve is not available for dividend distribution.

#### 16. DIVIDENDS

The Board of Directors' Meeting No. 2/2022 held on February 28, 2022 and the Annual General Meeting of Shareholders for the year 2022 held on April 29, 2022 approved to pay a dividend for the year 2021 at Baht 0.11 per share for 1,633,859,004 ordinary shares, totalling Baht 179.72 million. The dividends were paid to shareholders in May 2022.

The Board of Directors' Meeting No. 4/2021 held on April 28, 2021 approval of an interim dividends payment at Baht 0.098 per share for 1,633,859,004 ordinary shares, totalling Baht 160.12 million. The interim dividend was proposed to the Annual General Shareholders' Meeting held on July 7, 2021 for acknowledgement. These interim dividend were paid to shareholders on May 24, 2021.



**17. EXPENSE BY NATURE**

Significant expenses by nature for the years ended December 31, 2022 and 2021, were as follows:

	Unit: Thousands Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2022	2021	2022	2021
Change in inventories of finished goods and work in progress decrease	1,299	(55,969)	(957)	(55,970)
Raw materials and consumable used	422,303	679,893	422,303	679,893
Employee expenses	107,048	152,005	106,698	151,457
Depreciation and amortization	82,437	65,699	75,883	58,844
(Reversal) loss on credit of receivables	292	(933)	-	(937)
Loss for obsolescence stock presented in costs of sales	9,307	3,742	11,563	3,742
Impairment loss fix assets	54,398	-	54,398	-
Gain on (reversal) investment properties	(18,463)	-	-	-
Electricity expenses	33,081	39,663	32,910	39,387
Maintenance expenses	8,321	33,413	8,321	33,413

**18. BASIC EARNING (LOSS) PER SHARE**

Basic earning per share for the years ended December 31, 2022 and 2021, as follow:

	Consolidated Financial Statements		Separate Financial Statements	
	2022	2021	2022	2021
Profit (loss) attributable to equity holders of the parent (Thousands Baht)	(73,897)	370,182	(78,433)	375,383
Weighted average number of issued and paid-up ordinary shares (Thousands Shares)	1,633,859	1,633,859	1,633,859	1,633,859
Basic earning (loss) per share (Baht)	(0.045)	0.227	(0.048)	0.230

## 19. OPERATING SEGMENTS

The Company is engaged in the production and distribution of rubber gloves and its subsidiary engaged in the production and distribution of biomass fuel. Therefore, revenue, profit (loss) and assets reflected in the financial statements are related to the business segments as discussed.

The Group's operations sales portions by geographical segments for the years ended December 31, 2022 and 2021, were as follows:

	(Percentage of total net sales)			
	Consolidated Financial Statements		Separate Financial Statements	
	2022	2021	2022	2021
Net foreign sales	61.35	34.18	61.35	34.18
Net domestic sales	38.65	65.82	38.65	65.82
Total	100.00	100.00	100.00	100.00

The Group's operations sales portions by type of customer for the years ended December 31, 2022 and 2021, were as follows:

	Unit: Thousands Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2022	2021	2022	2021
Net individual sales	19,838	41,515	19,828	41,513
Net corporate sales	630,928	1,387,927	630,916	1,387,927
Total	650,766	1,429,442	650,744	1,429,440

## 20. PROVIDENT FUND

The Company has established a contributory registered provident fund in accordance with the Provident Fund Act B.E. 2530 and based on the approval from the Ministry of Finance on April 23, 2004. Under the plan, members and the Company contribute to the fund at 3% of the employees' basic salaries. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Ministerial Regulation No. 2 (B.E. 2532) issued under the Provident Fund Act B.E. 2530.

Provident fund contributions made by the Company for its employees and recorded as expense in profit or loss for the years ended December 31, 2022 and 2021 of Baht 0.46 million and Baht 0.49 million, respectively.

## 21. COMMITMENTS AND CONTINGENT LIABILITIES

21.1 As at December 31, 2022, the Company obtained credit facilities (short-term borrowings, bank overdraft, forward contracts, bank guarantees, and liabilities under packing credit) from two local banks totaling Baht 162.85 million. The loans bear interest at the MOR and MLR per annum. These credit facilities are collateralized by a pledge of the Company's fixed deposits and mortgage/pledge of the Company's land, buildings and improvements that exist or are to be constructed thereafter, and a portion of machinery and equipment as discussed in Note 10. Moreover, the loan agreements contain conditions and restrictions, such as not to create an additional pledge on those assets, etc.

21.2 As at December 31, 2022, the Company obtained letters of guarantee issued by a local bank amounting to Baht 2.85 million guaranteed by a pledge of deposits with financial institutions.

21.3 As at December 31, 2022, the Company had capital expenditure contracted as at the statement of financial position date but not recognized in the financial statements is as follows:

	Unit: Million Baht
Machinery improvement agreement	2.94

## 22. FINANCIAL INSTRUMENTS

### Capital maintenance

The Group's objective in the management of capital is to maintain the ability to run the operation and generate the return to equity holder and for the benefit of other shareholders, and to maintain proper equity structure to reduce the cost of capital.

The Group may adjust dividend payment policy to equity holder, return capital to equity holder, issue new equity, or sell assets to reduce debt burden in order to maintain its capital structure.

### Foreign exchange risk

The Group's exposure to foreign currency risk relate primarily to the purchase of major raw materials and sales of goods which are denominated in foreign currencies, primarily US Dollars and Euro. The Group's management believes that foreign exchange rate risk will have no material effect to their operational results as they use forward currency contracts to hedge such risk as necessary and appropriate. Including foreign exchange risk management by using foreign currency received from a customer for goods purchase payment to a foreign supplier in the same currency (Natural Hedge).

Credit risk

Credit risk is the risk that a counter-party is unable or unwilling to meet a commitment that it entered into with the Group. The risk is controlled by the application of credit approvals from time to time and monitoring procedures.

The carrying amount of accounts receivable recorded in the statements of financial position net of allowance for expected credit losses of trade receivables accounts represents the maximum exposure to credit risk.

Interest rate risk

Interest rate risk arises from the fluctuation of market interest rates, which may impact current and future operations of the Group. The Group is exposed to interest rate risk related primarily to its deposits at financial institutions, investment in restricted fixed deposits, short-term loans to subsidiary, short-term borrowings from related person. However, most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rates. As such, the management considers the interest rate risk as minimal. Hence, the Group has no hedging agreement to protect against such risk.

		Unit: Million Baht									
		Consolidated Financial Statements									
		Fixed interest rate		Floating interest		No interest rate		Total		Average interest rate	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Financial assets</b>											
	Cash and cash equivalents	-	-	260.33	482.85	9.12	56.14	269.45	538.99	0.13-0.45	0.13-0.25
	Trade and other current receivables - net	-	-	-	-	35.09	62.92	35.09	62.92	-	-
	Other current financial assets	-	-	-	-	0.40	0.40	0.40	0.40	-	-
	Other non-current financial assets	15.94	15.88	-	17.55	-	-	15.94	33.43	1-1.25	0.40-0.50
<b>Financial liabilities</b>											
	Trade and other current payables	-	-	-	-	71.51	156.09	71.51	156.09	-	-
	Lease liabilities	-	-	-	-	-	-	-	-	-	-
	Short term borrowings from related person	7.48	7.48	-	-	-	-	7.48	7.48	6.25	6.25
	Other current financial liabilities	-	-	-	-	-	-	-	-	-	-
<b>Financial assets</b>											
	Cash and cash equivalents	-	-	258.87	482.60	9.12	56.14	267.99	538.74	0.13-0.45	0.13-0.25
	Trade and other current receivables - net	-	-	-	-	34.99	63.74	34.99	63.74	-	-
	Short-term loans to subsidiary	-	4.00	-	-	-	-	-	4.00	-	6.97
	Long-term loans to subsidiary	4.00	-	-	-	-	-	4.00	-	6.97	-
	Other non-current financial assets	15.94	15.88	-	15.85	-	-	15.94	31.73	1-1.25	0.40-0.50
<b>Financial liabilities</b>											
	Trade and other current payables	-	-	-	-	46.97	123.96	46.97	123.96	-	-
	Other current financial liabilities	-	-	-	-	-	-	-	-	-	-

**23. RECLASSIFICATION OF ACCOUNTS**

During the period 2022, the Company reclassified certain consolidated financial statements as at December 31, 2021 to conform with financial statement for the period ended December 31, 2022, as follows:

	Unit : Thousands Baht		
	Consolidated Financial Statements		
	Before reclassified	Reclassified	After reclassified
<b>Statement of financial position as at December 31, 2021</b>			
Cash and cash equivalents	540,688	(1,700)	538,988
Other non-current financial assets	31,734	1,700	33,434

**24. APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements were authorized for issue by the Board of Directors on February 25, 2023.

*Attachment*

## Board of Directors



Dr. Chakarn Saengruksawong  
Chairman of the Board



Mr. Chai Wattanasuwan  
Deputy Chairman



Mr. Teerawit Tanakijsoontorn  
Audit committee chairman



Mr. Ekkachai Tangsatjatham  
Chief Executive Officer



Mr. Sirasit Pasawat  
Deputy Chief Executive Officer



Mr. Chatchawas Sethaluck  
Director



Ms. Chun Ching Teng  
Director

## Attachment 1 : Detail about directors, executives, authorized persons and secretary of the company in 2022

Name-Surname Position	Age (years)	Education/ training	Proportion of shareholding (%)(1)	Family relationship with directors and executives (2)	Work experience		Sector/ company's name
					Period	Position	
1. Dr. Chakarn Saengruksawong - Board Chairman - Chairman of Recruitment and Remuneration Committee - Independent Director - Audit Director - Director	73	- Bachelor of Science (Agriculture), Chiangmai University - Master Degree (Agricultural Extension), Kasetsart University - National Defence College (Vor. Por.Aor.Ror. batch 4414) - Politics and Administration in Democratic Regime for top executives, the 8 <sup>th</sup> batch (PPR.8), King Prajadhipok's Institute - Doctor of Science (Soil Science and Natural Resource Management Program), Chiang Mai University	No	No	2017- present 2011-2016 2009-2011 2009-2011 2008-2009	Board chairman, audit director, independent director Chairman of executive committee Committee chairman director director	- Shun Thai Rubber Gloves Industry PCL - Central Laboratory (Thailand) Co., Ltd. (under supervision of the Ministry of Industry and Ministry of Finance) - Provincial Waterworks Authority, Ministry of Interior - Airports of Thailand Co., Ltd (Thailand) Ministry of Transport - Provincial Waterworks Authority, Ministry of Interior
2. Mr. Ekkachai Tangsatjatham - Chief Executive Officer - Recruitment and Remuneration Director - Executive Director - Director (Authorized Director)	41	- Bachelor of Business Administration (Business Computer), Bangkok University - Business Chinese Program Shanghai International Studies University, Shanghai, China - Director Accreditation Program (DAP 154/2018) Thai Institute Of Directors (IOD)	0.426%	No	2018- Present 2014-2020 2009-2013 2006-2015	Chief executive officer Adviser Adviser Manager	- Shun Thai Rubber Gloves Industry PCL - Sinchok Kaset Co., Ltd - Nutraco (Thailand) Co., Ltd - Sinchoke Rubber Co., Ltd
3. Mr. Sirasit Pasawat - Deputy Chief Executive Officer - Executive Director - Director	70	- Administrate business in Taiwan	0.125%	No	2018 – present 1988 – present 2016 – present	Deputy chief executive officer, director Director Vice president of Industrial Council of Chonburi Province	- Shun Thai Rubber Gloves Industry PCL - M.R.I. Co., Ltd - Industrial Council of Chonburi Province



<p>4. Mr. Chai Wattanasuwan</p> <ul style="list-style-type: none"> <li>- Deputy Chairman</li> <li>- Chief Executive Officer</li> <li>- Risk management director</li> <li>- Recruitment and Remuneration Director</li> </ul> <p>(Authorized director of the company)</p>	57	<ul style="list-style-type: none"> <li>- Master of Business Administration University of Baltimore Maryland (Sigma Iota Epsilon)</li> <li>- Bachelor of Public Administration, Thammasat University</li> <li>- Director Certification Program (DCP), batch 177/2013</li> <li>- Advanced Audit Committee Program (AACP), batch 15/2014</li> </ul>	0.503%	No	<p>2022 – Present</p> <p>2019 – Present</p> <p>2018 – Present</p> <p>2016 – Present</p> <p>2009 – Present</p> <p>2018 – 2022</p> <p>2014 – 2022</p> <p>2013 – 2021</p> <p>2018 – 2020</p> <p>2018 – 2020</p> <p>2017 – 2020</p> <p>2014 – 2016</p> <p>2013 – 2016</p> <p>2012 – 2017</p> <p>2006</p> <p>2003 – 2005</p> <p>1998 – 2002</p> <p>1997</p> <p>1993 – 1996</p>	<p>Independent director, Audit committee chairman, recruitment and remuneration director, risk management director</p> <p>Managing director, Director</p> <p>Deputy chairman, Director, chief executive officer, recruitment and remuneration director, risk management director</p> <p>Risk management chairman</p> <p>Director</p> <p>Independent director, Audit committee chairman, recruitment and remuneration director</p> <p>Director</p> <p>Independent director, audit director</p> <p>Director</p> <p>Director</p> <p>Director</p> <p>Director</p> <p>Independent director, audit director</p> <p>Director</p> <p>Chief executive officer</p> <p>Assistant executive director</p> <p>Assistant executive director</p> <p>Corporate Finance Manager</p> <p>Corporate Manager</p>	<ul style="list-style-type: none"> <li>- KC Property Public Company Limited</li> <li>- Ploenchit Capital Ltd</li> <li>- Shun Thai Rubber Gloves Industry PCL</li> <li>- E for L Aim Public Company Limited</li> <li>- PCL Planner Co., Ltd.</li> <li>- KC Property Public Company Limited)</li> <li>- Wuttisak Pharmacy Inter Company Limited</li> <li>- Spacemed Co., Ltd.</li> <li>- Wuttisak Cosmetic Inter Company Limited</li> <li>- Wuttisak Clinic Inter Group Co., Ltd</li> <li>- Wci Holding Public Company Limited</li> <li>- Annex Company Limited</li> <li>- E for L Aim Public Company Limited</li> <li>- Panjapol Paper Industry Company Limited</li> <li>- Iec Business Partners Company Limited</li> <li>- Kpmg Phoomchai Business Advisory Co., Ltd.</li> <li>- Arthur Andersen Business Advisor Co., Ltd</li> <li>- KPN Group</li> <li>- FINANCE ONE LTD.</li> </ul>
<p>5. Miss Chun-Ching Teng</p> <ul style="list-style-type: none"> <li>- Director</li> </ul>	47	<ul style="list-style-type: none"> <li>- MSC in Social Psychology, Media and Communications, LSE United Kingdom</li> <li>- BA of Advertising, Cheng-Chi University, Taiwan</li> </ul>	6.29%	No	<p>2021 – Present</p> <p>2022 – Present</p> <p>2021 – Present</p> <p>2011 – 2020</p>	<p>Director</p> <p>Chief Operating Officer</p> <p>Chief Executive Officer</p> <p>Marketing manager</p>	<ul style="list-style-type: none"> <li>- Shun Thai Rubber Gloves Industry PCL</li> <li>- Womany Company</li> <li>- Blueseeds Company</li> <li>- Unilever Taiwan &amp; HongKong Company</li> </ul>

<p>6. Mr. Teerawit Tanakijsoontorn</p> <ul style="list-style-type: none"> <li>- Audit committee chairman</li> <li>- Risk management committee chairman</li> <li>- Independent Director</li> <li>- Director</li> </ul>	44	<ul style="list-style-type: none"> <li>- Bachelor of Business Administration (accounting department), Kasetsart University</li> <li>- Bachelor of Law, Thammasat University</li> <li>- Certified public accountant by Federation of Accounting Professions under the royal patronage</li> <li>- Director Accreditation Program (DAP 87/2011) สหภาพ Thai Institute Of Directors (IOD)</li> <li>- Anti-Corruption: The Practical Guide (ACPG 29/2016) Thai Institute Of Directors (IOD)</li> <li>- Ethical Leadership Program (ELP 4/2016) Thai Institute Of Directors (IOD)</li> <li>- Risk management program for corporate leaders (RCL13/2018) Thai Institute Of Directors (IOD)</li> <li>- Advanced audit committee program (AAP29/2018) Thai Institute Of Directors (IOD)</li> </ul>	No	No	<p>2021 – Present</p> <p>2018 – Present</p> <p>2015 – Present</p>	<p>Audit Committee Chairman</p> <p>Risk management committee chairman, independent director, director independent director, audit director , Risk management committee chairman</p> <p>Director, Certified public accountant (CPA)</p>	<ul style="list-style-type: none"> <li>- Shun Thai Rubber Gloves Industry PCL</li> <li>- Villa Kunalai PCL</li> <li>- Best Audit Co., Ltd</li> </ul>
<p>7. Mr. Chatchawas Sethaluck</p> <ul style="list-style-type: none"> <li>- Audit director</li> <li>- Independent director</li> <li>- Director</li> </ul>	46	<ul style="list-style-type: none"> <li>- Bachelor of Law, Chulalongkorn University</li> <li>- Master of Law, Bangkok University</li> </ul>	No	No	<p>2022 – Present</p> <p>2015 – Present</p> <p>2016 – Present</p> <p>2011 – Present</p> <p>2008 – Present</p>	<p>audit director, independent director, director</p> <p>chief executive officer, succession advisor, family business advisor, family relationship advisor</p> <p>Chief executive officer</p> <p>Activity and event advisor</p> <p>Chief executive officer and business and law adviser</p>	<ul style="list-style-type: none"> <li>- Shun Thai Rubber Gloves Industry PLC</li> <li>- Settaluck In Law Co., Ltd.</li> <li>- Dylan Consul Co., Ltd</li> <li>- Nine Infinity Co., Ltd</li> <li>- Sethaluck Company Limite</li> </ul>

**Chief Financial Officer (CFO)**

Name-Surname Position	Age (years)	Education/ training	Proportion of sharehol ding (%)(1)	Family relationship with directors and executives (2)	Work experience		Sector/ company's name
					Period	Position	
1.Mr. Kiattiphoom Somrit - Chief Financial Officer	38	- Master of Business Administration (Finance Program) National Institute of Development Administration -Bachelor of Engineering (Mechanical Engineering) King Mongkut's University of Technology Thonburi - CFO's Orientation Course	No	No	2022 – Present 2018 – 2020 2015 – 2018 2014 – 2016	Chief Financial Officer Director of Financial Planning Division Director of Business Development Division Manager	- Shun Thai Rubber Gloves Industry PCL - Wuttisak Clinic Inter Group Co., Ltd - Amnex Company Limited - PCL Planner Co., Ltd.

**Director and executive of the company (discharge during 2022)**

Name-Surname Position	Age (years)	Education/ training	Proportion of sharehol ding (%)(1)	Family relationship with directors and executives (2)	Work experience		Sector/ company's name
					Period	Position	
1. Mr. Thana Auewithaya - Assistant chief executive officer - Company's secretary	53	- MBA, international business administration Exeter University, United Kingdom - Bachelor of Engineering (Mechanic Tool) City University, United Kingdom - Company Reporting Program CRP 21/2018 - Company Secretary Program CSP 89/2018 - Director Certification Program DCP 193/2014 - Director Accreditation Program DAP 109/2014 - Financial Statements for Directors FSD 22/2013 Thai Institute Of Directors	No	No	2019 – 2022 2015 – 2017 2013 – 2014 2014 – Present 1994 – 2013	Assistant chief executive officer Deputy managing director, operation group 1 Chief executive officer, director Director General manager	- Shun Thai Rubber Gloves Industry PCL - Shun Thai Rubber Gloves Industry PCL - Shun Thai Rubber Gloves Industry PCL - Yoda Herbs - Thailand Co., Ltd. - Niji (Thailand) Co., Ltd.

## Company's secretary

Name-Surname Position	Age (years)	Education/ training	Proportion of sharehol ding (%)(1)	Family relationship with directors and executives (2)	Work experience		Sector/ company's name
					Period	Position	
1. Miss Duangdao Salarnpugdee - Company's secretary	45	-Master of Political Science Ramkhamhaeng University - Bachelor of Political Science Ramkhamhaeng University - Company Secretary Program CSP 108/2020	No	No	2022 – Present 2021 – 2022 2021 – 2022 2020 – 2020 2008 – 2020	Company's secretary Company's secretary Company's secretary Company's secretary Business development manager	- Shun Thai Rubber Gloves Industry PCL - Eureka Design PCL - Nation Broadcasting Corporation PCL - Arin Siriland PCL - CI Group PCL

### **Duty and Responsibility of company's secretary**

The company's secretary shall perform duties as specified in Section 89/15, and Section 89/16 of the Securities and Exchange Act (No. 4) B.E. 2551 (2008), effective from 31st August 2008, responsibly, carefully and honestly. The secretary shall comply with laws, objectives, articles of association, resolutions of the board, as well as resolutions of the shareholder's meeting. Nevertheless, the legal duties of the company's secretary are as follows.

1. Provide and maintain following documents
  - Director register
  - Letter of appointment for board meeting, minutes of the board meeting and annual reports of the company.
  - Letter of appointment for shareholder's meeting and minutes of the shareholder's meeting.
2. Maintain a report of interest provided by the board of directors, or executives, and submit a copy of the report of interest according to Section 89/14 to the committee chairman, and the audit chairman within 7 working days from the date the company receives such report.
3. Take other operations as specified by the Capital Market Supervisory Board

Furthermore, the company's secretary also has other obligations as follows

- Give advice, coordinate and follow up the board of directors to comply with objectives, the articles of association, the board's resolution and the shareholders' resolution, legal requirements, and any related principles.
- Perform duty to arrange a board meeting and a shareholders' meeting
- Provide an orientation and give advice to newly appointed directors.
- Give suggestion about necessary training courses suitable for the board.
- Contact and coordinate with the company's internal units to comply with the resolution of the board of directors, and the shareholder's meeting, and report information to supervisory sectors and public correctly and legally.
- Take care of the company to treat all shareholders equally and fairly in accordance with legal provisions and promote good relationship with minor shareholders.
- Be an intermediary in coordination of matters between shareholders, directors, executives, as well as all stakeholders.
- Perform other duties as assigned by the company

**Attachment 2 : Detail of directors and executives who are positioned in a subsidiary**

Directors and executive directors	Company (STHAI)	Subsidiary (NRE)
1. Mr. Ekkachai Tangsatjatham	//	//
2. Mr. Chai Wattanasuwan	/	/

**Remark**

1. / = director, X = Committee chairman // = Executive director
2. Related company means a juristic person of a person that may be contrary to this announcement.
3. STHAI refers to Shun Thai Rubber Gloves Industry Public Company Limited
4. NRE refers to Northern Renewable Energy Co., Ltd in which Shun Thai Rubber Gloves Industry Public Company Limited purchases ordinary shares of “NRE” by purchasing 4,824,750 ordinary shares, with par value of 100 Baht, accounted for 48.25% of the paid registered capital of NRE.

**Attachment 3 : Detail about internal audit head and compliance head****1) Head of internal audit**

Mr. Weeradet Ket-um is the secretary of the audit committee and the internal audit manager, appointed by the audit committee meeting No.6/2022 on Monday 18<sup>th</sup> July 2022. In the audit committee meeting No. 1/2022 on Monday 28<sup>th</sup> February 2022, it was resolved to appoint Ascent Advisory Co., Ltd as an internal auditor of the company. To consider the internal audit fee in 2022 of Ascent Advisory Co., Ltd (IA Outsource), it is necessary to know that the service charge increased from previous year due to quarterly audit including 4 quarters. Compared with 2021, the quarterly audit was performed in only 2 quarters. For assessment of adequacy of the internal control system according to COSO 2013Framework, it was decreased from previous year because it was continuous process. As a result, the service charge decreased from 2021. Such service charge is included in the annual budget of 2022, approved by authorized persons, and it will not exceed the budget.

The audit plan for 2022 of the internal auditor from Ascent Advisory Co., Ltd is as follows

**Audit Issues** in Quarter 1/2022 are summarized below.

- Sales and payment system
- Product delivery system
- Follow up on the remaining issues from the last quarter report

**Audit Issues** in Quarter 2/2022 are summarized below.

- Quality Management Systems and Quality Systems
- Maintenance System
- Payment System
- Follow up on the remaining issues from the last quarter report

**Audit Issues** in Quarter 3/2022 are summarized below.

- Information technology system
- Human Resource Management System
- Follow up on the remaining issues from the last quarter report

Audit Issues in Quarter 4/2022 are summarized below.

- Budget management system
- Financial report system
- Follow up on the remaining issues from the last quarter report

**2) Head of Compliance Department**

- None –



**Attachment 4 : properties for business operation**

It is reported in part 1 (“Topic 4: proeprties for business operation”)

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**Attachment 5 : Corporate governance and business ethic policy****Announcement of the board of directors****No. ST07 / 2565****Poon Corporate Governanec Policy**  
-----**1. Background**

SHUN THAI RUBBER GLOVES INDUSTRY CO., LTD. believes that the good corporate governance process will help the company to manage operations effectively, efficiently, transparently, and traceably and to uplift the company's overall operation, which will bring confidence and trust to shareholders, stakeholders, and all related parties. It also helps the compant to succeed and achieve important goals of the company for stakeholders in the value chain to grow and prosper sustainably. Therefore, the company defines a policy of corporate governance as a guideline and framework of operations of the company in accporndance with the official guideline of the supervisory section and Sustainable Development Goals: SDGs of the United Nation associated with United Nations Guiding Principles on Business and Human Rights – UNGPs).

**2. Corporate governance policy and goal**

SHUN THAI RUBBER GLOVES INDUSTRY CO., LTD. realizes importance of good corporate governance, which is a main factor to bring fairness to stakeholders, promote the company's operations effectively for sustainable growth and sustainability of stakeholders in the value chain. The company thus promotes th company's operations to be consistent with the principle of good corporate governance with following goals.

- 2.1 To be competitive with good overall operation, and regard to long-term impacts.
- 2.2 To operate the business ethically, and respect rights and take responsibility for all stakeholders in the value chain.
- 2.3 To be socially and environmentally friendly
- 2.4 To adapt under factors of changes.

### 3. Stakeholders in the value chain

#### **3.1 Shareholders and investors**

The Company realizes legal right of shareholders by protecting rights and facilitating the shareholders regarding any right exercising. This includes to ensure that such rights are well protected and treated. The company will not take any actions that violate or deprive rights of the shareholders, by setting the principle and code of practice as follows.

3.1.1 The company will take care of shareholders to be suitably and well treated under law.

3.1.2 The company will maintain basic rights for shareholders such as

1) Right to trade or transfer shares and have shares bought back by the company equally.

2) Right to have share in the company's profit equally.

3) Right to receive news and information of the business adequately

4) Right to attend a meeting to make a vote in meetings for resolution as follows

(1) Nominate, appoint or discharge a director so that shareholders are given a chance to select a director as they wish.

(2) Appoint an auditor

(3) Allocate dividend

(4) Determine or revise the articles and memorandum of association

(5) Decrease or increase capital

(6) Approve special matters

(7) Other matters affecting the company as specified by law etc.

3.1.3 The company will facilitate and promote all shareholders to attend a shareholders' meeting by delivering an invitation to the shareholders' meeting identifying related information along with relevant documents.

3.1.4 The company will provide a channel to communicate with shareholders, and investors to give information and clear all questions.

### 3.1.5 Shareholder's meeting

- 1) The company will allow shareholders to know the principle and method of attending a meeting.
- 2) The company will inform the shareholders of any information adequate to consideration in each agenda before the meeting in a timely manner.
- 3) The company will give a chance to shareholders to ask the directors in the meeting or send questions in advance.
- 4) Provision of meeting minutes and disclosure of resolutions in the shareholder's meeting

### Fair treatment to shareholders

The company realizes ownership of all shareholders, including executive and non-executive shareholders as well as foreign shareholders. The company will treat all shareholders fairly and equally, and thus determine the principle and code of practice as follows.

- 3.1.6 The company will supervise shareholders to be treated and protected for basic rights as mentioned in clause 2.1 equally.
- 3.1.7 The company will provide a process of shareholder's meeting that supports fair treatment to all shareholders.
- 3.1.8 The company will give an opportunity to minor shareholders to nominate a person to be a director in advance in a timely manner.
- 3.1.9 The company gives a chance to shareholders who are unable to attend the meeting to exercise voting right by giving a proxy to attend the meeting and make a vote in lieu.
- 3.1.10 The company allows minor shareholders to propose a meeting agenda in advance before the shareholder's meeting date.
- 3.1.11 The company will provide a preventive measure in case the directors and executives perform Abusive self-dealing which is to take advantages from other shareholders such as Insider trading, disclosure of internal information to those who are related to the directors and executives, which may cause damages to the shareholders etc.

3.1.12 The company will render directors and executives to disclose information about interest of themselves and relevant people so that the committee will be able to consider whether the company's transactions are subject to a conflict of interest or not and to make a decision for overall benefit of the company. However, the directors and executives who have interest in any transaction of the company will not be involved with decision on such transaction.

### **3.2 Stakeholders in the value chain**

The stakeholders play an important role in the company. The company provides a system to supervise stakeholders including customers, creditors, debtors, trade partners, employees and the company where the company is situated, the society, government sector, and other stakeholders such as competitors, and auditors etc. The company determines the principle and code of practice as follows.

- 3.1.13 The company will treat each group of stakeholders by recognizing rights of such stakeholders according to applicable laws or an agreement with the company.
- 3.1.14 The company will not take any action that violates rights of such stakeholders.
- 3.1.15 The company will define a compensation measure in case stakeholders are damaged by right violation.
- 3.1.16 The company will develop mechanism of participation of stakeholders in enhancing the company's overall operation to stabilize the business sustainably.
- 3.1.17 The company will disclose important information to stakeholders sufficiently in order that they participate in above activities effectively.
- 3.1.18 The company will provide a measure of whistleblowing for the board in an issue of legal offence, inaccuracy of financial report, defected internal control, or misconduct. The whistleblowers will be properly protected.
- 3.1.19 Th company will be socially responsible especially for matters directly affecting the business operation so that related persons are confident that the company's operation is environmentally and socially recognized for sustainable development.

#### **4. Data disclosure and transparency**

The company realizes importance of disclosing information in support of decision of shareholders or investors and stakeholders, as well as financial data and non-financial data according to the requirement correctly, completely, punctually, and transparently through easily accessible channel with equality and reliability. The principle and code of practice is as follows.

- 4.1 The company will provide a report of overall performance in former year of the board and subcommittees, and compliance with policies.
- 4.2 The company will provide a reliable, correct, valid, and quality reporting system to ensure the shareholders and outsiders that the information presented in the financial report is correct meeting the generally accepted accounting standard, and passing the audit by an independent auditor.
- 4.3 The company will provide a member to take responsibility for giving information, news, publication, and answering inquiry of shareholders, investors and outsiders, and he/she will perform the duty carefully and cautiously.
- 4.4 The company will provide a responsible unit or sector called as “**investor relation**” to communicate with outsiders such as shareholders, institutional investors, general investors, analysts, and related government authorities fairly and equally.
- 4.5 The company allows people to meet the company’s executives suitably under the condition that given information is already public.

#### **5. Responsibility of the board of directors**

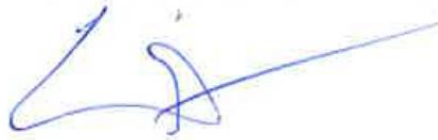
The board of directors plays an important role in supervising the business for highest benefits of the company and maintaining sustainable growth and prosperity for all stakeholders in the value chain with carefulness and cautiousness. The company thus defines the principle and code of practice as follows.

- 5.1 The committee should have good leadership, and be visionary and independent when making a decision for highest benefits of the company and all stakeholders.
- 5.2 The committee will provide clear division of duty and responsibility between the board and the management.

- 5.3 The committee will take care of the company to have a work system that ensures the company's activities legally and ethically performed.
- 5.4 The committee comprises directors with different qualification regarding skills, experiences, aptitudes that benefit the company, and who dedicate time and effort in duty performance to promote the company to have the strong committee.
- 5.5 The recruitment process for company's directors will be performed in the shareholder's meeting for transparent result with no influence of controlling shareholders or the management, and to bring confidence to outsiders.
- 5.6 The committee should provide subcommittees to study and screen works as necessary especially for cases that require neutrality in diagnosis, and define policies, roles, duties and responsibilities as well as work processes such as meeting arrangement and clear report to the board etc.
- 5.7 The committee should understand duty and responsibility of directors and business operation of the company, and freely give their opinions.
- 5.8 The committee should improve themselves to keep updated all the time.
- 5.9 The committee shall perform duty with honesty, carefulness and cautiousness by recognizing highest benefits of the company, and fairness to all shareholders and stakeholders who will receive correct and complete information. The committee should dedicate their time in performing duties with full responsibility, and the directors are obliged to attend every board meeting except for cases with special reasons.
- 5.10 The committee will not approve remuneration of their own, but will provide a transparent remuneration process that requires approval from shareholders. The level and component of remuneration should be suitable, and adequate that can motivate and retain quality directors as needed to avoid excessive return payment.

This announcement is effective from 30<sup>th</sup> March 2022 and onwards.

Announced on 30<sup>th</sup> March 2022



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(Mr. Chakan Saengraksawong)

Committee Chairman

SHUN THAI RUBBER GLOVES INDUSTRY CO., LTD.



**Announcement of the board of directors**

No. ST09 / 2565

**On the code of conduct and business ethic of directors, executives and employees**  
-----**1. Introduction**

Under intense competition, to enable SHUN THAI RUBBER GLOVES INDUSTRY CO., LTD. to gracefully succeed in the business operation, the company does not only focus on the business success, but it also recognizes the process with impact on business success. The company realizes ethic and morality of the company's personnel who are important in supporting and uplifting good corporate governance. It is also an essential foundation that renders the business to grow stably and sustainably, and it also supports the company to achieve objectives of the business operation.

**2. Person in charge**

The persons in charge of ethical and moral practices include directors, executives, employees as well as staff members, advisers, representatives or assigns to act on behalf of the company or for above persons.

**3. Basic principle**

The basic principle of ethic and morality

- 3.1 To perform duty with honesty, integrity, morality and responsibility.
- 3.2 To keep secrets and not to use internal or confidential information to seek personal or others' benefit in an illegal way.
- 3.3 To prevent or avoid any action that may cause conflict of interest
- 3.4 To behave as a knowledgeable, skilled, careful and cautious practitioner

**4. Practices about ethic and morality**

The company's personnel include directors, executives, employees and staff members, advisers, representatives or assigns to work on behalf of the company or for above persons. They should adhere to the practice of ethic and morality as follows.

**4.1 Conduct and behavior**

- 1) To perform duty in accordance with laws related to business operation, objectives, articles of the company, the principle of corporate governance, and the shareholder's meeting's resolutions.
- 2) To seek knowledge and experience for self-development to be knowledgeable and competent in order to work effectively and efficiently.
- 3) To adhere to morality, and not to seek credits, position or other benefits illegally from supervisors or third parties.
- 4) To abstain from any vices and narcotics, and not to behave disgracefully that prejudice reputation of themselves and the company such as not having too much debt, not being obsessive to all kinds of gambling, and not being involved with all kinds of narcotics etc.
- 5) Not to do a career or occupation that affects duty performance or reputation of themselves and the company.
- 6) To avoid financial obligations with persons who do a business with the company or among employees. This includes lending or borrowing money, claiming or any fund raising, rotating saving etc. except for charity and public.
- 7) Not to seek interest illegally, in a direct or indirect manner.
- 8) Not to take any action to administrate or manage any matters in the company that may prejudice the company's benefits or make benefits for other natural persons or juristic persons whether it is for personal or others' benefit.
- 9) To maintain and be creative for harmony in the team.

#### **4.2 Treatment to colleagues**

- 1) To promote good teamwork by cooperating and help each other for benefits of the company and public.
- 2) To treat colleagues politely, and generously with good interpersonal relationship, and adapt to work with others, and not to disclose necessary information for colleagues's work operations.
- 3) To respect others by not falsely claiming others' work as his/her own.

- 4) The supervisors should be respectable, and a good model for subordinates, and they should be polite to subordinates and colleagues at levels.
- 5) The subordinates should respectfully treat supervisors.
- 6) The subordinates obey and follow instructions of the supervisors, and do not work with crossing supervisors unless instructed by higher commander. The employees should be polite to employees and colleagues at all levels.
- 7) To avoid disclosing or criticizing information or stories of other employees, related to work performance and personal affairs that may cause damages to the employees or overall image of the company.
- 8) Not to take any immoral action or sexually harass other employees. Such action may cause a trouble, annoyance or prejudice work environment to become discouraging, hostile or aggressive, and not to disturb work performance of other employees without a reasonable ground. Such behavior covers physical or verbal assault, immoral conduct, or sexual harassment.

#### **4.3 Treatment to the company**

- 1) To perform duty responsibly, honestly, faithfully, and be committed and devoted physical and mental power in works, and to fully comply with the company's regulations and policies as well as values and customs, for highest benefits of the company.
- 2) To perform duty in following the occupational health, safety, and work environment policy.
- 3) To keep secrets of customers, trade partners and the company strictly, by preventing leak of confidential documents or information of the company, to unrelated persons that may cause terrible damages to the company.
- 4) Not to slander or take any action that causes disharmony or damage in the company or to persons related to the company.
- 5) To maintain their honor to be widely accepted in the company.

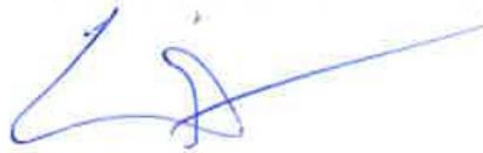
- 6) To construct good relationship by cooperating with the society, community, government authorities, and related organizations in giving information to employees at all levels carefully for highest benefits of the company and public.
- 7) To take care of and engage in any activities to maintain environment and work environment and to develop the organization to surpass excellency.
- 8) To avoid giving and/ or receiving gifts, entertainment or any benefits from trade partners or those related to the company's business unless it benefits fair business operation of the company, or it is a festival or custom with suitable value that receivers should consider. If that gift in a form of money or goods has value more than three thousand Baht, they should refuse and return to the giver.
- 9) Not to engage in any action or conceal any action that may causes a conflict of interest, or get involved with concealing illegal action.

#### **4.4 Treatment to customers, trade partners or competitors**

- 1) To treat customers, trade partners or competitors with understanding and good cooperation.
- 2) To offer quality services to customers with warm friendship and generosity
- 3) To give advice or make any decision for customers carefully and reasonably by considering suitability in a case of customers.
- 4) To maintain benefits of the shareholders
- 5) To support social missions properly and to engage in public and educational activities for prosperity of the nation.

This announcement is effective from 30<sup>th</sup> March 2022 and onwards.

Announced on 30<sup>th</sup> March 2022

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

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(Mr. Chakan Sangraksawong)

Committee Chairman

SHUN THAI RUBBER GLOVES INDUSTRY CO., LTD.

**Attachment 6 : Report from the audit committee**

Attn: shareholders

SHUN THAI RUBBER GLOVES INDUSTRY CO., LTD.

The audit committee of SHUN THAI RUBBER GLOVES INDUSTRY CO., LTD. contain 3 independent directors who are skilled in finance, accounting, laws and management, and fully qualified according to the requirements of the Office of Securities and Exchange Commission, and the Stock Exchange of Thailand. They are independent in performing duties according to the charter of the audit committee, and the directors are as follows.

1. Mr. Teerawit Tanakijsoonthon Chairman of the audit committee and independent director
2. Dr. Chakan Saengraksawong Audit director and independent director
3. Mr. Chatchawan Settalak Audit director and independent director

The internal audit manager acts as the secretary of the audit committee.

The audit committee performs duties and responsibilities according to the charter of the audit committee. In 2022, the audit committee arranged 9 meetings, and the essence of duty performance can be summarized as follows.

- **Financial report audit**

The audit committee audits and considers the financial report on a quarterly basis. In financial year 2022, the company and subsidiary along with the company's auditor and related executives explained and asked about accuracy and validity, the important accounting policy, improvement of accounting particulars, that affect the financial statement, adequate disclosure and independence of the auditor, presented to the board of directors. This is to ensure that the company provides a correct financial statement according to the financial reporting standard. The audit committee realized that the financial statement of the company ending as of 31<sup>st</sup> December 2022, has been audited by the company's auditor, and presented the financial position and overall operation of the company correctly and completely as it should be. Furthermore, data in the financial statement were sufficiently disclosed, which benefited investors and the financial statement users.

- **Internal control and internal audit**

The audit committee has reviewed the internal control and internal audit system inside the company, and given comments on the sufficiency assessment of the internal control and the internal audit system to be suitable for business operation. This includes supporting the internal audit sector and internal auditors to be independent in directly reporting to the audit committee, reviewing and approving the annual audit plan together with the internal auditors in order that the work operation is in accordance with the approved annual audit plan. Furthermore, the overall operation is followed up for correction according to the internal audit plan in subject matters, and the budget is provided to support plan-based operations. In this regard, the audit result in 2022 of the internal auditor reflects that the management improves the internal control system as per important suggestion from the internal auditor. This will ensure that the company has adequate, suitable and effective internal control system.

- **Risk management audit**

The board of directors realizes importance of the organizational risk management and reviews the risk management guideline to be consistent with current situation of the business to always be effective and efficient. The risk management committee and the management are assigned to provide the organization risk management that may affect the business operation, and to provide a risk management plan. Nevertheless, the audit committee communicates with the risk management committee to follow up the review of risk management effectively through the internal control and internal audit system.

- **Transaction and related matter audit**

The audit committee realizes importance of auditing transactions and related matters as well as items that may cause conflict of interest of the company and subsidiary to be in accordance with the notification of the stock exchange of Thailand commission, and the securities and exchange commission. There is a comment that during 2022, the company followed the general trade conditions fairly, reasonably with highest benefits to the company. The audit committee also emphasizes the non-competition policy of directors and conflict of interest prevention policy at director, executive and employee levels continuously.

- **Good corporate governance**

The audit committee has reviewed the compliance with securities and exchange laws, the requirement of the Stock Exchange of Thailand, and other laws related to business operation of the company. The audit committee agrees that in 2022, the company fully complied with the securities and exchange law, the requirement of the Stock Exchange of Thailand, and laws applicable to the company. In 2022, the audit committee selected an independent auditor as a special case according to the agreed method in the past. The audit committee has received the audit report from the independent auditor and presented the audit result to the board of directors and reported the audit outcome to the Stock Exchange and the Securities and Exchange Commission.

- **Considering appointment of the auditor and remuneration payment**

The audit committee considers selecting the auditor and determining return by considering from qualification of the auditor, knowledge, competency, reliability, independence, and experience of auditing as well as audit cost and performance in previous year. He/she should be qualified as specified by the office of Securities and Exchange Commission. It is resolved to present to the board of directors for considering approval from the general shareholder's meeting.

In summary, the audit committee applies knowledge, ability, carefulness, and independence in performing duties and responsibilities identified in the charter of the audit committee. The audit committee agrees that the company provides the financial report correctly and reliably, and the data disclosure is sufficient with good corporate governance, and strict compliance with applicable laws.

On behalf of the audit committee

SHUN THAI RUBBER GLOVES INDUSTRY CO., LTD.



(Mr. Teerawit Tanakijsoontorn)

Chairman of Audit Committee





## Shun Thai Rubber Gloves Industry Public Company Limited

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