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Mission and Core Values

Vision

“Manufacturing quality, acceptable, and environmentally friendly products (Green Product) by developing production efficiency, innovations, and value added.”

Mission

“To implement an efficient production process and modern management system, and manufacture a variety of environmentally friendly products with international standards emphasizing on marketing effectiveness and value chain development.”

Objectives

- Cost reduction.
- Marketing efficiency development.
- Production process and management improvement.
- Product quality improvement to meet the required standards.
- Green product development.
- Brand loyalty creation.

Message from the Board of Directors

The industrial economy in 2019, when considered by the Manufacturing Production Index (MPI), is expected to contract by 3.8 percent, while in 2018 the MPI grew by 3.6 percent, with the major industries contracting in 2019 caused by falling raw materials into the market due to natural disasters and epidemics. Chinese market downturn And reduced price competitiveness Partly due to the strictness of financial institutions in approving loans And the export market due to the economic slowdown of the trading partner countries.

Thailand's GDP in 2019, growth at 1.6 percent, summary of the whole year at 2.4 percent, lower than the growth of 4.2 percent in 2018 due to the global economic situation in the direction of trade protection measures and strong baht Budget process delay And the impact of temporary factors from the production sector such as drought.

The company is also affected by factors affecting overall business operations. Due to the intensifying competition in the region The company therefore emphasizes the business approach that is ready to adjust rapidly to keep up with all the changes that occur. Whether the management structure adjustment To increase the efficiency of business operations Including improving production efficiency Which is a way to achieve an economy of scale production. In addition, the company maintains a consistent domestic and international market and finds new customers to increase market share. Amid competition between rubber glove manufacturers.

The Board of Directors would like to thank all shareholders for the advice and kind support. We would strongly determine to perform the business based on all shareholders and stakeholders' benefits and to continue good corporate governance.

Board of Directors

Shun Thai Rubber Gloves Industry Public Company Limited

General Information

Company Name

Shun Thai Rubber Gloves Industry Public Company Limited

Registration Number

0 1 0 7 5 4 4 0 0 0 8 6 (Former PLC No. 669)

The manufacturer and distributor of rubber gloves for medical, household, and industrial use.

Number and Total Paid-up Capital

Registered capital 19,978,103,486 THB at a par value of THB 1 per share.

Paid-up capital 15,982,476,502 THB

Head Office and Plant Address

9, Mu 4, Kachet Sub-district, Mueang District, Rayong Province 21100

Tel: (038) 634-072-3, 634-481-6

Fax: (038) 634-001, 634-480

www.shunthaiglove.com

Branch Office Address

14 Mu 4, Kachet Sub-district, Mueang District, Rayong Province 21100

52/18 Mu 4, Kachet Sub-district, Mueang District, Rayong Province 21100

52/19 Mu 4, Kachet Sub-district, Mueang District, Rayong Province 21100

Tel: (038) 634-072-3, 634-481-6; Fax: (038) 634-001, 634-480

No. 1 Promphan Building 2, 6th Floor, Room 608, Lat Phrao Soi 3

Chomphon Sub-district, Chatuchak District, Bangkok 10900

Tel: (02) 511-6040-5; Fax: (02) 511-6049

Securities Registrar

Thailand Securities Depository Company Limited

93 Ratchadaphisek Road, Din Daeng Sub-district

Din Daeng District, Bangkok 10400

Tel: (02) 009-9000; Fax: (02) 009-9991

Auditor

Mr. Yuthapong Chuemuangpan, C.P.A.(Thailand) No.9445

ANS Audit Company Limited.

100/72,22th Floor,100/2 Vongvanij Building B,Rama9 Road, Huaykwang,

Bangkok 10320

Tel. 02 645-0109 Fax. 02 645-0110

Secretary

Mr. Tana Uawittaya

No. 1 Promphan Building 2, 6th Floor, Room 608, Lat Phrao Soi 3

Chomphon Sub-district, Chatuchak District, Bangkok 10900

Tel: (02) 511-6040 ; Fax: (02) 511-6049

Email: Tana.u@shunthaiglove.com

General Information of the Joint Venture

(Details of the company which the company holds more than 10% of the total paid-up shares of that company.)

Company Name

Northern Renewable Energy Company Limited

Registration Number

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

Business Type

Manufacture and distribute inclusive biomass energy and generate electricity from refuse-derived fuel.

Registered Capital

1,000,000,000 THB: 10,000,000 ordinary shares
at a par value of THB 100 per share.

Paid-up Capital

1,000,000,000 THB: 10,000,000 ordinary shares
at a par value of THB 100 per share.

Number of Holding Shares

4,824,750 THB of ordinary shares, accounting for 58.8% of the paid-up capital.

Head Office Address

No. 75/28 Ramkhamhaeng Road, Hua Mak Subdistrict Bang Kapi District, Bangkok 10240

Branch Office and Factory Address

333/3 Mu 1, Khao Hin Son Sub-district, Phanom Sarakham District, Chachoengsao Province
168/1 Mu 2, Pak Chalui Sub-district, Tha Chang District, Surat Thani Province

Summary

Overview of the operation and significant events

According to Shun Thai Rubber Gloves Industry Public Company Limited ("STHAI") Unable to submit annual financial statements for the year 2018 according to the specified period Because the auditor did not comment on the company's financial statements for the year 2017 filed on the Stock Exchange of Thailand on 31 August 2018, in which the auditor mentioned in the criteria for disclosing significant opinions, the auditor could not Finding sufficient appropriate audit evidence to be the basis for giving an opinion on the financial statements. As a result, the company is unable to prepare the financial statements for the year 2018, including the report on the financial status and the results of the operations of the company according to the schedule. (Due within April 1, 2019) The cause of the delay was due to Northern Renewable Energy Co., Ltd. (NRE), an associated company, unable to submit the 2017 annual financial statements. Completely, causing the Company to not be able to recognize the operational results of Northern Renewable Energy Co., Ltd. (NRE) in the 2017 financial statements, which the company has followed up by throughout Which has 4 books to Northern Renewable Energy Co., Ltd. (NRE), which are

1. The Company's letter dated February 28, 2018 regarding the submission of annual financial statements to Northern Renewable Energy Co., Ltd. (NRE)

2. The Company's letter dated March 28, 2018 regarding the submission of the annual financial statements to Northern Renewable Energy Co., Ltd. (NRE) No. 2

3. The Company's letter dated May 3, 2018 regarding the submission of annual financial statements to Northern Renewable Energy Co., Ltd. (NRE) no. 3

4. The Company's letter dated May 15, 2018 regarding the submission of annual financial statements to Northern Renewable Energy Co., Ltd. (NRE) No. 4

But the company has not received sufficient documents or information from Northern Renewable Energy Co., Ltd. (NRE) causing the company to close the 2017 financial statements without the auditor showing Comment on the Company's comprehensive income statement And the company submitted the financial statements on 31 August 2018, 5 months later than the due date

Subsequently, the company, as the major shareholder of Northern Renewable Energy Co., Ltd. (NRE), therefore, has the need to proceed in all aspects. For the company To amend the said cause until on October 29, 2018, the company sent a request to Northern Renewable Energy Co., Ltd. (NRE) to call an extraordinary general meeting of shareholders within 30 Days from the date this document was received To consider and approve the following matters

Agenda 1 To consider the appointment of 8 new directors of the company from 6 persons to a total of 14 people.

Agenda 2 To consider changing the authorized directors on behalf of the company as according to the certificate

Agenda 3 To authorize the new authorized directors of the company to have the power to consider other details. And any action Relating to the increase in the number of directors, appointment of new directors

But Northern Renewable Energy Co., Ltd. (NRE) did not hold a meeting within 30 days as required by law. Therefore, on December 17, 2018, the company's directors Therefore resolved to hold an Extraordinary General Meeting of Shareholders Northern Renewable Energy Co., Ltd. (NRE) No. 1/2019 on February 22, 2019 at the Army Club, VIP room. 2 and in the said meeting Passed a resolution to postpone the extraordinary general

meeting of shareholders of Northern Renewable Energy Co., Ltd. (NRE) because the meeting was only for the Company Which is a major shareholder And 2 new shareholders, the Board of Directors of Northern Renewable Energy Co., Ltd. (NRE) has not registered in the shareholder registration book and amended the list of shareholders Correct stock The Extraordinary General Meeting of Shareholders was held again on Tuesday March 26, 2019 at the Royal Thai Army Club, VIP 2 Meeting Room, in the Extraordinary General Meeting of Shareholders The shareholders who attended the meeting that day had a resolution to increase the number of 8 directors to 14, and unanimously resolved to change the authorized directors. As well as allowing the authorized signatory directors to have the power to consider other details. And any action Relating to the increase in the number of directors, appointment of new directors But the company has not yet registered the resolution of the meeting to change the directors and the authorized directors Because the Company is of the opinion that Northern Renewable Energy Co., Ltd. (NRE) has received notification from the company that The company sold shares to Mr. Chai Wattanasuwan and Mr. Ekkachai Tangsajatham. Northern Renewable Energy Co., Ltd. (NRE) must amend the shareholder registration. And submit the list of shareholders of Northern Renewable Energy Co., Ltd. (NRE) with the name of Mr. Chai Wattanasuwan and Mr. Ekkachai Tangsajatham Set the truth to the Department of Business Development, but Northern Renewable Energy Co., Ltd. (NRE) did not proceed If the said resolution is registered, it may be disputed. In which the Northern Renewable Energy Co., Ltd. (NRE) does not amend the shareholder registration Or to submit a list of shareholders with the names of Mr. Chai Wattanasuwan and Mr. Ekkachai Tangsajatham The Company sued Northern Renee Energy Energy Co., Ltd. (NRE) and its directors to the Phra Khanong Provincial Court. The case is being considered by the court. For the extraordinary general meeting of NRE shareholders on 12 April 2019, in which the NRE's directors held the meeting The company as a shareholder attended the meeting, while Mr. Chai Wattanasuwan, Mr. Ekkachai Tangsatjatham as a shareholder went to attend the meeting but the Chairman did not allow to join the meeting. By claiming that the list of shareholders shall be based on the list of shareholders of the company At which the company and NRE are in a dispute in court, and the invitation letter to invite 9 shareholders, thus request to hold to the list of shareholders according to the list of shareholders. Therefore Mr. Wattanasuwan and Mr. Ekkachai Tangsatjatham ,cannot attend the Extraordinary General Meeting of Shareholders NRE No. 1/2019 on 12 April 2019, and in the various agendas, the shareholders who attended the meeting resolved not to add new directors. Therefore is unable to consider the authority of the directors. At which in this matter, the company disagreed, and is under consideration for further legal proceedings.

For the Annual General Meeting of Shareholders of the Company 2019 held on 30 April 2019, there is an agenda related to the Board of Directors. (Being a director of NRE company) in Agenda 5, subject to consider and approve the appointment of directors who are due to retire by rotation (completed 30 April 2019) to be a director of the company for another term One of the directors who retired by rotation was Mr. chongchet Boonkerd, but the shareholders of the Company resolve not to re-elect Mr. chongchet as the company's director for another term. And in other agenda, it appeared that a shareholder requested that the agenda be added. "Considering that the Board of Directors, Mr. Suwan Damnernthong and Mr. Cherdsak Theerananthawanit, to retire from being a company director before the end of their term. Both to be effective from April 30, 2019. "Shareholders, who have a total of not less than 1/3 of the total issued shares of 6,901,041,705.00 votes, agree to add the meeting agenda item 7. Meeting resolution and the shareholders of the company have passed the resolution to terminate Mr. Suwan Damnernthong and Mr. Cherdsak Teerananthawanich as the company's directorship before the end of the term.

For Mr.Chongchet Boonkerd and Mr. Suwan Damneonthong, the director of the company That shareholders do not choose to re-enter as directors And release from being a director of that company Being a director of the company that the company has submitted as a director of NRE

After the Annual General Meeting of Shareholders on April 30, 2019 at 13.00 hrs. Dr. Chakarn Saengruksawong, Chairman of the Board of Directors Invitation to the Board of Directors Meeting No. 7/2019 on April 30, 2019 at Thewet Meeting Room, Royal Thai Army Club, No. 195 Vibhavadi Rangsit Road, Samsen Nai Subdistrict, Phaya Thai District, Bangkok. There were 4 directors attending the meeting. The Board of Directors resolved to acknowledge the results of the 2019 Annual General Meeting of Shareholders and to consider changing the names and directors authorized to sign on behalf of the company.

And on May 13, 2019, the company held a meeting of the board of directors meeting no. 9/2562 in agenda 3.2 to consider and appoint 2 directors to fill the vacancy. The meeting of the Board of Directors agreed to appoint Mr. Wisit Kanjanopas to be a director in place of Mr. Suwan Damnernthong Thong with the remaining term equal to Mr. Suwan, which is until April 30, 2021, and Mr. Anuwat Laikijirung is the director in place of Dr. Cherdsak With the remaining term equal to Dr. Cherdsak, which is until 30 April 2021

The of new directors of the company to a total of 6 persons, as follows:

1. Dr. Chakarn Saengruksawong
2. Mr. Ekkachai Tangsatjatham
3. Mr. Sirasit Pasawat
4. Mr. Chai Wattanasuwan
5. Mr. Wisit Kanjanopas
6. Mr. Anuwat Laikijirung

The company has tried to solve the problem of Northern Renewable Energy Co., Ltd. (NRE) Always. Until May 29, 2019, the auditor asked to amend the auditor's report summary from the audit or review of the company's financial statements for the year ended 31 December 2017 filed on 30 August 2018, "The Office has consulted with the regulatory agency (SEC) and agreed that the form should be amended in item 4. No comment / no conclusion due to 4.1.3 being Mon Limited Scope 4.1.2 The management is related to how the monitoring / operating time".

The company has tried to solve the problem of NRE when the company, as the shareholder of NRE, considers that the directors of NRE do not perform their duty, that is, does not prepare the company's financial statements to cause the company to receive Therefore, on 5 August 2019, the Company sent a letter to NRE's directors requesting to arrange an Extraordinary General Meeting of NRE's shareholders within 30 days. For 1. Consider removing the directors from all positions, namely 6 Mr.Phachari Nijsiriphat, Miss Phlapplung Suwan, Mr.Kamon Kovasuksukul, Mr.Suwan Damnernthong, Mr.Chongchet Boonkerd, Mrs.Chareerat Thirattanachiwin 2.To consider the appointment of 6 new directors of the Company, which are Mr.Ekkachai Tangsatjatham, Mr.Chai Wattanasuwan, Mr.Chumpol Sonchai. Mr. Wisit Karnjanopat, Mr. Kittiphat Intarakaset and Mr. Anuwat several works each day 3. To change the authorized signatory for the company according to the Company Registration from, " Mr. Patcharee Nijsiriphat Miss Plubplueng Suwan Mr. Kamon Kovasuksukun Two of these three directors sign and affix the company's seal. "Amend to" Mr. Ekkachai Tangsatjatham, Mr. Chai Wattanasuwan, Mr. Chumpol Sonchai, two of these three directors sign together. " 4. To consider the authorization of directors The new authorized signatory of the company has the power to consider other details.

And any action Related to the amendment and / or increase the number of directors and the appointment of new directors And have the power to sign the registration request document with the Department of Business Development Ministry of Commerce Various permission requests And evidence needed and relevant to the amendment And / or increase the number of directors of NRE and 5. Consider civil action and / or criminal cases against the committee and / or any other persons related to the registration of the increase of NRE capital increase registration from Baht 650,000,000 to Baht 1,000,000,000 on 19 May 2016 which may not be lawful And various offenses According to the Act which stipulates offense relating to registered partnership Limited partnership, company limited, association and foundation, 1956

By requesting Northern Renewable Energy Co.,Ltd. (NRE) Call an extraordinary general meeting of shareholders and convene the meeting within 30 days from the date of receiving the letter. On 5 August 2019, STHAI submitted a letter requesting the Company to call the Extraordinary General Meeting of Shareholders for the year 2019 again. By requesting the Company to call an extraordinary general meeting of shareholders and hold a meeting within 30 days from the date of receiving the letter dated 5 August 2019, in which the Board of Directors received the letter of STHAI on 7 August 2019. But the Board of Directors instead, sent an invitation letter to the Extraordinary General Meeting of Shareholders No. 1/2020, dated September 2, 2019. The date of the Extraordinary General Meeting of Shareholders No. 1/2020 to be held on February 26, 2020, which was the respite, failing to hold a meeting for a period specified by law, Therefore, Causing Shun Thai Rubber Gloves Industry Public Company Limited ("STHAI) to no longer be able to trust the current Board of Directors to manage

On 12 September 2019, STHAI sent a letter to invite the Extraordinary General Meeting of Shareholders of Northern Renewable Energy Company Limited to all shareholders by specifying an Extraordinary General Meeting of Shareholders of Northern Renewable Energy Co., Ltd on 25 September 2019 at 10:00 am at Shun Thai Rubber Gloves Industry Pcl's meeting room, No.1 Promphan 2 Building, Room 608, Floor 6, Lat Phrao Soi 3, Chomphon Sub-district, Chatuchak District, Bangkok. But the Extraordinary General Meeting of Shareholders on 25 September 2019 has been canceled.

Nonetheless, on 26 September 2019, STHAI submitted a letter requesting the Company to call the Extraordinary General Meeting of Shareholders for the year 2019 again. By requesting the company to call an Extraordinary General Meeting of Shareholders and hold the meeting within 30 days from the date of receiving the letter dated 26 September 2019, in which the directors received the letter from STHAI on the same day. However, the Board of Directors will not hold an Extraordinary General Meeting of Shareholders within 30 days as requested by STHAI. Therefore, STHAI can no longer trust the current Board of Directors to manage the company.

For the reasons mentioned above would show that the Board of Directors of the company acted in bad faith, failing to comply with the duties of a director to comply with the management of a Limited Company. That must be under the control of the General Meeting of shareholders, the rules and regulations of the company and the law in order to protect the interests of the company and shareholders. The directors are therefore jointly responsible. STHAI call for a change of the entire Board of Directors.

Therefore, STHAI, as a major shareholder, is obliged to enter into all actions in order for STHAI to resolve the matter. And relying on Civil and Commercial Law, Section 1174, STHAI, therefore, would like to call for the Extraordinary General Meeting of Shareholders No. Special/2019 on Thursday 7 November 2019 at 10.00 a.m. at Shun Thai Rubber Glove Industry Pcl. Meeting Room 1, Promphan Tower 2, Room No.608, Floor 6, Soi Lat Phrao 3, Chom Phom Phon, Chatuchak Bangkok, to consider approving various agendas as follows:

Agenda 1: To consider dismissed the directors from the position persons as follows:

Agenda 1.1 Mr.Phachari Nijsiriphat

Agenda 1.2 Miss Plubplueng Suwan

Agenda 1.3 Mr.Kamol Kovanisaisukkul

Agenda 1.4 Mr.Suwan Damnernthong

Agenda 1.5 Mr.chongchet Boonkerd

Agenda 1.6 Miss Chareerat Thirarattanachiwin

Resolution The shareholders' meeting has a majority resolution vote to remove all 6 directors from company.

Agenda 2: To consider the appointment of new directors of the company, 6 persons as follows:

Agenda 2.1 Mr.Ekkachai Tangsatjatham

Agenda 2.2 Mr.Chai Wattanasuwan

Agenda 2.3 Mr.Chumpol Sonchai

Agenda 2.4 Mr.Wisit Kanjanopas

Agenda 2.5 Mr.Kittiphat Intharakaset

Agenda 2.6 Mr.Anuwat Laikijirung

Resolution The shareholders' meeting has a majority vote to appoint all 6 new directors of the company.

Agenda 3: Consider changing the authorized directors on behalf of the company as according to the certificate.

Formerly, "Mr. Patcharin Nijsiriphat, Miss Phlapplung Suwan, Mr.Kamol Kovanisaisukkul Two out of three directors sign and affix the company's seal."

Changer to "Mr. Ekkachai Tangsatjatham , Mr. Chai Wattanasuwan, Mr. Chumpol Sonchai, two of these three directors jointly sign."

Resolution The meeting resolved with a majority vote to change the authorized directors to sign on behalf of the company to be Mr. Ekkachai. Tangsatjatham, Mr. Chai Wattanasuwan and Mr. Chumpol Sonchai, two of these three directors jointly sign. "

Agenda 4: To authorize the new authorized directors of the company to have the power to consider other details. And any action related to the amendment and / or increase the number of directors and the appointment of new directors and have the power to sign the registration request document with the Department of Business Development Ministry of Commerce, various permission requests and evidence necessary and relevant to the amendment and / or increase of the number of Directors which includes contacting and submitting permission requests. The said documents and evidence to the government or related agencies and has the power to take any other actions that are necessary and appropriate to amend, change and / or increase the number of directors and to appoint new Directors including the change of the authorized directors of the company as mentioned in Agenda 2 and Agenda 3 above, appearing in the profile of new directors.

Resolution The meeting resolved with a majority of votes. To authorize the new authorized director of the company to have the power to consider other details

Agenda 5: Consider to take civil proceedings and / or criminal cases against the Directors and / or any other persons related to the registered capital increase of the company from 650,000,000 baht to 1,000,000,000 baht on 19 May 2016 which may not be lawful and various offenses under the offenses section of the Registered Partnership, Limited partnership, Limited company, Association, and Foundation Act 1956, as stated above.

Resolution The meeting resolved with a majority of resolution. To proceed with another cases And / or criminal cases against the committee And / or any other related persons.

Later, on November 19, 2019, Mr. Chai Wattanasuwan and Mr.Ekkachai Tangsatjatham As a new group of directors of NRE, has submitted the registration of change of director and authority of NRE to the registrar of the Department of Business Development. In which the said registration The registrar must send the said registration request to shareholders. And the former director of NRE whether to agree or object in any way or not

On 6-9 December 2019, there were shareholders of NRE and the former directors of NRE opposed the registration with 4 registrars. There were objections as follows

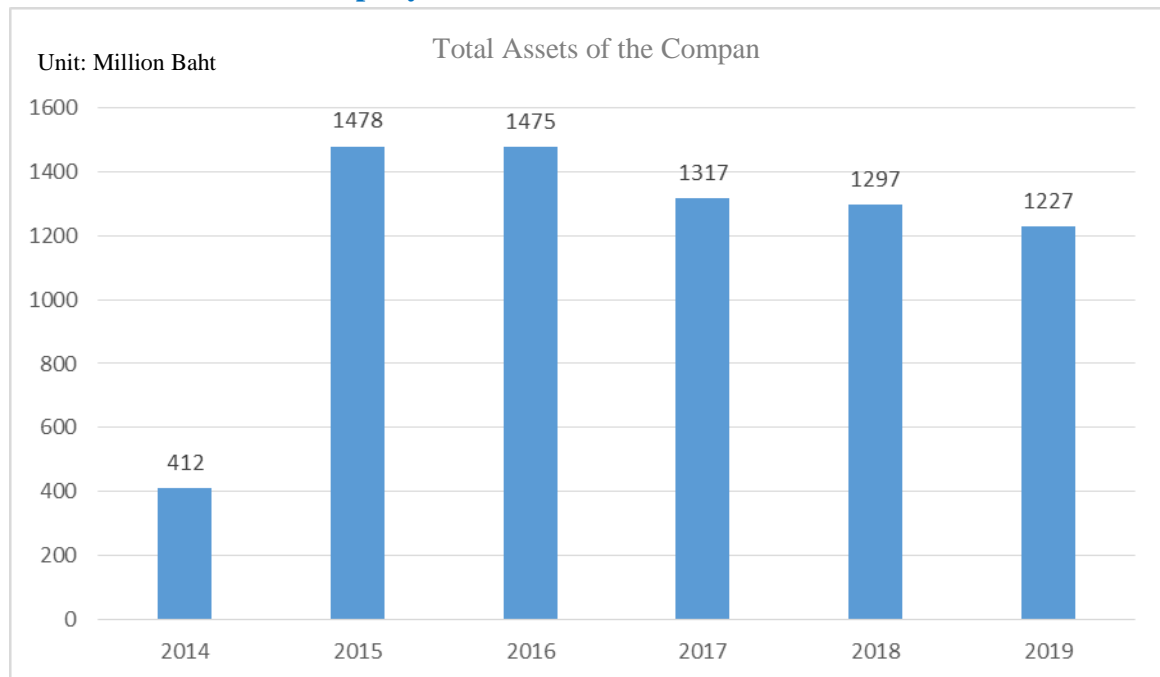
- 1) The Extraordinary General Meeting of Shareholders / 2019, held on November 7, 2019, is a duplicate of the Extraordinary General Meeting of Shareholders on February 26, 2020 or not.
- 2) Mr.Somchai or Mr.Chai Wattanasuwan and Mr.Chumpol Sonchai are not named as shareholders of the Company. Mr. Somchai or Mr.Chai Wattanasuwan has no power to act as the chairman of the meeting and Mr.Chumpol Sonchai has no power as secretary in The meeting And vote this time.
- 3) Shun Thai Rubber Gloves Industry Public Company Limited, must send the invitation letter to the Extraordinary General Meeting of Shareholders / 2019 to Northern Renewable Energy Company Limited or not.
- 4) On the date of the meeting on 7 November 2019, Shun Thai Rubber Gloves Industry Public Company Limited had to clarify the documents relating to the proxies of all the attendants on behalf of the meeting under the Revenue Code to ensure that they were complete, legally correct or not for the shareholders. Or for the other shareholder not to know or not.
- 5) Shun Thai Rubber Gloves Industry Public Company Limited ,has filed a lawsuit against Northern Renewable Energy Company Limited to the Phra Khanong court. Subject: Request to register the transfer of shares in the registration and list of shareholders of Northern Renewable Energy Company Limited. The case is being considered. Request the partnership registrar of Bangkok Company Wait to hear the decision of Phra Khanong Provincial Court first.
- 6) On December 6, 2019, Mr.Phachari Nijsiriphat and Miss Phlapplung Suwan submitted a request to withdraw the extraordinary general meeting of shareholders / 2019 of Northern Renewable A Company Limited. Energy Company Limited asks the Registrar of Partners of Bangkok Company. Suspending the change of names of the directors first.

Currently, the new board of Northern Renewable Energy Co., Ltd. (NRE) has prepared a statement of opposition to the registration to submit to the registrar of Bangkok Partnership. After this Bangkok Partnership Registrar will issue an order in the following matters.

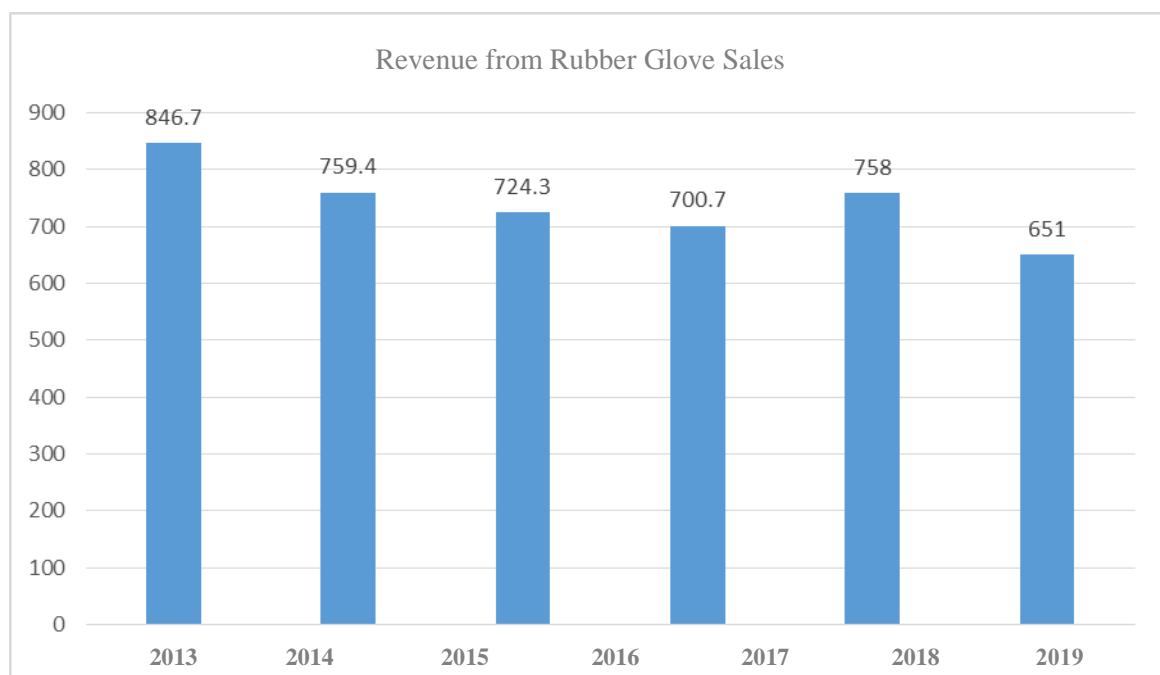
In this regard, the STHAI Board has taken legal action with the management and related parties of Northern Renewable Energy Co., Ltd. (NRE). And will take legal action against all NRE executives and all relevant parties soonest.

Summary of the Financial Information

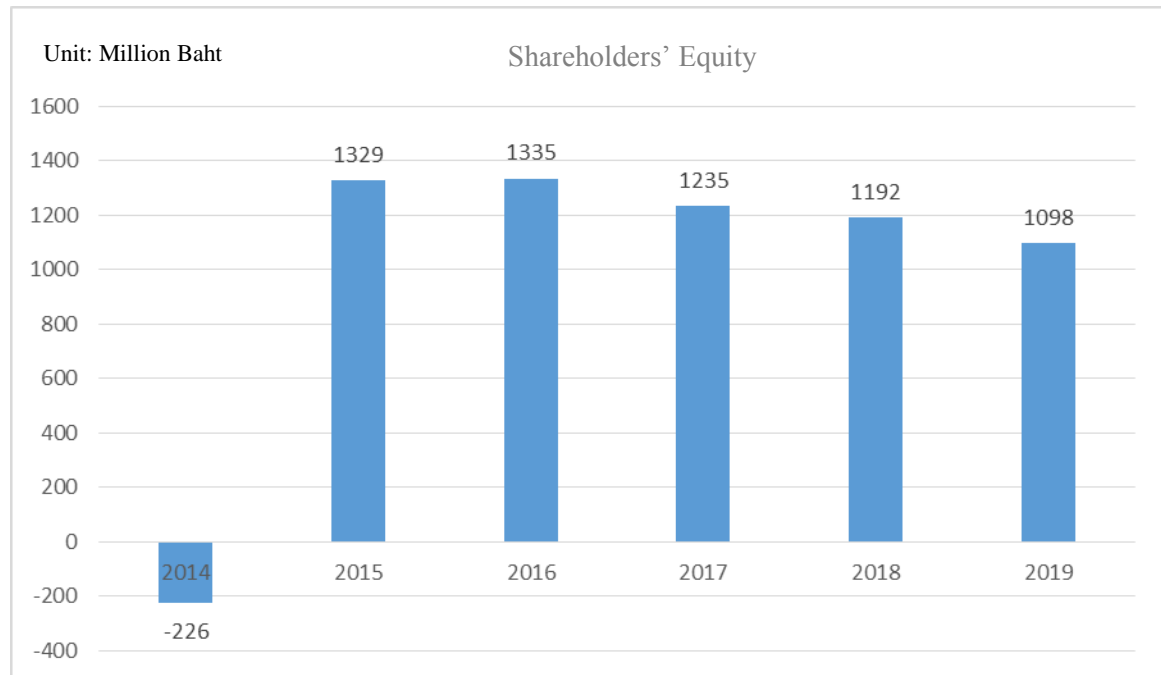
★ Total Assets of the Company



★ Revenue from Rubber Glove Sales



★ Shareholders' Equity



Financial statement of the company for the period 2014-2019. The auditor was as follows:

- **Auditor:**

Financial statement of the year ended December 31, 2014.

Ended at December 31, 2016, and December 31, 2019.

Mr. Yutthapong Chuermuangphan

Certified Public Accountant Registration no. 9445

ANS Audit Company Limited

Audit Fee

In 2019, the company paid the audit fee to the auditor of ANS Audit Company Limited including non-audit service fees; such as, accommodation, transportation, and allowance for working in Rayong Province, which is the location of the Head Office (refer to the following details).

Items	ANS Audit Company Limited				
	2019	2018	2017	2016	2015
1. Audit Fee	2,000,000	2,000,000	2,000,000	1,800,000	1,500,000
2. Non-audit Service Fee	109,395	58,165	340,320	122,920	125,965
Total	2,109,395	2,058,165	2,340,320	1,922,920	1,625,965

Explanation of the Financial Status and Performance Analysis

- On process

Types of Business

Shun Thai Rubber Gloves Industry Public Company Limited (“the company”) was established in 1989 and was registered as a public company limited on September 4, 2001. The company is the manufacturer and exporter of rubber gloves, which are classified into three types.

(1) Medical Glove, which is classified into two types:

- Surgical Glove: A thin glove with strength in the elbow length. It is 100% disinfected with gamma rays. The packaging is deliberate and convenient for use. It is a disposable glove to prevent germs.
- Examination Glove: There are powdered and powdered-free types. The design facilitates convenient usage: easy to wear and unpack quickly. The glove is ambidextrous, which can be worn either on the left or right hand. It is thin and tight in wrist length and sold at a reasonable price. This is a disposable glove to prevent epidemic germs.

(2) Household Glove: The large size is strong and durable for use with water or detergent. It has a long useful life. The design is beautiful and comfortable, and gentle to the hands. The packaging is deliberate to attract house cleaners.

(3) Industrial Glove: A glove for general use that does not require beautiful packaging. It is best used in a factory; such as, food processing or instant food factory.

Furthermore, the glove is classified by its popularity: powdered glove and powder-free glove. The company was able to produce the powdered glove with less than 50 micrograms of protein, which was the international standard level. For the powder-free glove, it was widely used among the group of people who were allergic to protein, and those who did not want to be stained from the powder.

The company products were classified as medical equipment according to the regulations of the Food and Drink Administration (FDA), Ministry of Public Health. Therefore, manufacturers and exporters of rubber gloves were required to have the approval and standard examination from the FDA in order to have quality and safe rubber gloves for usage. The company’s products were certified to be the standard from many domestic and international agencies.



The company's product standard was the international standard, which the company implemented as the guidelines and reference for manufacturing rubber gloves for the customers. The company's rubber glove was certified by the following agencies:

No.	Standard	Definition
1	TISI. 538-2548	Industrial Standard for Surgical Glove
2	TISI. 1056-2556	Industrial Standard for Disposable Examination Glove
3	TISI. 2505-2553	Industrial Standard for Food Industry Glove
4	EN455	Standard of Medical Glove for Examination and Surgery (Europe)
5	ASTM D3577, ASTM D3578, ASTM D 6319	Standard of Medical Glove for Examination and Surgery (USA)
6	ISO 11193, ISO 10282	Standard of Medical Glove for Examination and Surgery (International)

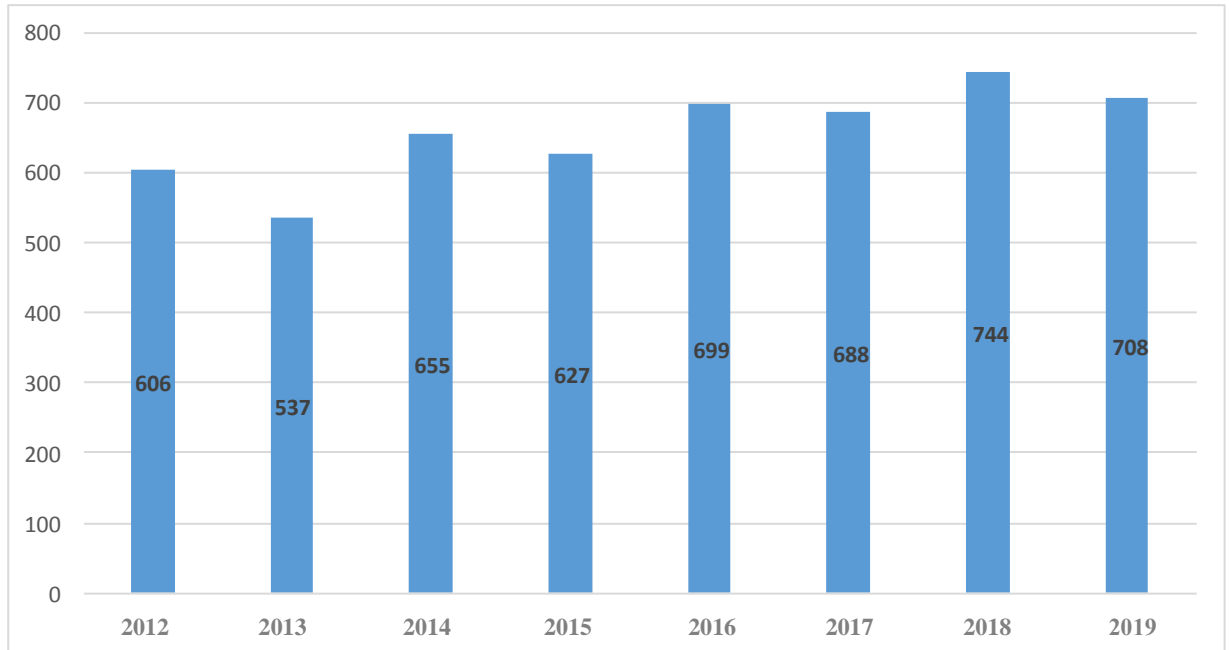
In addition, the company was certified for its factory standards from many institutes and awarded the Good Performance Exporter of Thailand Award from the Royal Thai Government. As a result, the company was ranked as a good exporter from the Revenue Department (refer to the following details).

No.	Certified Standard	Definition	Year	Certified By
1	ISO 9001	Standard of Quality Management System	2002	TUV Rheinland
2	EN ISO 13485	Standard of Medical Equipment Manufacturing Control to Export to Europe	2009	TUV Rheinland
3	510K	FDA Standard of the USA	-	FDA (U.S. Food and Drug Administration)

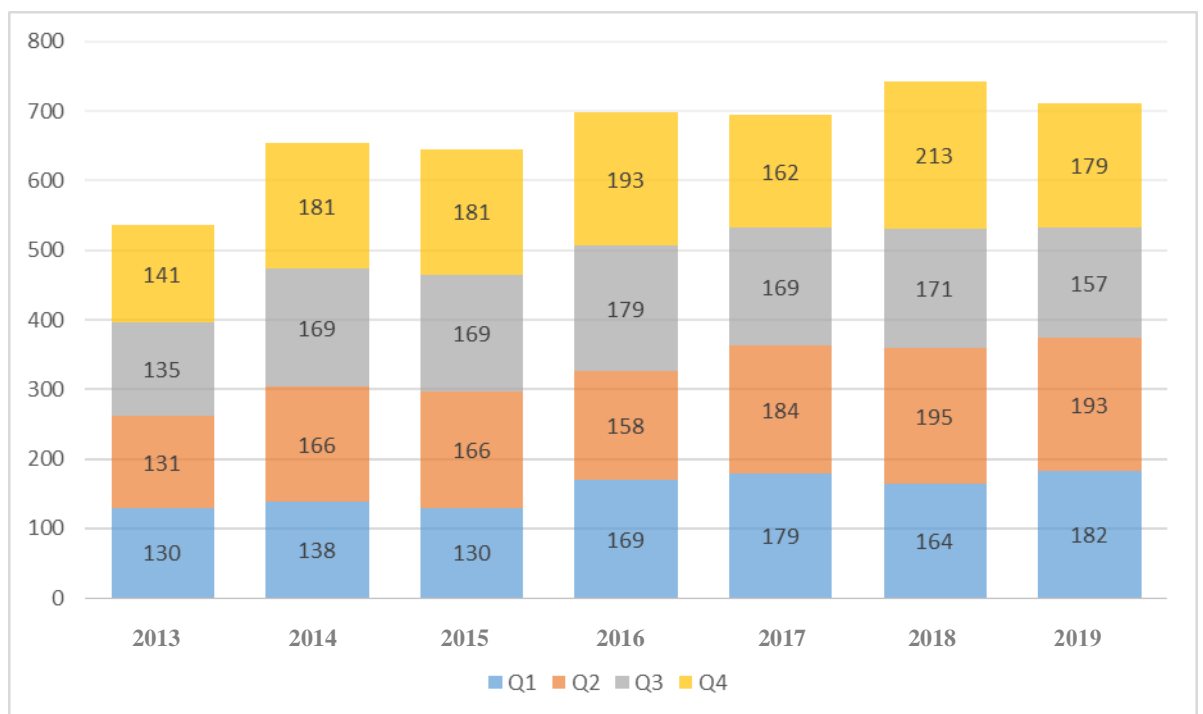
Order Shipment

The order shipment during 2013-2019 classified by year and compared in each quarter.

Rubber Glove Order Shipment for the Period 2013-2019



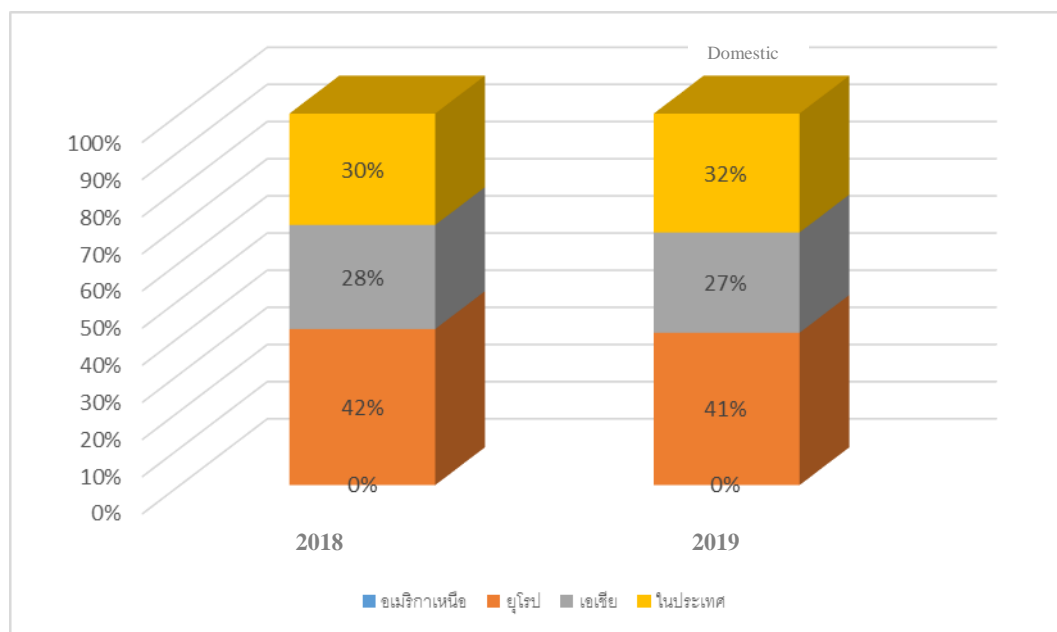
Rubber Glove Order Shipment by Quarter for the Period 2013-2019 (Million Pieces).



Distribution and Distribution Channels

The company set the marketing plan to determine the groups of buyers or target groups, which were the significant variable in order to search for the business standpoint and mitigate the impacts of production and the costs. The company retained the existing markets and promoted the expansion of the domestic and international markets to be ready for the growth of the rubber glove industry. The growth tendency of the rubber glove market was positive and continuously expanded into new markets. Therefore, the company distributed the products to foreign countries and within Thailand. The international sales volume of 2019 was 63% while the remaining 37% was from the domestic sales volume. The details of the distribution were as follows:

Distribution Ratio of 2018 and 2019.



The distribution channels for rubber gloves were classified into four methods.

1. Via trading companies by paying a 2-3% commission from the sales value to these companies.
2. Via large companies in Thailand and foreign countries, and distributed directly to the foreign customers whereas the domestic customers contacted the company for the original equipment manufacturer (OEM).
3. Via hospitals that used rubber gloves for medicine, medicine equipment stores, supermarkets in department stores, and wholesale to industrial factories using rubber gloves and production equipment.
4. The company contacted the customers in Thailand and other countries on behalf of the company's brand for distribution and marketing.

Strategies and Marketing Competition

Marketing strategies

- The company attaches importance to expanding the market in high-margin products Such as housekeeper gloves, housekeeper bags, surgical bags, which have high profits and have quality standards that meet the standards and are suitable for the production line of the company. Which can produce thick gloves Synthetic rubber gloves and natural rubber for general industrial use the company has a policy to expand the market base in the food industry and the electronics industry still have surgical gloves, surgery and sterile medical gloves which has a relatively high rate of growth.
- The company has visited both existing and new customers to let customers know about improvements in production and product quality to create confidence in the purchase of the company's products
- The company received one-three months advance orders to set the precise production plan because of the shift of the cost of the raw materials and to prevent any loss affecting the production cost, which resulted from the change of the production plan.
- The company considered the cost of the raw material, exchange rate, purchasing order volume, and the ratio of the glove size per one order, and compared the price with the competitors, as the pricing criteria.

Domestic market situation

The domestic demand for rubber gloves was stable because it was a specific product for a particular use. Thus, the competition was mainly based on quality and marketing. Currently, there were more and more manufacturers in the rubber glove industry, so the competition in the country was tense accordingly. The domestic rubber glove market was classified into three types according to the usage.

1. Medical Glove, which was divided into:
 - Surgical Glove: A thin glove with strength in the elbow length. It is 100% disinfected with gamma rays. The packaging is deliberate and convenient for use. It is a disposable glove to prevent germs.
 - Examination Glove: The glove is ambidextrous and disposable, which can be worn on either the left or right hand. It is thin and tight in the wrist length.
2. Industrial Glove, which is a durable glove for use in the factory and clean to expose to food and electronic work.
3. Household Glove is the glove used by the cleaner for cleaning work. It is a large size, durable with a long useful life, and comfortable to wear.

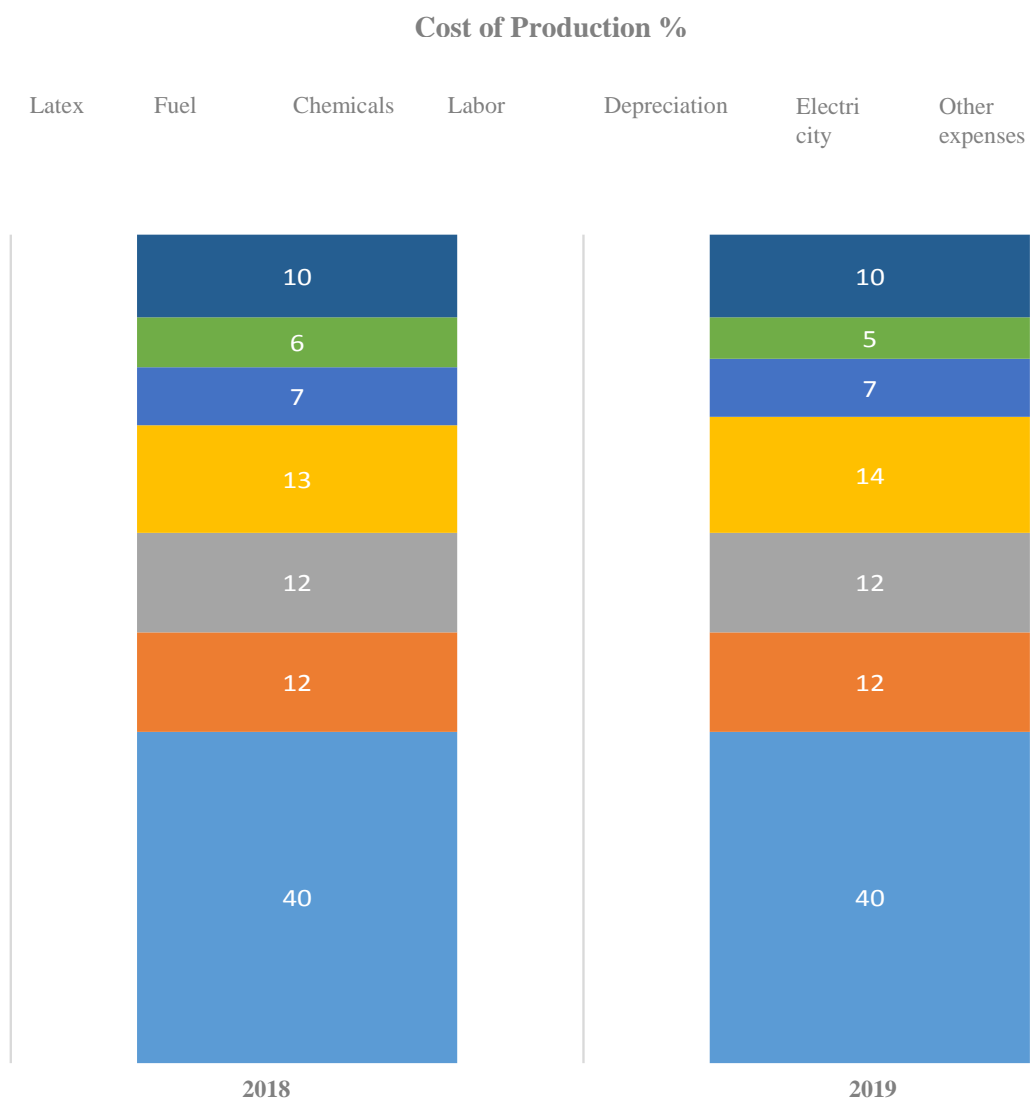
International market situation

For the company's overseas sales of gloves in 2019, same as the previous year still pressured by price pressures by large factories and leaders in the world of rubber gloves industry with Malaysia and Indonesia as a competing country and a leading producer of rubber gloves in the world market the company has therefore changed its marketing policy by focusing on high-profit products such as cleanroom gloves. Housekeeper gloves and reduce the export of highly competitive medical gloves but aiming to expand the type of gloves in the domestic market instead.

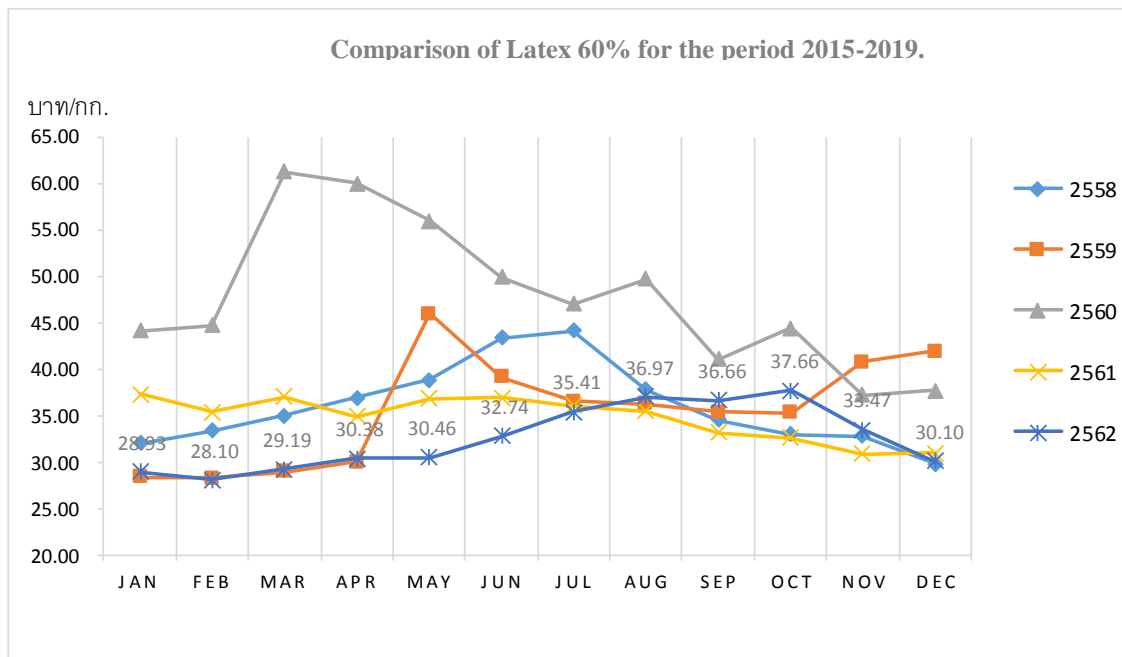
Raw material supply and supplier

The company purchased latex from Rayong province and the Southern provinces; such as, Surat Thani and Phuket Provinces. All were domestic purchases. The company gave priority to the quality of the latex of each supplier. Synthetic latex was purchased from external producers to support production.

The policy for purchasing latex focused on the supplier proposing the lowest price, product, and the longer credit term. The purchasing price was based on the market price at the time, the quotation comparison of a minimum of three suppliers, and the comparison with the cost estimate from the Rubber Research Institute, Bangkok.

Comparison of Raw Material Used in Rubber Glove Production in 2019 and 2018.

Comparison of the Price of Latex 60% for the period 2014-2019.



Environmental impacts

There was no waste resulting from the rubber glove production; only the water used for hand mold cleaning, which the company drained to the cesspool to process the waste water treatment before releasing into a natural water source. This was in accordance with the Ministry of Industry Notification No. 2 (B.E. 2539 (1996)) according to the Factory Act B.E. 2535 (1992) regarding the quality of waste water from the factory. The test result details are as follows:

No.	Quality	Control Value	Test Result
1	pH	pH = 5.5-9.0	pH = 7.85
2	TDS (Total Dissolved Solid)	Not exceed 3,000 mg./L.	1,417 mg./L.
3	Suspended Solid	Not exceed 50 mg./L.	11 mg./L.
4	BOD (Biochemical Oxygen Demand)	Not exceed 20 mg./L.	6.5 mg./L.
5	COD (Chemical Oxygen Demand)	Not exceed 120 mg./L.	52 mg./L.
6	Temperature	Not over 40°C	34.2°C
7	Color	Acceptable color	19 ADMI

The company implemented the modern production process according to the international standards; such as, ISO 10282, ISO 11193, EN 455, ASTM D3577, ASTM D3578, ASTM D6319, TISI 538-2548, TISI 1056-2556, and TISI 2505-2553. Gloves used in the food industry were certified with a license from the Food and Drink Administration (FDA) to manufacture medical equipment for domestic use and export, which included surgical gloves and examination gloves. Moreover, the company received the ISO 9001 and EN ISO 13485 certifications.

The company gave priority to the environmental impact in regard to the releasing of waste water from the factory to nearby communities. Additionally, the company had the plan to improve and enhance productivity, so more water was needed. For this reason, there was the potential risk of insufficient water because of drought. Thus, the management of the company studied the feasibility to reuse waste water for the highest benefits, have sufficient water supply for usage, support increasing productivity in the future, and mitigate the risk of reducing productivity caused by insufficient water.

As a consequence, on August 10, 2015, the company approved the project to produce the water supply from waste water. The project was completed in January 2016.

Furthermore, the company was well aware of wise resource usage, so a new boiler was installed while the existing ones were improved to use with many types of fuel; such as, wood chip, palm shell, wood pellet, and firewood. The installment of two new boilers was approved from the Board of Directors on August 10, 2015, and completed in January 2016.

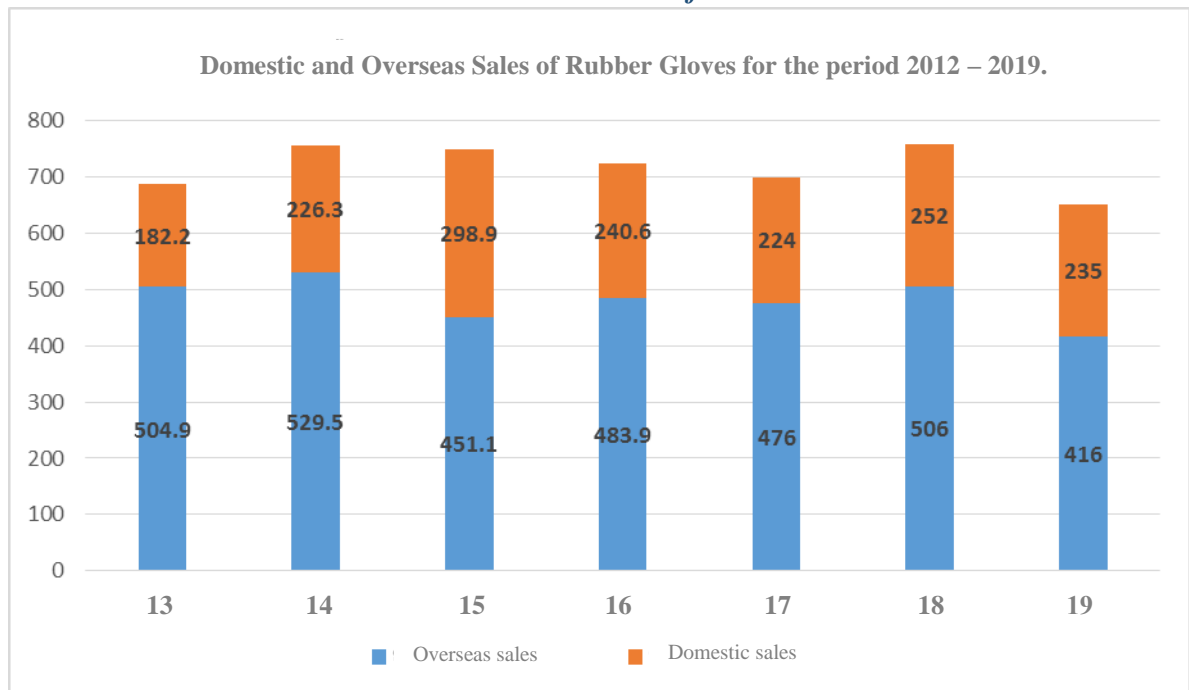
Research and development

The company recognized the importance of research and development (R&D) for value added to the products in order to respond to the different demands of all customers. The R&D Team cooperated with the customers, as a relationship, to create the products and develop the research for safety and to minimize the risk of death from protein allergy. Currently, the company has produced the rubber glove, which contains less than 50 micrograms of protein, which was a safe level according to the international standard, and was certified from U.S. Food and Drug Administration (FDA).

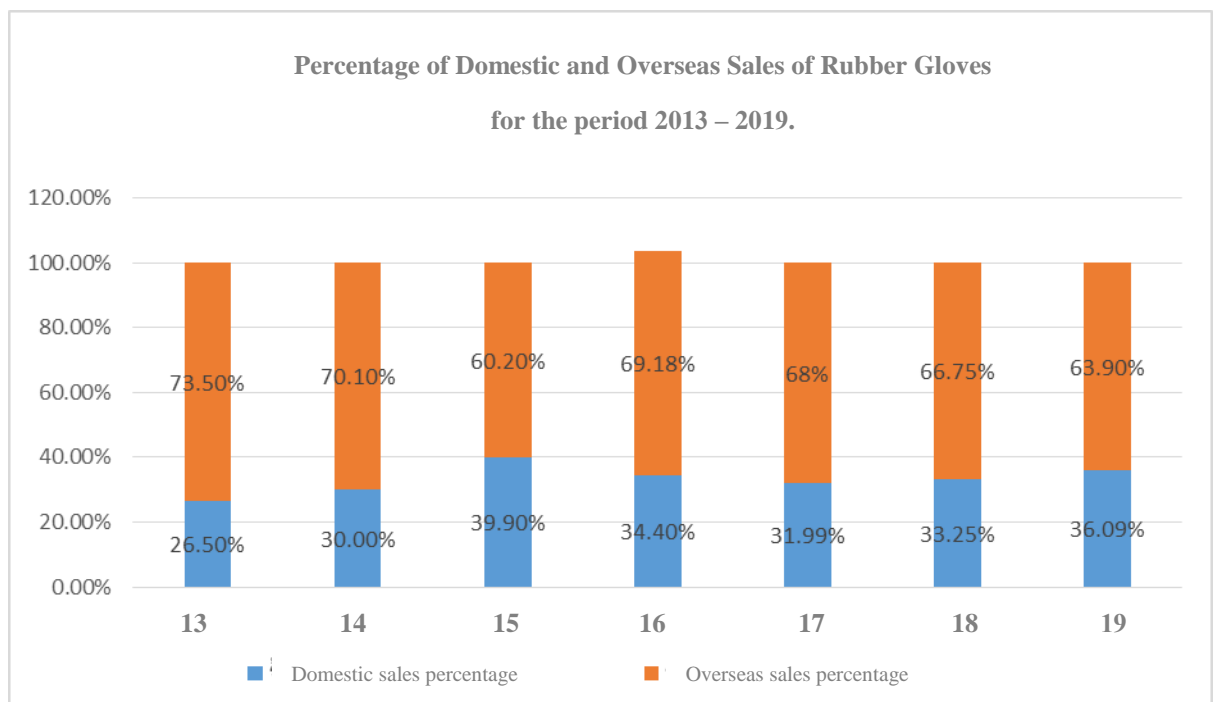
Revenue Structure

The structure of revenue from rubber glove sales for the period 2013-2019.

Domestic and Overseas Sales of Rubber Gloves.



Domestic and Overseas Sales of Rubber Gloves by Percentage.



Risk Factors

1. Risk of production

Risk of the fluctuation of raw materials and fuel costs

- Latex 60%

Latex 60% was the main material for the rubber glove production. In 2019, the average price of latex decreased from 2018. In order to prevent the risk of raw material shortage and the cost of material, the company ordered latex from many suppliers in Rayong and Surat Thani Provinces in advance. The company signed the contract in advance after comparing the quotation of a minimum of three suppliers, checking the cost estimate with the Rubber Authority of Thailand, and taking into account the credit terms of payment.

- Synthetic latex

The average price of synthetic latex in 2019 was lower than that of 2018. While chemicals were likely to increase, the company prevented the risk by looking for domestic and international suppliers of chemicals and synthetic latex to compare the price to mitigate the risk of the fluctuation of the exchange rate. Additionally, the company controlled the production process to minimize the loss and waste.

- Fuel

Since 2008, the company had used palm shell as the fuel to produce vapor instead of oil. Palm shell was ordered mainly from the suppliers in Malaysia and Indonesia to minimize the risk of fuel management since it was the tendency for the increasing price. Therefore, in 2015, the company researched the feasibility of using other types of biomass fuels; such as, wood chips and wood saw briquettes, which were supplied domestically. They had the advantages of price and heating value when compared to palm shell. Consequently, the cost of fuel decreased after using wood chips and wood saw briquettes. Then, the company had the agreement with a professional company during July-December 2015 to supply the fuel, which reduced the cost by 30%. In the second half of 2016, the company dealt with the fuel management by itself and was able to reduce more costs by 3.55% from 2015.

However, the company foresaw and prevented the risk of the fuel shortage by investing in steam fuel using firewood, which had a lower unit price than other types of fuel, to reduce more fuel costs, which would help to enhance the stability of the steam production system in rubber glove production. More boilers were installed as the contingency machines and for rotational use to avoid stopping the machinery for maintenance. Therefore, there was no impact on the production line and production was able to continually be processed.

In 2019, the company looked for new suppliers for wood chips, wood stick, and palm shell to prevent the shortage of fuel. However, such problem did not exist in 2019.

Risk of inventory

The company encountered a high volume of inventory, which most of it was finished goods, and the processed work was likely to be devalued in the future.

The management strictly implemented the inventory management plan to avoid risk by classifying the products by period. The products with the possibility of devaluation would be urgently distributed. Moreover, the marketing plan was created to distribute the products in order to increase the liquidity.

Risk of production

Problems of machinery that have a long service life and deteriorate mold, buy a replacement, delay replacement and insufficient, resulting in the product does not meet the specified quality. These problems pose risks in production and result in poor quality production and target inventory and company costs. These problems pose risks in production targets, inventory quality, and cost of company

The management had a meeting with the factory every month to look for the causes, set the policy, and collaborate to prevent any potential risks and errors.

2. Financial risk**Exchange rate risk**

In the past, currency exchange protection, forward contract and overnight rate are still a way to manage money in order to reduce the company's top risk. To reduce fluctuations in exchange rates that occur but with the global economy that is constantly changing causing the exchange rate to affect the company's main income including importing raw materials from abroad as well.

To prevent the risk that may be caused by fluctuations in exchange rates Maintain forward contracts / forward contracts (Forward contract) and overnight rate as usual. Key trends that are interesting. Is the use of Foreign Currency Deposit (FCD) accounts, which can reduce the chance of losses from foreign exchange And more importantly, domestic sales, including the purchase of raw materials in the country in increasing proportion, will reduce the risk more than protection according to the above methods.

Risk of outstanding payments from customers

In the past, the company has set up an allowance for doubtful accounts every year to prevent the risk, the company has set the customers who have outstanding debt must pay the debt before the company will deliver the goods according to the new order and for the new customers, the company has changed the policy from giving credit to customers to terms L / C At sight, D / P At sight or advance payment for products before shipping.

For company policy In each client selection, the client's reputation and financial status will be considered. To ensure that there will be no problems with debt collection.

As for the allowance for doubtful accounts, the company will consider the behavior of the debtor if over the credit period And there is a clear indication that the company is unable to pay the debt, the company will set aside a full amount of allowance for doubtful accounts and closely follow up the outstanding debt. To reduce losses.

Shareholders and Management

Securities

The registered capital of the company was 19,978,103,480 THB that comprised 19,978,103,480 ordinary shares at a par value of THB 1 per share, and 15,982,476,502 THB of paid-up shares, which were 15,982,476,502 ordinary shares at a par value of THB 1 per share.

However, the company had not yet allocated 3,995,626,984 newly issued ordinary shares to exercise the right according to the share warrant (STHAI-W2).

Shareholders

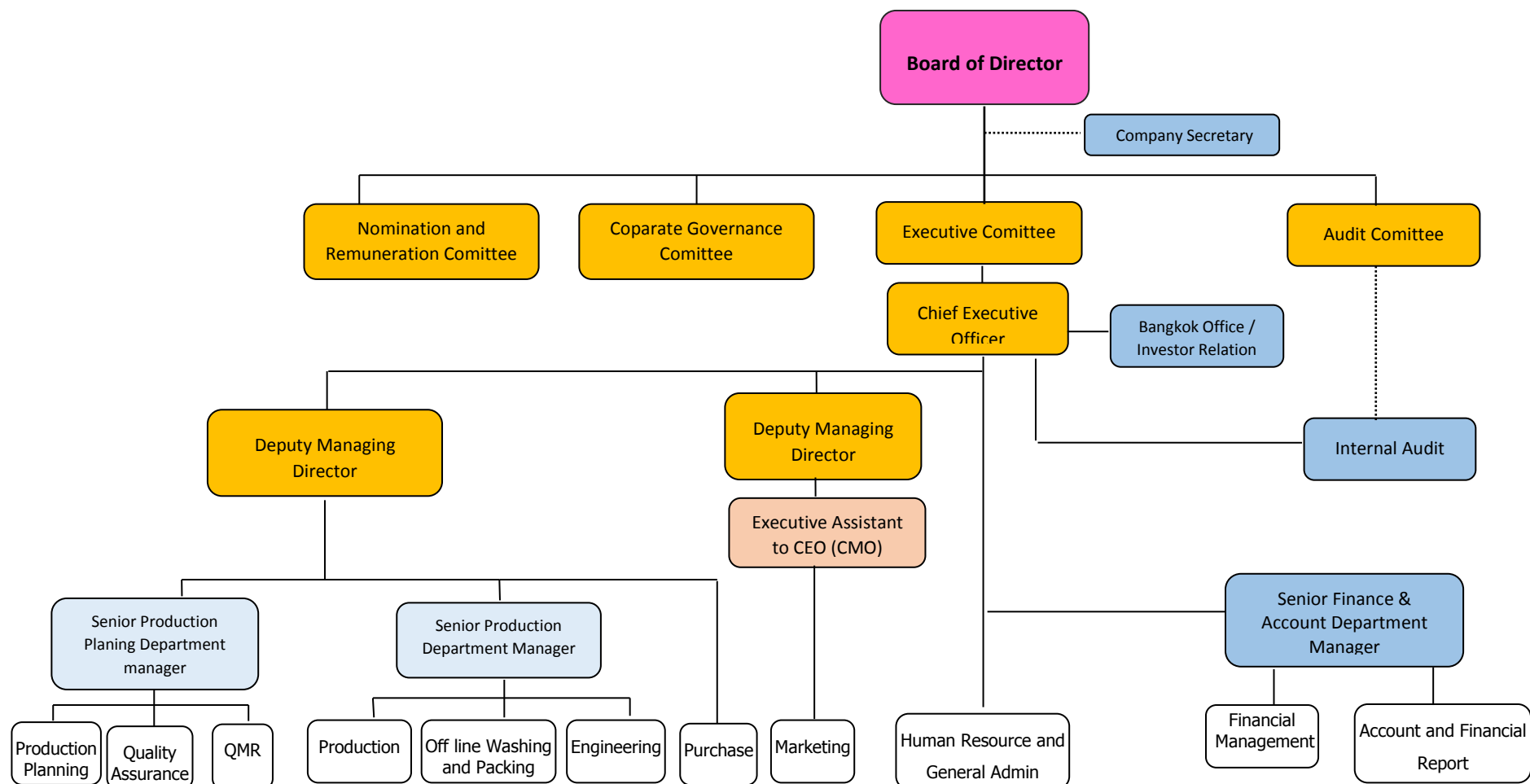
The first ten major shareholders of the company as of March 15, 2019, and the shareholders' equity.

No.	Name-Surname	Number of Shares	%
1	UTILITIES INVESTMENT MANAGEMENT CO. LTD.	1,300,000,000	8.13
2	MISS CHUN-CHING TENG	1,005,204,027	6.29
3	MS.CHOTIROS ATTHAKORNWARODOM	803,462,019	5.03
4	MISS TENG CHUN-YU	779,809,600	4.88
5	MR.HSUN-MIN YANG	606,748,955	3.80
6	MR.KANAPOT NIJSIRIPHAT	500,000,000	3.13
7	MR.APHICHAT CHAIPARAMUT	376,162,400	2.35
8	MR.KRIT PHURISINSIT	367,360,699	2.30
9	MR.PATCHAREE NIJSIRIPHAT	362,894,530	2.27
10	MR.PHOLPHAT NIJSIRIPHAT	299,570,881	1.87
	Total	6,401,213,111	40.1

Source: Thailand Securities Depository Company Limited.

Management Structure

The company set the management structure as per the following organizational chart (as of December 31, 2019).



Board of Directors



1. Dr. Chakarn Saengruksawong

Position	Chairman of the Board of Directors Shun Thai Rubber Gloves Industry PCL.	
Age	70 years	
Address	33/139 Moo 9, Ramintra Soi 16, Tharang, Bangkaen, Bangkok	
Educational Background	- Bachelor's Degree in Science, Agricultural, Chiang Mai University Master Degree in Science, Agricultural Extension, Kasetsart University Doctor of Science, Department of Soil Science and Natural Resource Management, Chiang Mai University	
Training Courses	- Thai Institute of Directors Association (IOD) DAP 79/2009 National Defense College (Class 4414) Politics and government in democracy for senior management, Class 8, King Prajadhipok's Institute	
% Shareholding	- None	
Attendance of meetings in 2019	Board of Directors	18 / 18 times
	Audit Committee Meeting	6 / 7 times
Working Experience	2017- present	Chairman of the Board of Directors, Audit Committee, Independent Committee Shun Thai Rubber Gloves Industry PCL.
	2011 – 2016	Chairman of the Executive Committee Central Laboratory (Thailand) Company Limited (Under the supervision of the Ministry of Industry and the Ministry of Finance)
	2009 - 2011	Chairman of the Board, the Provincial Waterworks Authority, Ministry of the Interior
	2009 - 2011	Airports of Thailand PLC., Ministry of Transport

Remarks

1. Appointed as Chairman of the Board of Directors from the meeting of the Board of Directors No. 17/2017 dated December 19, 2017 effective December 19, 2017.

2. Mr. Ekkchai Tangsatjatham

Position	Chief Executive Officer / Directors Shun Thai Rubber Gloves Industry PCL.	
Age	38 years	
Address	22 Mu 1, Pong Sub-district, Dan Sai District, Loei	
Education	Bachelor of Business Administration (Business Computer), Bangkok University	
Training	- Chinese for Business Shanghai International Studies University, Shanghai, China - Director Accreditation Program (DAP 154/2018) Institute of Directors Association (IOD)	
% Shareholding	- 68,076,448 shares 0.43%	
Meeting Attendance	Board of Directors	18 / 18 times
in 2019	Audit Committee Meeting	None
Work Experience	2018 - Present	Chief Executive Officer / Directors Shun Thai Rubber Gloves Industry PCL.
	2014 - Present	Advisor at Sinchok Kaset Company Limited
	2009 - 2013	Advisor at Nutraco (Thailand) Company Limited
	2006 - 2015	Manager at Sinchok Rubber Company Limited

Remarks

1. Was appointed as the Chief Executive Officer in the Board of Directors' Meeting No. 2/2018 on January 26, 2018. Effective on January 26, 2018.
2. Was appointed as a Member of the Nomination and Remuneration Committee in the Board of Directors' Meeting No. 2/2018 on January 26, 2018. Effective on January 26, 2018.
3. Authorized Director who can sign documentation with the company seal.

3. Mr. Sirasit Pasawat

Position	Director and Deputy Chief Executive Officer Shun Thai Rubber Gloves Industry PCL.		
Age	67 years		
Address	313 Moo 5, Surasak Subdistrict, Sriracha District, Chonburi		
Educational Background	Business Administration in Taiwan		
% Shareholding	None		
Attendance of meetings in 2019	Board of Directors	13 / 18	Times
	Audit Committee Meeting	None	
Working Experience	2018 –Present	Director and Deputy Chief Executive Officer Shun Thai Rubber Gloves Industry PCL.	
	Present	Vice President of Federation of Chonburi Industries	
	Present	Director, M.R.I. Co.,Ltd.	

Remarks

1. Appointed as director from the meeting of the Board of Directors
No. 2/2018 dated January 26, 2018 effective January 26, 2018.
2. Appointed as Deputy Chief Executive Officer from the meeting of the Board of Directors
No. 4/2018 dated February 14, 2018 effective February 14, 2018

4. Mr. Chai Wattanasuwan

Position	Director Shun Thai Rubber Gloves Industry PCL.	
Age	54 years	
Address	2/53 Soi Ngam Wongwan 43, Section 2-2 (Sinset1/2) Thungsonghong Sub-district, Lakxi District, Bangkok	
Education	- Master of Business Administration, University of Baltimore, USA (Sigma Iota Epsilon) - Bachelor of Public Affairs, Thammasat University	
Training	- Director Certification Program (DCP) Class 177/2013 - Advanced Audit Committee Program (AACP) Class 15/2014	
% Shareholding	- None	
Meeting Attendance in 2019	Board of Directors	18 / 18 Times
	Audit Committee Meeting	None
Work Experience	2018 - Present	Director Shun Thai Rubber Gloves Industry PCL.
	2017 – Present	Independent Director, Audit Committee WCI Holding Company Limited
	2016 - Present	President of the Risk Management Sub-committee E For L Aim Public Company Limited
	2014 – Present	Independent Director Wutthisak Pharmacy Inter Company Limited
	2013 - Present	Independent Director, Audit Committee Spacemed Company Limited
	2009 – Present	Director and Managing Director PCL Planner Company Limited

Remarks

1. Was appointed as a Director in the Board of Directors' Meeting No. 4/2018 on February 14, 2018. Effective on February 14, 2018.
2. Authorized Director who can sign documentation with the company seal.

5. Mr. Anuwat Laikijrung

Position	Independent Director and Chairman of the Audit Committee Shun Thai Rubber Gloves Industry PCL.		
Age	65 years		
Address	No.41 Soi Charoenrat 1 Yaek 5, Yannawa Sathorn Bangkok		
Educational Background	MBA, Master of Business Administration Chulalongkorn University		
% Shareholding	- None		
Attendance of meetings	Board of Directors	8 / 9 Times	
in 2019	Audit Committee Meeting	4 / 4 Times	
Working Experience	2019 –Present	Independent Director and Chairman of the Audit Committee Shun Thai Rubber Gloves Industry PCL.	
	Present	Director ALK Lnternational Company Limited	

Remarks

- 1 Was appointed as a Director in the Board of Directors' Meeting
No. 9/2019 on May 13, 2019. Effective on May 13, 2019.

6. Mr. Wisit Kanjanopas

Position	Independent Director and Audit Committee Shun Thai Rubber Gloves Industry PCL.	
Age	56 years	
Address	No. 25/8 Soi Yen Akat 2, Yen Akat Road, Chong Nonsi Yannawa Bangkok	
Educational Background	- Bachelor of Law, Thammasat University - Master of Degree, Chulalongkorn University - Master of Degree, Monash University, Melbourne, Australia	
% Shareholding	- None	
Attendance of meetings	Board of Directors	6 / 9 Times
in 2019	Audit Committee Meeting	3 / 4 Times
Working Experience	2019 – Present	Independent Director and Audit Committee Shun Thai Rubber Gloves Industry PCL.
	2018 - Present	Audit Committee / Independent Director Pace Development Corporation Public Company Limited
	2009 – Present	Lawyer and legal advisor W&S International Law Office, Bangkok
	2009 – 2011	Consultant Hutchison CAT Wireless Multimedia Ltd.

Remarks

- 1 Was appointed as a Director in the Board of Directors' Meeting No. 9/2019 on May 13, 2019. Effective on May 13, 2019.

• **Director (vacated during 2019)**

1. Mr. Suwan Damnernthong



Position	Director and Deputy Chief Executive Officer Shun Thai Rubber Gloves Industry PCL.		
Age	72 years		
Address	190 Seri 9 Road, Suan Luang Sub-district, Suan Luang District, Bangkok 10250		
Education	Master of Business Administration Sasin Graduate Institute of Business Administration of Chulalongkorn University Bachelor of Accountancy, Chulalongkorn University		
Training	- Director Accreditation Program (DAP) Institute of Directors Association (IOD) - Director Certification Program (DCP 114/2009) Institute of Directors Association (IOD) - The Program for Senior Executives on Justice Administration, Class 6 National Justice Academy, Office of Judiciary - Corporate Governance and Executives of Enterprise and Public Organization Class 5		
% Shareholding	- None		
Meeting Attendance	Board of Directors	6 / 6	Times
in 2018	Audit Committee Meeting	None	
Work Experience	2014 – Present	Director and Deputy Chief Executive Officer Shun Thai Rubber Glove Industry PCL.	
	2015 - Present	Member of the Audit Committee Director of Eastern Energy Plus Company Limited Director of Wish Property Company Limited	

Remarks

1. Resigned on April 30, 2019.

2. Mr. Chongchet Boonkerd

Position	Chairman of the Audit Committee and Independent Director Shun Thai Rubber Gloves Industry PCL.		
Age	69 years		
Address	85/7 Mu 9, Bang Kruai Sub-district, Bang Kruai District, Nonthaburi		
Education	Bachelor of Science Program in Agricultural Economics, Kasetsart University Master of Arts Program in Public and Private Management, National Institute of Development Administration		
Training	<ul style="list-style-type: none"> - Thailand National Defence College B.E. 2547 (NDC Class 2) - Director Accreditation Program DAP Class 15 at IOD - Director Certification Program DCP Class 79 at IOD - Audit Committee Program ACP Class 28 at IOD 		
% Shareholding	- None		
Meeting Attendance	Board of Directors' Meeting	6 / 6	Times
in 2019	Audit Committee Meeting	3 / 3	Times
Work Experience	2017 - Present Chairman of the Audit Committee and Independent Director Shun Thai Rubber Gloves Industry PCL. 2016 - Present University Development Committee Rambhai Barni Rajabhat University 2015 - Present Senior Director of Finance Institute of Vocational Education Central Region 1 2015 - Present Committee of the PPP Project Pathum Thani - Rangsit Waterworks, Provincial Waterworks Authority		

Remarks

1. Resigned on April 30, 2019.

3. Dr. Cherdsak Teeranthawanich

Position	Member of the Audit Committee / Independent Director Shun Thai Rubber Gloves Industry PCL.
Age	56 years
Address	6 Chalerm Phrakiat Ror 9 Soi 34, Nong Bon Sub-district, Prawet District, Bangkok
Education	- Bachelor of Laws Program, Ramkhamhaeng University - Master of Laws Program, Ramkhamhaeng University - Doctor of Business Administration Program in Industrial Business Administration, King Mongkut's Institute of Technology Ladkrabang
Training	Public Economic Management for Executive King Prajadhipok's Institute
% Shareholding	- None
Meeting Attendance	Board of Directors 4 / 6 Times
in 2019	Audit Committee's Meeting 3 / 3 Times
Work Experience	2017 – Present Audit Committee / Independent Director Shun Thai Rubber Gloves Industry PCL. Present Chief Executive - office Asia Attorney Law Office Company Limited 2011 - 2016 Chief Executive Officer Punya Niti Thai Law Office Company Limited

Remarks

1. Resigned on April 30, 2019.

Director Structure

The Director structure consisted of the Board of Directors as follows:

- Board of Directors

As of April 30, 2019, the Board of Directors consisted of seven persons.

- | | | |
|------------------------------|----------|--|
| 1. Dr.Chakarn Saengruksawong | Position | Chairman of the Board of Directors, Member of the Audit Committee / Independent Director |
| 2. Mr.Ekkachai Tangsatjatham | Position | Chief Executive Officer |
| 3. Mr.Sirasit Pasawat | Position | Deputy Chief Executive Officer |
| 4. Mr.Chai Wattanasuwan | Position | Director |
| 5. Mr.Anuwat Laikijrungs | Position | Chairman of the Audit Committee and Independent Director |
| 6. Mr.Wisit Kanjanopas | Position | Member of the Audit Committee / Independent Director |

List of directors accepting and vacating positions during 2019

No	Name-Surname	Position	Holding the Position	Meeting Resolution	Vacate the Position	Meeting Resolution
1	Mr.Suwan Damnernthong	Director and Deputy Chief Executive Officer	23 May 97	9/1997	30 April 19	AGM
2	Mr.Chongchet Boonkerd	Chairman of the Audit Committee and Independent Director	23 May 97	9/1997	30 April 19	AGM
3	Dr.Cherdsak Teerananthawanich	Member of the Audit Committee / Independent Director	11 May 97	9/1997	30 April 19	AGM

Authorized Directors

The Authorized Directors were Mr. Ekkachai Thansatjatham, or Mr.Chai Wattanasuwan; two had the authority to sign documents with the company seal.

Scope of Authority of the Board of Directors

1. Duties of the Board of Directors

The Board of Directors performed its duties with the knowledge, capability, and experience in accordance with the objectives, regulations, and resolutions of the Shareholders' Meeting with the aim to protect the company's benefits and be responsible to the shareholders.

2. Review and agreement to the appropriate policies

The Board of Directors was responsible for reviewing and concurring agreement on the policies and operations proposed by the Executive Directors with the exception of matters which the Board of Directors should receive the approval from the Shareholders' Meeting before taking action, which were matters required by the related laws to have the resolution from the Shareholders' Meeting.

3. Executive Directors supervision

The Board of Directors supervised the Executive Directors to comply with the policies efficiently and report to the Board of Directors to present any significant matters to related transactions in accordance with the regulations of the SEC and SET.

If necessary, the Board of Directors could employ an external advisor or consultant to provide advice or professional opinions for decision-making on matters affecting any significant business operations.

4. Set the internal control and internal audit system

The Board of Directors supervised the company to have an effective internal control and internal audit system by appointing an auditor and monitoring the internal performance, as well as cooperating with the Audit Committee.

5. Business ethics and Code of Conduct

The Board of Directors provided the Compliance Manual regarding the ethics and Code of Conduct for the executives and employees as guidelines for the company's operation.

• Executive Committee

The Executive Committee consisted of the following three persons:

- | | |
|-------------------------------|-------------------------------------|
| 1. Mr. Ekkachai Tangsatjatham | Chairman of the Executive Committee |
| 2. Mr. Sirasit Pasawat | Executive Committee |
| 3. Mr. Chai Wattanasuwan | Executive Committee |

Directors Taking and vacating their position during 2019

- | | |
|---|--|
| 1. Mr. Suwan Damnernthong | Director and Deputy Chief Executive Officer |
| Resigned on April 30, 2019 Resolution AGM | |
| 2. Mr. Chongchet Boonkerd | Chairman of the Audit Committee and Independent Director |
| Resigned on April 30, 2019 Resolution AGM | |
| 3. Dr. Cherdsak Teeranathawanich | Member of the Audit Committee / Independent Director |
| Resigned on April 30, 2019 Resolution AGM | |

Scope of the Authority of the Executive Committee

The Executive Committee have the authorization, responsibilities, and significant roles in performing the company's business in accordance with the strategies, policies, and regulations. The Executive Committee had the authorization to control the business and other operations assigned by the Board of Directors to achieve the company's goals and mission.

Furthermore, the Executive Committee had the authorization and responsibilities in the following matters:

1. To plan and perform the company's business to achieve the set objectives and goals.
2. To supervise and monitor the performance and financial status of the company, and report to the Board of Directors on a monthly basis.
3. To review and approve any transactions relating to investment and assets distribution, human resource management, finance and financial management, general management, and other transactions related to the company's business under the responsibilities approved by the Board of Directors.
4. To consider and provide opinions, which required the approval from the Board of Directors, except any activity that the Board of Directors assign other sub-committees.
5. To consider and review risk management and the internal audit system.
6. To provide authorization to the executive or any person to perform any matter or matters as appropriate. However, the approval of the Executive Committee should not be a related transaction, or transaction with a conflict of interest, or a transaction that the Executive Committee could have any gain and loss as specified in the company's regulations, and the notification of the SEC. The approval of any transaction was to be conducted in accordance with the policy and procedure supervised by the Board of Directors and the governance agency.
7. To invite the management or any related person to express opinions, attend meetings, or offer relevant information.
8. To report the significant performance to the Board of Directors on a regular basis, including any significant matters that the Board of Directors should acknowledge.
9. To review the appropriateness and efficiency of the regulations to be appropriate and up-to-date.
10. To perform any other operations as assigned by the Board of Directors.

• Audit Committee

The Audit Committee consisted of the following three persons:

- | | |
|-------------------------------|---------------------------------|
| 1. Mr. Anuwat Laikijrung | Chairman of the Audit Committee |
| 2. Dr. Chakarn Saengruksawong | Member of the Audit Committee |
| 3. Mr. Wisit Kanjanopas | Member of the Audit Committee |

Dierctors accepting and vacating their position during 2019

No.	Name - Surname	Position	Holding the Position	Meeting Resolution	Vacated the Position
1	Mr.Anuwat Laikijrung	Chairman of the Audit Committee	13 May 19	-	9/1919
2	Mr.Wisit Kanjanopas	Member of the Audit Committee	13 May 19	-	9/1919
3	Mr.Chongchet Boonkerd	Chairman of the Audit Committee	23 May 17	April 30, 2019	Resolution AGM
4	Dr.Cherdsak Teerananthawanich	Member of the Audit Committee	11 May 17	April 30, 2019	Resolution AGM

Scope of Authority of the Audit Committee

The Audit Committee had the authorization and responsibilities in the following matters:

1. To examine the financial statement to be accurate in accordance with the general accounting standard and be efficiently disclosed.
2. To examine the appropriate and effective internal control and internal audit system in the company.
3. To ensure compliance with the law regarding the securities and exchange, or laws related to the company's business.
4. To consider and propose the appointment, re-nomination, termination, and remuneration of the company's auditor.
5. To review the related transaction or a transaction that may have a conflict of interest in accordance with the laws and regulations of the SET to ensure the reasonableness and highest benefits of the company.
6. To ensure that the company had an appropriate and effective risk management system.
7. To consider the independency of the internal audit unit and consider the appointment, transfer, termination, performance, and reward for the head of the internal audit.
8. To review and consider the internal audit plan, and coordinate with the Internal Audit Office, and the auditor.
9. To prepare the report of the Internal Audit Committee for the annual report of the company. The report was signed by the Chairman of the Audit Committee and consisted of the following fundamental information:
 - (1) Opinions on the accuracy and completeness of the company's financial report.
 - (2) Opinions on the sufficiency of the internal control system.
 - (3) Opinions on the compliance with the Securities and Exchange laws, regulations of the SET, or the laws related to the company's business.

- (4) Opinions in the appropriateness of the auditor.
 - (5) Overall opinions or remarks of the Audit Committee obtained from the compliance with the charter.
 - (6) Other matters that the shareholders or general investors should acknowledge under the roles and responsibilities assigned by the Board of Directors.
10. To hire a consultant or external professional to provide advice or recommendations as necessary according to the company's regulations.
 11. To invite the management or the person(s) related to the company to provide advice, attend meetings, or offer relevant information.
 12. To report the performance of the Audit Committee to the Board of Directors at least once a year.
 13. To continually review and evaluate the sufficiency of the regulations to be appropriate and up-to-date.

- **Chief Executive Officer**

Scope of power and duty of the Chief Executive Officer

1. To make decisions on significant matters, set the mission, objectives, guidelines, and policies, and supervise the overview of the performance, products, customer relations, and be responsible for the Board of Directors.
2. To approve the project's expenses approved by the Board of Directors, and actual expenses or payments.
3. To consider the investment and purchasing of fixed assets to propose to the Executive Directors' Committee and/or Board of Directors.
4. To consider the fundraising of the company to propose to the Executive Directors' Committee and/or Board of Directors.
5. To hire, appoint, discharge, dismiss, terminate, set the wage rate, reward, adjust the salary and compensation, and bonus for the employees lower than the managerial level.
6. To approve the bad debt reserve/bad debt, and process the purchasing and selling of any obligations not exceeding 500,000 THB.
7. To act and perform as the company representative to negotiate with external parties for any related business that would be beneficial for the company.
8. To approve the appointment of an advisor necessary for the company's business operations.
9. To operate the business related to the general administration of the company.

In addition, the approval of the above list does not include the approval of the list that allows the Chief Executive Officer, or any person who may have a conflict, interest, or conflict of interest with the company, including the list that requires the approval of the shareholders to process the related transaction, and receive or sell any significant assets of the company or the joint venture to be consistent with the regulations of the SET.

● Executives

The Executives of the company consisted of the following persons:

No.	Name - Surname	Position	Remark
1	Mr. Ekkachai Tangsatjatham	Chief Executive Officer	Started on January 26, 2018
2	Mr. Mr. Sirasit Pasawat	Deputy Chief Executive Officer - Factory Management	Started on February 14, 2018
3	Mr. Chai Wattanasuwan	Director	Started on February 14, 2018
4	Mr. Tana Uawittaya	Assistant Chief Executive Office Chief Marketing Officer secretary	Started on February 28, 2018 Started on February 14, 2018
5	Ms. Chanphen Wattanaphichitpong	Deputy Director of Production Management	Started on May 18, 2018
6	Ms. Potchana Duangkosol	Senior Accounting Manager	Started on August 17, 2015

Recruit of Directors and Executives

The Nomination and Remuneration Committee was responsible for the selection of directors by considering the qualifications, experience, capability, and the availability to attend meetings on a regular basis, and proposed the name list to the Board of Directors to consider, and to the Shareholders' Meeting to approve the appointment based on a majority vote according to the following criteria:

1. One shareholder has one voting right equal to one share.
2. One shareholder shall exercise the vote as No. 1 to vote for one or more persons to be a director, but is not allowed to unequally share the vote to other directors.
3. The person who receives the highest vote shall be appointed as the director as per the desired number of each election. If the number of the elected person with an equal vote in the following rank is more than that desired number, the Chairman gives the casting vote.
4. In the annual ordinary meeting, one third of the directors shall vacate the position. If the number of directors is unable to be divided into three portions, the director in the most similar number to one third shall vacate the position. In the first two years after the public company registration, the draw shall be applied for the retirement of directors by rotation. In the following years, the longest serving director shall vacate the position. The director who retires by rotation may be re-elected to hold the position again.
5. The director who would like to retire before retirement shall submit the resignation letter to the company, and it will be effective when the company receives the letter.
6. In the case of the vacancy of the director because of other reasons rather than retirement by rotation, the committee shall nominate the new director. The new director shall hold the position during the remaining period of the term of the replaced director.

7. To vote for the director to vacate the position before the term requires the resolution of the Shareholders' Meeting only. The vote shall not be less than three-fifths of the shareholders attending the meeting and who have the right to vote, and the total shares shall not be less than half of that holding by the shareholders attending the meeting and who have the right to vote.

Appointment of the Audit Committee

The Board of Directors considered the knowledgeable, competent, and experienced person who would be useful for standard and accurate governance, and the internal control system. The nominated person would have the qualifications required by the laws and notification of the SEC.

1. Nominate at least three members for the Audit Committee from the Board of Directors who have the qualifications in accordance with the SEC. One member, at least, should be experienced and knowledgeable in finance and accounting in order to verify the reliability of the financial statement.

2. The Audit Committee shall comprise at least three directors; otherwise, a new committee shall be appointed within three (3) months after the day that the number is not complete.

3. The Audit Committee will nominate one director as the Chairman and nominate the person, who has the qualification required by the Audit Committee, to be the Secretary of the Audit Committee.

4. The person to be appointed as a member of the Audit Committee shall have the following qualifications:

- (1) Holds less than 1% of shares of the paid-up capital of the company, an associated company, joint venture, or other related company, including the shares held by a related person.
- (2) Is a non-executive director of the company, an associated company, joint venture, or other related company, including the major shareholder, employee, or the advisor paid by the company, an associated company, joint venture, other related company, or the major shareholder.
- (3) Is a director who does not have any direct or indirect interest or benefit in the finance and management of the company, an associated company, joint venture, or other related company, including the major shareholder, and has no such benefits or interest within one (1) year prior to the appointment as a member of the Audit Committee unless the company considered deliberately that such benefit or interest has no impact on the performance and independent opinion of the Audit Committee.
- (4) Is a director who is not related or a relative of the executive or major shareholder of the company.
- (5) Is a director who is not appointed as the representative to prevent the benefit of the director, major shareholder, or a shareholder related to a major shareholder.
- (6) Is a director who is able to perform the set duties and express opinions, or report the performance as assigned by the Board of Directors independently from the governance of the major shareholder, a related person, or intimate person.
- (7) Is a director who is knowledgeable and proficient.

Qualifications of an Independent Director

An Independent Director is a person who has the full qualifications and is independent as required by the SEC and SET, who:

1. Holds less than 1% of shares of the paid-up capital of the company, an associated company, joint venture, or other related company.
2. Is a non-executive director, not being employed or is an employee or advisor who receive a salary, or a professional service provider who earns a service fee of more than two million Baht per year from the company, an associated company, joint venture, other related company, or a juristic person who may have a conflict with the company within the past two years.
3. Is a director who has no direct and indirect benefit or interest in the finance and management of the company, an associated company, joint venture, other related company, or a juristic person who may have a conflict with the company.
4. Is a director who is not related to or is not intimate with the executive or major shareholder.
5. Is a director who is not appointed as the representative to protect the benefit of a director, major shareholder, or a shareholder who is related to a major shareholder.

Furthermore, the director shall be able to express opinions or report freely on an assigned work assignment regardless of the benefits relating to the assets and position, and shall not be under any influence of a person, or group of people, or any circumstance that does not allow the opinion to be expressed as expected.

Corporate Governance**1. Governance policy**

The Board of the Directors was aware of the significance of good corporate governance to promote the transparency and competitiveness of the business, and increase the reliability to the shareholders, investors, and relevant persons. The company set the policy and the direction of the operation, gave importance to the internal control and internal audit system, and supervised the management to comply with the policy efficiently for the long-term benefits of the shareholders under the related laws, regulations and business ethics.

2. Rights and equality of the shareholders

All shareholders had the rights to attend and to vote in the Shareholders' Meeting according to the Public Company Act, company's regulations, and regulations of the SET regarding this matter. The company determined and aimed to treat all shareholders to have equal rights as follows:

- (1) Basic rights as the shareholder deserves; such as, the right to vote, to receive the dividend, to sell, buy, or transfer shares, to attend the Shareholders' Meeting, and to receive adequate information equally in the appropriate form for consideration in a timely manner.
- (2) Right to vote and withdrawal of directors, especially the special agenda of directors' appointments. The company nominated the name and provided the information of the director in the invitation letter including name, background, and position in other companies, as well as the agenda of the auditor's appointment.
- (3) Right to receive the dividend.
- (4) Right to acknowledge the resolution of the directors regarding the meeting and Shareholders' Meeting agenda.

(5) Right to receive the invitation letter for the Shareholders' Meeting and details of the venue, time, agenda, regulations of the meeting, and the consideration criteria with the factual information, reasons, and opinions of the committee on each agenda clearly. The company would send the Shareholders' Meeting invitation letter fourteen (14) days prior to the meeting day, and publish in the daily newspaper three (3) days prior to the meeting day for three (3) consecutive days. The company would set the date and time and the venue to facilitate the attending shareholders.

(6) The company promotes all directors to attend the Shareholders' Meeting every year, especially the Chairman of the Board of Directors, Chairman of the Audit Committee, and Chief Executive Officer who should attend the meeting on each occasion.

(7) The company proposes the director's remuneration, which includes the meeting allowance and the pension of all committees to the shareholders for consideration on an annual basis.

3. Rights of the stakeholders

The company gave priority to the rights of the stakeholders, both the internal stakeholders, including the employees and executives of the company, an associated company, and the external stakeholders who were the competitors, creditors, government sector, and other related agencies. This was conducted because the company was well aware of the support from the stakeholders that would enhance the competitiveness and profit to the company, which would lead to long-term success and achievement.

- **Shareholder:** The company shall perform transparent business, determine to accelerate the growth, and continually provide good returns to the shareholders in the long term.
- **Customer:** The company shall determine to develop the quality and standard of the products, and serve the customers with friendliness for the highest customer satisfaction. Moreover, the company has the section or person to receive the complaints in order to find the appropriate solution as soon as possible. Confidentiality was also a priority.
- **Partner:** The company shall adhere to and treat all partners equally based on fair practices and mutual benefits.
- **Creditor:** The company shall treat the creditor fairly by strictly complying with the contract and financial obligation.
- **Competitor:** The company shall follow the international competition standards and treat competitors with fairness, avoid dishonest action, and not damage the reputation of competitors.
- **Employee:** The company shall view that the employee is a valuable resource and deserves fair treatment in terms of opportunity, compensation, potential development, security, quality of life, and work safety, including an appropriate welfare and provident fund.
- **Society and the environment:** The company shall determine to perform appropriate business for the country's economy and society, and give significance to environmental care. The company appointed the Corporate Governance Committee to supervise and be responsible for society, promoted organizational culture, and built awareness to all personnel to develop and enhance society and the environment, including the stakeholders along with the growth of the company.

4. Shareholders' Meeting

The company implemented the Public Company Act, company regulations, and regulations of the SET as the guidelines for strictly performing its business. Furthermore, the quality of the meeting was as follows:

- (1) All directors gave importance to the attendance of the Shareholders' Meeting.
- (2) Supported and gave opportunities for shareholders who were unable to attend the meeting to give a proxy to another person to attend on the shareholders' behalf.
 - (2.1) If the shareholder was unable to attend the meeting, the company provided three types of proxies to use as appropriate. All proxies consisted of a power of attorney as required by the Department of Business Development, Ministry of Commerce.
 - (2.2) The proxy was able to give the proxy to the Independent Director, who would perform on behalf of the proxy. The company enclosed the details of the Independent Director together with the proxy on an annual basis.
- (3) Equality during the Shareholders' Meeting.
 - (3.1) Before the meeting starts, the Chairman shall inform the shareholders about the meeting criteria, and voting process of each agenda.
 - (3.2) In the meeting, the Chairman of the Board of Directors who attends the meeting and is the Chairman shall give opportunities to the shareholders to question and receive answers about matters related to the meeting agenda or the company.
 - (3.3) The company shall give opportunities to the shareholders to vote for the director individually.
 - (3.4) The meeting shall be processed through the agenda in an orderly manner as informed in the invitation letter. The company has no policy to add more agenda or change the order of the agenda unless the addition or change is reasonable and complies with the related laws.
 - (3.5) The company uses a ballot system with all agendas for transparency. Moreover, the company uses a computer for registration and for voting to save time and to be more precise.
- (4) After the Shareholders' Meeting, the company shall prepare the Minutes of the Meeting involving the agenda and resolutions, the number of votes and no votes, and significant details for consideration within fourteen (14) days, and shall publish to the shareholders through the SET.
- (5) The shareholder shall have the chance to express opinions, ask questions, and give advice with sufficient time. The questions and important opinions shall be noted in the Minutes.

5. Leadership and vision

The Board of Directors set and gave the approval to the vision, mission, goals, business plan, and budget of the company, including supervised the management to perform the business plan and budget efficiently and effectively to add the highest value to the business and the highest security to the shareholders.

The Board of Directors settled the effective internal control and internal audit system, the risk management measures, and conducted a regular follow-up in the Board of Directors' Meeting.

6. Conflict of interest

The Board of Directors complied with the regulations and criteria of the SET regarding the transactions, receiving or selling of assets of a registered company, and related transactions by disclosing the information accurately and with transparency. For all transactions related to the person(s) that potentially had a conflict of interest, the company considered the benefits of the company as a priority. Moreover, the company deliberately processed with integrity, reasonableness, and independence under the ethics. The price and conditions were the same as a transaction with an external party and the details, item value, partners of the contract, and reason/necessity were disclosed in the annual report and Form 56-1.

Moreover, regarding the use of internal information, there were no records that the executive and/or any related person(s) used the internal information for personal benefit. The Board of Directors gave importance to the ethics of the executive and directors. All directors and the executive understood the responsibility to prepare and submit the shareholding report of oneself, spouse, and any underage child in compliance with the regulations of the SET. From the shareholding report proposed to the Board of Directors, there were no records of any selling and/or purchasing of the company's assets during one (1) month before the financial statement was published to the general public. Further, there were no records that the executive or any agency related to the internal information disclosed the internal information to an external and/or irrelevant person.

7. Business ethics

The company issued the practice regarding the ethics of the Board of Directors, management, and employees as the guidelines for performing the work to achieve the company's mission with honesty and fairness. This included the practice of the company, stakeholders, general public, and society. The company communicated with the employees on a continuous basis and monitored the compliance with the guidelines on a regular basis. Moreover, the company set the disciplinary penalty as well.

8. Balance of power of non-executive directors

The Six Board of Directors consisted of:

Executive Director	3	persons
Non-Executive Director	3	persons

The Board of Directors appointed three directors from the Independent Directors to hold the position for a three-year term. They could hold the position again after the term ended. The scope of the Audit Committee's responsibility was clearly defined in writing.

9. Consolidation or separation of position

The Chairman of the Board of Directors was not the same person as the Chief Executive Officer, and had no relationship with management to separate the roles and responsibilities to set the policy and supervise the regular management.

10. Executives' remuneration

Directors' remuneration: The company set the policy for the remuneration of the directors clearly and transparently. It was in the same range within the industry and high enough to treat and retain the qualified directors. The remuneration rate was approved in the Shareholders' Meeting. A director who was also a member of the Audit Committee received additional remuneration according to the workload.

Executive's remuneration: The remuneration of the executive was in accordance with the criteria and the policy set by the Board of Directors depending on the company's performance and the performance of the individual executive. The financial remuneration of 2018 was as follows:

- **Directors' remuneration:** The Annual Ordinary Shareholders' Meeting 2019 had the resolution to approve the remuneration of the directors in 2019 as per the following rate:

The amount of the remuneration of the directors in 2019 was not over 5,000,000 THB and was paid monthly without a meeting allowance.

1. Board of Directors
 - 1.1 Chairman of the Board of Directors: 35,000 THB per month
 - 1.2 Director: 20,000 THB per month
2. Audit Committee
 - 2.1 Chairman of the Audit Committee: 20,000 THB per month
 - 2.2 Member of the Audit Committee: 15,000 THB per month

In 2018, the monthly remuneration of the director was summarized as follows:

Table of the Directors' Remuneration for 2019

No.	Name - Surname	Position	Board of Directors	Audit Committee	Monthly Compensation Jan. – Dec. 19 THB
			Number of Meetings 18 Meetings	Number of Meetings 7 Meetings	
1	Dr. Chakarn Sangruksawong	Chairman of the Board of Directors, Audit Committee, Independent Director	18/18	6 / 7	720,000.00
2	Mr. Ekkachai Tangsatjatham	Chief Executive Officer	18/18	-	360,000.00
3	Mr. Sirasit Pasawat	Vice Chief Executive Officer	13/18	-	260,000.00
4	Mr. Chai Wattanasuwan	Director	18/18	-	360,000.00
5	Mr. Anuwat Laikijrungs	Chairman of the Audit Committee / Independent Director	8/9	4 / 4	240,000.00
6	Mr. Wisit Kanjanopas	Member of the Audit Committee Independent Director	6/9	3 / 4	180,000.00
Total					2,120,000.00

- **Executive**

The number of executive was classified by the definition of the SET: Managing Director and the Executive in the fourth order counting all executives in the fourth order. In 2019, the company paid a total of 12,000,000 THB for the remuneration of directors.

11. Board of Directors' Meeting

In 2019, there were 18 Board of Directors' Meetings and six Audit Committee Meetings. All directors attended all meetings and the Minutes were recorded in a written form. The Minutes of the Meeting certified by the Board of Directors were filed and prepared for the Board of Directors and other relevant persons to verify.

12. Internal control and internal audit system

The Board of Directors evaluated the sufficiency of the internal control system using the evaluation form of the SET and concluded that the company had the sufficient and appropriate system for the business. The essence of each aspect was concluded as follows:

- (1) **Organization and environment:** The company adjusted the management structure to conform with the business expansion, assigned the responsibilities clearly, revised the regulations, and developed the personnel to be capable to respond to the company's current situation.
- (2) **Risk management:** The company gave significance to risk caused from internal and external factors; such as, risk of the products, risk of finance, and credit. The management had a regular review and discussion on these matters.
- (3) **Management performance control:** The company assigned the authority by decentralizing the responsibilities for approval, recording transactions, and taking care of the assets to monitor each other.
- (4) **Information and information communication system:** The company set the system to report the information to the Board of Directors and executives on a regular and timely basis, and improved the tools and information system to be more efficient.
- (5) **Monitoring and evaluation:** The company had a monitoring and evaluation system to assess the internal control system by a qualified person, and reported the result directly to the Audit Committee.

13. Report of the Board of Directors

The Board of Directors was responsible for consolidating the financial statements and the financial information displayed in the annual report. The financial statement was prepared in accordance with the general certified accounting standards. The appropriate accounting policies were implemented and practiced regularly with discretion and the best estimation. Moreover, significant information was disclosed sufficiently in the notes of the financial statement.

The Board of Directors retained an effective internal control system to ensure that the accounting records were accurate, complete, and effective to maintain the assets, and know any weaknesses to prevent any corruption or significant abnormal practice.

The Board of Directors appointed the Audit Committee, which comprised non-executives to be in charge of the quality of the financial report and internal control system. The opinions of the Audit Committee were provided in the report of the Audit Committee and included in the annual report. The Audit Committee viewed that the internal control of the company was satisfactory and had reasonable confidence in the reliability of the financial statement.

14. Investor relations

The Board of Directors was aware that the financial and non-financial information affected the decision-making of investors and stakeholders. Therefore, the company emphasized on the management to treat the disclosure completely, reliably, continuously, and in a timely manner. The management gave priority and adhered to the required practices. The investors were able to contact for information at the Investor Relations, Tel: 0-2511 6040-5, Fax: 0-2511 6049 or E-mail address: tana.u@shunthaiglove.com/ Website: www.shunthaiglove.com.

Personnel

a) The total number of employees of the company as of December 31, 2019, was 635 persons: 270 males and 316 females. There are 171 employees, Thai and 415 were other nationalities. The number was classified into the main operation line as follows:

1. Administration	87	persons
2. Production	500	persons

b) Overall returns

The company paid compensation as salary and daily wages. In 2019, the company paid the following compensation.

- Employee compensation was 118.5 million THB in total.

Furthermore, the company paid other welfare to the employees; such as, uniform, accommodation, transportation, meal allowance, special allowance (specialist proficiency), overtime, shift allowance, position allowance, and provident fund.

c) Employee development policy

The company emphasized on appropriate training for the work of each staff to enhance knowledge and capability to the employee. Both in-house and external trainings were provided to employees; such as, laws and regulations training, which was in accordance with the government's requirement, production environment safety training, finance and financial statement training, ISO training, labor development, training required by the SET and SEC, compound rubber production techniques, production system training, chlorine training, and assets and equipment training.

In addition, the performance of the employees was accessed after the training to increase the potential for work performance and to review the appropriate compensation.

The company has had zero labor disputes during the past three years.

Internal Control and Risk Management

The company trusted in the internal control system currently implemented in the company because there was the related procedure between all staff from the executives to the employees to take responsibility together. The company had a sufficient and appropriate internal control system to ensure that all performances were in compliance with and achieved the goal set by the Board of Directors.

Board of Directors

The Board of Directors assigned the Audit Committee to evaluate the internal control system through the Internal Audit Team. The Board of Directors promoted all employees to be aware of ethics and morality by giving priority to the internal audit and internal control system. For this reason, the company set the internal audit and internal control system efficiently while maintaining the flexibility to work. The employees controlled, supervised, evaluated, and reviewed the performance by themselves to mitigate the risk of any corruption and wrongful power exercise, as well as to prevent any illegal practices and actions.

Audit Committee

The Audit Committee examined the efficiency of the company's internal control system by reviewing the performance of the internal audit team continuously emphasizing on the efficiency and appropriateness of the system, considering the significant report in the financial statement, and verifying the reliability of the financial statement to ensure that they complied with the accounting standard, the notification of the SEC, notification of the SET, or any other related laws. Any significant faults or suggestions of the Audit Committee were reported to the Board of Directors for correction and improvement.

Internal Audit

The internal audit team leader monitored the performance of the divisions independently by monitoring and evaluating the efficiency of the internal control system, preparing the audit result report directly to the Audit Committee, and reporting the management's operation to the Managing Director. Moreover, the internal audit team leader gave advice to improve the system, set the meeting to report the result to the relevant divisions every quarter, and coordinated with the executives to propose the preventive measures for the risks to ensure that the company had a satisfactory and efficient internal control system. In 2018, the company appointed the Internal Audit Manager to assess the efficiency of the internal control system and plan the internal audit to comply with the goals, objectives, and related regulations effectively.

In terms of organization and the environment, risk management, management supervision, information system and communication, and the evaluation of the company, the Board of Directors agreed that the company had an efficient and appropriate internal control system.

Related Transactions

Necessity and Reasonableness of Transactions

The selling and purchasing of products or services, or the related transactions of the company were processed under the general trade practices based on the highest benefit of the company. The company had the policy for pricing, which was the same as that for external parties, and applied the general trade conditions to perform its business and production efficiently in terms of quality control, from the raw materials to the final products, for the highest satisfaction of the customer.

Approval Measures or Process of the Related Transactions

Regarding the transaction that might lead to a conflict of interest, the company adhered to the transparency and fairness principle for equality for all shareholders. The approval process of the related transaction was implemented by examining the reasonableness of the transaction to prevent a conflict of interest. The company considered whether it was a regular operation as such with the other partners and gave approval based on the criteria.

The company complied with the securities and exchange laws, and the regulations, notifications, and orders of the SET and SEC.

Policy or Tendency of Future Transactions

The policy for related transaction was based on good corporate governance that eliminated any conflict of interest for the mutual benefits of the company. Therefore, the approval according to the criteria and procedure was required to be accurate based on the fair trade practices and the reasonableness of the transaction.

The related transactions with other companies where a person with a conflict of interest held no more than 10% of shares was displayed in the note of the financial statement for the year ended December 31, 2017.

The transactions were the normal business and the auditor identified that the transaction was in accordance with the contract.

No Transaction

Report of the Audit Committee

Attn. Shareholders

Shun Thai Rubber Gloves Industry Public Company Limited

The Audit Committee of Shun Thai Rubber Gloves Industry Public Company Limited consisted of three independent directors who were knowledgeable and experienced persons with the qualifications required by the regulations of the Securities and Exchange of Thailand, and were non-executives of the company. Therefore, they were independent to perform the duty according to the charter of the Audit Committee. The committee consisted of:

- | | |
|------------------------------|--|
| 1. Mr. Anuwat Laikijrung | Chairman of the Audit Committee and Independent Director |
| 2. Mr. Wisit Kanjanopas | Member of the Audit Committee and Independent Director |
| 3. Dr. Chakarn Sangruksawong | Member of the Audit Committee and Independent Director |

In 2019, the Audit Committee organized six meetings to propose the opinions and receive the opinions from the management and the certified public accountant. The performance was reported to the Board of Directors every quarter with the following essence.

- Financial statement review

The Audit Committee reviewed the financial statement every quarter, including the financial statement of 2018 before proposing to the Board of Directors to ensure that the financial statement was prepared correctly in accordance with the general certified accounting standards, and had the sufficient disclosure of the note of the financial statement. The Audit Committee agreed that the financial statement showed the financial status and the performance accurately, completely, and accountably.

Furthermore, to ensure that the company would make the profit as planned in order to resume the stage, the Audit Committee examined the operation of the divisions in the factory by reviewing the understanding of the system and the responsibility of the supervisors to achieve the operational plan.

- Sufficiency of the internal control system

The Audit Committee gave significance to the efficient internal control system, as it affected the operation plan to make a profit, prevented any corruption, promoted benefits, and performed the work independently. The Audit Committee agreed that the company had an appropriate internal control system.

- Risk management

The Board of Directors, Audit Committee, and the management gave priority to appropriate risk management to the business and reviewed the risk management to be consistent with the current situation of the business. However, the Board of Directors had not appointed a Risk Management

Committee but assigned the Audit Committee to be responsible for the risk management until the appointment was announced.

- Related transactions

The Audit Committee reviewed the transactions that might result in related transactions and/or any conflicts of interest, which were considered to be a related transaction in accordance with the notification of the SET by disclosing sufficient information based on good governance and the notification of the SET.

- Good governance

The Audit Committee gave importance and promoted good governance, and reviewed the compliance with the securities and exchange laws, regulations of the SET, and business-related laws, which the company complied with strictly and accurately.

- Auditor appointment

The Audit Committee had the policy to nominate and appoint the auditor by considering the knowledge, competency, reliability, independency, and the qualifications required by the SEC.

In conclusion, in 2018, the Audit Committee gave significance to the sufficient and effective management system to allow the company to make a profit and to resume the stage as planned.

The Audit Committee determined and applied knowledge and competence, and the independency to perform its duties according to the charter sufficiently to achieve the company's goal as planned.

On behalf of the Audit Committee
Shun Thai Rubber Gloves Industry Public Company Limited

- Mr. Anuwat Laikijrungsak -

(Mr. Anuwat Laikijrungsak)
Chairman of the Audit Committee

Financial Statement

SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019

Independent Auditor's Report

To the Board of Directors of Shun Thai Rubber Gloves Industry Public Company Limited

Opinion

I have audited the financial statements in which the equity method is applied and separate financial statements of Shun Thai Rubber Gloves Industry Public Company Limited, which comprise the statements of financial position in which the equity method is applied and separate statements of financial position as at December 31 2019, the related statements of profit or loss and other comprehensive income, of changes in equity and of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements in which the equity method is applied and separate financial statements referred to above present fairly, in all material respects, the financial positions of Shun Thai Rubber Gloves Industry Public Company Limited as at December 31, 2019, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basic of Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements in which the equity method is applied and the separate financial statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements in which the equity method is applied and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to the following matters:

- a. As described in Notes to Financial Statements No. 5, on January 28, 2020, the Company registered the resolutions of the shareholders' meetings of the associated company, regarding the changing of the directors of the associated company. As a result, the Company is able to access to the information of the associate. Therefore, the Company has considered to adjust the equity in investment in associated company in the financial statements in which equity method is applied and the allowance for impairment of investments in associate in the separate financial statements for the year ended December 31, 2018 as presented for comparison purposes.

- b. As described in Notes to Financial Statements No. 11, as of December 31, 2019 and 2018, the other shareholders in the associated company have not yet made fully payment for the subscription shares. As a result, there was share subscription receivable outstanding on the financial statements of the associated company amounting to Baht 179.45 million.

Management of the Company has considered recording share of loss from investments in associates at 48.25% according to the proportion of shares registered with the Ministry of Commerce, even though the Company has paid for the shares with a higher proportion than registered. However, the Company made a letter No. Inv-Out 031/2561 dated August 30, 2018 to such associated company to refund the money to the Company that the Company paid for share capital increase of an associate company in the amount of Baht 168.88 million, because the other shareholders did not paid for share increase of Baht 179.45 million. On November 20, 2018, the Directors of the Company lodged a notice to the Bang Sue Police Station as evidence for any further process about the false registered capital of the associated company. The management and lawyers of the Company believe that the registered capital of the increase the share capital of the associate is invalid and the associated company must return the money paid to increase the capital of the associate company back to the Company in the whole amount. The Company presents the payment for the capital increase of Baht 168.88 million, as part of the investment.

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 financial statement in which the equity method is applied and separate financial statements of the current period. These matters were addressed in the context of my audit of the financial statement in which the equity method is applied 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 in investments in associated companies

Risk

As described in Note to Financial Statements No. 11, as of December 31, 2019, the Company has investments in associated company in the financial statements in which the equity method is applied by using equity method, and using cost method less allowance for impairment in the separate financial statements in the amount of Baht 226.21 million, representing 23.32 percent of total assets and has share of loss in investments in associate of Baht 136.92 million in statement of profit or loss and other comprehensive income in which the equity method is applied and loss on impairment of investment in an associated in the amount of Baht 144.63 million in the separate statements of profit or loss and other comprehensive income for the year then ended. The associated company has continuously incurred losses over the past years. Most of assets of the associated company are property plant and equipment. The new management, appointed on January 28, 2020, of the associated company 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 associates are significant in the financial statements in which the equity method is applied and 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 the associate and perform the following procedures:

- Understand and evaluate the appropriateness of the methods that the independent appraiser assess the value of 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 Valuers 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 as at December 31, 2019 and check the approval for setting of allowance for impairment of assets.

Other Information

Management is responsible for the other information. The other information comprises the information include in Annual Report, but does not include the 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 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 these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of

accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cause significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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, the auditor determines those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. The auditor describes these matters in the 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.

(Yuttapong Chuamuangpan)

Certified Public Accountant Registration Number 9445

ANS Audit Company Limited

Bangkok, March 31, 2020

SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

		Unit: Thousand Baht			
		Financial statements in which the equity method is applied		Separate financial statements	
	Notes	2019	2018 (Restated)	2019	2018 (Restated)
Assets					
Current assets					
Cash and cash equivalents	7	75,537	46,513	75,537	46,513
Temporary investments - net	8	3	3	3	3
Trade and other current receivables - net	6, 9	73,556	113,086	73,556	113,086
Inventories - net	10	108,487	109,117	108,487	109,117
Total current assets		257,583	268,719	257,583	268,719
Non-current assets					
Pledged deposits with financial institutions	22.1	15,637	15,455	15,637	15,455
Investments in an associated company - net	11	226,205	370,835	226,205	370,835
Property, plant and equipment - net	12	468,952	527,718	468,952	527,718
Intangible assets - net	13	296	492	296	492
Other non-current assets		1,413	1,406	1,413	1,406
Total non-current assets		712,503	915,906	712,503	915,906
Total assets		970,086	1,184,625	970,086	1,184,625

SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

		Unit: Thousand Baht			
		Financial statements in which the equity method is applied		Separate financial statements	
	Notes	2019	2018	2019	2018
			(Restated)		(Restated)
Liabilities and Shareholders' Equity					
Current liabilities					
Trade and other current payables	14	118,628	96,991	118,628	96,991
Total current liabilities		118,628	96,991	118,628	96,991
Non-current liabilities					
Deferred tax liabilities	15	5,987	5,987	5,987	5,987
Non-current provisions for employee benefit	16	4,592	3,484	4,592	3,484
Total non-current liabilities		10,579	9,471	10,579	9,471
Total liabilities		129,207	106,462	129,207	106,462
Shareholders' equity					
Share capital	17				
Authorized share capital					
19,978,103,486 ordinary shares, at Baht 1 each		19,978,103	19,978,103	19,978,103	19,978,103
Issued and paid-up share capital					

15,982,476,502 ordinary shares, at Baht 1 each	15,982,477	15,982,477	15,982,477	15,982,477
Discount on ordinary share capital	(13,756,114)	(13,756,114)	(13,756,114)	(13,756,114)
Deficit	(1,409,433)	(1,179,857)	(1,409,433)	(1,172,149)
Other components of shareholders' equity	<u>23,949</u>	<u>31,657</u>	<u>23,949</u>	<u>23,949</u>
Total shareholders' equity	<u>840,879</u>	<u>1,078,163</u>	<u>840,879</u>	<u>1,078,163</u>
Total liabilities and shareholders' equity	<u><u>970,086</u></u>	<u><u>1,184,625</u></u>	<u><u>970,086</u></u>	<u><u>1,184,625</u></u>

SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019

Unit: Thousand Baht				
Notes	Financial statements in which the equity method is applied		Separate financial statements	
	2019	2018	2019	2018
3, 19		(Restated)		(Restated)
Revenues from sales	662,603	758,100	662,603	758,100
Costs of sales	(654,785)	(702,049)	(654,785)	(702,049)
Gross profit	7,818	56,051	7,818	56,051
Other income	3,215	6,407	3,215	6,407
Gain (loss) on foreign exchange rate	(812)	1,787	(812)	1,787
Reversal of (allowance) for doubtful accounts	20	(1,958)	20	(1,958)
Selling expenses	(14,116)	(13,722)	(14,116)	(13,722)
Impairment loss on investments in associate	-	-	(144,630)	(111,640)
Impairment loss on goodwill in investments in associate	-	(12,710)	-	-
Impairment loss on fixed assets	(38,298)	-	(38,298)	-
Administrative expenses	(50,518)	(51,071)	(50,518)	(51,071)
Loss before share of loss from investment in associate	(92,691)	(15,216)	(237,321)	(114,146)

*Shun Thai Rubber Gloves Industry Public Co., Ltd.**Annual Report 2019*

Share of loss from investment in associate	(136,922)	(55,226)	-	-
Loss before finance costs and income tax	(229,613)	(70,442)	(237,321)	(114,146)
Finance costs	(155)	(158)	(155)	(158)
Loss before income tax	(229,768)	(70,600)	(237,476)	(114,304)
Income tax expenses	-	-	-	-
Loss for the years	(229,768)	(70,600)	(237,476)	(114,304)
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Loss on revaluation of available-for-sale investment - net from tax	-	(58)	-	(58)
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Reversal of gains on revaluation of land in associate - net from tax	(7,708)	-	-	-
Actuarial gain	192	-	192	-
Other comprehensive income (loss) for the years	(7,516)	(58)	192	(58)
Total comprehensive loss for the years	(237,284)	(70,658)	(237,284)	(114,362)
Basic loss per share (Baht)	(0.014)	(0.004)	(0.015)	(0.007)
Weighted average number of issued ordinary shares (Thousand shares)	15,982,477	15,982,477	15,982,477	15,982,477

SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2019

Unit: Thousand Baht							
Financial statements in which the equity method is applied							
	Issued and paid-up share capital	Discount on share capital	Deficit	Other components of equity			Total other components of equity
				Revaluation surplus on land and land improvements	Revaluation surplus on land in associate	Gain on revaluation of available-for-sale investment	
Balance as at January 1, 2018	15,982,477	(13,756,114)	(1,109,257)	23,949	7,708	58	31,715
Total comprehensive loss for the year (Restated)	-	-	(70,600)	-	-	(58)	(70,658)
Balance as at December 31, 2018	15,982,477	(13,756,114)	(1,179,857)	23,949	7,708	-	31,657
Total comprehensive loss for the year	-	-	(229,576)	-	(7,708)	-	(7,708)
Balance as at December 31, 2019	15,982,477	(13,756,114)	(1,409,433)	23,949	-	-	23,949

SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY****FOR THE YEAR ENDED DECEMBER 31, 2019**

	Unit: Thousand Baht						
	Separate financial statements						
	Other components of equity						
	Issued and paid-up	Discount		Revaluation surplus on	Gain on revaluation of	Total other components	Total
	share capital	on share capital	Deficit	land and land improvements	available-for-sale investment	of shareholders' equity	shareholders' Equity
	Restated						
Balance as at January 1, 2018	15,982,477	(13,756,114)	(1,057,845)	23,949	58	24,007	1,192,525
Total comprehensive loss for the year (restated)	-	-	(114,304)	-	(58)	(58)	(114,362)
Balance as at December 31, 2018	15,982,477	(13,756,114)	(1,172,149)	23,949	-	23,949	1,078,163
Total comprehensive loss for the year	-	-	(237,284)	-	-	-	(237,284)
Balance as at December 31, 2019	15,982,477	(13,756,114)	(1,409,433)	23,949	-	23,949	840,879

SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED**STATEMENTS OF CASH FLOWS****FOR THE YEAR ENDED DECEMBER 31, 2019**

	Unit: Thousand Baht			
	Financial statements in which the equity method is applied		Separate financial statements	
	2019	2018	2019	2018
	(Restated)		(Restated)	
Cash flows from operating activities:				
Loss for the year	(229,768)	(70,600)	(237,476)	(114,304)
Adjustments to reconcile loss for the year to net cash flow				
from (used in) operating activities:				
Depreciation and amortization	56,487	54,928	56,487	54,928
Allowance for doubtful accounts	385	1,958	385	1,958
(Reversal of) Allowance for stock obsolescence	2,299	(2,968)	2,299	(2,968)
Gain on disposal of temporary investments	-	(94)	-	(94)
Impairment loss on investments in associate	-	-	144,630	111,640
Impairment loss on goodwill in investments in associate	-	12,710	-	-
Share of loss from investment in associated company	136,922	55,226	-	-
Impairment loss on fixed assets	38,298	-	38,298	-
Gain on disposal of fixed assets	(161)	(111)	(161)	(111)
Non-current provisions for employee benefits	1,386	932	1,386	932
Unrealized (gain) loss on foreign exchange	(247)	198	(247)	198
Unrealized (gain) loss on forward sales contracts of foreign currency		(88)	72	(88)
Interest income	(289)	(288)	(289)	(288)
Interest expenses	155	158	155	158
Profit from operating activities before changes in operating assets and liabilities	5,379	52,121	5,379	52,121

Operating assets (increased) decreased				
Trade and other current receivables	39,509	(9,031)	39,509	(9,031)
Inventories	(1,669)	12,832	(1,669)	12,832
Other non-current assets	(7)	(124)	(7)	(124)
Operating liabilities increased (decreased)				
Trade and other current payables	19,127	(15,682)	19,127	(15,682)
Cash provided by operating activities	62,339	40,116	62,339	40,116
Employee benefit obligations paid	(86)	-	(86)	-
Interest paid	(155)	(171)	(155)	(171)
Income tax paid	(3)	(4)	(3)	(4)
Net cash from operating activities	62,095	39,941	62,095	39,941

SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED**STATEMENTS OF CASH FLOWS****FOR THE YEAR ENDED DECEMBER 31, 2019**

	Unit: Thousand Baht			
	Financial statements in which the equity method is applied		Separate financial statements	
	2019	2018	2019	2018
	(Restated)		(Restated)	
Cash flows from investing activities:				
Cash received from sales of temporary investments	-	3,890	-	3,890
Increase in pledged deposits with financial institutions	(182)	(207)	(182)	(207)
Cash paid for acquisition of fixed assets	(33,245)	(39,273)	(33,245)	(39,273)
Cash received from sales of fixed assets	161	145	161	145
Cash paid for acquisition of intangible assets	(94)	-	(94)	-
Cash received from interest income	289	288	289	288
Net cash used in investing activities	(33,071)	(35,157)	(33,071)	(35,157)
Cash flows from financing activities:				
Repayments of restructured debts from related company	-	(2,409)	-	(2,409)
Net cash used in financing activities	-	(2,409)	-	(2,409)
Net increase in cash and cash equivalents	29,024	2,375	29,024	2,375
Cash and cash equivalents at beginning of the year	46,513	44,138	46,513	44,138
Cash and cash equivalents at end of the year	75,537	46,513	75,537	46,513

Supplemental disclosures of cash flows information**Non-cash transaction**

Increase in accounts payable for purchase of fixed assets	2,484	814	2,484	814
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**SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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, 6th 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, Thailand.

The Company mainly engages in the manufacture of rubber gloves.

2. BASIS FOR PRESENTATION OF THE FINANCIAL STATEMENTS

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

The financial statements are presented in compliance with the stipulations of the Notification of the Department of Business Development dated October 11, 2016, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in Thai language and are expressed in Thai Baht. Such interim financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant in the Thai language, an English translation of the Thai version of the interim financial statements is provided.

The financial statements are prepared on the historical cost basis, except as disclosed in respective accounting policies.

The preparation of financial statements in conformity with TFRSs 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 that are believed to be reasonable under the circumstances. Therefore, actual result 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, or in the period of the revision and future periods, if the revision affects both current and future periods.

Basis for preparation of the financial statements in which the equity method is applied

The financial statements, in which the equity method is applied, included the Company's interests in associates. The financial statements include share of profit or loss and other comprehensive income of an associate from the date that significant influence commenced until the date that significant influence ceases.

An Associate is an entity in which the company has significant influence, but not control, over the financial and operating policies. The details of the Company's associate as at December 31 are as follows:

Company's name	Nature of business	% Equity interest owned by the Company	
		2019	2018
Northern Renewable Energy Co., Ltd.	Manufacture and distribution of biomass energy solutions, and power generation from biomass and waste	48.25	48.25

No change in the composition of the Group occurred during the current year.

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

During the year 2019, the Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) including new accounting treatment guidance, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmed
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgment, taking into consideration all the relevant facts and circumstances when applying each step of the model.

b) Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2020. These new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Company's management will adopt such TFRS in the preparation of the Company's financial statements when it becomes effective. The Company's management is in the process to assess the impact of the TFRS on the financial statements of the Company in the period of initial application. The Company's management expected to apply the TFRS using the cumulative effect recognized at the date of initial application as at January 1, 2020.

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 Company recognized revenues and expenses on an accrual basis.

Cash and Cash Equivalents

Cash on hand is kept for general use purposes within the Company. 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.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at invoice amount net of allowance for doubtful accounts.

The Company provides an allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on historical collection experience coupled with a review of the current status of existing receivables.

Inventory

Inventories 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

Temporary investments, representing investments in available-for-sale securities, are stated at fair value. Changes in the fair value of these securities are recorded as a separate item in shareholders' equity, and will be recorded in profit or loss when the securities are sold.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognized in profit or loss. If the Company disposes of only part of the investment, the carrying value per share used to calculate the cost of the portion sold is determined using the weighted average method.

Investment in associate presented in the financial statements in which the equity method is applied by using equity method, and using cost method and allowance for impairment losses (if any) in the separate financial statements.

Property, Plant and Equipment

Land and land improvements are stated at revalued amounts according to assessment report dated March 5, 2018. 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 Company 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	20
Machinery and equipment	5 to 15
Furniture, fixtures and office equipment	3 to 10
Vehicles	5

Computer Software and Amortization

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

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 Assets

The Company 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 Company 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).

Provision

A provision is recognized when the Company 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 Company recognizes salaries, wages, bonuses and social security contributions as expenses on an accrual basis.

*Post-employment benefits**Defined contribution plans*

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

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 Company 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 Leases

Finance leases which transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to the profit or loss over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the useful life of the asset.

Operating Leases

Lease of assets where a significant portion of the risks and rewards of ownership are retained by the lesser are classified as operating leases. Payments made under operating leases are recognized as expenses in the profit or loss over the period of the lease.

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.

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. Outstanding forward foreign exchange contracts at the end of the year for hedging of its foreign currency transactions are valued at the market rates at that date and its unrealized gains and losses are reported in the statements of profit or loss.

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 Company 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 Company 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 Company 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.

Income Tax

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

Current tax

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

Basic loss per share

Basic loss per share are determined by dividing the loss for the year by the weighted average number of shares outstanding during the year.

4. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follows:

Revenue from contracts with customers***Identification of performance obligations***

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The entity recognises revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

In calculating the revenue recognised over time, the management is required to use judgement regarding measuring progress towards complete satisfaction of a performance obligation.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic conditions.

Impairment of investment in associate

The Company treats investments in associates 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.

5. PRIOR YEAR ADJUSTMENTS

On January 28, 2020, the Company registered the resolutions of the shareholders' meetings of the associated company, regarding the changing of the directors of the associated company. As a result, the Company is able to access to the information of the associate. Therefore, the Company has considered to adjust the equity in investment in associated company in the financial statements in which equity method is applied and the allowance for impairment of investments in associate in the separate financial statements for the year ended December 31, 2018 as presented for comparison purposes. The affects in the financial statements as follow:

	Unit: Thousand Baht		
	Financial statements in which the equity method is applied		
	Previously Reported	Adjustments	After adjusted
Statements of financial position			
As at December 31, 2018			
Investments in an associated company	438,771	(67,936)	370,835
Deficit	1,111,921	67,936	1,179,857
Statement of profit or loss and other comprehensive income			
For the year end December 31, 2018			
Impairment loss on goodwill in investment in associated	-	12,710	12,710
Share of loss from investments in associate	-	55,226	55,226
Loss for the year	2,664	67,936	70,600
Total comprehensive loss for the year	2,722	67,936	70,658
Basic loss per share (Baht)	0.000	0.004	0.004

	Unit: Thousand Baht		
	Separate financial statements		
	Previously Reported	Adjustments	After adjusted
Statements of financial position			
As at December 31, 2018			
Investments in an associated company	482,475	(111,640)	370,835
Deficit	1,060,509	111,640	1,172,149
Statement of profit or loss and other comprehensive income			
For the year end December 31, 2018			
Share of loss from investments in associate	-	111,640	111,640
Loss for the year	2,664	111,640	114,304
Total comprehensive loss for the year	2,722	111,640	114,362
Basic loss per share (Baht)	0.000	0.007	0.007

The above accounting adjustments have no impact to the statements of financial position as of January 1, 2018.

6. TRANSACTIONS WITH RELATED PARTIES

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

Related Company	Nature of relationship
1. Northern Renewable Energy Co., Ltd.	Associated company
2. Thai Hua Rubber PCL.	Common shareholder
3. Advance Power Conversion Co., Ltd.	Common shareholder
4. Bright Blue Water Corporation Co., Ltd.	Common shareholder
5. Akesit Automation Technology Co., Ltd.	Common shareholder
6. M.R.I. Co., Ltd.	Common directors

The Company had significant related party transactions, both directly and indirectly related through common shareholders and/or common directors. The effects of these transactions are reflected in the financial statement on the basis determined by the parties concerned.

The outstanding balances with related companies as at December 31, in financial statements in which the equity method is applied and separate financial statements are as follows:

	Unit: Thousand Baht	
	2019	2018
Statements of financial position		
Northern Renewable Energy Co., Ltd.		
Other receivables	405	-
<u>Less</u> Allowance for doubtful debt	(405)	-
Net	-	-
Thai Hua Rubber PCL.		
Restructured debts from related company		
Balance at beginning of the year	-	2,409
Repayments during the year	-	(2,409)
Balance at end of the year	-	-
Advance Power Conversion Co., Ltd.		
Machinery - Boiler (purchase price)	49,500	49,500
Boiler control system (purchase price)	5,500	5,500
Roof structure (purchase price)	18,000	18,000
Bright Blue Water Corporation Co., Ltd.		
Machinery - water supply system (purchase price)	45,595	45,595
<u>Less</u> Allowance for impairment	(34,158)	-
Net	11,437	45,595
Akesit Automation Technology Co., Ltd.		
Non-current assets - deposits for feasibility study of power plant	36,000	36,000
<u>Less</u> Allowance for impairment	(36,000)	(36,000)
Net	-	-

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

Compensation – for key management personnel

Compensation – for key management personnel for the years ended December 31, in financial statements in which the equity method is applied and separate financial statements consisted of the following:

	Unit: Thousand Baht	
	2019	2018
Short-term benefits	11,331	13,153
Post-employment benefits	108	342
Total management compensation - for key management personnel	11,439	13,495

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the financial statements in which the equity method is applied and in separate financial statements as at December 31, consisted of:

	Unit: Thousand Baht	
	2019	2018
Cash on hand	69	570
Cash at banks	75,468	45,943
Total cash and cash equivalents	75,537	46,513

8. TEMPORARY INVESTMENTS - NET

Temporary investments in the financial statements in which the equity method is applied and in separate financial statements as at December 31, consisted of:

	Unit: Thousand Baht			
	2019		2018	
	Fair value		Fair value	
	Cost price	Cost price	Cost price	Level 2
Open-End fund investments	3	3	3	3
<u>Add</u> : unrealized gain on investment revaluation	-	-	-	3
Total temporary investments - net	3	3	3	3

During for the year ended December 31, 2018, the Company sold the temporary investments with a pre-tax gain of Baht 0.09 million, which is shown as “other income” in the statement of profit or loss for the year ended December 31, 2018.

9. TRADE AND OTHER CURRENT RECEIVABLES - NET

Trade and other current receivables in the financial statements in which the equity method is applied and in separate financial statements as at December 31, consisted of:

	Unit: Thousand Baht	
	2019	2018
Trade receivables	112,362	126,106
<u>Less</u> Allowance for doubtful accounts	(53,169)	(56,833)
Total trade receivables - net	59,193	69,273
Other current receivables		
Other receivables – related companies	405	-
<u>Less</u> Allowance for doubtful accounts – related company	(405)	-
Other receivables – related companies - net	-	-
Value added tax (VAT) receivable	4,300	30,230
Prepaid expenses	4,170	7,158
Input VAT not yet due	3,897	5,140
Other	1,996	1,285
Total other current receivables	14,363	43,813
Total trade and other current receivables - net	73,556	113,086

As at December 31, the Company had outstanding balances of trade receivables aged as follows:

	Unit: Thousand Baht	
	2019	2018
Current	46,740	50,493
Overdue		
Within 3 months	12,453	18,780
Over 12 months	53,169	56,833
Total trade receivables	112,362	126,106

10. INVENTORIES – NET

Inventories in the financial statements in which the equity method is applied and in separate financial statement as at December 31, consisted of:

	Unit: Thousand Baht	
	2019	2018
Finished goods	29,111	48,471
Goods in process	42,459	39,029
Raw materials	41,310	28,378
Goods in transit	5,330	663
Total inventories	118,210	116,541
<u>Less</u> Allowance for devaluations	(9,723)	(7,424)
Total inventories - net	108,487	109,117

11. INVESTMENTS IN AN ASSOCIATED COMPANY - NET

Investments in an associated company as at December 31, consisted of:

			Unit : Thousand Baht					
Company's name	Nature of business	Investment portion (%)	Paid up share capital		Financial statements in which the equity method is applied		Separate financial statements	
			2019	2018	2019	2018	2019	2018
Northern Renewable Energy Co., Ltd. (NRE)	Manufacturing and distribution of biomass energy solutions	48.25	1,000,000	1,000,000	226,205	370,835	482,475	482,475
<u>Less</u> Allowance for impairment on investment in an associate							(256,270)	(111,640)
Investments in an associate company - net							226,205	370,835

Financial information of associated company

The financial information as presented in the financial statements of the associated company. is as follows:

	Unit: Thousand Baht	
	2019	2018
Statement of financial position		
Current assets	6,535	57,453
Non-current assets	320,949	582,569
Current liabilities	36,559	49,166
Non-current liabilities	1,552	1,731

	Unit: Thousand Baht	
	For the years ended December 31,	
	2019	2018
Statement of profit or loss and other comprehensive income		
Total revenues	8,783	159,165
Doubtful debt	19,441	-
Allowance for impairment of deposits for purchase of land and		
Machineries	259	81,228
Allowance for impairment of property, plant and equipment	156,958	-
Net loss	283,775	114,460
Other comprehensive income	(15,977)	-

Reconciliation of financial data with respect to equity in the associate recognized in the financial statements prepared according to the equity method as at December 31, is as follows:

	Unit: Thousand Baht	
	2019	2018
Net assets of associated company	289,373	589,125
<u>Less</u> Cash receipts from increased share capital	(170,555)	(170,555)
Net assets of the company before receipts from increased share capital	118,818	418,570
Portion of equity interest in associated company (percent)	48.25%	48.25%
Equity interest in net assets of associated company	57,330	201,960
The capital increase of the Company**	168,875	168,875
Book value of investments in associated company	226,205	370,835

** As at December 31, 2019 and 2018, share subscription receivables due from other shareholders in the associated company's financial statements amounted to Baht 179.45 million.

Management of the Company has considered recording share of loss from investments in associates at 48.25% according to the proportion of shares registered with the Ministry of Commerce, even though the Company has paid for the shares with a higher proportion than registered. However, the Company made a letter No. Inv-Out 031/2561 dated August 30, 2018 to such associated company to refund the money to the Company that the Company paid for share capital increase of an associate company in the amount of Baht 168.88 million, because the other shareholders did not paid for share increase of Baht 179.45 million. On November 20, 2018, the Directors of the Company lodged a notice to the Bang Sue Police Station as evidence for any further process about the false registered capital of the associated company. The management and lawyers of the Company believe that the registered capital of the increase the share capital of the associate is invalid and the associated company must return the money paid to increase the capital of the associate company back to the Company in the whole amount. The Company presents the payment for the capital increase of Baht 168.88 million, as part of the investment.

Change in value of investments in associated company in financial statements in which the equity method is applied.

	Unit: Thousand Baht	
	2019	2018
Investments in an associate company at January 1,	370,835	438,771
Loss from impairment of goodwill investment in an associated company	-	(12,710)
Share of losses from investments in an associates company	(136,922)	(55,226)
Reversal of gains from land revaluation in an associated company - net from tax	(7,708)	-
Investments in an associated company at December 31,	226,205	370,835

Change in value of investments in associated company in the separate financial statements

	Unit: Thousand Baht	
	2019	2018
Investments in an associate company at January 1,	370,835	482,475
Loss from impairment of investment in associated company	(144,630)	(111,640)
Investments in an associated company at December 31,	226,205	370,835

12. PROPERTY, PLANT AND EQUIPMENT – NET

Property, plant and equipment in which the equity method is applied and in separate financial statement as at December 31, 2019 consisted of:

	Unit : Thousand Baht				As at December 31, 2019
	As at January 1, 2019	Increase	Decrease	Transfers in/out	
Cost					
Land and Land improvements					
- Historical cost	75,057	-	-	-	75,057
- Revaluation surplus	29,936	-	-	-	29,936
Buildings and building improvement	226,154	105	(15)	6,768	233,012
Machinery and equipment	857,264	10,914	(7,209)	36,916	897,885
Furniture, fixtures and office equipment	10,181	608	(178)	44	10,655
Vehicles	6,011	-	-	-	6,011
Construction in progress	19,884	24,102	-	(43,728)	258
Total	1,224,487	35,729	(7,402)	-	1,252,814
Accumulated depreciation					
Land and Land improvements	9,830	819	-	-	10,649
Buildings and building improvement	121,228	8,231	(15)	-	129,444
Machinery and equipment	527,820	46,086	(7,209)	-	566,697
Furniture, fixtures and office equipment	8,284	1,061	(178)	-	9,167
Vehicles	6,009	-	-	-	6,009
Total	673,171	56,197	(7,402)	-	721,966
Allowance for impairment					
Buildings and building improvement	10,483	1,368	-	-	11,851
Machinery and equipment	13,115	36,930	-	-	50,045
Total	23,598	38,298	-	-	61,896
Net book value	527,718				468,952

During the year 2018, the Company engaged an independent appraiser to appraise land and land improvements, buildings and improvements, and machinery and equipment, as follows:

- The appraisal of land and land improvement in accordance to the independent appraiser's report dated March 5, 2018 by using the market approach, resulted in an increase in revaluation surplus on land and land improvement in net increase of Baht 4.15 million. The Company recorded an increase in asset appraisal of Baht 2.59 million in "Revaluation surplus on land and improvements", which was presented as part of "Shareholders' equity" in the statement of financial position as at December 31, 2017 and reversed impairment loss of Baht 1.56 million in the statements of profit or loss for the year ended December 31, 2017.

- The appraisal of buildings and improvements in according to the independent appraiser's report dated March 5, 2018, which uses the market value approach by cost approach. The cost approach is the valuation of the building by the price of construction materials, cost of construction labor and assembly techniques or current construction cost to obtain the New Replacement Cost depreciated by depreciation based on the condition and useful life of buildings and constructions. The depreciated replacement cost results in a reversal of loss on impairment of buildings and improvements of Baht 4.93 million in the statement of profit or loss for the year ended December 31, 2017.
- The appraisal of machinery and equipment in according to the independent appraiser's report dated May 9, 2018, which uses the market value approach by cost approach. 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), 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. The appraisal of machinery and equipment resulted in an increase in loss on impairment of machinery and equipment of Baht 11.23 million in the statement of profit or loss for the year ended December 31, 2017.

As at December 31, 2019 and 2018, the carrying amounts of land and land improvements carried under the cost model are Baht 64.41 million and 65.23 million, respectively.

As at December 31, 2019 and 2018, 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 as discussed in Note 22.1.

Depreciations net from reversal of impairment loss on fixed assets for years ended December 31, 2019 and 2018, in the statements of profit or loss are Baht 94.50 million and Baht 54.65 million, respectively.

As at December 31, 2019 and 2018, the property and equipment of the Company amounting to Baht 458.04 million and Baht 428.17 million, respectively, are fully depreciated but still in use.

13. INTANGIBLE ASSETS - NET

Intangible assets in which the equity method is applied and in separate financial statement as at December 31, 2019 consisted of:

	Unit : Thousand Baht			
	As at January 1, 2019	Movements during the year		As at December 31, 2019
		Increase	Decrease	
Computer software				
Cost	2,282	94	-	2,376
Accumulated amortization	(1,790)	(290)	-	(2,080)
Intangible assets - net	<u>492</u>			<u>296</u>

14. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables in the financial statements in which the equity method is applied and in separate financial statements as of December 31, consisted of:

	Unit: Thousand Baht	
	2019	2018
Trade payables	94,024	73,943
Other current payables		
Other payables	3,477	4,035
Payables for purchase of assets	4,436	1,951
Advance received from customers	-	34
Accrued expenses	16,652	16,993
Other	39	35
Total other current payables	24,604	23,048
Total trade and other current payables	118,628	96,991

15. DEFERRED TAX LIABILITIES

Movements in deferred tax liabilities during the year in the financial statements in which the equity method is applied and in separate financial statements as at December 31, consisted of:

	Unit: Thousand Baht		
	Movement decrease		As at December 31, 2019
	As at January 1, 2019	Other comprehensive income	
Deferred tax liabilities:			
Revaluation surplus on fixed assets	5,987	-	5,987
Total deferred tax liabilities	5,987	-	5,987

Income tax for the years ended December 31, were as follows:

	Unit: Thousand Baht			
	Financial statements in which the equity method is applied		Separate financial statements	
	2019	2018	2019	2018
Loss before income tax	(229,768)	(70,600)	(237,476)	(114,304)
Income tax rate	20%	20%	20%	20%
Current income tax as tax rate	(45,954)	(14,120)	(47,495)	(22,861)
Non-deductible expenses by the revenue code	797	63	797	63
Double expenses by the revenue code	(41)	(42)	(41)	(42)

Unrecorded deferred tax assets :

(Reversal of) allowance for doubtful accounts	(733)	392	(733)	392
(Reversal of) allowance for stock obsolescence	460	(594)	460	(594)
Provisions for impairment loss on fixed assets	7,660	-	7,660	-
Allowance for impairment in investments in associated company	-	-	28,926	22,328
Non-current provisions for employee benefit	-	186	-	186
Unutilized tax losses	10,426	528	10,426	528
Allowance for impairment on goodwill of the investment in associated company	-	2,542	-	-
Share of losses from investments in associates	27,385	11,045	-	-
Income tax	-	-	-	-
The average effective tax rate	0.00%	0.00%	0.00%	0.00%

The Company's unutilized tax loss carry forward as at December 31, 2019 and 2018, amounting to Baht 204.84 million and 232.07 million, respectively, Due to the uncertainty of the utilization, the Management, therefore, has declined to recognize the deferred tax assets on this income tax loss carry forward.

The Company used income tax rate of 20% for the calculation of corporate income tax for the years ended December 31, 2019 and 2018.

16. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

Movement of the present value of non-current provisions for employee benefit in the financial statements in which the equity method is applied and in separate financial statements for the year ended December 31, as follows:

	Unit: Thousand Baht	
	2019	2018
Non-current provisions for employee benefit		
as at beginning of the year	3,484	2,552
Included in profit or loss :		
Current service cost	546	849
Interest cost	118	83
Past service cost from employee benefits*	722	-
Payment for employee benefit during the year	(86)	-
Actuarial gains and losses arising from post-employment benefits	(192)	-
Non-current provisions for employee benefit as at ending of the year	4,592	3,484

Employee benefit expenses in the statements of profit or loss in the financial statements in which the equity method is applied and in separate financial statements for the years ended December 31, consisted of:

	Unit: Thousand Baht	
	2019	2018
Current service cost	546	849
Interest from obligation	118	83
Past service cost from employee benefits*	722	-
Total employee benefit expenses	1,386	932

*On April 5, 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from May 5, 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional long-term employee benefit liabilities of Baht 0.72 million.

Employee benefit expenses as shown in the statements of profit or loss in which the equity method is applied and in separate financial statements for the years ended December 31, are as follows:

	Unit: Thousand Baht	
	2019	2018
Cost of sales	1,148	459
Administrative expenses	238	473
Total employee benefit expenses	1,386	932

Principal actuarial assumptions in which in which the equity method is applied and in separate financial statements at the valuation date are as follow:

	(Percentage)	
	2019	2018
Discount rate	2.94	3.24
Future salary increase rate	3.00	3.00
Mortality rate	100% of Thai Mortality Ordinary Tables of 2017	100% of Thai Mortality Ordinary Tables of 2008
Future daily salary increase rate		
Under 31 years old	26.00	34.00
31 - 40 years old	17.00	19.00
41 - 50 years old	13.00	11.00
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 in the equity method is applied and in separate financial statements as at December 31, 2019 are summarized below:

	Unit: Thousand Baht	
	Increase 1%	Decrease 1%
Discount rate	(602)	654
Salary increase rate	688	(637)
Turnover rate	(39)	46

As at December 31, 2019 the maturity analysis of undiscounted cash flows of benefit payments in which the equity method is applied and in separate financial statements was as follows:

	Unit: Thousand Baht
Within 1 year	22
Over 1 and up to 5 years	339
Over 5 and up to 10 years	931
Over 10 years	16,165

17. SHARE CAPITAL

The Meeting of the Board of Directors No.10/2016 held on May 19, 2016, resolved to determine that June 8, 2016 is the issuance of 2nd warrant (STHAI-W2), which the warrants will be expired in three years on June 7, 2019.

On June 8, 2019, warrants (STHAI-W2), 3 years, to purchase ordinary shares were already expired.

18. EXPENSES BY NATURE

Significant expenses by nature in the financial statements in which the equity method is applied and in separate financial statements for the years ended December 31, as follows:

	Unit: Thousand Baht			
	Financial statements in which the equity method is applied		Separate financial statements	
	2019	2018	2019	2018
Change in inventories of finished goods and work in progress increase (decrease)	(15,930)	2,629	(15,930)	2,629
Raw materials and consumable used	449,954	492,938	449,954	492,938
Employee benefit expenses	127,708	131,337	127,708	131,337
Depreciation and amortization	56,487	54,928	56,487	54,928
Reversal of (allowance) for doubtful accounts	385	(1,958)	385	(1,958)
Impairment loss on investment in associated	-	-	144,630	111,640
Loss from impairment of goodwill investment in				
an associated company	-	(12,710)	-	-
Impairment loss on assets	36,298	-	36,298	-
(Reversal of) allowance for obsolescence stock presented in costs of sales	2,299	(2,968)	2,299	(2,968)
Electricity expenses	35,838	37,277	35,838	37,277
Maintenance expenses	2,362	1,798	2,362	1,798

19. OPERATING SEGMENTS

The Company is engaged in the production and distribution of rubber gloves. Therefore, revenue, profit (loss) and assets reflected in the financial statements are related to the business segments as discussed.

The Company's operations sales portions by geographical segments in the financial statements in which the equity method is applied and in separate financial statements for the years ended December 31, were as follows:

	(% of total net sales)	
	2019	2018
Net foreign sales	62.75	66.63
Net domestic sales	37.25	33.37
Total	100.00	100.00

The Company's operations sales portions by type of customer in the financial statements in which the equity method is applied and in separate financial statements for the years ended December 31, were as follows:

	Unit: Thousand Baht	
	2019	2018
Net individual sales	39,985	33,024
Net corporate sales	622,618	725,076
Total	662,603	758,100

20. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities carried on the statement of financial position include cash and cash equivalents, temporary investments, trade and other current receivables, investments in restricted fixed deposits, trade and other current payables and restructured debts from related company. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies in Note 3.

Capital maintenance

The Company'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 Company 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.

Liquidity risk

Liquidity risk arises from the problems in raising adequate funds adequately to promptly meet commitments as indicated in the financial statements. Based on the assessment of the Company's current financial position and financial performance, the Company bears liquidity risk. Hence, the Company entered into a debt restructuring agreement with a related company to extend the period of repayments.

Foreign currency risk

The Company'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.

The balances of financial assets and liabilities denominated in foreign currencies in December 31 are summarized below.

Foreign currency	Financial assets		Financial liabilities	
	2019	2018	2019	2018
	(Million)	(Million)	(Million)	(Million)
US Dollar	2.16	2.12	0.64	0.35
Euro	0.82	0.93	-	-

Forward exchange purchase contracts outstanding as at December 31, as summarized below.

	Unit : Million	
	2019	2018
US Dollar	0.73	-
Euro	0.01	-

The outstanding forward exchange purchase contracts as at December 31, 2019 will mature within 4 months.

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 Company. 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 doubtful 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 Company. The Company is exposed to interest rate risk related primarily to its deposits at financial institutions, investment in restricted fixed deposits, bank overdrafts and short-term loans from financial institutions, restructured debts from related company and liabilities under finance lease agreements. However, most of the Company'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 Company has no hedging agreement to protect against such risk.

Significant financial assets and liabilities classified by type of interest rate in the financial statements in which the equity method is applied and in separate financial statements were as follows:

Unit : Million Baht					
As of December 31, 2019					
	Fixed interest rates	Floating interest rate	No interest rate	Total	Average interest rate
Financial assets					
Cash and cash equivalents	-	64.71	10.83	75.54	0.20 – 0.75
Trade and other current receivables	-	-	73.56	73.56	-
Pledged deposits with financial institutions	15.64	-	-	15.64	1.15 – 1.50
Financial liabilities					
Trade and other current payables	-	-	118.63	118.63	-

Unit : Million Baht					
As of December 31, 2018					
	Fixed interest rates	Floating interest rate	No interest rate	Total	Average interest rate
Financial assets					
Cash and cash equivalents	-	36.54	9.97	46.51	0.20 - 0.63
Trade and other current receivables	-	-	113.09	113.09	-
Pledged deposits with financial institutions	15.46	-	-	15.46	1.45 - 1.75
Financial liabilities					
Trade and other current payables	-	-	96.99	96.99	-

21. REGISTERED 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.

The Company's contribution for the years 2019 and 2018, which were charged to the statements of profit and loss in the financial statements in which the equity method is applied amounted to Baht 0.51 million and Baht 0.46 million, respectively.

22. COMMITMENTS AND CONTINGENT LIABILITIES

22.1 As at December 31, 2019 and 2018, the Company obtained credit facilities (bank overdrafts, short-term loans, factoring, forward contracts, bank guarantees, and liabilities under packing credit) from two local banks totaling Baht 52.85 million and 42.85 million, respectively. The loans bear interest at the MOR or 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 12. Moreover, the loan agreements contain conditions and restrictions, such as not to create an additional pledge on those assets, etc.

22.2 As at December 31, 2019, the Company had available, but unutilized, letters of credit amounting to U.S. Dollars 0.25 million (equivalent to Baht 7.65 million).

22.3 As at December 31, 2019 and 2018, the Company obtained letters of guarantee issued by a local financial institution amounting to Baht 6.10 million and 3.08 million, respectively guaranteed by a pledge of deposits with financial institutions.

22.4 On November 1, 2019, the Company entered into operating lease agreements for office buildings for two-year periods. These agreements are renewable. The Company is committed to pay rent at the rate of Baht 36,750 per month, and a service charge at the rate of Baht 39,323 per month.

22.5 As at December 31, 2018, the Company has a contractual obligation to pay capital commitments amounting to Baht 0.21 million

23. EVENTS AFTER THE REPORTING PERIOD

On January 28, 2020, Northern Renewable Energy Co., Ltd. (NRE) has registered the change of the new directors and authorized directors with the registrar of Department of Business Development. Therefore, new NRE's board of directors consist of 4 Company's directors and 2 outsiders and the authorized directors to sign to bind the associate company consist of the 2 Company's directors and 1 outsider with authorized signatory to be jointly signed by 2 of 3 directors.

24. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors on March 31, 2020.