

FORM 56-1 ONE REPORT

ANNUAL REPORT 2024

RENEWABLE ENERGY
TO GREEN SUSTAINABILITY



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Message from the Chairman

Year 2024 Sustainability And Intelligence is topics that many parties have high expectations for in the near future. For a company to remain an industry leader, we need to prioritize and drive both in parallel to sustain our business. Our world continues to move forward at a rapid pace, and we are at a point of high uncertainty. Opportunities to build competitive advantage for our company are passing us by very quickly. To survive in the intense competition in the rubber industry, we need to be able to adapt quickly and use modern tools to help us move forward.

Concept about aspectOur Intelligence is focused on advanced technologies that have the ability to think and learn, and the use of intelligent control systems to help companies stay ahead of the industry. Advanced technologies such as Artificial Intelligence, automation, and related robotics must be explored and applied to organizations to reduce redundancy, reduce effort, increase speed, increase accuracy, and help increase productivity in work processes. Investing in these technologies will help us maintain our leadership in the fierce competition in the industry.

In addition, the concept of sustainability has inevitably played an important role over the past decade and will continue to be intense for the future of our business. The Group not only focuses on the use of modern technologies and processes, but at the same time we also emphasize on the sustainability of our business operations, such as in terms of energy use., resources, carbon reduction, environmental care, no deforestation, focus on good corporate governance, and the well-being of society and communities are all things that we prioritize and practice alongside our business operations.

Finally, our world continues to experience a slowdown in the economy., High inflation, rising interest rates which are a major financial cost, defaults, international political conflicts, etc. remain the overall obstacles for the business sector, and these factors will affect us in one way or another.



(Mr. Shen Guo Rong)

Chairman of the Board

Key Financial Information

Comprehensive Income Statement and Financial Statement

Consolidated Financial Statements (Unit: Million Baht)	2021	2022	2023	2024
Revenue from sales and services	3,426.80	3,411.75	2,649.29	3,024.44
Cost of sales and provision of services	2,743.85	2,864.86	2,186.68	2,476.57
Gross margin	682.95	546.89	462.61	547.87
Net profit for the year	460.88	361.58	249.87	373.33
Total Assets	4,324.25	4,091.67	4,105.53	4,434.30
Total Liabilities	785.43	479.73	494.00	810.53
Equity	3,538.82	3,611.94	3,611.53	3,623.77

Financial Ratios	2021	2022	2023	2024
Net Profit Margin (%)	13.42	10.54	9.34	12.12
Return on assets (%)	11.26	8.59	6.1	8.74
Return on equity (%)	13.57	10.11	6.92	10.32
Debt to Equity Ratio (Times)	0.22	0.13	0.14	0.22
Basic earnings per share (Baht)	0.7	0.55	0.38	0.57
Book value per share (Baht)	5.37	5.49	5.49	5.50



PART 1

Business Operation And Operating results

Part 1

Business Operations Operating Results

1. Structure and operations of the group of companies

1.1 Business Policy and Overview

Hwa Fong Rubber (Thailand) Public Company Limited (“HFT”) was established in 1987 with a registered capital of 658,434,300 baht and a paid-up capital of 658,434,300 baht. The company's main business is manufacturing and distributing tires, inner tubes for bicycles, motorcycles and small transport vehicles such as wheelchairs, forklifts, carts, golf carts, and cars used for hiking, beach, etc. The company has expertise in the production of tires. For more than 37 years, the Company's major shareholder is Hwa Fong Rubber Industry Co., Ltd. (hereinafter referred to as “HFR”), a company listed on the Taiwan Stock Exchange. For more than 30 years, which is a tire manufacturer. Inner tubes for bicycles, motorcycles, cars, and industrial vehicles that are famous in Taiwan. The company has received technology support. and network marketing from the parent company to produce and sell products under the DURO Q-UCK trademark and the DUNLOP trademark owned by Sumitomo Rubber Company of Japan and a shareholder in the parent company. by products under the company's trademark and is acceptable to consumers. In addition, the company's products It is also certified for international quality standards, including ISO 9001: 2015 and ISO 45001: 2018.

The Company has a domestic revenue proportion of 34.29% and overseas revenue of 65.71%. For the domestic market, the Company sells products to OEM manufacturers of bicycles, such as LA BICYCLE, etc. under the B-TWIN trademark, motorcycles, such as HONDA under the DURO, DUNLOP trademarks, and KAWASAKI motorcycles under the DUNLOP trademark, including genuine spare tires for sale in the motorcycle service centers (Genuine Parts), and sells golf cart tires under the DURO trademark to OEM manufacturers of golf carts for assembly of YAMAHA golf carts. The Company has also added a direct distribution channel to golf course operators in the country, including the distribution of motorcycle tires in the replacement market under the DURO, QUICK, and DUNLOP trademarks through motorcycle parts dealers and motorcycle repair shops in every province in Thailand.

1.1.1 Vision Mission, corporate values and objective In operation

VISION

“Committed to leadership Trade in rubber and inner tube products With quality in every region of the world”

MISSION

Committed to excellence in becoming a professional manufacturer

Adhere to operations to promote the quality of life and safety of customers as a priority, create growth and sustainability by promoting and developing new innovations.

Along with caring for the environment for the company's sustainable growth goals.

CORPORATE VALUES

“Quality is first, customer satisfaction is most important.”

(Quality First Customer Satisfaction)



OBJECTIVES

Our objective is to be a professional manufacturer focusing on safety, innovation,
And Environmental protection.

BUSINESS GOAL

1. Expand market share in domestic and international markets more than before, especially in ASEAN countries that receive import tax benefits, such as FTA conditions, which tends to increase market share even more.
2. Focus on developing product quality to be able to compete in the market in the long term and be able to use it as a selling point in competing with competitors in terms of price in the market.
3. Continuously improve the efficiency of the production process, including planning to increase production capacity according to the market demand trends from the forecast in advance. This is to be competitive in both production and cost, including being able to deliver products on time and quickly according to customer needs.
4. Maintaining leadership in key markets with support from parent companies under the DURO trademark and DUNLOP trademark from Sumitomo Rubber Co., Ltd. of Japan, the company is a manufacturer under the Q-UICK trademark.
5. Accelerate the expansion of the customer group of manufacturers or OEMs (Original Equipment Manufacturers) to be more stable and stronger.
6. Sell products that increase profits for the company.
7. Develop new products to meet market demands to create customer satisfaction.
8. Increase public relations to create a good image of the product in the long term by focusing on participation in international trade fairs, especially in the ASEAN market and new customer markets such as the Middle East, South America, and Europe, etc.
9. Committed to building strengths to meet customer needs in compliance with various charters, including projects that benefit the environment and organizations, including creating sustainability or social responsibility, resulting in products receiving quality certification in many countries. It is an advantage in selling products as determined by each country's government, such as the Thai Industrial Standards (TIS), SNI (Indonesia), MS (Malaysia), E-MARK and REACH and ROHS.
10. Maintain sales, control production costs, take care of employees, shareholders and stakeholders to receive benefits.

1.2 Nature of Business

1.1.2 Company Background

Year	Details
1989	<ul style="list-style-type: none"> - Hua Fong Rubber (Thailand) Co., Ltd. was established on June 2, 1987 by There is registered capital 300,000,000 baht, paid in full, major shareholder is the parent Hwafong HFR Industry Co., Ltd., Taiwan, initially held a 99.99 percent stake. The company manufactures bicycle tires and inner tubes under the trademark “DURO” and For motorcycles under the trademark “DUNLOP”
1996	<ul style="list-style-type: none"> - The company has received ISO 9002:1994 certification.
1998	<ul style="list-style-type: none"> - The company expands production of inner tubes and outer tires for motorcycles.
1999	<ul style="list-style-type: none"> - The company began selling motorcycle tires and inner tubes to the Honda motorcycle company. In OEM format
2002	<ul style="list-style-type: none"> - The company has received ISO 9001: 2000 certification. - The Company was converted to a public company on July 29, 2002.
2003	<ul style="list-style-type: none"> - Company Registered additional capital to 387,100,000 baht Approved by the Stock Exchange of Thailand , Thailand is a fully paid registered company.
2004	<ul style="list-style-type: none"> - Construction of the second factory located in Bangpoo Industrial Estate, Samut Prakan Province. - Certified by the Industrial Product Standards (TIS) for motorcycle inner tubes.
2005	<ul style="list-style-type: none"> - The second plant opened in the second quarter, producing beach-climbing tires.
2006	<ul style="list-style-type: none"> - The company registered an increase in capital to 774,200,000 baht, with paid-up capital of 658,434,300 Baht. - The company has received the "SNI" (Standard National of Indonesia) standard.
2007	<ul style="list-style-type: none"> - Registered trademark “Q-UICK”
2008	<ul style="list-style-type: none"> - The company has reduced its registered capital from 774,200,000 baht to 658,434,300 baht. Paid 658,434,300 baht
2009	<ul style="list-style-type: none"> - Registered the conversion of the share value from 10 baht to 1 baht, totaling a registered capital of 658,434,300. Paid-up capital shares 658,434,300 baht

1.1.2 Company Background (Continued)

Year	Details
2010	<ul style="list-style-type: none"> - The company has received ISO 9001: 2008 certification. - Established HFT Holding Company Limited with a registered capital of 50,000,000 baht, fully paid. 50,000,000 baht - The Company has a plan to offer shares to the public in the Republic of China, Taiwan. Depositary Receipts number of shares 210,000,000 shares, which are shares held by Hwafong Rubber Industry Co., Ltd. (HFR) - The Company has a share buyback program for 40,929,800 shares.
2011	<ul style="list-style-type: none"> -The company has changed the production of beach-climbing vehicle (ATV) tires from under the brand Trade “DUNLOP” is a trademark. “DURO” is a trademark of the Company.
2012	<ul style="list-style-type: none"> - The Company sold the repurchased shares through the Stock Exchange (completed on January 15, 2013)
2013	<ul style="list-style-type: none"> - The company began importing machinery to support the expansion of production capacity according to the investment promotion card from Office of the Board of Investment (BOI)
2014	<ul style="list-style-type: none"> - The product has been modified to include bicycle and motorcycle tires. - Apply for investment promotion (BOI) for a bicycle tire production project.
	<ul style="list-style-type: none"> - The company has invested in a joint venture with The Ascent (Thailand) Co., Ltd., 43 percent of the registered capital from the capital Registered capital 20,000,000 baht, paid 50% of the registered capital. - The company has invested in Chital International Co., Ltd. 45 percent of the registered capital from the registered capital. Registered capital 25,000,000 Taiwan dollars, fully paid up registered capital
2015	<ul style="list-style-type: none"> - The company began producing and distributing motorcycle tires as promoted by the investment from Office of the Board of Investment (BOI)
2016	<ul style="list-style-type: none"> - The Board of Directors has resolved to approve investment in Indonesia to establish Huafeng Rubber Company. (Indonesia) Limited (HFI), in which the Company holds 99 percent of the shares, and HFT Holding Company Limited. Holds 1 percent of shares
2017	<ul style="list-style-type: none"> - Purchase land to prepare for the construction of a factory according to the investment plan in Indonesia. - There is an investment in installing solar roofs to produce electricity, which is clean energy for both factories. Power generation capacity of 4.26 megawatts, with investment promotion (BOI) for a 50% reduction in corporate tax of the investment in applying for BOI to produce bicycle tires.

1.1.2 Company Background (Continued)

Year	Details
2018	<ul style="list-style-type: none"> - Proceed with the purchase of land to support the construction of the 3rd factory. - Delaying the construction of a factory in Indonesia - Added bicycle tire production line at the 2nd factory.
2019	<ul style="list-style-type: none"> - Factory 2 has started production of bicycle tires. - The company began producing and distributing bicycle tires as promoted by the investment from Office of the Board of Investment (BOI) - Started building construction and ordered machinery to increase production capacity in the rubber mixing section.
2020	<ul style="list-style-type: none"> - Apply for investment promotion (BOI) in the project to produce bicycle and motorcycle tires. - Import machinery to support increased production in the rubber mixing section - Received ISO 45001:2018 occupational safety standards
2021	<ul style="list-style-type: none"> - Apply for investment promotion (BOI) for the bicycle tires (Year 2023 add motorcycle tires). - Project to produce tires 8.1 million pieces per year.
2022	<ul style="list-style-type: none"> - The Company has registered an increase in capital for HFT Holding Company Limited from the registered capital. 100,000,000 baht, add 200,000,000 baht, paid in full 200,000,000 baht. - Start using buildings and machinery in the rubber mixing section.
2023	<ul style="list-style-type: none"> - The company began selling motorcycle tires and inner tubes to Honda motorcycle companies in OEM (Original Equipment Manufacture) model under the trademark “DURO”. Which is the symbol of the company.
2024	<ul style="list-style-type: none"> - Products are certified for responsible forest management (Forest Stewardship Council). - The company uses 100% renewable energy and is a member of the association. RE100 Thailand - There is an investment in installing solar roofs to produce electricity, which is clean energy for both factories. Power generation capacity of 4.26 megawatts, with investment promotion (BOI) for a 50% reduction in corporate tax of the investment.

1.1.3 The fundraising is in accordance with the objectives disclosed by the Company.

- The Company does not raise additional capital. –

1.1.4 Commitments that the company promisesIn the form of the offer information list Sale of securities and/or office licensing conditions and/orConditions for accepting securities from the Stock Exchange

- Done -

1.1.5 Head office location, Business Type, Company Registration number, Telephone, Fax, Website
Company, Number and type of Shares of the company's are as follows:

Company name	Hwa Fong Rubber (Thailand) Public Company Limited
English name	Hwa Fong Rubber (Thailand) Public Company Limited
Securities abbreviation	HFT
Company registration number	0107545000152
Business type	Manufacture and distribute outer and inner tires for bicycles, motorcycles, and small transport vehicles.
Industrial Group	Automotive
Registered capital	658,434,300.00 baht
Paid-up registered capital	658,434,300.00 baht
Paid-up common shares	658,434,300.00 shares
Par Value	1.00 baht per share
Head office location	317 Moo. 4, Soi 6C Bangpoo Industrial Estate, Phraeksa Subdistrict, Mueang Samut Prakan District, Samut Prakan Province 10280

The company has been established and has expertise in manufacturing tires and inner tubes for over 37 years, supported by HFR, the parent company in Taiwan. HFR has a history of over 78 years and has expertise in manufacturing tires and inner tubes that meet many international standards .such asFor example, the standard mark “DOT” (Department of Transportation) in 1974, the standard mark “CNS” (Chinese National Standard)

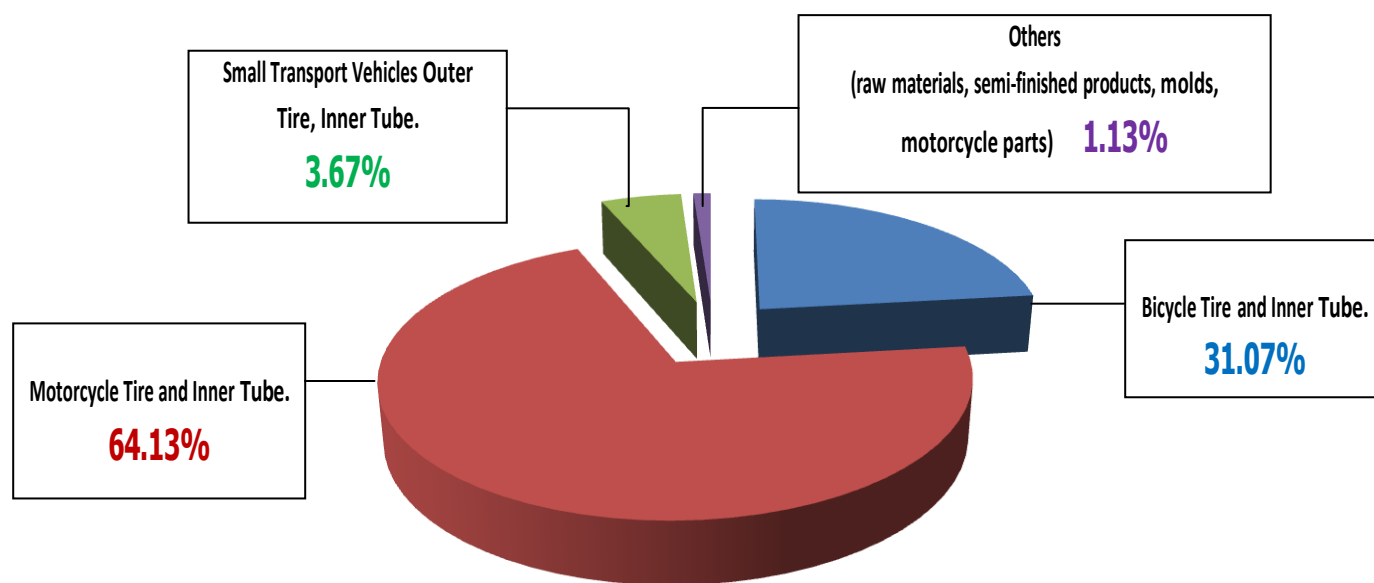
1.2 Nature of business operations

1.2.1 Revenue structure

The Company's product sales value separated by product line, 2022 – 2024 (million baht)

Product Line/Business Group	Year 2022		Year 2023		Year 2024	
	Million	%	Million	%	Million	%
<u>Domestic Sales</u>						
1. Bicycle tire, inner tube	17.83	0.52	9.06	0.34	7.05	0.23
2. Motorcycle outer tires and inner tires	748.07	21.93	831.87	31.4	988.67	32.69
3. Outer tires, inner tires for transport vehicles Small size	22.22	0.65	16.66	0.63	15.75	0.52
4. Others (raw material, semi-finished products, mold, Motorcycle parts)	25.67	0.75	18.52	0.7	25.76	0.85
Total Domestic Sales	813.79	23.85	876.11	33.07	1,037.23	34.29
<u>International Sales</u>						
1. Bicycle tire, inner tube	1,392.19	40.81	604.92	22.83	932.82	30.84
2. Motorcycle outer tires and inner tires	1,006.15	29.49	1,035.02	39.07	950.77	31.44
3. Outer tire, inner tire for transport vehicles size small	169.51	4.97	121.84	4.6	95.1	3.15
4. Others (raw materials), Semi-finished products mold, Motorcycle parts)	30.11	0.88	11.4	0.43	8.52	0.28
Total Export Value	2,597.96	76.15	1,773.18	66.93	1,987.21	65.71
Total Sales Revenue	3,411.75	100	2,649.29	100	3,024.44	100

Proportion of product Sales in 2024



From the sales value of the Company's products above in 2024, it can be seen that the Company's main income structure comes from overseas sales at 65.71 percent and domestic sales at 34.29%. However, when compared to income In 2023, salesmoreThe amount of 375.15 million baht or 14.16% from the following causes:

- Sales of bicycle tires and inner tubes, European customer group increased by 327.90 million baht from a decrease in inventory.

- Sales of motorcycle tires and inner tubes, domestic OEM customers increased by 206.02 million baht from the company receiving an order for new motorcycle tires under the DURO trademark, which will start production in the third quarter of 2023.

- Sales of motorcycle tires and inner tubes, domestic and Asian replacement customers decreased by 124.84 million baht from the economic slowdown, inflation, and the war in Burma.

1.2.2 Product Information

1. Product or service characteristics
The Company's main business is to manufacture and distribute inner tube and outer tube products as follows:
- Tires for bicycles such as mountain bikes, road bikes, etc.
- Tires for motorcycles such as high-speed motorcycles, scooters, and dirt bikes.
- Tires for small transport vehicles such as trolleys, forklifts, tricycles, agricultural vehicles, golf carts
- Beach and mountain climbing tires
- Wheelchair tire

Currently, the production of motorcycle tires, the company has received privileges from the Board of Investment of Thailand (BOI), with a production capacity of 3.159 million tires per year, with a corporate income tax exemption privilege for 8 years from the date of income, with restrictions on setting up a factory in Bangpoo Industrial Estate, Samut Prakan Province (starting from October 1, 2023 onwards, the company has received a 50% corporate income tax reduction privilege for a period of 5 years).

- **Rubber products motorcycle**

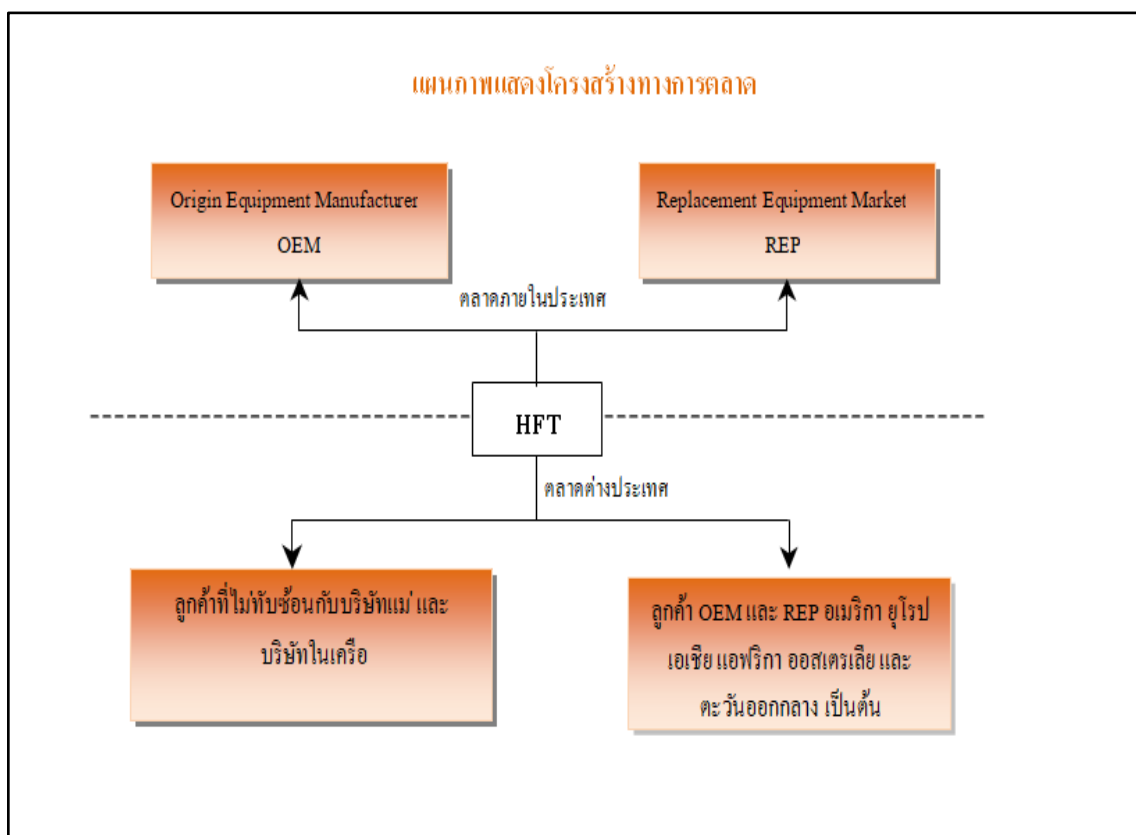
Tires are the company's highest-selling product, both domestically and internationally. In 2024, the company's revenue from tire sales accounted for 80.47% of total sales.

- **productInner tube for small transport vehicles**

Available in a variety of sizes and types to meet the needs of various customer groups. In 2024, the Company's revenue from sales of inner tubes accounted for a percentage of 18.40% of total sales

- **Others (raw materials, semi-finished products, molds, motorcycle parts)**In 2024, the

Company's revenue from sales accounted for a percentage of 1.13% of total sales



► Domestic market

The company's target customer groups are divided into 2 groups:

1. **Producer Group** (Original Equipment Manufacturer) or so-called "OEM" bicycles and motorcycles.

The main income in the country is from direct sales to leading bicycle manufacturers such as LA BYCYCLE, etc. under the trademark B-TWIN and leading motorcycle manufacturers from Japan such as HONDA and KAWASAKI under the trademarks DURO and DUNLOP. The company has a relationship with the S Group of companies. UNITOMO RUBBER which increases confidence in the quality of the product with the reputation of the accepted trademark, including being able to increase the presentation of quality products under the trademark DURO which is the company's trademark at a reasonable price until it is accepted by leading motorcycle manufacturers from Japan, resulting in more opportunities to expand the market.

In 2024, the Company had a market share in the domestic motorcycle OEM market of approximately 31 percent and the Company continued to distribute golf cart tires under the DURO trademark to leading golf cart manufacturers, including THAI YAMAHA MOTOR, and also expanded sales channels to golf cart operators in the past year.

2. **Tire Replacement Equipment Market or “REP”** is the sale of tires. Motorcycles through the company's shops and dealers under the widely accepted trademarks, namely "DURO", "Q-UICK" and "DUNLOP". The company markets itself domestically, using a key marketing strategy of emphasizing product quality at a reasonable price. The company's products have been certified with the international quality system standard ISO 9001: 2015 and the Thai Industrial Standards Institute (TIS), as well as the occupational safety standard ISO 45001: 2018. The company sets the selling price without any intervention from the parent company. The company sets the price based on production costs or domestic competition and marketing as factors in consideration.

► **Foreign markets**

Since the company and its subsidiaries also produce the same tire and inner tube products, In order to avoid overlapping and conflicts of interest among affiliated companies, the parent company has a policy for classifying products and markets of affiliated companies, which is a policy that the parent company uses as a guideline, as follows:

● **Market Classification table of affiliated companies**

Business		Product Categories/Segmentation			Market		
		HFR	HFT	HFC	HFR	HFT	HFC
<u>Bicycle</u> <u>Tire</u>	Category	Advanced level	Intermediate-	Intermediate-	Taiwan Europe	Thailand, Europe, ASEAN and around the world	China America
			Lower	Lower			
	Type	Skin wall tire	Black Rubber	Black Rubber			
		The outer tire does not require an inner tube.	Skin wall tire				
		High quality	Colored Rubber	Colored Rubber			
<u>Motorcycle</u> <u>Tires</u>	Category	Advanced level	High-	Intermediate-	Taiwan, Asia, Middle East,	Thailand Asia, Middle East,	China, Africa, Middle East
			Intermediate	Lower			
	Type	Speed greater than	Less speed	Less speed			
		180 Km/h	180 Km/h	180 Km/h			
<u>Industrial</u> <u>Tires</u>	Category	Advanced level	Low Level	Advanced level	Taiwan, Middle East, America, Taiwan	Thailand, America, Europe and Japan	China America
	Type	Big Truck, Forecliff, Small Race Car	pushcart LawnMower	Large Trucks Large			
			Golf Carts	trailer Mobil			
				home			
	Category	Intermediate	Intermediate –	Intermediate			
			High				
	Type	Speed more than	Speeds under 60 km/h	Speed more than			
		100 km/h		60 km/h			
		Hiking-Beach Tires (ATV)	Hiking-Beach Tires (ATV)	Hiking-Beach Tires (ATV)			
	Type	Speeds up to	Speeds up to	Speeds below			
80 km/h		80 km/h	60 km/h				

Note - HFR means Hwafong Rubber Industry Co., Ltd., which is the parent company located in Thailand.

HQ of Taiwan country.

- HFT means Huafong Rubber (Thailand) Public Company Limited.

- HFC means Huafeng Rubber (China) Co., Ltd.

- High - End Market

- 1) Bicycle tire market that requires advanced production technology, such as Skinwall Tire, which is lightweight, impact resistant and suitable for racing bicycles, and Foldable Tire, which is suitable for freestyle bicycles, mountain bikes, including the production of tubeless ready tires for high-performance bicycles.
- 2) The motorcycle tire market in the tubeless tire segment has developed soft compound rubber formulas that are more flexible according to market demand.

- Mid - Low End Market

Bicycle and motorcycle tire market, ATV and beach vehicle (ATV) tires, and industrial tires. For general consumers, such as motorcycles that are not used for high speed, are inexpensive, and do not require. Considering the weight for competition, however, the production is controlled according to the world standards mentioned above. There are many types of products, including design patterns according to speed. Vehicles using price as a market segmentation tool.

Each subsidiary has a clear marketing target group, which is determined by the parent company's policies. To prevent the subsidiaries from cannibalizing each other. However, even though there seems to be some overlap between the subsidiaries, such as HFT and HFC, which both produce mid- to low-end motorcycle tires, their customer bases are clearly different. HFT has a large customer base in Thailand, as well as in Asia and Europe, while HFC has customers in China and the United States. At the same time, the parent company specializes in the production of bicycle tires, motorcycle tires and industrial tires at a level that requires high technology, resulting in higher quality products and different prices. The target group of the parent company is completely different from HFT and HFC.

In summary, the parent company (HFR) has a policy to determine the customer groups of each branch as well as the prices of the products. To be offered for sale in various countries with HFA Company as the distribution center for the products to the customer base in the United States.

The company exports to two major customer groups:

1. Customer groups supported by parent company

The parent company will send a list of customers according to the types of products the company can produce and the market groups as specified in the table mentioned above. The company will ship the products and collect the money directly from the customers. This group of customers will cover Europe, America, and Africa, etc. Currently, there are many customers who are supported by the parent company.

2. Foreign customer groups that the company can find on its own

The Company is able to conduct overseas marketing in cases where the products are distributed in markets that do not overlap with those of its subsidiaries, such as major customers in the European market, such as Decathlon Group and Vittoria, for bicycle and motorcycle tires in the ASEAN, Middle East and African markets, where the Company sets prices by referring to and comparing the selling prices of similar products. This is to control price competition among companies in the Group. And to make product prices consistent with the competitive situation in the world market, the important factors used in setting prices include the cost of raw materials, product characteristics, price levels similar to competitors, and market conditions at that time, etc.

2. Market conditions and competition

► National competitive situation

1. OEM (Original Equipment Manufacturer) market

The domestic motorcycle market in 2024 has new vehicle registration figures of 1,899,811 Units compared to 2023 number 2,065,021. Itching decreased by 8 percent. Slowed down compared to last year due to the following main factors:

Negative factors:**● Economic Conditions:**

Thai economy in the year 2024 Still recovering slower than expected Affecting purchasing power

Consumer Especially in low to middle income groups Which is the main customer group of the market motorcycle.

● Household debt :

Household debt levels remain high Making consumers more cautious in spending and delay decisions to purchase high-value products such as Motorcycles and motor vehicles

● Interest rate:

Interest rates on an upward trend Making the repayment burden higher Affect

● Export Market:

Although the economies of trading partners have begun to recover But the motorcycle export market Thais still shrink in decision to buy motorcycles

Positive factors:**● Policy to promote electric motorcycles :**

Government policies to promote and support the use of electric motorcycles may help stimulate the overall motorcycle market.

● Competition among financial institutions:

Non-bank competition in motorcycle lending may help consumers access funding more easily

The company has received an order for motorcycle tires under the DURO trademark from a major motorcycle manufacturer to assemble new motorcycle models, with additional demand from the existing ones as these are new motorcycle models that are popular in the Thai market.

2. REP (Replacement Equipment Market)

The competition in the motorcycle tire market in Thailand in 2024 is quite challenging due to the large number of players in the market, both domestic manufacturers and foreign importers. In addition, the overall motorcycle market tends to slow down, causing price competition to become more intense.

Factors affecting the competition:

- **Competitors in the market:** Since there are many motorcycle tire manufacturers and distributors in Thailand, including world-class brands, domestically produced brands, and imported tires from abroad, consumers have many choices. The company uses a strategy to maintain its old customer base that has been doing business with it for a long time, resulting in trust in both the quality and the brand image.
- **Market Demand:** Motorcycle tire demand in 2024 decreased slightly due to the economic situation which is in line with the demand for motorcycles. However, the Company is still committed to increasing sales from the replacement market by promoting the product image to make consumers think of the Company's products when they need to change their next motorcycle tire.
- **Fluctuations in raw material prices and price competition:** The price of rubber, which is the main raw material for the production of motorcycle tires, fluctuates, affecting production costs and selling prices. At the same time, the market is highly competitive, causing many operators to decide to use pricing strategies such as reducing prices and organizing promotions to attract customers. This causes the company to have to adjust its strategy in order to still be able to maintain market share.
- **Growth of the Electric Motorcycle Market:** Although the electric motorcycle market is still small, it is growing rapidly. In the past year, the company has contacted electric motorcycle and electric bike manufacturers, which have been very well received.

Competitive Trends:

- Focus on quality and innovation: The company is a motorcycle tire manufacturer. Therefore, the focus on developing the quality and innovation of the products to create differences and meet customer needs has always been done, such as tires that emphasize safety, high quality, suitable for usage conditions, tires that save fuel, tires that are durable, etc.
- Distribution channels: The company focuses on expanding distribution channels and increasing online sales and public relations channels to reach more target customer groups.
- Branding: Branding and brand loyalty are essential to maintain market share, brand recognition and compete with competitors.
- Specific customer groups: The company has studied and developed motorcycle tires that can meet the needs of specific customer groups, such as big bike groups and racing car groups. This is an opportunity to expand the customer base and further develop the business.

In addition, the company has added a direct sales channel for golf cart tires to golf course operators nationwide. To promote the product image and replace the import of golf cart tires from abroad.

Due to the long-standing acceptance of the product quality, the company's potential in managing transportation and distribution, and the price competition strategy, DURO golf cart tire products have become popular among consumers and will continue to have confidence in the company's products in the future sustainably.

► *Foreign competitive situation*

The company exports to all over the world, including Asia, Europe, America, Africa and the Middle East, with factors supporting the company's exports such as:

- Having a trademark that is accepted worldwide
- Marketing support from parent company and companies in the group that have expertise in conducting I have been working in this business for a long time.
- The product quality is acceptable and can compete in the world market.

The ASEAN motorcycle tire market in 2024 is fiercely competitive but also full of opportunities. The company has adapted by focusing on quality development, innovation, brand building and expanding distribution channels to maintain market share and achieve sustainable growth.

However due to the current high price competition in terms of policies Product Marketing In 2024, when compared to competitors for the same type of product, it was found that in the part of bicycle tires, the company was able to create a selling point in terms of price that customers could access because the company is a large manufacturer, able to produce products in large quantities and continuously, allowing for systematic management of receiving purchase orders and customers being able to plan purchases in advance in the long term. Importantly, the company has relatively high stability in terms of quality when compared to competitors.

As for the bicycle tire product, it is made of Skinwall rubber (thin sidewall - high performance) which is considered That is a quality and lightweight tire And still developing such products at a higher level In 2024, the company will continue to develop tubeless bicycle tires called Tubeless ready (TLR), including foldable bicycle tires and Thinner Bicycle-Tube, which will be able to increase sales for the company. In addition, creating a selling point in terms of business cooperation as an ally, communicating marketing information, therefore, it can expand the market more in terms of increasing customers and distribution centers in many regions, focusing on Europe. In 2024, due to the impact of the economy and war, inflation caused the market to slow down. The amount of stock in customers' stock remained high in the first half of the year, causing the consumption rate to be lower than expected. People's consumption decreased compared to the previous year. But in the second half of the year, there were signs of improvement as foreign customers increased their purchase orders. Part of the reason is that the amount of stock in end customers' stock began to decrease, causing the overall exports in the past year to increase.

The European Union's EUDR, or EU Deforestation Regulation (EUDR) (Free from deforestation) has an impact on motorcycle tire manufacturers in many ways, but the company It is seen as a challenge and an opportunity for Thai bicycle tire manufacturers to adapt. and developed to increase competitiveness in the world market that can comply with the law and adapt quickly, therefore having the opportunity to expand the market and create sustainability for the business and also seeing it as upgrading the production process to be sustainable and environmentally friendly, which is good for the image of the product and the company, including the fact that the company produces products that are certified to be free from deforestation, which may increase in value and be in demand by the market.

For motorcycle tires, the company still focuses on promoting sales to customers by supporting the study of competitors' prices and adjusting the price structure of each market to be competitive and considering the development of new products to the market. However, in 2024, there will still be an impact from price competition from competitors. Therefore, the company considers supporting sales and marketing activities together with customers in the ASEAN region.

The overall proportion of foreign sales is 65.7 percent, with competitors from China, Indonesia, India, Vietnam and Sri Lanka, which have high production capacity and low cost, resulting in relatively low selling prices in order to compete to open markets in the ASEAN region. However, the company has a competitive approach using quality and good service as selling points in order to be able to maintain its existing customer base at the same time.

Company, There is a public relations plan to expand the market so that the product is better known continuously and to create strengths in responding to customer needs in complying with various charters, including projects that benefit the environment and the organization, such as producing products with environmentally friendly properties to comply with the charter on Social Accountability or social responsibility, controlling greenhouse gas emissions in the production process and products, causing the product to receive quality certification in many countries. Which is an advantage in selling products according to each government. The country determines such as Thai Industrial Standards (TIS), SNI (Indonesia), MS (Malaysia), E-MARK, REACH and ROHs (European Union countries). etc.

► Industry trends

There are competitors in the bicycle, motorcycle and industrial tire segment from other manufacturers in China, Indonesia, Vietnam and many other countries. Therefore, the company still has a plan to add new products and maintain the quality as the main principle in order to gain market share, especially in the middle and low-end market. In addition, the company still faces price competition in the market for both outer tires and inner tubes. Therefore, the company has to increase the level of products to the high-end market in the following ways:

- Continuously developing new products with an emphasis on creating a unique product identity
Different from competitors
- Development of packaging formats to meet market demands
- Maintaining the best quality and in accordance with the international standards for which the company has been certified.
- Reaching Customer Satisfaction Including collaboration with customers to create business strategies
Joint market to achieve goals
- Quickly and thoroughly track and review competitor pricing movements in the market .
More and more

This includes conducting competitor analysis (Benchmarking) to be used as a guideline for adjustment.

The company's next strategy

● DOMESTIC

The amount of motorcycle and bicycle tire and inner tube consumption depends on the condition of the motorcycle and bicycle manufacturing industry as well as the overall economic situation . The current investment and production base structure of the motorcycle industry in Thailand is still the group of manufacturers from Japan.

From the number of new motorcycle registrations in 2024, which decreased by percent8. The company has therefore considered the overall economic situation, which requires the implementation of marketing and sales strategies. By focusing on maintaining the potential old customer base, emphasizing on maintaining product quality, creating product image, controlling selling prices to be competitive, and not emphasizing price competition that will cause negative effects on marketing in the long run.

● EXPORT

The export rate of both motorcycle tires and inner tubes still tends to expand each year. However, in the past year, the bicycle tire and inner tube products showed the opposite direction . This is because the amount of inventory in the destination countries is still at a high level due to the market demand that is not as

competitors and to try to reach the market in developing countries in the ASEAN region, the Middle East and Africa, the bicycle tire product is an important part that can still expand in the European market, which is a group of countries that campaign for energy conservation and environmental protection. Each year, the sales trend of electric bicycle tires and environmentally friendly tire products has been increasing continuously. The company still develops new products to meet the needs of customers in the market, especially products in the high-end market, whether they are high-performance products that can dominate the high-end market or popular products, etc.

1.2.5 Investment policy in subsidiaries and associated companies

The Company has a policy of investing in subsidiaries and associated companies to support the Company's business and increase its competitiveness to be more flexible in management. It is a short-term and long-term investment that is beneficial and can generate income for the Company. By investing in bonds or instruments with value, as well as other businesses under the company's objectives.

➤ Investment Policy in Subsidiary Companies

The Company has established a subsidiary company in Indonesia under the name of Hwa Fong Rubber (Indonesia) Co., Ltd. as it is the country with the 4th largest population in the world. There is investment policy in the business for manufacturing and distributing outer tires and inner tubes is an investment in a proportion that the company can participate in managing and determining the direction of the said business. At present, the company has slowed down investment in Indonesia due to the company's focus on investing in expanding production in Thailand. As for investment in land that has already been purchased, the company will operate in the part of the warehouse for storing imported goods from Thailand for distribution, including studying additional sales and distribution channels.

➤ Investment policy in affiliated companies

The company has a policy to focus on expanding investment in businesses related to importing, exporting, purchasing and distributing bicycle products, motorcycles, tires for all types of vehicles, including spare parts and related equipment. The investment is in an appropriate proportion and the Company has registered to dissolve The Ascent (Thailand) Co., Ltd. on 27 February 2018. The Company received some of its investment back from the dissolution of The Ascent (Thailand) Co., Ltd., which is currently in the process of liquidation.

1.2.6 Provision of products or services

The company has a factory located at 317 Moo 4 Soi 6 C, Bangpoo Industrial Estate, Phraeksa Subdistrict, Mueang District, Samut Prakan Province, consisting of the head office building, factory office, warehouse and raw materials, chemical and rubber mixing plant, inner tube production plant, outer tire production plant, and the second factory located at 865/1 Moo 4 Soi 11 B, Bangpoo Industrial Estate, Phraeksa Subdistrict, Mueang District, Samut Prakan Province, consisting of the factory office, warehouse and raw materials.

1. Total production capacity

The company's actual production capacity and production volume for the Year 2022 – 2024

Full Capacity (Unit : Line/Year)	2022	2023	2024
In 2024, The Production line for BC and MC outer tires will be added for the BOI 7 projects			
- Outer Tires	27,957,000	27,957,000	29,703,000
- Inner Tires	29,400,000	29,400,000	29,400,000

2. Procurement of raw materials and products for use in production

The company emphasizes on the quality control system of the products by selecting raw materials, inspecting and controlling the quality before approving the purchase order and importing into the production process. In addition, there is a policy to reserve raw materials from abroad for about 4-8 weeks and raw materials in the country for about 2 weeks for the main raw materials in production. There are about 10 types, according to the proportion of imports and domestic orders in the 2024, From the following distributor countries:

No.	Type	Purchase proportion (%)	From the country
1	Nylon (Nylon Cord)	58.44	China
		23.1	Thailand
		18.46	Taiwan
2	Synthetic rubber (Butyl Rubber)	64.65	China
		30.38	India
		4.97	Singapore
3	Synthetic rubber (Synthetic Rubber)	54.52	Korea
		23.53	Thailand
		21.95	Taiwan
4	Rubber (Natural Rubber)	100	Thailand
5	Carbon powder (Carbon Black)	74.55	China
		14.19	India
		10.34	Thailand
		0.92	Taiwan
6	Calcium carbonate (Calcium carbonate)	100	Thailand
7	Wire (Bead Wire)	54.53	Thailand
		45.47	China
8	Chemicals (Zinc Oxide)	100	Thailand
9	Reclaimed tires (Reclaimed Rubber)	50.72	India
		31.01	Taiwan
		17.67	China
		0.6	Thailand
10	Soil iodine (Crown Clay)	100	Thailand

Although the Company does not have any long-term raw material purchase contracts with any suppliers, the Company has at least 2 main raw material suppliers that it trades with. Therefore, the Company

has never experienced a shortage of raw materials because it has many sources of raw materials both domestically and internationally. For some raw materials that the companies in the group must use, the parent company will be the agent in procuring and negotiating prices for the companies in the group, allowing the Company. Buy raw materials at a cheaper price. The company will pay for the raw materials directly to the distributor.

The company has 2 sources of raw material purchases below,

1. Buy raw materials directly from manufacturers and suppliers.
2. Buy through a broker

Company Ordering raw materials directly rather than through middlemen can control costs and create good relationships between the company and raw material manufacturers and distributors.

- The value of raw material purchases is divided by direct purchase and broker purchase in 2021 – 2024.

	2021		2022		2023		2024	
Source of raw materials	MB	%	MB	%	MB	%	MB	%
Buy directly	1,739.75	85.09	1,095.98	85.14	944.61	81.74	1,342.72	86
Buy through a broker	304.74	14.91	191.35	14.86	211.05	18.26	218.11	14
Total	2,044.49	100	1,287.33	100	1,155.66	100	1,560.83	100

- Value of domestic and international raw material orders in 2021-2024.

	2021		2022		2023		2024	
Source of raw materials	MB	%	MB	%	MB	%	MB	%
Domestic	738.44	36.12	482.11	37.45	484.5	41.92	554.39	35.5
Foreign	1,306.05	63.88	805.22	62.55	671.16	58.08	1,006.44	64.5
Total	2,044.49	100	1,287.33	100	1,155.66	100	1,560.83	100

Raw material orders in 2024 are expected to be around 35% higher than in 2023, mainly due to increased production volumes. As for raw material prices, natural rubber has increased as Europe announced

that it will implement the EU Deforestation Regulation (EUDR) in 2025, one of which includes rubber. However, this has been postponed for another year, causing rubber prices to return to normal. For synthetic rubber prices, there has been a slight increase due to the increase in the price of BD (Butadiene) in the powder section. Carbon black has been decreasing due to increased production volume.

In 2024, raw material prices are relatively stable, with no problems with delivery and delivery times, and supply and demand are relatively balanced. For 2025, prices are likely to fluctuate due to tariffs by giant countries such as the United States and China after Donald Trump's second term as president. However, each country's defense and countermeasures need to be considered.

3. Environmental impacts of the production process and disposal of waste materials

- None –

4. Environmental disputes or lawsuits

- None -

5. Undelivered work

- None -

3. Assets used in business operations

The assets of the Company, subsidiaries and associated companies include land, buildings, tools, equipment, decorations, office equipment and vehicles

The Company's main assets as of 31 December, 2024 are as follows:

Property Type/Characteristics	Proprietary characteristics	Accounting value (MB)	Encumbrances
Land in the area where the factory and factory improvements are located has an area of 29 rai 3 ngan 16.3 square wa and the 2nd factory has an area of 32 rai 1 ngan 76 square wa.	company owns the ownership	112.15	without
The 3rd factory land has an area of 27 rai 3 ngan 72.8 square wa. (Still not being utilized in 2024)	company owns the ownership	206.98	without
4 Units of Suit rooms in 2places	company owns the	6.71	without
Buildings Located on the same land as the factory area.	company owns the ownership	410.62	without
Machinery & Equipment	company owns the	637.73	without
Office Furnishings & Supplies	company owns the	2.42	without
Vehicle	company owns the	6.07	without
Assets under construction and Machines in process	company owns the ownership	197.99	without

The main assets of the subsidiary as of 31 December, 2024 are as follows:

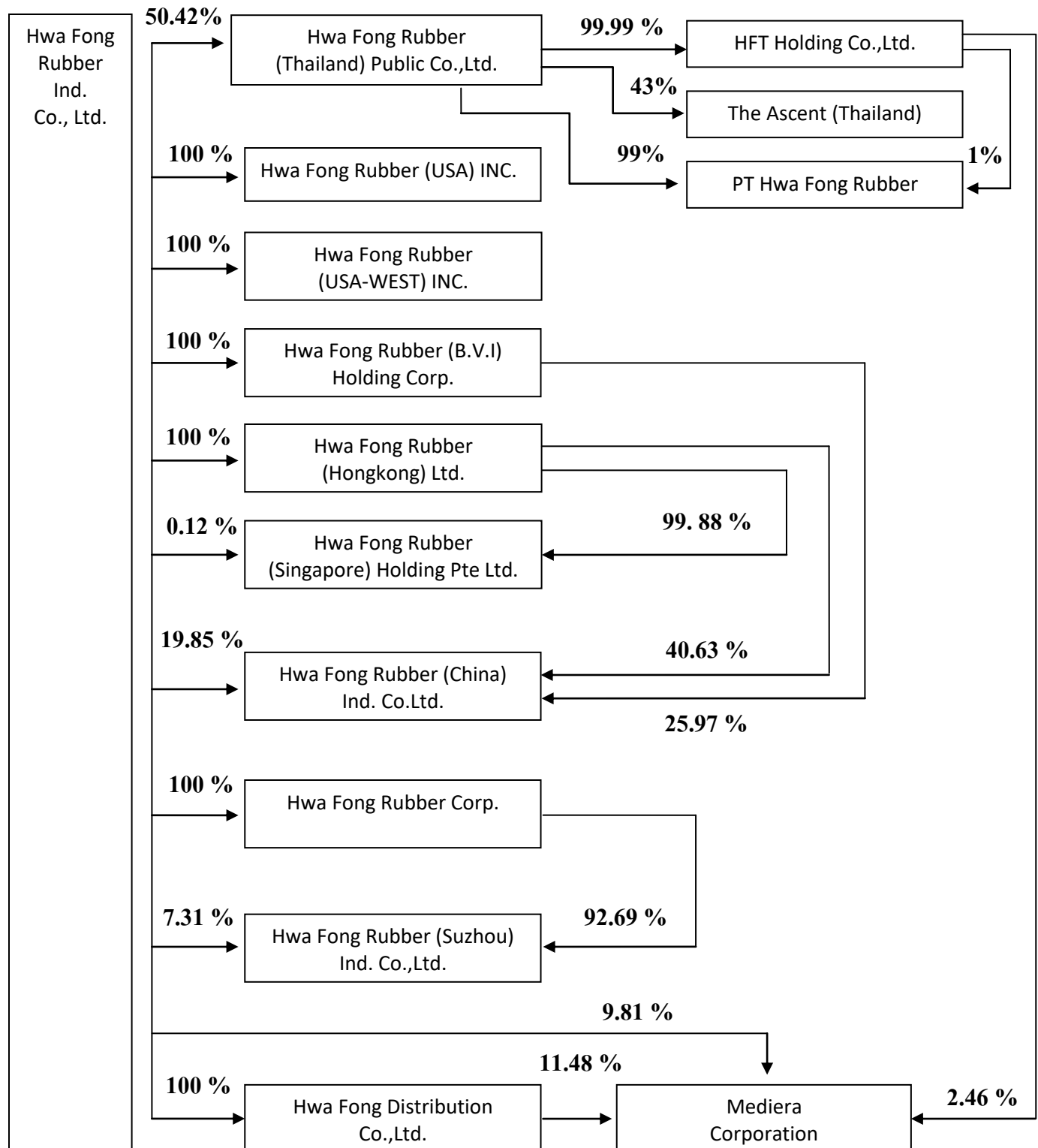
Types of property / Characteristics	Proprietary characteristics	Accounting Value (MB)	Encumbrances
Land in Indonesia has an area of 80,729 sq m. (Still not being utilized in 2024)	Subsidiary Company	138.50	without
	Own the property		

Intangible assets that are important to the business

- None –

1.3 Group Shareholding Structure

Currently the company Its major shareholder is HFR, the parent company located in Taiwan. With the follow:



2. Risk Management

2.1 Risk Management Policy and Plan

The Company has assessed the risks under changes that may have both internal and external impacts on all processes in the Company's business operations. By reviewing and assessing risks at the operator level, monitoring the performance under the supervision of those in charge continuously, and holding joint meetings with the Company's management, including considering and reviewing compliance with the Company's regulations for efficiency and consistency with the risk management system continuously, the Internal Audit Department has monitored each department to operate with consideration of possible risks. By setting these measures, the Company has an internal control system and risk management that are efficient and provide maximum benefit to the Company.

2.2 Risk factors for the Company's business operations

2.2.1 Strategic Risk

● Risk from major and new competitors

The company has several competitors who are major manufacturers of bicycle and motorcycle tires and inner tubes. The opportunity for new manufacturers to emerge depends on the market demand for the products. New manufacturers must be ready in terms of capital, technology, personnel, marketing, and accepted trademarks. There is no trend for new competitors in the country to increase. In addition, the original manufacturers have had relationships with customers for a long time. Therefore, it is not easy for new manufacturers to enter the market. At present, China has entered the domestic market with low-cost products. However, the company still maintains product quality and production standards to be accepted by consumers.

For new competitors abroad, the company is a subsidiary of Hwa Fong Rubber Industry Co., Ltd. or "HFR" in Taiwan, which has operated and has expertise in this business for a long time, as well as having production and distribution bases in many countries, resulting in a comprehensive marketing network with sufficient potential to compete in the international market. However, the company is still affected by the competition in terms of selling prices, especially competitors with production bases in China, which have high potential in terms of production costs. This is because most raw materials, especially nylon, carbon powder, and chemicals, which are the main raw materials for the production of both outer and inner tires, are imported from China because products from China are cheaper than other sources. However, the company has protected itself from fluctuations in raw material prices by reviewing and adjusting product selling prices, which has resulted in the company's product prices being competitive in the market. In addition, the company still has the potential to maintain product quality. Therefore, the company is considered to have a competitive advantage in the global market, no less than other competitors, and has been able to maintain its current customer base.

● Risk of competition among affiliated companies

Since the affiliated companies manufacture products in the same industry group, the parent company still adheres to the management policy, market division and product levels among affiliated companies clearly. It also controls affiliated companies to operate according to the specified criteria. At present, there are a large number of both large and small customers. You are interested in the company's products from factories in Thailand, but the company must notify you. Always check the list of customers that may be repeated in the same market first. This is to prevent problems of competition among companies in the group. The division of the market depends on factors of market area advantages, import tax factors, product types and prices. This is to separate marketing and sales responsibilities to create balance and facilitate the business operations of companies in the group and customers. This is to avoid the risk of market competition among each other.

● Risk of competition from Sumitomo Rubber Company

For Sumitomo Rubber, it is still a shareholder in the parent company. Although it has expertise in the tire and motorcycle tire manufacturing business, since Sumitomo Rubber is an alliance group and focuses more on tire manufacturing, it focuses more on being a business partner and supporting the motorcycle tire

manufacturing for the parent company and affiliated companies rather than being a competitor. Currently, the motorcycle tires that the company is authorized to manufacture and distribute are different types of tires from those that Sumitomo Rubber manufactures in other factories. Therefore, the risk factor of market competition is unlikely. In addition, the business relationship has been long-standing. As for the company itself, it still sells products under the trademark “DUNLOP” which is a copyright of Sumitomo Rubber. The company can also use its knowledge to develop products under the trademark, which is the company’s copyright, to be even better.

2.2.2 Operational Risk

● Risk of machinery damage

Since the company operates two shifts per day, if the machinery is damaged and production is halted, it will cause damage to production capacity. The company has a system for inspection and planning. Regular annual inspection of machinery, along with monthly machinery maintenance and repair plans, are prepared. Before starting production, the company will conduct inspections and major repairs twice a year, using the opportunity of long consecutive holidays, such as Songkran and New Year, which will not affect production.

2.2.3 Financial Risk

● Risk from foreign exchange rate fluctuations

The company's income still comes mainly from the export business, 65.71% In 2024 and 66.93% In 2023, it will still consist of two main foreign currencies: the US dollar (USD) and the euro (EUR). Therefore, exchange rate fluctuations will still be a significant factor that may affect the position. The Company's financial status, however, still has to control and monitor the baht exchange rate against foreign currencies continuously in order to be able to estimate and solve the problem of exchange rate losses in a timely manner. The Company still manages exchange rates by matching assets and liabilities in the same currency (Natural Hedge), namely the US dollar (USD), which can reduce exchange rate risk to some extent.

● Risks regarding product and raw material prices fluctuating according to world market prices

Overall raw material prices, natural rubber increased due to Europe's announcement to implement the EU Deforestation Regulation (EUDR). Synthetic rubber slightly increased due to higher BD (Butadiene) prices. Nylon Cord and Bead Wire prices were stable. Carbon black powder price has been adjusted down due to the quantity. Increased market exposure Side Anxiety of The global economy from the war situation in Ukraine has entered its third year of fighting this year. Multi-sector Able to adapt and continue business Compatible

However, The Company has managed risks by procuring additional sources of raw materials and continuously procuring new sources of raw materials to control production costs and prevent shortages of raw materials.

2.2.4 Compliance Risk

● Occupational health and safety risks and personnel quality

The company emphasizes on developing a solid foundation for the organization by developing potential and promoting knowledge. Including creating good and consistent awareness among personnel for work performance in line with the set goals and objectives, as well as recognizing the importance of safety in the work area to reduce risks that may arise from work, with the goal of being a safe workplace with no accidents (Zero-Accident) through instilling safety awareness in employees in the organization, adhering to safety policies and safety culture, and organizing safety training.

● Investment risks for securities holders

The Company has a major shareholder, Hwa Fong Rubber Industry Co., Ltd. ("HFR"), a parent company in Taiwan, holding 50.42 percent of the Company's shares. Therefore, the parent company can control the majority of votes in the shareholders' meeting. However, the parent company's policy is not to interfere and to provide independence in operations. The parent company will be more supportive and provide assistance, and will also find foreign customers for the Company. As for purchasing raw materials, the Company will be independent and make its own decisions if the Company receives better terms and prices. Currently, the proportion of purchasing raw materials is mostly purchased directly from manufacturers and

distributors of raw materials. However, from past operations, it can be seen that the parent company has set clear policies and operations, and has divided the market into customer groups. In addition, the parent company is a public company listed on the stock exchange in Taiwan, which will also comply with the law.

● **Management risk that relies on executives or major shareholders**

The Company is a subsidiary of Hwa Fong Rubber Industry Co., Ltd. (“HFR”), which holds 50.42 percent of the Company’s shares. The parent company is located in Taiwan, with several subsidiaries in various countries. The Company has been engaged in the business of manufacturing and distributing tires and inner tubes under the trademarks “DURO”, “Q-UICK”, and “DUNLOP” for a long time. In order to ensure that the products have the same quality and standard prices, as well as prevent competition within the group, the companies in the group must share production technology. Marketing policies and pricing are mutually agreed upon between Hwa Fong and Parent Company. Since the Company's business operations depend on the parent company to determine the management policy, the Company is at risk if there is a change in major shareholders. However, the parent company still has a clear policy of supporting foreign marketing for its subsidiaries in order to make the overall group strong in foreign marketing and prevent competition from businesses in the same group, including being able to compete with companies outside the group. In addition, the Company has increased the proportion of domestic and foreign sales. The company will market itself without any intervention from the parent company, including in terms of selling prices, and seek foreign markets that do not overlap with those supported by the parent company and affiliated companies.

For another important shareholder is Sumitomo Rubber Company, which holds 10.18 percent of the parent company and is considered a major shareholder. The parent company and the company (HFT) may be affected if Sumitomo Rubber withdraws its shares because some of its income comes from products under the DUNLOP trademark and technology support for the parent company and the company (HFT). However, Sumitomo Rubber Company has had a good relationship and has been doing business with the parent company and the company (HFT) for a long time.

In summary, if the Company did not receive assistance from the major shareholders as mentioned above, the Company would be able to continue its business due to the Company's financial stability and marketing capabilities as can be seen from the Company's continuous expansion of the domestic market.

● Risks of investing in foreign securities

The Company invests in two foreign securities companies through HFT Holding Co., Ltd., a subsidiary of the Company.

2.2.5 Emerging Risk

● Information System Security Risks and Cyber Threats

The Company realizes that cyber threats have a significant impact on the digital society. Maintaining security against cyber threats plays a very important role for businesses and organizations. The Company Therefore, an information system security policy has been established to prevent the risk of business disruption that may arise from such incidents.

● Environmental and Climate Risk

The Company is aware of environmental risks and climate change that may affect business operations, production costs and long-term competitiveness, which can be divided into several areas as follows:

1. Climate Change Risk may affect raw materials that are natural raw materials and natural disasters may cause delays in the procurement of raw materials and delivery of goods.
2. New regulatory and compliance risks, with tighter enforcement and ESG (Environmental, Social, and Governance) standards that investors and consumers are increasingly placing importance on sustainability.
3. Energy and Green Transition Risk may result in higher production costs and pressure from certain investors and customers, causing the Company to adapt to attract investors and customers.
4. The risk from changing consumer behavior may affect the types of vehicles used and customers' demand for more environmentally friendly products.

The Company's approach to reducing environmental risks

1. Improve the production process to be environmentally friendly
 - Use renewable energy such as solar power.
 - Develop production technologies that reduce greenhouse gas emissions and waste.
2. Efficiently manage raw materials and supply chains
 - Diversify rubber sources to reduce risks from natural disasters
 - Promote sustainable rubber plantation and use of environmentally friendly alternative materials.
3. Develop environmentally friendly products
 - Research and develop tires that can be recycled or use low-carbon materials.
 - Develop technologies that help extend the life of tires.
4. Comply with environmental regulations and ESG standards
 - Transparent environmental performance reporting to increase investor confidence and customers
 - Comply with international standards such as FSC, EUDR

CompanyCompanies are faced with multidimensional environmental risks, including the impacts of climate change, environmental regulations, and changing consumer behavior. Effective risk management and adaptation to sustainable approaches will help companies stay competitive in the long run.

Driving Business for Sustainability





3. Driving business for sustainability

3.1 Sustainability management policy and objectives

Hwa Fong Rubber (Thailand) Public Company Limited and its subsidiaries are committed to and give importance to conducting business and creating growth along with sustainable development, as well as creating benefits under the dimensions of environment, society, and governance (Environmental, Social, and Governance or ESG) by taking into account all stakeholders, both within the factory area and surrounding communities and society, in order to drive the business along with returning benefits to society and the environment sustainably, both short-term and long-term strategies and to be consistent with the 17 Sustainable Development Goals of the United Nations (SDGs).

In 2024, the company aimed to raise standards and develop its business while taking into account the community and the environment in all of its activities. Therefore, it has established a policy that is responsible and caring for society, the community, and the environment, along with setting a main mission to conduct business under an ethical framework and good governance, transparency, and audit ability in accordance with the principles of good governance set by the Stock Exchange of Thailand

At present, we still realize the importance of doing business, and adhere to the guidelines for sustainable organizational development under Corporate Social Responsibilities, focusing on conducting business with serious care for stakeholders, economy, society and the environment in all dimensions.

Key factors driving business sustainability



ENVIRONMENT

We take environmental care and management seriously in order to minimize the impact on nature and the environment.



SOCIAL

We care about all our employees both physically and mentally. Feelings including the working environment, to have good quality and those who come



GOVERNANCE

We are committed to conducting business with transparency and fairness, which can be verified in every dimension of the organization, including: Take care

The sustainability policy is set out as follows:

1. The company has improved its production process with the aim of reducing waste in the production process in order to minimize the impact on the community, society and the environment as much as possible.
2. The company increases the installation of solar panels (Solar Cell) to be used as alternative energy 15-20 % of total electricity usage in the company
3. The company focuses on supporting and instilling social, environmental and natural resource awareness in employees.All levels
4. The company operates its business fairly and transparently, and is committed to developing sustainable business growth while paying attention to the community, society, and the environment.
5. The company places importance on training and instilling awareness in all levels of personnel under the supervision of the company to use resources and energy for maximum benefit, taking into account all stakeholders.
6. The Company recognizes the importance of increasing opportunities for people with disabilities by allocating appropriate positions to provide opportunities for people with disabilities to participate equally in the labor market and reduce social inequality.



3.2 Managing impacts on stakeholders in the business value chain

Paying attention to the sustainability needs of all stakeholders is another thing that has both direct and indirect effects on the company. It shows the way that stakeholders want to determine important issues to meet their needs directly, as well as providing new services for stakeholders with diverse needs, along with living together with communities, society and the environment sustainably.

3.2.1 Business Value Chain Analysis

The Company places importance on sustainable development, not only in its internal business operations, but also in its management throughout the business value chain to create a balance and reduce environmental, social and governance impacts. The Company operates by starting with an assessment of stakeholders' expectations in the value chain, analyzing key risk issues and determining a response approach that is consistent with business operations. This is to support sustainable business operations in all dimensions.

Value chain



3.2.2 Stakeholder analysis in the organization's value chain

The Company has conducted a relationship analysis with all sectors related to the stakeholder groups, both directly and indirectly, in order to create effective management. The Company has arranged for the listening of opinions from these stakeholder groups at least once a year.1 time regularly, which shows a commitment to creating cooperation and building relationships with all stakeholders (Stakeholder Engagement) by taking into account the needs and expectations of all stakeholder groups in all aspects.

This approach is an important part that drives the company's strategy towards the goal of developing an efficient and balanced sustainability management process in all dimensions.

Stakeholders



Takeholders Disadvantages	Expectations Of stakeholders	Response to Stakeholder groups	Performance Results To stakeholders
Employee	<ul style="list-style-type: none"> ● Employees receive fair benefits and compensation. 	<ul style="list-style-type: none"> ● Develop appropriate personnel and welfare 	<ul style="list-style-type: none"> ● There are no complaints regarding human rights.
	<ul style="list-style-type: none"> ● Working environment 	<ul style="list-style-type: none"> ● Treat all employees equally 	<ul style="list-style-type: none"> ● Provide appropriate
	<ul style="list-style-type: none"> ● Participation and motivation 	<ul style="list-style-type: none"> ● Work safety 	<ul style="list-style-type: none"> ● welfare for employees
	<ul style="list-style-type: none"> ● Respect for fundamental rights under the law 	<ul style="list-style-type: none"> ● Listen to opinions and complaints 	
Customer	<ul style="list-style-type: none"> ● Product quality 	<ul style="list-style-type: none"> ● Realize and prioritize product quality as number one. 	<ul style="list-style-type: none"> ● Trusted and reliable for quality and safety.
	<ul style="list-style-type: none"> ● Product care, such as waste management 		
	<ul style="list-style-type: none"> ● Considering environmental impacts 	<ul style="list-style-type: none"> ● Pay attention to the production process to ensure that consumers receive the highest quality and safety. 	
Partners	<ul style="list-style-type: none"> ● Promote cooperation with business partners who prioritize the environment. 	<ul style="list-style-type: none"> ● Establish policies and practices for treating business partners fairly. 	<ul style="list-style-type: none"> ● It is widely accepted and trusted in service and product quality.
	<ul style="list-style-type: none"> ● Help in various matters 		
	<ul style="list-style-type: none"> ● Communication for Relationship Coordination 	<ul style="list-style-type: none"> ● Provide cooperation and support in trade 	

Takeholders Disadvantages	Expectations Of stakeholders	Response to Stakeholder groups	Performance Results To stakeholders
Community Environment	<ul style="list-style-type: none"> No negative impact from operations Supporting activities and developing communities and the environment Environmentally friendly products and packaging 	<ul style="list-style-type: none"> Establish policies that are responsible for the community and the environment. Build rapport and cooperation with communities and the environment 	<ul style="list-style-type: none"> Give importance to controlling waste emissions to be within the standard criteria. Use resources wisely and reduce waste in the process as much as possible.
	<ul style="list-style-type: none"> Promote continuous development and care of the business. There are principles of good corporate governance. 	<ul style="list-style-type: none"> growth Development that goes hand in hand with sustainability in all dimensions of the organization 	
Trade competitors	<ul style="list-style-type: none"> Exchange of information that is beneficial to the public Comply with the trade framework honestly, transparently and in accordance with trade conditions. 	<ul style="list-style-type: none"> The Company's information is disclosed in the annual report (Form 56-1). Set trade policy 	<ul style="list-style-type: none"> Collaborate to develop efficiency, reduce costs, and preserve the environment.
Government Agencies	<ul style="list-style-type: none"> Efficient resource management Environmental Pollution Management Compliance with laws and regulations Cooperation 	<ul style="list-style-type: none"> Responsibility towards the community, society and the environment Comply with laws and regulations Follow legal changes 	<ul style="list-style-type: none"> Disclosure of information as required by law, accurately and transparently.



3.3 Sustainability management in the environmental dimension

3.3.1 Environmental Policy and Practices

The company emphasizes and is committed to conducting business in conjunction with caring for the environment. The company has assessed the organization's carbon footprint (Carbon Footprint for Organization) to lead to the determination of sustainable and environmentally friendly management guidelines, focusing on reducing greenhouse gases from activities within the organization effectively from both the department to the organization level. The company has set a policy on reducing greenhouse gas emissions as a guideline for operations to create sustainability for the community, society and the environment as follows:



1

Set a plan and target for reducing greenhouse gas emissions and communicate it to all employees. To ensure cooperation in implementing the prescribed measures correctly.



2

Reducing greenhouse gas emissions is the responsibility of all executives and employees of the Company, who at all levels must cooperate in implementing the Company's measures, monitor, and report to the Greenhouse Gas Reduction Committee.



3

Improve and develop the environmental management system to comply with the law and Regulations related to the Company's operations



4

Provide necessary and appropriate promotion and support, including human resources, budget, training and employee participation in providing feedback for the development of greenhouse gas emission reduction work.



5

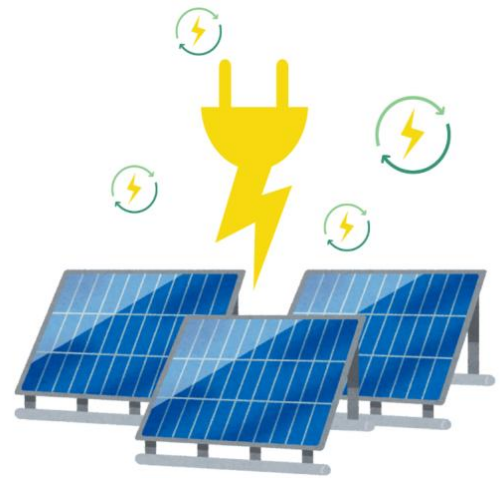
Installing a solar power generation system (Solar Cell Rooftop) is a change to using renewable energy. No fossil fuels are burned, which reduces carbon dioxide (CO) emissions.)

3.3.2 Environmental performance results

The company has given importance and commitment to environmental management in all dimensions to reduce greenhouse gas problems. We have set an environmental conservation plan which is the company's intention. We, who want to be socially responsible, therefore, give importance to prevention, reduction of waste, support and compliance with legal requirements and international standards. The company's main energy use comes from electricity in the factory, which is a machine in the company's production process.

Environmental Performance Results

1. Solar power generation system has been installed to reduce the use of electricity from burning natural gas fuel. The goal is to use 20-30% renewable energy to reduce the amount of electricity used in the production and office processes with the option of using clean energy instead.



2. Improving environmentally friendly products and packaging using 100% renewable energy.% (Duro Eco design.) Reduce the use of natural resources such as materials and energy, reduce waste, pollution and greenhouse gas emissions by considering the environmental impact throughout the product's life cycle (Life Cycle), from raw material procurement, production, transportation, use to end-of-life management.



Internal waste management

In 2024, the organization has managed all waste correctly and in accordance with the law. Waste generated at every step is clearly classified and appropriate disposal methods are specified. It is divided into general waste, industrial waste, and infectious waste. In the past year, the organization had 450,170.30 kilograms of general waste and 8.7 kilograms of infectious waste. Systematic waste management not only reduces the impact on the environment, but also helps to enhance the organization's good image as a socially and environmentally responsible person.

Waste Generation



Greenhouse gas emission reduction policy

The Company operates its business with a commitment to sustainable development, adhering to the principles of good corporate governance and emphasizing responsibility towards all stakeholders, including society and the environment. Dealing with climate change and reducing greenhouse gas emissions are currently very important. The Company has therefore set a goal to reduce greenhouse gas emissions by implementing sustainable and efficient approaches as follows:

1. Improve production processes and energy use

Improving production processes and equipment to be more energy efficient in order to reduce energy consumption and greenhouse gas emissions and introducing new technologies such as automation and renewable energy sources into the production process.

2. Promote the use of renewable energy and reduce dependence on natural resources.

Investing in renewable energy such as solar power, wind power and biomass power and promoting the use of energy from renewable sources in the long term to help reduce greenhouse gas emissions.

3. Create awareness of energy conservation

Organizing activities to raise awareness of energy conservation and climate change management for the committee, executives, employees and business partners and the creation of training programs focused on reducing greenhouse gas emissions and coping with climate change.

4. Waste management and recycling

Promote waste collection and management for reuse and reduce waste generation that has an impact on the environment and develop highly efficient recycling projects and use of environmentally friendly materials.

5. Monitoring and evaluating climate change

Continuously monitoring climate change, including assessing the potential impacts on the Company and taking actions to reduce the risks that may arise from climate change and planning for related risks.

6. Create knowledge and raise awareness

Organizing activities and training programs to enhance employees' knowledge on climate change., business partners and all stakeholders and promoting all parties' participation in reducing greenhouse gas emissions.

7. Commitment and cooperation with government agencies and organizations

The Company is committed to being a part of achieving Thailand and the world's greenhouse gas emission reduction targets by cooperating with the government sector., organizations, the Stock Exchange of Thailand, and the Securities and Exchange Commission (SEC) and compliance with legal requirements and international regulatory changes in greenhouse gas emissions control.



The Company realizes the importance of reducing greenhouse gas emissions and is committed to playing a part in helping to solve the problem of global warming and climate change that is becoming more severe. All operations will help the Company achieve its greenhouse gas emission reduction target and support sustainable development at both the corporate and global levels.

Greenhouse Gas Management

The Company has implemented concrete measures to reduce greenhouse gas emissions, both directly and indirectly, by focusing on reducing energy consumption in the production process and within the office, as well as promoting energy conservation in the community. In addition, it has implemented projects to increase greenhouse gas storage, such as expanding green areas in the factory, in order to achieve greenhouse gas reduction targets and support sustainable development continuously.

The company has also received a certificate from the Thailand Greenhouse Gas Management Organization (Public Organization) or TGO (Thailand Greenhouse Gas Management Organization), an agency that supports the management and reduction of greenhouse gas emissions in various organizations, demonstrating its commitment to transparent operations and international standards to reduce long-term environmental and social impacts.



Certificate Number:
TGO CFO FY24-02-369

องค์กร
rganization

THAILAND GREENHOUSE GAS
MANAGEMENT ORGANIZATION
(Public Organization) TGO

CERTIFICATE

Awarded to

HWA FONG RUBBER (THAILAND) PUBLIC COMPANY
LIMITED

Company address verified: 317 Moo 4, Soi 6C, Bangpoo Industrial Estate, Phraeksa Sub-
district, Muangsamutprakarn District, Samutprakarn 10280

Thailand Greenhouse Gas Management Organization certifies that
the quantity of Greenhouse Gas of the above organization has been verified
by TUV NORD (THAILAND) LTD.
and found to be in accordance with the requirements of the standard detailed below.

Standard

TGO Guidance of the Carbon Footprint for Organization

Verification Period: [01/01/2023 - 31/12/2023]

Total Greenhouse Gas Emission (Scope 1&2): 28,801 tonCO₂e/year

Direct GHG emissions	6,108 tonCO ₂ e/year
Energy Indirect GHG emissions	22,693 tonCO ₂ e/year
Other Indirect GHG emissions	30,446 tonCO ₂ e/year

The agreed level of assurance is: Limited, at materiality of 5%

Registration Date: 21 June 2024

Natarika

Mrs. Natarika Wayuparb Nitiphon
Acting Executive Director
Thailand Greenhouse Gas Management Organization (Public Organization)

Water Operation Results

The Company places importance on efficient water usage within office buildings and production buildings to meet environmental standards and reflect social responsibility. The Company regularly monitors and records water usage to analyze trends in water usage each year and use this information to improve water resource management practices for greater efficiency.

With a commitment to sustainability, the Company places importance on reducing the impact on water resources by collaborating with relevant agencies to develop innovations in environmentally friendly water management to help reduce the amount of wastewater released into natural water sources and reduce the burden of tap water use from public water sources. This not only helps reduce water resource consumption but also helps protect the ecosystem and create a balance for the environment in the long term.



The Company believes that responsible water resource management not only helps businesses operate efficiently, but also plays an important role in creating a sustainable society and promoting a better quality of life for communities and the surrounding environment.

Water use area	Year 2566	Year 2567	Unit
Factory tap water1	44,078	97,346	m3
Factory tap water2	63,001	123,332	m3



3.4 Sustainability management in social dimensions

3.4.1 Social policies and practices

The Company realizes the importance of conducting sustainable and socially responsible business by adhering to the principles: The Company places importance on human rights, equality and fairness in all dimensions. The Company operates in accordance with the Universal Declaration of Human Rights by giving importance to fair treatment in employment, compensation, promotion, training and personnel development without discrimination on the basis of gender, age, race, religion or educational institution.

The company not only cares about its employees and communities, but also strives to conduct business sustainably while caring for the environment, with the goal of achieving: Carbon Neutrality and GHG Net Zero, which is revised annually to align with the corporate strategy. With a long history of business operations and continuous development, the Company continues to meet the needs of society with reliable products at reasonable prices and operations that reduce environmental impact. The Company's goal is not limited to creating business success, but also to create sustainability in all dimensions, including energy, society and the environment, so that the world and society in the future are truly better.

According to the policies set out as follows



1. Promoting equality and diversity in organizations (Diversity & Inclusion)

The Company is committed to supporting and promoting diversity, equality and inclusion in the organization by avoiding discrimination in all dimensions, whether it is gender, race, age, beliefs, religion, social status or physical and mental abilities, in order to create a work environment that is inclusive and supports everyone to be able to show their full potential.

2. Community Development Participation

The Company focuses on minimizing impact on the communities in which it operates through the development of sustainable projects, supporting activities that meet community needs, and promoting the well-being of local people, in order to create good relationships between the organization and the communities in the long term.

3. Creating a work-life balance (Work-Life Balance)

Support employees' work-life balance to promote mental and physical health, life satisfaction, and improve long-term work performance.

4. Transparency and ethics in business operations

The Company conducts its business with transparency, fairness and adherence to ethics to build trust among employees, communities and stakeholders, including compliance with relevant legal standards and regulations.

3.4.2 Social performance results**Respect for human rights**

The Company adheres to the policy of supporting and respecting the protection of human rights by focusing on treating all relevant parties, including employees, communities, and society equally, taking into account the equality and basic freedom of all persons without discrimination in terms of race, nationality, religion, language, skin color, gender, age, education, physical condition, or social status. In addition, the

Company emphasizes preventing the Company's business from being involved in human rights violations, such as child labor, forced labor, and sexual harassment.

The Company has established measures to monitor and follow up on compliance with human rights requirements, and encourages all sectors to participate in expressing their opinions and provides safe complaint channels for those who are at risk of human rights violations related to the Company's business operations.

In addition, the company operates in accordance with human rights principles in all aspects, from hiring, taking care of employees, to creating an organizational culture that promotes a sense of belonging to the same family. In 2018,2024 The Company has significant operations in the area of employee care, which reflects its commitment to creating a fair working environment and promoting the full potential of all personnel.

Employees and workers



**The company has a total
number of employees**
1,889 peoples



Total Employee:
Male
1,120 Peoples



Total Employee:
Female
787 Peoples



Total Employment all 1,872 peoples



**Employees with a
Physical disability all 17 persons.**

1. Foreign executive staff	7	people
2. Thai executive level employees	65	person
3. Supervisors and Department Heads	126	person
4. Office staff	152	people
5. Employees in the production process section	1,539	people

Employee training to develop skills

In the year 2024 The Company places importance on developing the potential of its employees through training courses designed to enhance skills necessary for work and career growth. There are a total of 9 training courses, covering both specialized skills and management skills, so that employees can apply them effectively in their work.

The training content focuses on the following:

- 1. ISO 9001:2015 Requirements** Learn the requirements of ISO 9001:2015 and its application in your organization.
- 2. Principles and Methods for Conducting QCC Activities** Principles and methods for conducting QCC (Quality Control Circle) activities to improve work quality
- 3. FSC COC Requirements** Understanding FSC Chain of Custody (COC) Requirements and Compliance with the Standard
- 4. Technical skills (Technical Skills)** Training on new technologies and the use of various systems related to work
- 5. Communication skills (Communication Skills)** Developing communication skills both within the organization and when working with clients

- 6. Problem solving and decision making skills** Analytical thinking and systematic problem solving
- 7. Leadership and Teamwork** Developing leadership and working effectively with others
- 8. Time Management & Prioritization** Techniques for time management and improving work efficiency
- 9. Development of Customer Service Skills** Creating a good experience for customers and dealing with challenging situations.

Training Results: Training program in this year; it was found that employees had an average of 6 hours of training or knowledge development activities per person per year, which is in line with the target of 6 hours per person per year, demonstrating the company's commitment to continuously strengthening the potential of its employees.

Drive to the future: Continuous Development The Company realizes that continuous learning and skills development are key factors that help employees adapt to changes in the world of work. The Company therefore plans to improve and expand training courses to cover more essential skills, as well as to incorporate digital technology into learning to make training more effective and accessible.

Investing in employees is an investment in the future of the organization. The company is therefore committed to supporting and promoting continuous skill development of its employees so that everyone can grow with the organization in a stable and sustainable manner.

Community and social engagement Activities

The Company has always emphasized its participation in the community and society, striving to conduct business in conjunction with sustainable social development. The Company believes that organizational development along with supporting activities that create value for the community and society as a whole will promote the growth of society in a better way. As a socially responsible organization, Hua Fong continues to conduct activities to develop the community and society through various projects that focus on creating sustainable benefits, such as supporting educational development projects, promoting health, and caring for the environment. The Company believes that cooperation from all sectors will lead to positive changes, which will positively affect sustainable development in the long run. With the intention of being a socially responsible organization, Hua Fong will continue to be committed to conducting activities that play an important role in developing the community and society for sustainable growth.

Certificate and Scholarship Awarding Project for Employees' Children for the Year 2024



On December 14, 2024, the Company announced its policy to promote education by providing scholarships to employees' children from kindergarten to bachelor's degree level in 2024. The purpose of providing this scholarship is to help reduce the burden of educational expenses and boost the morale of employees and their families, which is an important force in creating sustainable growth



It also promotes educational advancement so that employees and their children have the opportunity to develop the knowledge and skills needed in the future. With a commitment to promoting education, Hua Fong Rubber (Thailand) Public Company Limited continues to implement this policy to strengthen the organization and create a society with

Opening the house to welcome "Hat Yai Spare Parts Club"

Visit the tire production process and industry



On September 21, 2024, the company was very pleased to welcome "Hat Yai Spare Parts Club" on the special occasion of visiting the factory to learn about the concept, process and technology of manufacturing motorcycle tires, bicycle tires and various types of industrial tires.

The visit provided the club members with an opportunity to experience the company's world-class manufacturing standards, which focus on quality, safety and technological innovation to ensure that every product leaving the factory is of the highest quality and meets market demands.

The company also hopes that this visit will be a good opportunity to exchange knowledge, create understanding in the rubber industry, and strengthen good relationships between the company and spare parts business groups in the Hat Yai area. The company sincerely hopes that all visitors will gain knowledge, experience, and convenience throughout the visit. The company would like to thank the "Hat Yai Spare Parts Club" for the honor of visiting us and



"HFT Completes Safety, Connects to the Community 2024" Project

HFT supports motorcycle tires to Bangpoo Police Station to enhance traffic efficiency for public safety. Hwa Fong Rubber (Thailand) Public Company Limited realizes the importance of safety in travel and police work. Therefore, we have organized a project to support motorcycle tires for Bangpoo Police Station, Samut Prakan Province to enhance efficiency in traffic inspection and facilitation for the public.



The official handover ceremony was held with police officers from Bangpoo Police Station as representatives to receive the motorcycle tires. These motorcycle tires will be used on the police station's patrol motorcycles to help officers perform their duties more efficiently, whether it is patrolling, checking the safety of the roads, or providing assistance to the public in emergency situations.

The company is committed to playing a part in promoting road safety and hopes that this support will help police officers perform their social missions better and ensure the public's safety while traveling.

The company would like to thank Bangpoo Police Station for giving us the opportunity to be a part of road safety development and sincerely hopes to continue our cooperation on such a good project in the future.

CSR project "Brother Hua Fong shares kindness to younger siblings"

On August 23, 2024, the company organized a Corporate Social Responsibility (CSR) activity under the project "Brother Hua Fong Sharing Kindness to Younger Children", in which representatives of Hua Fong employees joined the activity to deliver happiness and support education for children in the community. This project was organized to provide opportunities and encourage children at Wat Sawang Arom School, a small school that teaches from kindergarten to grade 6, with a total of 90 students. This activity was not just about giving, but also about creating smiles, happiness, and warmth for the children through meaningful sharing and



In the event, company representatives provided scholarships, learning equipment, and necessary equipment for the school to be used to the greatest benefit for teaching and learning. In addition, lunch and delicious snacks were provided for the children to complete their happiness and

The company believes that this activity is the beginning of creating educational opportunities and helping to fulfill the dreams of youth in the community, which is an important foundation for future development. Although this sharing may be just a small step, it is a great step to create sustainable changes for society.

The company would like to thank the teachers and students of Wat Sawang Arom School for giving the company the opportunity to be a part of their support. We sincerely hope that we will be able to continue such good activities in



4. Management Analysis and Discussion

4.1 Business Performance

The Company's and its subsidiaries' operating results according to the annual financial statements
End date 31December, 2024 The summary is as follows:

➤ Main Income

The main income of the Company and its subsidiaries is Income in 2024 Amount 3,024.44 Million baht, consisting of income from foreign sales 1,987.21 million Baht and domestic sales 1,037.23 Million baht, with total income increasing from 2023 amount 375.15 Million baht or 14.16% This is due to the increasing purchasing power of European customers for bicycle tires and inner tubes, and the increasing sales of motorcycle tires and inner tubes, which are the result of the increasing purchasing power of OEM customers in the country.

➤ Cost of sales and selling and administrative expenses

Cost of sales of the Company and subsidiaries in 2024 amounted to 2,476.57 million baht and in 2023, the amount was 2,186.68 million baht, a increase of 289.89 million baht or 13.26 percent, related to the increase in sales in 2024 and the company's gross profit margin increased from the year 2023 , 0.65% comes from the weakening US dollar.

The company continues to focus on implementing various measures to reduce production costs, such as establishing an energy conservation group to control energy usage for maximum benefit. Reduce unnecessary energy consumption and establish a policy to inspect production processes, by reducing indirect production steps and developing production formulas for both outer and inner tubes to increase production potential.

Selling and administrative expenses of the Company and subsidiaries in 2024 amounted to 177.69 Million baht and in 2023 the amount 174.91One million baht, an increase of 2.78 Million baht, calculated as a 1.59 %

The Company and its subsidiaries' exchange rate loss in 2024 amounted to 39.76 million baht, which came from a subsidiary in Indonesia reducing its registered capital by 50% or approximately 65,810 million IDR. The exchange rate was 15,595 IDR/USD, but the exchange rate on the date the Company paid for the shares was 13,162 IDR/USD, resulting in the Company having an exchange rate loss of 38.40 million baht.

In 2024, the Company had a net profit of 373.33 million baht, an increase of 123.46 million baht or 49.41 percent from 2023, mainly from an increase in gross profit of 85.25 million baht and an increase in interest income of 26.50 million baht. The Company had a net profit per share of 0.57 baht.

4.2 Financial status

► Asset

The Company's assets are equal to 4,434.30 million baht, an increase from the previous year 2023, amount 328.77 million baht. This was mainly due to an increase in inventories and trade receivables totaling 178.74 million baht, in line with an increase in sales of bicycle and motorcycle tires and inner tubes, and an increase in fixed assets of 88.67 million baht, mostly from the company adding new machinery to the tubeless motorcycle tire production process and installing a solar rooftop to generate electricity and use it in the finished product production process.

► Debt

The Company's liabilities were 810.53 million baht, an increase of 316.53 million baht from 2023, due to an increase in short-term loans from financial institutions to pay trade creditors for raw material costs and solar rooftop installation costs.

► Shareholders' equity

The Company's shareholders' equity was 3,623.77 million baht, an increase of 12.24 million baht from 2023.

Financial Ratio

List	Unit	2022	2023	2024
Liquidity ratio				
Liquidity ratio	equal	5.34	5.41	3.51
Quick ratio	equal	3.65	3.87	2.5
Cash flow liquidity ratio	equal	1.31	1.15	0.48
Trade receivables turnover ratio	equal	5.54	5.78	6.23
Average collection period	day	64.99	62.23	57.79
Inventory turnover ratio	equal	6.91	6.44	7.53
Average selling time	day	52.11	55.91	47.8
Creditor turnover ratio	equal	9.47	10.37	9.45
Debt repayment period	day	38	34.71	38.11
Cash Cycle	day	79.11	83.43	67.47
Profitability Ratio				
Gross profit margin	%	16.03	17.46	18.11
Operating profit margin	%	11.28	10.86	12.24
Cash to earnings ratio	%	194.71	174.82	77.73
Net profit margin	%	10.54	9.34	12.12
Return on Equity	%	10.11	6.92	10.32
Efficiency Ratio				
Return on assets	%	8.59	6.1	8.74
Return on fixed assets	%	31.03	24.14	31.14
Asset turnover rate	equal	0.82	0.65	0.72
Financial Policy Ratio				
Debt to Equity Ratio	equal	0.13	0.14	0.22
Interest Coverage Ratio	equal	1,385.70	44,243.71	117.44
Dividend payout ratio	%	69.2	79.05	49.38

5. General Information and other important information

5.1 Information General

Company name	Hwafong Rubber (Thailand) Public Company Limited
Securities abbreviation	HFT
Company registration number	0107545000152
Nature of business operations	Manufacture and distribute outer tires and inner tubes for bicycles and motorcycles.
	Small transport vehicles and bicycles
Registered capital	658,434,300 baht, consisting of all common shares issued 658,434,300 shares, par value 1 baht per share
Head office location	No. 317 Village No. 4, Soi 6 C, Bangpoo Industrial Estate Phraeksa Subdistrict, Mueang District, Samut Prakan Province 10280
Factory No. 2	No. 865/1 Village No. 4, Soi 11 B, Bangpoo Industrial Estate Phraeksa Subdistrict, Mueang District, Samut Prakan Province 10280
telephone	0-2709-6580-8
Email	hwafong@duro.co.th
website	www.duro.co.th
Subsidiary Company	<p>► HFT Holding Company Limited No. 317 Village No. 4, Soi 6 C, Bangpoo Industrial Estate, Phraeksa Subdistrict Mueang District, Samut Prakan Province 10280</p> <p>► Huafong Rubber (Indonesia) Co., Ltd. is registered in Indonesia.</p>
Registrar of Securities	<p>Thailand Securities Depository Co., Ltd. (TSD) No. 93 Ratchadaphisek Road, Din Daeng Subdistrict, Din Daeng District, Bangkok 10400 Tel: 0 2009 9000 Fax: 0 2009 9991 SET Contact center: 0 2009 9999 E-mail : SETContactCenter@set.or.th Website : http://www.set.or.th/tsd</p>
Auditor	<p>Securities Administrator : Mr. Boonrak Muenwichit Ms. Anutai Phumisurakul, Certified Public Accountant No. 3873 Mr. Kris Chachawalwong Licensed Auditor No. 5016 Mr. Songsa Choknitsawat Licensed Auditor No. 11251 PricewaterhouseCoopers ABAS Limited No. 179/74-80, 15th Floor, Bangkok City Tower, Sathorn Tai Road Bangkok 10120</p>

5.2 Important information another

5.2.1 Other information that may affect investors' decisions Significantly

The Company has entered into technical assistance agreements with the parent company and other companies. The main points are mainly focused on product development, production processes and machinery. Important technical cooperation contracts include:

1. Trademark License Agreement

The contract will specify the rights that the Company can use the trademark “DURO” for distribution both Domestic and international

Contractual Partners	: Hwafong Rubber Industry Co., Ltd. (“HFR”)
Contract duration	: Period of 1 year. When the contract expires, if there is no termination notice from either party. One would be considered an automatic contract renewal on a one-year basis.
fee	: The Company shall pay a fee of 2 percent of the product sales. Under the trademark “DURO”

2. Technical Cooperation Agreement

The contract will cover the rights for the Company to receive the transfer of production technology from the research results of the parent company, including factory design, use of machinery and equipment used in production, production procedures, raw material mixing formulas, personnel training, product development, and use of trademarks for distribution both domestically and internationally.

Contractual Partners	: Hwafong Rubber Industry Co., Ltd. (“HFR”)
Contract duration	: Period of 1 year. When the contract expires, if there is no termination notice from either party. One would be considered an automatic contract renewal on a 1 year basis.
Fee	: Technical assistance fee is calculated at 1 percent of product sales. That receives technical services from the parent company

3. Trademark License Agreement

It is a contract between Sumitomo Rubber Industries Ltd. and its parent company, which also covers its affiliates, effective September 24, 2003, whereby Sumitomo Rubber allows the use of the trademark, currently “DUNLOP,” for production and sales both domestically and overseas, subject to a trademark usage fee of 1.5–3 percent of sales of products under the “DUNLOP” trademark.

5.2.2 Limited information on foreign shareholders

In the event that the company There is a policy to request a resolution from the shareholders' meeting to offer additional shares or issue transferable subscription rights (Transferable Subscription Right or TSR) to shareholders in proportion to their shareholding. Holding shares without issuing and offering them for sale to shareholders that would cause the company to have obligations under foreign laws.

- The company has no policy to carry out such actions –

5.3 Legal disputes

5.3.1 The case in which Huafeng Rubber (Thailand) Public Company Limited has filed a lawsuit in court. Samut Sakhon Provincial Court In the case number P.548/2559, the case between Hua Fong Rubber (Thailand) Co., Ltd., the plaintiff and Yoko Alloy Wheels Co., Ltd., the defendant, Samut Sakhon Provincial Court has ruled that the defendant must pay 89,510,286.36 baht (eighty-nine million five hundred thousand two hundred eighty-six baht and thirty-six satang) together with interest at the rate of 7.5 percent of the principal of 88,169,044.46 baht (eighty-eight million one hundred sixty-nine thousand forty-four baht and forty-six satang) counting from May 13, 2016 and this case is in the process of announcing the auction of the debtor's assets, with the third auction scheduled at the defendant's office on March 17, 2025 at 10:00 a.m.

- Samut Sakhon Provincial Court in case number P.548/2016, a case between Hwafong Rubber Company (Thailand) Co., Ltd., plaintiff, and Yoko Alloy Wheels Co., Ltd., defendant, Samut Sakhon Provincial Court has issued a judgment ordering the defendant to pay 89,510,286.36 baht.Baht (eighty-nine million five hundred thousand two hundred eighty-six baht thirty-six satang) together with interest at the rate of 7.5 percent of the principal of 88,169,044.46 baht (eighty-eight million one hundred sixty-nine thousand forty-four baht forty-six satang) counted from May 13, 2016 and this case is in the process of announcing the auction of the debtor's assets by setting the third auction date at the defendant's office on March 17, 2025 at 10:00 a.m. Samut Sakhon Provincial Court in Case No. P.696/2016, the case between Hwa Fong Rubber (Thailand) Co., Ltd., the plaintiff, and Yoko Alloy Wheels Co., Ltd., the defendant, the Samut Sakhon Provincial Court has ruled for the defendant to pay 43,963,770.31 baht together with interest at the rate of 7.5 percent of the principal of 43,844,396.65 baht (forty-three million eight hundred and forty-three Fourteen thousand three hundred ninety-six baht and sixty-five satang) counting from the date of 17 June 2016 and this case is in the process of announcing the auction of the debtor's assets, with the third auction scheduled at the defendant's office on 17 March 2025 at 10:00 a.m.
- Samut Sakhon Provincial Court in case number P.895/2016, a case between Hwafong Rubber Company (Thailand) Co., Ltd., plaintiff, and Yoko Alloy Wheels Co., Ltd., defendant, Samut Sakhon Provincial Court has ruled for the defendant to pay 6,745,796.55 baht (six million seven hundred forty-five thousand seven hundred ninety-six baht and fifty-five satang) together with interest at the rate of 7.5 percent of the principal of 6,701,663.68 baht (six million seven hundred one thousand six hundred sixty-three baht and sixty-eight satang) counting from July 26, 2016 and this case is in the process of announcing the auction of the debtor's assets, with the third auction scheduled at the defendant's office on March 17, 2025 at 10:00 a.m.

- Samut Sakhon Provincial Court, Civil Case No. P.331/2019, Case between Hwafong Rubber (Thailand) Public Company Limited, Plaintiff, and Yoko Alloy Wheels Company Limited No. 1 and 4 others, Defendants (Charge for revocation of the registration of transfer of ownership of machinery) Samut Sakhon Provincial Court on July 17, 2023, the Plaintiff and Defendant No. 2 were able to reach an agreement and made a settlement agreement, whereby Defendant No. 2 agreed to pay the Plaintiff a total of 45,000,000 baht by installments to be completed within February 2029, resulting in the current compliance with the settlement agreement. As for Defendant No. 1, the Plaintiff withdrew the lawsuit.
- Samut Sakhon Provincial Court, Criminal Case No. A.631/2019, Case between Hwafong Company Rubber (Thailand) Public Company Limited, plaintiff, and Yoko Alloy Wheels Company Limited No. 1 and a group of 4 defendants (offense of defrauding creditors by transferring ownership of machinery) on the date On September 28, 2020, the Samut Sakhon Provincial Court ruled that the four defendants were guilty of embezzlement. Later, on August 29, 2022, the Court of First Instance scheduled a reading of the verdict of the Court of Appeal Region 7. The Court of Appeal Region 7 did not agree with the verdict of the Court of First Instance, so the verdict was reversed to dismiss the case against the 1st and 2nd defendants. The plaintiff appealed the verdict of the Court of Appeal. The 2nd defendant has a history of fleeing. An arrest warrant was issued for the 2nd defendant to come and hear the verdict. After the 1-month period has elapsed, the court will schedule a hearing in absentia on March 25, 2025 at 9:00 a.m.
- Criminal case of the Crime Suppression Division, case between Hwafong Rubber (Thailand) Public Company Limited. The accuser and Yoko Alloy Wheels Co., Ltd. No. 1 and a group of 4 suspects, the case is under additional witness testimony. The investigator has ordered not to indict the suspect and has sent the case to the Samut Sakhon Provincial Prosecutor for consideration.
- Bangpoo Police Station's criminal case between Hwafong Rubber (Thailand) Public Company Limited, represented by Ms. Usa Chaiyakittirungroj, the attorney and accuser, and Mr. Thongchai Chokviriyakarn, the accused. The Bangpoo Police Station's investigation officers have already issued an arrest warrant for Mr. Thongchai Chokviriyakarn, the accused. They are currently searching for and arresting the accused.

- Samut Sakhon Provincial Court case, criminal case number A.1720/2567, a case between Hwa Fong Rubber (Thailand) Public Company Limited, plaintiff, and Yoko Manufacturing Company Limited No. 1 and two others, defendants (offense for violating the Cheque Act), where both defendants confessed to the charges filed by the plaintiff. The two defendants agreed to pay the plaintiff a debt of 1,600,000 baht in 11 installments, starting from January 2025 to February 2025 at 100,000 baht per installment. Starting from March 2025 onwards, no less than 150,000 baht will be paid by transferring money to the Siam Commercial Bank Public Company Limited, account number 356-200-2198, account name Hwa Fong Rubber (Thailand) Public Company Limited. The court therefore saw fit to give the two defendants an opportunity to pay the plaintiff by setting a date to hear the results of the debt payment or the verdict on May 26, 2025 at 9:00 a.m.

5.4 Secondary market

-Done-



PART 2

Corporate Governance



Part 2

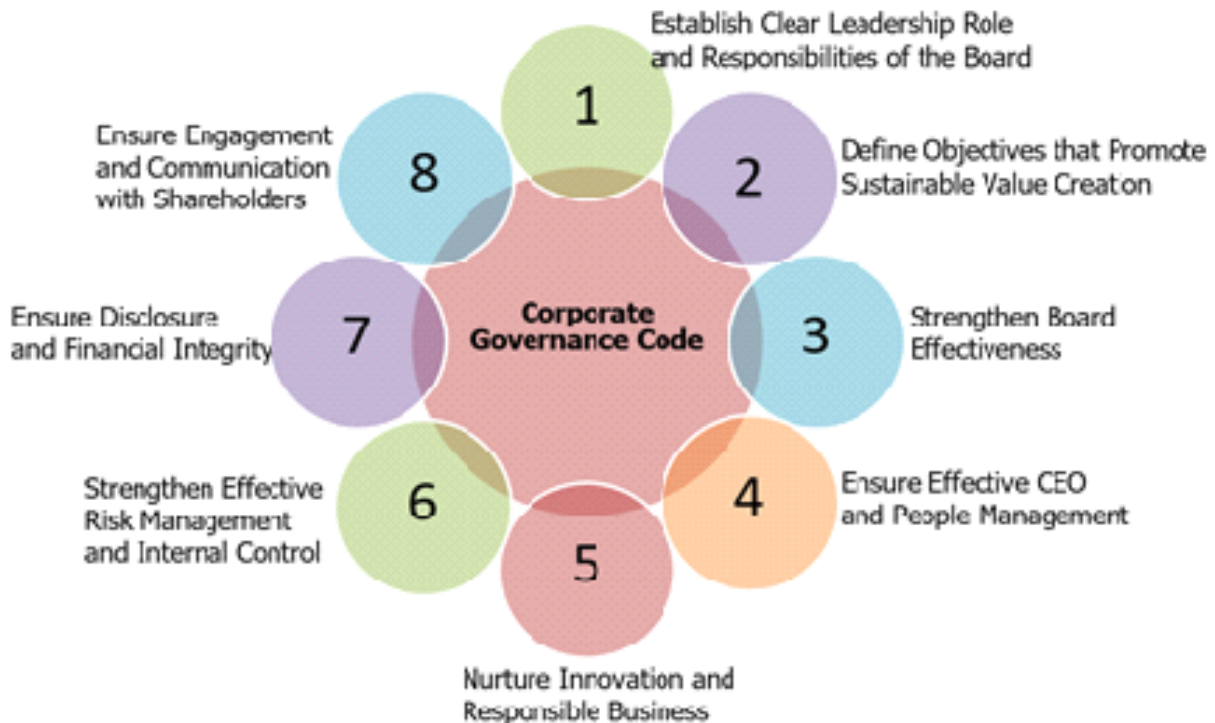
Corporate Governance

6. Corporate Governance Policy

6.1 Overview of Corporate Governance Policy and Practices

6.1.1 Policies and procedures relating to the Board

Company Adhere to conducting business with responsibility and fairness to the company's stakeholders. All parties are controlled under the Company's Good Corporate Governance Policy and communicated through the Code of Conduct, which all levels of employees must adhere to. This is a measure for supervision to create value and sustainability for the business. The Board of Directors has considered establishing the policy in conjunction with the Good Corporate Governance Code of the Securities and Exchange Commission ("SEC"), which has 8 principles for implementation as follows:



Code of Conduct 1: Establish Clear Leadership Role and Responsibilities of the Board

The Board of Directors has set the vision and mission of the Company to ensure that the Board of Directors, executives and employees have the same goal and review it annually.

1. Set the vision, mission, objectives, goals, strategies, operating policies and budget of the Company by providing independent expression of opinions to jointly determine the direction of the organization through a workshop between the Board of Directors and senior executives every year.
2. Set the objectives and goals to be reviewed continuously every year to monitor the management to comply with the plan in accordance with the direction and strategy of the organization.
3. Set the discussion and express the management's opinions independently to determine the direction of the organization and prepare for situations that may have economic changes.
4. Provide advice, opinions and management guidelines for use in preparing clear plans and allocating important resources to achieve the objectives and goals of the Company.
5. Communicate the policies, goals and operating directions to all levels of employees throughout the organization.
 - Executives: through meetings
 - Employees: through meetings / public relations
6. Monitor and evaluate the results by requiring the management to report the results of the operations to the Executive Committee. At least quarterly

Code of Conduct 2 : Define the main objectives and goals of the business that are sustainable.

The Board of Directors realizes the importance of setting the governance to ensure that the organization's main objectives and goals (objectives) are sustainable and consistent with creating value for the business, customers, stakeholders and society as a whole. The guidelines for practice are as follows:

1. Emphasize the ability to grow sustainably alongside society, including the creation of Value that benefits all stakeholders is a key factor in determining The objectives and goals of the Company's business operations and will promote communication, including Strengthen the organization's core objectives and goals to be reflected in decision-making and Developing the work of personnel at all levels into an organizational culture
2. Create annual strategies and plans that are consistent with the Company's main objectives and goals. The organization takes into account the current business environment, opportunities and risks. Acceptable, including issues related to society, the environment and stakeholders and will Encourage the review of objectives, goals and strategies as appropriate business situation.

3. Ensure that objectives, targets and medium-term strategies are achieved and / or The annual business is in line with the achievement of the organization's main objectives and goals, with:
Appropriate and safe use of innovation and technology

Code of Conduct 3 : Strengthen Effective Boards

The Board of Directors is responsible for determining and reviewing the structure of the Board of Directors, including the consideration of selection and supervision of the performance of duties for appropriateness and necessity to lead the organization to achieve the main objectives and goals set. The guidelines for practice are as follows:

1.1 Board Structure

- (1) The board of directors shall consist of at least five directors and must include the following:
At least 1/3 of the total number of directors must be independent.
- (2) The Chairman of the Board of Directors must not be the same person as the Chairman of the Executive Board and the Managing Director in order to separate the roles and responsibilities between the Board and the department Management In the event that the Chairman of the Board of Directors of the Company is not an independent director.
- (3) Appoint a Company Secretary to oversee the operations of various activities of the board of directors and help ensure that the board of directors and the company comply with Relevant laws and regulations

1.2 Establishment of a special committee

In order to ensure that the consideration of important matters is considered with thoroughness, the Board of Directors has appointed a specific committee to perform specific duties and submit them to the Board of Directors for consideration or acknowledgement as follows:

- (1) Audit Committee: Consisting of at least 3 independent directors who serve as directors of the Company, of which 1 director has sufficient knowledge and experience related to accounting or finance to be able to perform the duty of reviewing the reliability of the financial statements. The duties include supervising and inspecting the management, internal control, and compliance with relevant laws, including the preparation of financial reports, in order for the Company's operations and disclosure of information to be transparent and

reliable. The scope of power, duties, and responsibilities are as specified in the Audit Committee Charter, which is published on the Company's website.

(2) **Nomination and Remuneration Committee:** Consists of at least 3 directors and more than half of them are independent directors. The committee is responsible for selecting qualified individuals to hold positions as directors and senior executives, considering the forms and criteria for paying remuneration to directors and senior executives, and proposing them to the Board of Directors and/or to the shareholders' meeting for consideration, as appropriate, including developing the Company's senior executives. The scope of power, duties, and responsibilities are as specified in the Nomination and Remuneration Committee Charter, which is published on the Company's website.

(3) **The Risk Management:** Committee consists of at least 3 members. The Committee is responsible for managing, supervising, considering, giving opinions and making recommendations to the management in risk management, developing the risk management system throughout the organization to be consistently effective, including considering the organization's risk management policy to present to the Board of Directors for consideration. The scope of authority, duties and responsibilities are as specified in the Risk Management Committee Charter, which is published on the Company's website.

(4) **Executive Board:** Consisting of at least 3 directors who do not necessarily hold the position of company director. They are responsible for managing and supervising the operations of the company's related businesses, such as setting policies, directions and/or strategies for the company's business operations, including compliance with the objectives, regulations, policies, rules, regulations, orders and resolutions of the board of directors' meetings and/or shareholders' meetings in all respects, adhering to the rules/regulations for organizing the company's board of directors' meetings. The scope of power, duties and responsibilities shall be as specified in the board of directors' charter, which is published on the company's website.

1.3 Board Selection

The selection and appointment of directors shall be in accordance with the Company's regulations, relevant laws, and a transparent and clear process. The Selection and Remuneration Committee shall consider and select individuals who meet the criteria and selection process, taking into account the qualifications and appropriate capabilities as specified in the Charter of the Board of Directors or the specific committees, along with consideration of the Board of Directors' diversity policy. The Board of Directors recognizes

the importance of diversity, as it is an important factor that will help increase the efficiency of the Board of Directors' performance of duties, whether it be diversity factors such as gender, age, educational background, professional experience, and skills and knowledge, in order to propose to the Board of Directors and/or the shareholders' meeting for approval, as appropriate.

1.4 Remuneration of the Board of Directors and Special Committees

The Board of Directors has assigned the Nomination and Remuneration Committee to propose criteria for paying remuneration to directors and specific committees by considering the appropriateness of duties and responsibilities, comparing with the remuneration rates of directors in the same industry group, and the Company's performance, to be presented to the Board of Directors and submitted to the shareholders' meeting for consideration and approval.

1.5 Board meeting

Directors should attend meetings regularly. Directors should attend not less than 75 percent of all Board of Directors meetings in a year. The Company will set the meeting agenda in advance on an annual basis and will meet at least 4 times per year. All directors can propose agendas for the meeting. The Company Secretary will send meeting documents to all directors at least 7 days before the meeting date.

In the Board meeting, the Chairman of the Board shall allocate sufficient time for discussion and shall provide opportunities for all Directors to express their opinions independently, including allowing senior executives to provide information as those directly involved in the problem. Voting at the Board meeting shall be based on a majority vote, with each Director having one vote, and any Director with an interest in the matter shall not have the right to vote on that matter. In the event of a tie, the Chairman of the meeting shall cast one additional vote as the deciding vote. In addition, the Board of Directors has established a policy that non-executive directors shall meet together at least once a year.

1.6 Performance evaluation and knowledge development

In order for the Board of Directors to perform its duties efficiently and to be able to set a framework for improving and developing its operations, the Board of Directors has determined that there must be an evaluation of the performance of the entire Board of Directors, an evaluation of its own performance, and an evaluation of the performance of specific committees. The Nomination and Remuneration Committee is assigned to propose the evaluation criteria for the Board of Directors to consider. The summary of the

performance evaluation results will be included in the agenda of the first Board of Directors meeting of each year to be used as a factor in considering the appropriateness of the structure or composition of the Board of Directors.

The performance evaluation of the specific committees is evaluated by the Board of Directors. Each specific committee will propose the evaluation criteria to the Board of Directors for consideration and report the summary of the evaluation results to the Board of Directors for proposing improvements in case of recommendations on various issues on an annual basis.

The Nomination and Remuneration Committee will analyze the performance evaluation results of the Board and specific committees to assess appropriate approaches to promote and develop knowledge for the Board.

1.7 Orientation for new board members

The Board of Directors has assigned the Company Secretary to be the coordinator. Training is provided to new directors to provide them with details about the nature of the Company's business operations, the Directors' Handbook, Good Corporate Governance Policy and the Code of Conduct, as well as organizing visits to the Company's factories for new directors to gain a comprehensive understanding of the nature of the business operations, including the management structure.

The Company Secretary will oversee that all directors attend training to promote and develop skills appropriate to their duties as directors and/or specific directors under the criteria for promoting and developing knowledge of directors as determined by the Nomination and Remuneration Committee and/or the Board of Directors.

Code of Conduct 4 : Recruitment and development of senior executives and personnel management

The Board of Directors places importance on the recruitment and development of the knowledge and skills of the organization's senior executives to ensure that the organization's senior executives have the knowledge, skills and characteristics that are appropriate and sufficient to drive the organization towards its goals. The supervision guidelines are as follows:

1. Human resource management, recruitment and development of senior executives

The Board of Directors shall supervise the Company to manage its personnel, taking into account the direction of the business operations that is consistent with the Company's strategy through management plans as

proposed by the Executive Committee or management, whether it is criteria or factors in evaluating performance, which will promote the development of knowledge and appropriate motivation for employees.

For the recruitment and development of the Company's top executives, the Nomination and Remuneration Committee will consider and determine the criteria for recruiting executives at the executive chairman and managing director levels to be proposed to the Board of Directors' meeting. For the recruitment of executives in other positions, the Nomination and Remuneration Committee will consider and determine the succession policy or plan, including the development policy and executives who are responsible for various lines of work of the Company.

2. Succession Plan

The Nomination and Remuneration Committee is responsible for developing the executive recruitment policy and succession plan for the Company's directors and senior executives to be submitted to the Board of Directors, which considers the performance evaluation process and individual development guidelines, job assignment, and job rotation for skill development.

3. Performance appraisal and compensation

The Nomination and Remuneration Committee shall determine the criteria and methods for evaluating the performance of the Managing Director to be proposed to the Board of Directors' meeting. The evaluation is divided into 2 parts: (1) Performance evaluation, which is evaluated by measuring the performance results compared to the set goals, and (2) Performance evaluation by the Company's non-executive directors on an individual basis. The evaluation results will be summarized and presented to the Board of Directors' meeting annually, and the results will be notified to the Managing Director. The Board of Directors will use the evaluation results to consider reviewing the annual compensation of the Managing Director.

For employees at other levels, the company has determined that performance evaluations are conducted in the form of key performance indicators (KPIs) based on the scope of work responsibilities and behaviors that reflect the organization's values, which will be used as part of the consideration of employee compensation, whether it be salary adjustments or annual bonus rates.

4. Training and knowledge development

The Company has established a development plan for individual personnel, which is appropriate for their duties and positions, including the determination of mandatory training courses for each department to ensure efficiency in performing duties and to prepare employees. The Company will publicize various related training courses for employees to know and can request to receive training according to the criteria set by the Company, with approval from the department supervisor or authorized person.

Code of Conduct 5 : Promote innovation and responsible business practices.

The Board of Directors realizes the importance of operating the business with responsibility, which is reflected in the determination of values, direction and business goals, including the development and improvement of products and services. However, to operate the business in accordance with the set goals, it must come from an efficient work process, which requires cooperation from employees at all levels and departments, and has the following guidelines for practice:

1. Promote the dissemination and communication of the Code of Conduct policies and practices, and provide a test to ensure that the Company's employees understand the policies and practices.
2. Committed to creating sustainable growth for the company by monitoring and ensuring that all departments of the organization conduct business with social and environmental responsibility and do not violate the rights of stakeholders, including being consistent with the company's objectives, goals and strategies.

The Company's Guidelines for Treating Stakeholders

Shareholders	Conduct business in accordance with the principles of corporate governance for maximum benefit and increase value for shareholders in the long term.
Employee	Treat employees in accordance with human rights principles that do not violate the law, taking into account the needs of employees to promote skill development and create stability and career advancement for employees.
Customer/Consumer	Committed to delivering products and services with certified innovations for consumer satisfaction and maximum benefit to customers through quality products at fair prices.
Partners	There is a fair, transparent and auditable selection process based on a fair trade competition framework.

Community, Society and Environment	Emphasize the safety of the community, society and the impact on the environment related to the Company's business operations, including promoting employees' awareness and responsibility towards the environment, society and community.
Creditor	Strictly comply with the terms and/or contracts, including repayment of principal, interest, and maintenance of collateral under the terms and conditions and specified time period.
Rival	Adhere to conducting business with honesty, treat competitors in a fair manner, within the framework of the law and the Company's code of ethics.

1. Support and promote the efficient and effective use of various materials, equipment, and resources.
2. Establish policies on the use of information technology to ensure efficient and safe use, which is an important factor that will help create success in operations, including overseeing the use of information technology to increase business opportunities, develop operations and manage the company's risks as follows:
 - 2.1 Develop an information technology management policy that is consistent with needs of the Company to be presented to the Board of Directors and to review the policy at least Once a year, the policy must cover:
 - 1) Information System Security Policy and Measures
 - 2) Policy to promote the use of devices and programs that comply with copyright law and communication to all levels of employees to be informed
 - 3) Allocating and managing information technology resources to ensure adequacy Business operations, including support methods in cases where insufficient allocation is not possible
 - 2.2 Promote the use of only legally licensed devices and programs.
 - 2.3 Do not use the Company's information system to disseminate information that is inappropriate and against morals and customs. Tradition and against the law
 - 2.4 The Company has the right to inspect, monitor, investigate and control access to the system. Employee information to protect the security of the company's information system.

Code of Conduct 6 : Ensure that there is an appropriate risk management and internal control system.

The Board of Directors realizes the importance of risk management and internal control processes of the organization, seeing it as an important process that will enable the Company to achieve its objectives effectively, as well as a process for monitoring compliance with relevant laws and standards, with the following guidelines:

1. Risk Management

Arrange for systematic risk management that is in line with international standards throughout the organization, including assigning the Risk Management Committee to oversee, consider, provide opinions and make recommendations to the management in risk management, develop an organization-wide risk management system for consistent efficiency, and support cooperation at all levels of the organization. The Board of Directors has established a risk management policy and disseminated it to the organization's employees at all levels.

For the assessment and preparation of risk management information, it is the responsibility of the risk owner to assess, prepare, and adjust the risk management of their own unit to be consistent with the situation and strategy of the organization to report to the risk management committee and the board of directors for consideration respectively.

2. Internal Control and Audit

The Audit Committee is assigned as an important mechanism for supervision and verification of correctness. The Audit Committee has appointed Dharmniti Internal Audit Company Limited as the Company's internal auditor to perform the duty of auditing the operations of various departments within the Company to ensure compliance with the specified regulations and policies, including assessing the adequacy of the internal control systems of various departments to ensure that operations comply with the internal control system appropriately and consistently. It can also be used as a tool to assess weaknesses in performance of duties and develop the operating system to be more efficient. In order for the internal auditors to be able to effectively audit and balance power, it is determined that the auditors report directly to the Audit Committee.

3. Preventing conflicts of interest

The Board of Directors realizes the importance of monitoring and managing conflicts of interest that may occur between the Company and the management or the Board of Directors or shareholders by establishing a policy to prevent conflicts of interest as a guideline for monitoring and following up on items

that may cause conflicts of interest in accordance with the criteria and laws, supervising and preventing the inappropriate use of the Company's assets, information and opportunities, including reporting the interests of directors, executives and employees involved in units that may receive important inside information.

The Board of Directors has set out policies and guidelines for anti-corruption in writing and communicated them to employees at all levels of the organization, as well as disseminated them to external parties for practical implementation. It supports and promotes activities that will instill in all employees compliance with the law and related regulations, and oversees the Company to have a mechanism for receiving complaints and taking action in the event of a tip-off, which clearly defines the guidelines for implementation, as stated in the Code of Conduct.

Code of Conduct 7 : Maintain financial credibility and disclosure.

The Board of Directors is responsible for overseeing and controlling the disclosure of important information to maintain financial credibility and the disclosure of important information of the Company that affects the price of the Company's securities and/or investors' decisions. The following guidelines are established:

1. Responsible for overseeing the financial reporting system and disclosure of financial statements, which Must pass the audit by the auditor, including disclosure of the annual report, Form 56-1 One Report Management Discussion and Analysis and the disclosure of important information must be correct, complete, timely, transparent and In accordance with relevant rules, standards and practices
2. Consider and approve the disclosure of financial reports, taking into account the evaluation results. The adequacy of the internal control system, opinions and observations from the auditors, opinions of Audit Committee, including compliance with objectives, goals and policies Of the company
3. Ensure that the management reports the company's financial status to the board of directors. Regularly monitor and assess the situation, liquidity, debt repayment ability and Together, we can find a solution to deal with it in a timely manner, including ensuring caution in Doing Business
4. Responsible for ensuring that non-financial information is disclosed, reflecting the practices that will Leading to the creation of sustainable business value, such as corporate governance policies, codes of conduct in Business Operations, Anti-Corruption Policy and Complaint or Whistle blowing Policy etc.

5. Supervise the establishment of an investor relations department and/or company secretary, including assignment Let the management designate a representative to communicate information to investors, analysts and others. Relevant, appropriate, equal and timely through the communication channels of the Stock Exchange of Thailand Thailand (“SET”) has determined and the Company’s website channels
6. Promote the use of information technology to disseminate information, giving importance to Disclose information regularly to ensure shareholders receive up-to-date information through appropriate channels. The Company's website, where such information must be updated at all times.

Code of Conduct 8: Supporting participation and communication with shareholders

The Board of Directors places importance on the Company's shareholders and has taken steps to ensure that the Company's shareholders: They will be treated equally and can fully exercise their basic rights as shareholders, including awareness and importance of shareholders' rights. They will not take any action that violates or infringes on shareholders' rights. The following guidelines are set forth:

1. Basic rights of shareholders

- 1.1 The right to receive equal treatment in the purchase, sale and transfer of securities that one holds independently
- 1.2 The right to receive and inspect informationThe company's various information is actually correct. Complete and sufficient according to the situation and appropriate for decision making without being incorrect Limited Access that information
- 1.3 The right to receive an equal share of the company's profits.
- 1.4 The right to participate in shareholder meetings, where shareholders can participate in various agenda items, including: To express opinions and/or provide suggestions
- 1.5 The right to propose agendas for the general shareholders' meeting in advance and to nominate persons to be directors Director Position
- 1.6 The right to elect and remove directors of the company, based on the following criteria:
 - (1) Each shareholder will have 1 vote per 1 share.
 - (2) Allow shareholders to vote on individual director elections.

- (3) The persons receiving the highest number of votes in order will be elected as directors. Equal to the number of directors that should be elected or to be elected at that time, in the case of a person who were elected in the next descending order and received an equal number of votes, exceeding the number that should have been obtained Or, if the election is held at that time, the chairman shall have an additional casting vote. One Voice

- 1.7 The right to appoint the Company's auditors and set audit fees, including participation Make important decisions for the company.

2. Promoting and facilitating the exercise of shareholders' rights

- 2.1 The Company will prepare a meeting invitation letter, which includes explanations and reasons for each agenda item. Including a clear explanation of the rights of shareholders and preparation of related documents The Company's meetings and information are bilingual (Thai and English).
- 2.2 The Company will set the agenda for each meeting clearly and will not add any additional agenda items. Meeting without prior notice to shareholders
- 2.3 The Company will inform the criteria and methods for determining the remuneration of all directors. Format and comparison of director compensation data from the past year for shareholders For your consideration
- 2.4 The Company provides an opportunity for shareholders to submit questions in advance of the meeting via email or According to the company's address
- 2.5 The Chairman of the Board or the Chairman of the Meeting shall give every shareholder the opportunity to have the rights. Equally in expressing opinions and asking questions, giving appropriate time and It is stated in the meeting report to inform shareholders who did not attend the meeting.
- 2.6 The Company will use voting confirmation cards for all agenda items of the shareholders' meeting. and use a barcode system to count votes for convenience and Fast and with the company's auditor or legal advisor representative. Witness the vote counting and disclose it in the shareholders' meeting report. Clearly, with votes for, against and abstaining from every vote. Agenda items requiring voting

2.7 The Company will disclose the resolutions of the shareholders' meeting and the voting results for each agenda through SET Link system of the Stock Exchange of Thailand and published on the website The Company's property within the business day following the meeting date and will send the meeting report. To the Stock Exchange of Thailand within 14 days from the meeting date. Both published on the company's website

3. Taking care of minority shareholders

- 3.1 The Company provides opportunities for one shareholder or multiple shareholders who hold shares in aggregate. Not less than 5 percent of the total number of voting shares of the Company offered Agenda for the general shareholders' meeting and/or nomination of persons to be directors of the company The Company has details of the criteria and guidelines available on its website company
- 3.2 The Company will send a notice of the shareholders' meeting along with related documents in Thai and English (for foreign shareholders) to inform shareholders in advance at least 28 days prior to the meeting date and publish the meeting documents on the Company's website At least 30 days in advance of the meeting date
- 3.3 The Company takes into account the convenience of shareholders in attending the shareholders' meeting, regardless of It will be about the meeting place, notification of details of the criteria to maintain the rights of Participate in the meeting and access information via the website. The company will attach a letter. Provide a proxy along with the meeting invitation letter for the convenience of shareholders. Unable to attend the meeting

6.1.2 Policies and practices related to shareholders

Category 1

1. Shareholders' rights

The Board of Directors is responsible to shareholders for supporting, promoting and facilitating all shareholders to receive their basic rights through acceptable, reliable, transparent and fair methods and standards. Shareholders are entitled to equal treatment in buying, selling or transferring shares, receiving profit sharing from the Company, attending shareholder meetings, receiving sufficient news and information about the Company, proposing agendas in advance, nominating persons to be elected as directors of the Company, expressing opinions in shareholders' meetings independently and participating in decisions on important matters of the Company, appointing or removing directors, appointing auditors and matters affecting the Company, such as dividend allocation, determining or amending regulations and memorandum of association, reducing or increasing capital, approving special items and others. All shareholders are required to vote according to the number of shares held, with each share having one vote.

In addition to the rights mentioned above, the Company or the Board of Directors acting on behalf of the Company must be aware of and give importance to the rights of shareholders and not do anything that violates or infringes on the rights of shareholders by setting policies to support, promote and facilitate shareholders, with details as follows:

Shareholders' Meeting

1. The Company will disclose its policy to support and encourage all shareholders to attend the shareholders' meeting.
2. The Company will ensure that information on date, time, place and agenda of the meeting are provided, with explanations and supporting reasons, in accordance with the agenda or resolutions specified in the meeting invitation letter or in the meeting agenda attachments, and will refrain from any action that would limit the opportunity of shareholders to study the Company's information.
3. The Company will support shareholders to fully exercise their rights to attend meetings and vote. In the event that shareholders are unable to attend meetings in person, the Company will provide an opportunity for them to appoint an independent director or any person as a proxy to attend the meeting on their behalf.
4. The Company will provide an opportunity for shareholders to submit questions to inquire about each meeting or other information of the Company through the Company's address in accordance with the criteria set by the Company.

5. The Company will encourage shareholders to use proxy forms in a format that allows shareholders to determine the direction of voting and nominate at least one independent director as an alternative proxy for shareholders.

Actions on the day of the shareholders' meeting

1. The Company will support and promote the use of technology such as barcodes, ballots, etc. in the shareholders' meeting, including the registration of shareholders, vote counting, and displaying results, so that the meeting can be conducted quickly, correctly, transparently, and verifiably. The voting results will be disclosed in the shareholders' meeting report, along with the votes for, against, and abstaining from voting on each agenda item. Where the agenda contains items that require voting, the Company will arrange for voting according to the agenda, including the agenda items, and proceed with voting on each item in that agenda item, one at a time, to ensure transparency.
2. The Company will encourage all directors to attend shareholders' meetings where shareholders can ask questions of the chairmen of various subcommittees and all directors on relevant matters as appropriate.
3. The Company shall arrange for an independent person to witness the vote counting or to count or verify the votes in the meeting, such as the Company's auditor or legal advisor, and shall disclose the results of the vote counting or verification to the meeting and record them in the meeting minutes.
4. The Company will organize the meeting appropriately and encourage shareholders to have the opportunity to express their opinions and ask questions to the meeting regarding matters related to the Company.

Preparation of meeting minutes and disclosure of shareholders' meeting resolutions

1. The minutes of the shareholders' meeting will record the explanation, voting procedures and how the votes will be displayed to the meeting prior to the meeting, including allowing for questions and answers, and will record questions, answers, important points, voting results for each agenda item, including a record of the names of directors attending the meeting and those absent from the meeting.
2. The Company will disclose to the public the voting results for each agenda item of the meeting within the next business day through the Stock Exchange system.
3. The Company shall prepare the meeting report for both the general shareholders' meeting and the extraordinary shareholders' meeting and shall complete the meeting report within 14 days from the meeting date, submit it to the Stock Exchange of Thailand and publish it on the Company's website.

Category 2

2. Equal treatment of shareholders

The Company is committed to treating all shareholders equally, including executive shareholders and non-executive shareholders, major or minority shareholders, institutional investors, and foreign shareholders, in order to create transparency and fairness.

Providing information prior to the shareholders' meeting

1. The Company shall notify the meeting schedule, agenda and opinions of the Board of Directors to the Stock Exchange of Thailand and publish it on the Company's website at least 28 days prior to the shareholders' meeting date.
2. The Company will inform shareholders of the rules used in the meeting, voting procedures and voting rights for each type of share.
3. The Company will issue a meeting invitation letter to shareholders in both Thai and English.

Protection of minority shareholders' rights

1. The Company allows one or more shareholders who hold shares totaling not less than 5 percent of the total number of voting shares of the Company to propose an agenda for the annual general meeting of shareholders. Shareholders are allowed to propose an agenda at least 1 month before the end of the accounting period for the Board of Directors to consider. In the event that such agenda is considered and approved to be included in the agenda, the Company will state in the annual general meeting invitation letter that it is an agenda specified by the shareholders. In the event that the Board of Directors refuses to include it in the agenda of the annual general meeting of shareholders, the Company will explain the reasons to the annual general meeting.
2. The Company has set criteria for minority shareholders to nominate individuals to serve as directors on the Company's Board of Directors. The nominees must be submitted through the Selection Committee or the Company's Board of Directors in advance, at least 1 month before the end of the accounting period, together with supporting information for consideration of qualifications and granting. Nominee's consent according to the criteria set by the Company.
3. The Company provides minority shareholders with the right to appoint individual directors in accordance with the Company's criteria.
4. The Company provides a channel for minority shareholders to make suggestions, express opinions or file complaints to the Independent Directors through the office address, which the Independent Directors will consider taking appropriate action on each matter.

Insider Trading Prevention

1. The Company has established written guidelines for the preservation and prevention of the use of inside information and has notified relevant persons to comply with them.
2. The Company requires all directors and executives who are responsible for reporting their securities holdings in accordance with the Securities and Exchange Act, and such information will be disclosed in the annual report.
3. The Company requires that directors, executives, and those holding executive positions in accounting/finance who are aware of material inside information that affects the change in the price of securities must not trade the Company's securities within 30 days before releasing the quarterly financial statements and annual financial statements to the public and should wait at least 24 hours after the disclosure of such financial statements.

Interests of the Company's Directors

1. The Company shall disclose the shareholding structure of the Company and its subsidiaries in the annual report.
2. The Company requires the directors and executives to report their and related persons' interests to the Company Secretary, and the Company Secretary must submit a copy of the report of interests to the Chairman of the Board and the Chairman of the Audit Committee within 7 business days from the date of receipt of the report.
3. The Company requires directors to report their interests at least before considering the agenda and record it in the minutes of the Board of Directors meeting.
4. The Company requires that directors who have a significant interest in a manner that may prevent them from expressing their opinions independently must abstain from voting or not attend meetings on agenda items that consider matters in which they have a conflict of interest, and must not use any information that causes a conflict of interest.

Category 3**3. Role of stakeholders**

The Company is committed to conducting business with transparency and fairness, taking into account stakeholders, respecting and treating each group of stakeholders appropriately, and promoting and cooperating constructively in developing society and the environment for the sustainability of business operations.

Policy formulation for stakeholders

1. The Company will treat shareholders fairly, equally and take into account the fundamental rights of shareholders. It will share benefits fairly and consistently. It will have transparency in management and be auditable. It is committed to conducting business with good performance, generating continuous and stable profit growth, maintaining a careful and ethical business approach, enhancing competitive potential and benefiting shareholders in the long run.
2. The company will treat customers with willingness, to the best of its ability, with equality, fairness and adherence to ethical principles without disclosing customer information or secrets and is committed to maintaining sustainable relationships with customers.
3. The Company will treat its partners within the framework of honest trade competition by strictly adhering to contracts, codes of conduct and business ethics, and commitments made to partners, as well as supporting the creation of cooperation networks, creating supply chains and value chains for maximum mutual benefit.
4. The Company will conduct itself towards competitors within the framework of honest trade competition, adhering to conducting business with fairness within the framework of the law and the Company's ethics and morality.
5. The Company shall treat the communities surrounding the premises with responsibility and provide relief to disasters when necessary.
6. The Company will treat creditors ethically by complying with the agreement or contract that has been agreed upon and based on fairness for both parties. In the event that the specified conditions cannot be complied with, the creditors must be notified in advance to jointly consider and find a solution. The Company will also not request or receive any benefits that are corrupt.
7. The Company shall treat the government sector and various government agencies with political neutrality as stipulated in the Company's Code of Conduct and Ethics and Anti-Corruption Policy.
8. The Company will treat employees fairly and develop their knowledge and potential, provide a good working environment, and set safety standards in accordance with the standards stipulated by law.
9. The company treats the environment with social responsibility, participates in the conservation of natural resources for sustainability, and promotes and supports projects related to the conservation of natural resources and the environment.

Disclosure of Policy Compliance and Preparation of Social Responsibility Reports

1. The Company will disclose various activities that demonstrate its social responsibility.
2. The Company shall ensure that a report on corporate social responsibility is prepared, either in the annual report or as a separate report.

Guidelines for dealing with stakeholders

Shareholders	Conduct business in accordance with the principles of corporate governance for maximum benefit and increase value for shareholders in the long term.
employee	Treat employees in accordance with human rights principles that do not violate the law, taking into account the needs of employees to promote skill development and create stability and career advancement for employees.
Customer/Consumer	Committed to delivering products and services with certified innovations for consumer satisfaction and maximum benefit to customers through quality products at fair prices.
Partners	There is a fair, transparent and auditable selection process based on a fair trade competition framework.
Community, Society and Environment	Emphasize the safety of the community, society and the impact on the environment, which are related to the Company's business operations, including promoting employees' awareness and responsibility towards the environment, society and the community.
creditor	Strictly comply with the terms and/or contracts, including repayment of principal, interest, and maintenance of collateral under the terms and conditions and specified time period.
rival	Adhere to conducting business with honesty, treat competitors in a fair manner, within the framework of the law and the Company's code of ethics.

Category 4**4. Disclosure and transparency**

The Company will disclose material information accurately, adequately, reliably and timely in both Thai and English to ensure that all shareholders are treated equally and are informed in easy-to-understand language through various channels. Appropriate

Disclosure of information

1. The Company will establish a mechanism to oversee the disclosure of information to be accurate, sufficient for investors' decision-making, and not to cause misunderstanding of the materiality of the information.
2. The Company's material information here means information relating to the Company's business operations that must be disclosed in an appropriate manner because it has a material impact on the Company's business operations, on the price of securities, or may affect investors' investment decisions.
3. The Company has designated authorized persons to disclose material information that has not yet been disclosed to the public.
4. The Company prohibits the release of any material information to the public within two weeks prior to the scheduled disclosure date.
5. The Company will report its corporate governance policy, code of conduct and ethics, and the results of compliance with such policies through various channels, such as the annual report and the Company's website, etc.
6. The Board of Directors will encourage the Company to prepare Management Discussion and Analysis (MD&A) to accompany the disclosure of the financial statements every quarter. This is to enable investors to better understand the changes in the Company's financial position and performance each quarter, in addition to the figures in the financial statements alone.
7. The Company shall disclose the audit fees and other service fees related to the services of the auditor.
8. The Company shall disclose in the annual report the roles and responsibilities of the Board of Directors and subcommittees, the number of meetings held and the number of meetings attended by each director in the past year, and their opinions on their duties, including the continuous training and professional development of the Board of Directors.
9. The Company shall disclose the remuneration policy for the Company's directors and executives as required by law. Such policy shall reflect the duties and responsibilities of each person, including the form or nature of compensation. The amount of compensation disclosed shall include the compensation each director receives from serving as a director of the subsidiary company.
10. The Company shall disclose information in accordance with the requirements of the Securities and Exchange Commission of Thailand and related laws, including disclosure of information to shareholders and/or the public equally.

Category 5

5. Responsibilities of the Board of Directors

1. Board of Directors Structure

- 1.1 The composition of the Board of Directors shall be as specified in the Board Charter.
- 1.2 The qualifications of the Board of Directors shall be as specified in the Board Charter.
- 1.3 The qualifications of the independent directors shall be as specified in the charter of the Board of Directors.
- 1.4 Appointment, term of office and termination of office shall be as prescribed in Board of Directors Charter
- 1.5 Appointment of the Company Secretary and assignment of the Company Secretary's responsibilities, including: The conditions for dismissal from duty and appointment of a new company secretary shall be as follows: Set out in the charter of the Board of Directors

2. Subcommittees

- 2.1 The Board of Directors shall establish an Audit Committee and/or Other committees as appropriate
- 2.2 The Board of Directors shall support the independent work of the subcommittees . And neutral
- 2.3 The Board of Directors shall establish charters for each subcommittee to ensure their operations.

3. Roles, duties and responsibilities of the Board of Directors

- 3.1 The Board of Directors has the responsibilities as specified in the Board of Directors Charter. The following aspects:
- 3.2 Policy and governance
- 3.3 Finance
- 3.4 Control, internal audit and risk management
- 3.5 Human Resources
- 3.6 Conflict of Interest Management
- 3.7 In terms of communication with shareholders
- 3.8 Other matters as specified in the Board of Directors Charter

4. Organizing the board of directors meeting

- 4.1 Scheduled to hold at least one meeting every three months.
- 4.2 The Board of Directors shall elect one director to be the Chairman of the Board. In the event that the Board of Directors deems it appropriate, it may elect one or more directors to be the Vice Chairman of the Board. The Vice Chairman shall have duties according to the regulations in the affairs assigned by the Chairman of the Board.
- 4.3 In calling a meeting of the Board of Directors, the Chairman of the Board or a person assigned shall send a meeting notice to the Directors at least 7 days prior to the meeting date, except in cases of urgency to protect the rights or benefits of the Company, in which case the meeting notice may be given by other methods and the meeting may be scheduled sooner.

5. Quorum Meeting

- 5.1 A meeting of the Board of Directors must have at least half of the total number of directors present to constitute a quorum. In the event that the Chairman is not present at the meeting or is unable to perform his duties, if there is a Vice Chairman, the Vice Chairman shall act as Chairman. If there is no Vice Chairman or there is one but he is unable to perform his duties, the directors present at the meeting shall elect one of them to be Chairman of the meeting.
- 5.2 The decision of the meeting shall be made by a majority vote. Each member has a vote, except for members who have an interest in a matter, who have no right to vote on that matter. In the event of an equality of votes, the chairman of the meeting shall cast one additional vote as the deciding vote.

6. Self-assessment of the Board of Directors

- 6.1 The performance of the Board and its sub-committees (As a Whole) and individual self-assessments are conducted annually to allow the Board to jointly consider performance and issues for improvement.
- 6.2 The Company may engage external consultants to assist in setting guidelines and propose issues for the Board's performance evaluation every three years and disclose such actions in the annual report.

7. Compensation

7.1 Director's Remuneration

The board of directors receives remuneration in the amount approved by the shareholders' meeting. Compensation is at an appropriate level, comparable to similar industries. Consistent with The Company's strategies and objectives

8. Self-development of the board of directors and executives

The company gives full importance to its employees and emphasizes working with determination as a team and increasing work efficiency by providing training both internally and externally to keep up with technology and to add management skills in various areas as well as specialized professional skills which result in more efficient performance of duties. Therefore, the company has the following personnel development guidelines:

8.1 Development of the Board of Directors

8.1.1 The Company promotes and supports directors to attend training courses that promote potential development. In the operations of the Board of Directors, to develop, support and promote Performing duties of the committee

8.1.2 The Company will disclose information on the development and training of directors in the past year.

8.1.3 The Company promotes and supports directors to receive training and enhance their knowledge. Continuous and consistent in matters related to the operations of the Board in order to Keep up with potential business changes

8.1.4 Promote and support directors to gain more knowledge about the operations of The Company continuously improves the efficiency of the Board's operations.

8.2 Executive Development

8.2.1 The Company promotes and supports the provision of training courses and other development approaches that Appropriate and consistent with the competencies of the executives for the company's executives.

8.2.2 The Company provides an orientation for new executives to support them.

Able to adapt to new roles, responsibilities and expectations of the position appropriately.

8.2.3 The Company encourages executives to share their work experiences with executives and employees. In the company to create an atmosphere of learning and development within the organization.

8.3 Employee Development

8.3.1 The Company promotes and supports training courses and other development approaches.

Appropriate and consistent with the line of work

8.3.2 The company provides orientation for new employees.

9. Orientation for new board members

For directors, the Company has prepared basic information about the Company, including the organizational structure and management, nature of operations, main products and services, the Company's regulations and laws related to the Company, including the requirements of the Office of the SEC and the Stock Exchange of Thailand, for new directors so that they can understand the Company's operations and be aware of their roles, duties and responsibilities as a director or independent director.

10. Business Ethics

The Board of Directors has promoted the establishment of a code of conduct for directors, executives and employees to adhere to and practice, as a common duty and responsibility for the maximum benefit of the Company's stakeholders, as well as to create credibility in business operations, which will lead to sustainable growth for the Company.

11. Succession Plan

The company realizes the importance of operating efficiently and continuously and has therefore established the following policies: and the criteria for selecting executives and succession policies with a transparent process that will consider knowledge and abilities, including experience and ethics.

12. Business Ethics

The Company's Board of Directors has established the Company's Code of Conduct based on the treatment of stakeholders. The Company's interests are balanced for all levels of directors, executives and employees. A practice guideline with detailed contents divided into:

1. Policy on Responsibility to Shareholders
2. Policy on customer treatment and product quality
3. Policy and treatment of customers and/or creditor
4. Policy and treatment of employees
5. Policy on employee conduct and treatment of other employees
6. Policy and treatment of business competitors
7. Social and Environmental Responsibility Policy
8. Anti-corruption Policy
9. Policy on disclosure and maintenance of inside information
10. Investment policy and supervision of subsidiaries

13. Significant changes and developments in the policy and guidelines over the past year

13.1 Significant changes and developments regarding policy, practice and review Corporate Governance System

In 2024, the Company places importance on good corporate governance, which is considered an important factor to Help the company's operations grow sustainably, which will benefit all stakeholders. Whether it is shareholders, investors and other stakeholders, as well as employees and executives of the company. To ensure that the company's operations are transparent, auditable, ethical and moral. In conducting business, we continuously comply with the principles of good corporate governance.

For matters that have not been complied with in accordance with the principles of good corporate governance for listed companies Year 2024 (CG Code) includes:

1. The establishment of the selection committee and the remuneration committee, however, The Board of Directors has currently adopted the practices of the Stock Exchange of Thailand for The Nomination and Remuneration Committee shall use this as a guideline. The practice is carried out by all directors who have complete qualifications and are efficient in performing their duties according to Good Board Charter
2. Establishment of a Risk Management Committee. The Company has risk management. In accordance with the risk management policy covering the entire organization There are internal controls and management. Risks according to COSO guidelines
3. Policy setting for directors and senior executives to inform the board of directors about trading. The Company's shares at least 1 day in advance before trading, with the Company setting the policy on Control of the use of inside information, which is required for directors, executives and related persons specified in Section 89/1 of the Securities and Exchange Act '1992 must report Change of Securities Holding and the Stock Exchange Act '1992 within 3 business days from the date of From the date of change in the Company's securities holdings, until a copy is sent to Company Secretary Office to collect, summarize and present to the Board of Directors meeting. On a quarterly basis
4. Providing a responsible person or a compliance unit. The Company has The Audit Committee is responsible for supervising, monitoring and evaluating the Company's operations. To comply with the good corporate governance policy as per the laws and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission

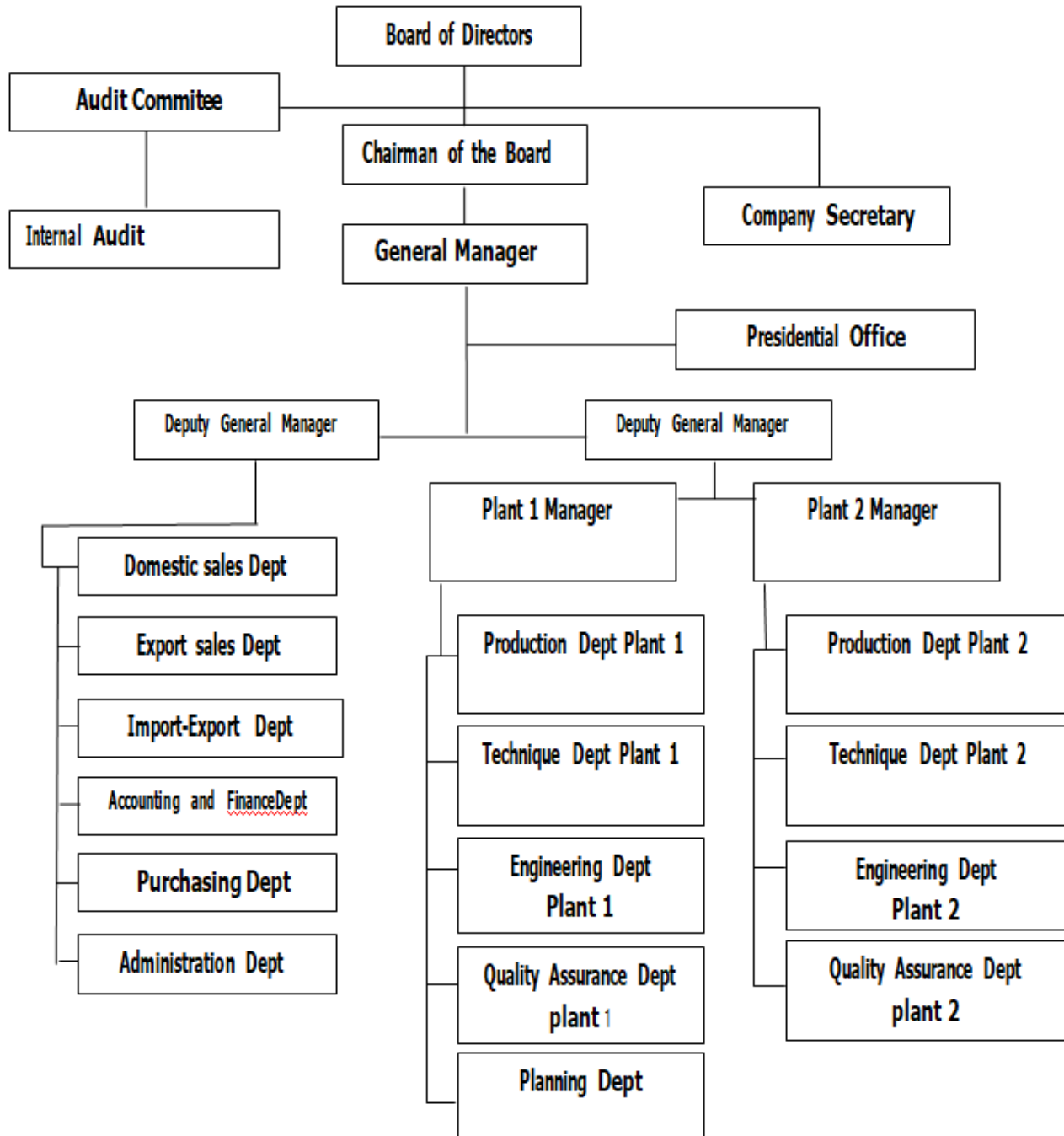
7. Corporate Governance Structure and Information

Important information about the Board of Directors

Subcommittees, executives, staff, etc.

7.1 Organization Structure

As of 31 December, 2024 The Company's management structure consists of the Board of Directors, Company, Audit Committee, Executives. The Company has a board of director's structure consisting of 4 independent directors and no less than one-third of the Total number of directors of the Company.



7.2 Information about the board of directors

7.2.1 Board of Directors and Controlling Persons of the Company

On 31 December, 2024 (Ended of Year 2024)

List of Directors	Position
1. Mr. Shen, Kuo-Jung	Chairman of the Board of Directors and Authorized Director
2. Mr. Chuang, Chih-Yao	Directors / Company Secretary and Authorized Director
3. Mr. Chiu, Hsih-Chien	Director
4. Miss Wu, Ping-Yi	Director
5. Mr. Liu, Hsing-Hung	Director
6. Mr. Yen, Ming-Shan	Director
7. Mr. Yen, Jui-Hsian	Director
8. Mr. Yen, Chih-Che	Director
9. Mr. Hsiao, Chin-Lung	Independent Director / Chairman of the Audit Committee
10. Mrs. Syuan Wen	Independent Director / Audit Committee
11. Mr. Monsiam Sinworaphan	Independent Director / Audit Committee
12. Mr. Lin, Cheng-Yung	Independent Director / Audit Committee

Mr. Chuang Chih- Yao has been appointed as the Company Secretary/Authorized Directors in accordance with the resolution of the Board of Directors' Meeting No. 4/2024, which was held on 6 November, 2024, Replacing Mr. Aphisit Worachot, who resigned from the position of Company Secretary, effective from 6 November, 2024 onwards.

In this regard, the Authorized Directors who are authorized to sign and bind the company are : Mr. Shen, Kuo-Jung or Mr. Chuang Chih-Yao. Jointly sign and affix the company seal.

(1) Scope of powers, duties and responsibilities of the Board of Directors

- (1.1) Create a charter for the board of directors that is consistent with the good corporate governance policy. Direction. The Company's operations and compliance with the law, objectives and regulations of the Company. The Company, along with the shareholders' meeting, protect the interests of the Company and shareholders. and the Charter is reviewed regularly, once a year.

- (1.2) Establish a policy of good corporate governance, ethics and code of conduct for business operations. and the Board of Directors' manual is in writing and such policy is reviewed regularly. At least once a year Set vision, mission, strategy, business direction, policies, goals and plans. The Company's business, budget, management structure and approval authority as specified by the department Manage presentations, including supervision of administration and performance of the management or Any person who is assigned to perform such duties in order to comply with the policy and Effective and efficient budgeting
- (1.3) Continuously monitor and evaluate the Company's performance in various aspects to ensure that: The operation is in accordance with the set goals, plans and budgets and can Manage potential obstacles in a timely manner
- (1.4) Establish a system of control over operations, financial reporting and compliance.Regulations and policies to review the said control system at least once a year and disclosed in annual report
- (1.5) The company must have an appropriate and efficient accounting system and prepare reports. The Company's annual report and provide reliable financial reporting and auditing. Including responsibility for preparing and disclosing financial statements at the end of the company's accounting period. To be accurate in order to show the financial status and operating results of the past year accurately. To be true, complete and correct in accordance with the accepted accounting standards which are audited. by the auditor before presenting to the shareholders' meeting for consideration and approval
- (1.6) Consider and approve the selection and proposal of the appointment of auditors and determine Appropriate remuneration as proposed by the Audit Committee before being presented to the meeting Annual shareholders' meeting for consideration and approval
- (1.7) Follow up on important audit reports from the audit committee or agency. Internal audit, including auditors and consultants of the Company, and determine Guidelines for improvement and correction in cases where significant defects are found
- (1.8) Review the adequacy and appropriateness of the internal control system and risk management. The company's risks are managed by the management team to comply with the policies and report to the board of directors.The Company is regularly informed and has reviewed or evaluated the effectiveness of the risk management. Risk must be reported at least once a year and disclosed in the annual report and at every period.

- (1.9) Consider appointing, removing, delegating authority and duties to directors and independent directors. Special Committee and Company Secretary
- (1.10) Consider the organizational structure and administration, including the authority to appoint the committee. Executives, CEO, subcommittees and any other subcommittees as follows:
Appropriateness, including defining the scope of authority, duties and responsibilities of
The said subcommittee has the duty to monitor the performance and supervise the operations.
Work consistently
- (1.11) Consider appointing, changing directors or executives or appropriate persons. To act as a representative director in a subsidiary and/or associated company in which the company invests or is affiliated invest.
- (1.12) Consider the performance evaluation of the Board of Directors and Subcommittees. Including overseeing the company to have an effective process for evaluating its performance. The company's top executives
- (1.13) Consistently responsible to shareholders and operating in a manner that protects the interests of shareholders Shareholders are provided with a report of the Company's general information and financial information for reporting. To shareholders and stakeholders or general investors correctly, timely and in accordance with The law requires
- (1.14) Supervise the Company to comply with the Securities and Exchange Act. Stock Exchange regulations, such as related party transactions, acquisition or disposal To obtain assets in accordance with the rules of the Stock Exchange of Thailand or the announcement of Securities and Exchange Commission Securities and Exchange Commission Capital or laws related to the Company's business
- (1.15) To authorize one or more directors or other persons to perform certain actions. In any way, it can be used on behalf of the Board of Directors, under the supervision of the Board of Directors. Or authorize such person to have the power and duties as assigned by the Board of Directors. As deemed appropriate and/or within the time period deemed appropriate by the Board of Directors, which The Board of Directors may revoke, revoke, change or amend any authorized person. That power or authority can be exercised when it is deemed appropriate.
- (1.16) Consider determining and amending the names of directors who have the authority to bind the Company.

- (1.17) Consider appointing a company secretary to help oversee the activities of the board of directors and helpTo enable the Board of Directors to perform their duties in accordance with relevant laws and regulations. Along with defining the scope of powers, duties and responsibilities of the company secretary.
- (1.18) Consider and approve investment projects, items of acquisition or disposal of assets, and items The relationship between the Company and related persons shall be in accordance with the announcement and regulations. and/or relevant regulations as required by law
- (1.19) Consider approving the payment of interim dividends to shareholders when it is seen that the Company has profits appropriate to do so and report the payment of such dividends to the shareholders' meeting. At the next shareholders' meeting
- (1.20) Consider and approve other important business matters related to the Company or as deemed appropriate. Take such action to maximize the benefits for the company.

In any matter in which a Director has an interest or conflict of interest with the Company, such Director who has such interest or conflict of interest has no right to vote on such matter.

7.3 Information about the subcommittees

7.3.1 Audit Committee

As of 31 December 2024, the Audit Committee consists of 4 directors as follows:

No.	List	position
1.	MR. HSIAO, CHIN-LUNG	Independent Director / Chairman of the Audit Committee
2.	MRS. SYUAN WEN	Independent Director / Audit Committee
3.	MR. LIN, CHENG-YUNG	Independent Director / Audit Committee
4.	MR. MONSIAM SINWORAPUN	Independent Director / Audit Committee

With Ms. Pailin Amornkul acting as secretary of the audit committee.

(1) Scope of powers, duties and responsibilities of the Audit Committee

- (1.1) Create an audit committee charter that is consistent with the scope of responsibilities in
The Company's operations must be approved by the Board of Directors and
The Charter shall be reviewed at least annually for suitability.
- (1.2) Review the Company's financial reporting to ensure that it is accurate and adequate by
Coordinate with auditors and executives responsible for preparing financial reports as
follows The Company's accounting period
- (1.3) Review the company's internal control and audit systems. Appropriate and effective
interior
- (1.4) Consider the independence of internal auditors and approve their appointment.
Transfer, terminate the employment of the Company's internal auditors or consider
hiring terminating them. Internal audit from external agencies of the company,
including setting or adjusting Internal auditor compensation
- (1.5) Consider, approve and review the budget and internal audit plan.
- (1.6) Review the Company to ensure that it has an appropriate and effective risk management
system.
- (1.7) Review and discuss with management the Company's material risks and
Measures that management has taken to monitor and control such risks
- (1.8) Review the Company's compliance with the Securities and Exchange Act.
Regulations and announcements of the Stock Exchange of Thailand and related laws
Relevant and applicable to the Company and/or the Company's business.
- (1.9) Review the Company's compliance with the principles of good corporate governance,
including guidelines and Essential recommendations for the development of good
corporate governance
- (1.10) Consider selecting and proposing the appointment of the Company's auditors and
proposing Auditor's remuneration taking into account reliability and adequacy of
The audit firm's resources and audit workload, including experience Of the personnel
assigned to audit the Company's accounts
- (1.11) Consider the independence of the auditors, including attending meetings with the
auditors. Without the management attending the meeting at least once a year

- (1.12) Consider the audit results and recommendations of the auditors and internal auditors .
and propose to the management to make improvements and follow up on the results of
the operations That suggestion
- (1.13) Consider the disclosure of information of the Company in the event of a related
transaction. Obtain or sell the Company's assets or any items that may have a conflict of
interest Benefits shall be in accordance with the laws and regulations of the SET
- (1.14) Any other operations as assigned by the Board of Directors and the Audit Committee .
Agree
- (1.15) Check, investigate and request information from relevant agencies or persons .
For further consideration under the authority of the Audit Committee
and has the authority to hire or bring in specialists to assist in the inspection and
investigate
- (1.16) In performing the duties of the Audit Committee, the Audit Committee may:
Communicate with the company's auditors, internal auditors and management.
directly
- (1.17) Consider appointing a secretary to the audit committee to assist in the operations of the
Audit Committee
- (1.18) Arrange for an evaluation of the performance of the Audit Committee at least once a
year. Times to improve operations to be more effective for shareholders and the
company.

(2) Term of office of the Audit Committee

- (2.1) The Audit Committee has a term of office of 3 years, with a term of office of Position
according to the term of being a director of the company
- (2.2) Audit committee members who have left their positions by the end of their term may be
reappointed. The position of Audit Committee member may be re-elected as deemed
appropriate by the Board of Directors.
- (2.3) The audit committee members whose term has expired shall remain in the position to
perform their duties. The following duties will continue until a new audit committee
member is appointed to replace the position:

7.4 Information about the executives

The Company has 4 executives according to the definition of “executives” as defined in the Securities and Exchange Commission Announcement No. Kor. 17/2551 on the Determination of Definitions in Announcements Regarding the Issuance and Offering of Securities, as follows:

number	List	position
1.	Mr. Shen, Kuo-Jung	Chairman of the Board of Directors, Managing Director
2.	Mr. Chuang, Chih-Yao	Deputy General Manager
3.	Mr. Shiao Yi Chou	Deputy General Manager
4.	Miss. Radatorn Tanasawapol	Accounting and Finance Manager

7.5 Employee information

7.5.1 Number of employees

Number of employees of the Company as of 31 December, 2024 Total 1,889 Peoples as below:

number	information	Number (items)
1.	Employees responsible for the production section	1,539
2.	Office staff	152
3.	Supervisors, Department Heads	126
4.	Thai executive staff	65
5.	Taiwanese executive staff	7
6.	On average, employees have an average age	34
Total		1,889

7.5.2 Significant changes in employee numbers over the past 3 years

-Done -

7.5.3 Major labor disputes in the past 3 years

-Done -

7.5.4 Employee compensation characteristics and total compensation

In 2024, the Company paid wages as compensation for employees' work as follows:

No.	Information	Amount (baht)
1.	Salary, overtime pay, diligence allowance, Shift pay for employees included	462,803,585.05
2.	Bonus	40,305,728.62
Total		503,109,313.67

In addition, the company also provides other welfare such as provident fund from the company and employees contribute to the fund monthly at the rate of 2-4 percent of the salary, which is managed by Principal Asset Management Co., Ltd., employee shuttle, food allowance, uniforms, funeral assistance, wedding, etc. The company has established a company welfare committee in accordance with the regulations of the Ministry of Labor and Social Welfare, which consists of employers and employees to consider employee welfare specifically.

7.5.5 Employee Development Policy

The company emphasizes on employee development to make employees have expertise and can apply it to their work, such as training new employees, training supervisors' skills, and how to use graphs to control work. In addition, the company promotes employees to gain new knowledge and development by sending them to training in related fields both inside and outside the office to apply knowledge from training and develop work skills for greater efficiency. The company has a policy to develop personnel at all levels as follows:

1. Training on labor protection laws to provide employees with knowledge and understanding of their rights. and legal duties
2. Basic first aid training
3. Training and development of production techniques to develop new products.
4. Provide training on operational safety to employees.
5. Training employees on the use of personal protective equipment.
6. Providing a public relations board for employees to be informed of the company's news.
7. Organize safety week activities.
8. Organize a fire escape drill activity.

7.6 Other important information

7.6.1 Details of the person directly responsible for supervision Accounting

Name Ms. Radatorn Tanasawapol

Position Directly assigned to be responsible for supervising accounting.

The Board of Directors has resolved to appoint Ms. Radatorn Tanasawapol

Hold the position as Finance and Accounting Manager from 22 August, 2022

7.6.2 Details about the Company Secretary

Name Mr. Chuang Chih- Yao

Position Company Secretary

The Board of Directors has resolved to appoint Mr. Chuang Chih-Yao.

Served as Company Secretary since 6 November, 2024.

7.6.3 Details about the Head of Internal Audit

Name Ms. Pailin Amornkul

Position Head of Internal Audit

Acting as the Company's internal auditor since 1 December, 2004.

7.6.4 Auditor's remuneration

In 2024, the Company and its subsidiaries paid audit fees to PricewaterhouseCoopers ABAS Co., Ltd. in the amount of 2,820,000 baht, other tax and investment promotion fees from the BOI in the amount of 803,000 baht, and other expenses in the amount of 116,350 baht. The list of certified public accountants is as follows:

No.	Name–Surname		Certified Public Accountant	
			Registration number	
1.	Ms. Anutai	Phumisurakul	3873	or
2.	Mr. Karn	Thanthawirat	10456	or
3.	Mr. Songka	Choknitsawat	11251	or

The auditing firm is independent, reliable, and has no relationship or interest with the company, its executives, major shareholders, or related persons of the said persons.

8. Report on important performance results in terms of corporate governance

8.1 Recruitment, development and evaluation of the performance of the Board

8.1.1 Recruitment and appointment of directors and senior executives

(1) Board of Directors

The Company selects persons to be appointed as directors by considering their qualifications, knowledge, ability, experience, and having sufficient time to attend meetings regularly. The shareholders' meeting will appoint directors by a majority vote in accordance with the following criteria and methods:

- 1) Each shareholder has 1 vote for every 1 share held.
- 2) In the election of the Company's directors, the voting method is to use the ballot for the person. Nominated individually or in groups at the same time, depending on the shareholders' meeting. It may be deemed appropriate, but in casting votes or making any resolutions, each shareholder shall exercise his or her rights. According to all the votes in Section 1.
- 3) Voting for the election of directors must be based on a majority vote. If there is an equal number of votes, the person who presides over the meeting will have one more deciding vote sound.

(1.1) Composition and appointment of the Board of Directors

- 1) The Board of Directors shall consist of at least five directors and not less than half of the total number of directors must reside in the Kingdom.
- 2) The Board of Directors must consist of at least one-third of the total number of directors and no less than three persons. The independent directors must be independent from the control of the executives and major shareholders and must have all the qualifications according to the criteria for independent director qualifications specified in the Board of Directors Charter.
- 3) The Board of Directors shall select one of the directors to be the Chairman of the Board of Directors. However, the Chairman of the Board of Directors shall not be the same person as the Chairman of the Executive Committee, the Managing Director, and the Chairmen of the subcommittees in order to ensure clear separation of roles.

- 4) In the event that the Board of Directors deems appropriate, it may elect one or more directors to be Vice Chairman of the Board of Directors. The Vice Chairman shall have duties under the regulations in the affairs assigned by the Chairman.
- 5) The Board of Directors shall appoint the Company Secretary, who shall act as Secretary to the Board of Directors.

(2) Independent Director

(2.2) Qualifications of independent directors

- 1) Holding shares not exceeding 1 percent of all voting shares of the company, parent company, company Subsidiaries, affiliates, major shareholders or controlling persons of the company, including shares Held by the related persons of that independent director.
- 2) Not being or having been a director, employee, or consultant Regular salary or authorized person of the company, parent company, subsidiary company, joint venture company Subsidiaries of the same rank, major shareholders or controlling persons of the Company, except Must have been free from the above characteristics for no less than 2 years. The above prohibited characteristics: This does not include cases where the independent director used to be a civil servant or an advisor to a government agency which is a person Major shareholder or controlling person of the company
- 3) Not being a person related by blood or by legal registration in Characteristics of the director as father, mother, spouse, siblings and children, including spouses of children, Others, executives, major shareholders, controlling persons, or persons to be proposed Being a director, executive or controlling person of the company or its subsidiaries.
- 4) Not having or ever having had a business relationship with the Company, its parent company, subsidiary company, affiliated company, or shareholder Major shareholders or persons with controlling power of the company in a manner that may obstruct the use His own independent judgment, including not being or having been a significant shareholder or person with authority. Control of persons having business relations with the company, parent company, subsidiary company, associated company, shareholders A major shareholder or a person with controlling power of the company, unless he or she is no longer of such status. It has been no less than 2 years.

Business relationships under paragraph one include normal business transactions for business operations, renting or leasing real estate, transactions related to assets or services, or providing or receiving financial assistance by accepting or lending, guaranteeing, providing assets as collateral for debts, including other similar behaviors, which result in the company or the contracting party having a debt burden that must be paid to the other party in the amount of 3 percent of the company's net tangible assets or 20 million baht or more, whichever amount is lower. The calculation of such debt burden shall be in accordance with the method for calculating the value of related party transactions in accordance with the announcement of the Capital Market Supervisory Board on criteria for related party transactions, by analogy. However, in considering such debt burden, debt burdens incurred during the period of 1 year prior to the date on which the business relationship with the same person began shall be included.

- 5) Not being or having been an auditor of the company, its parent company, subsidiary company, associated company, major shareholder or controlling person of the company, and not being a significant shareholder, controlling person or partner of an audit office in which an auditor of the company, its parent company, subsidiary company, associated company, major shareholder or controlling person of the company is affiliated, unless having ceased to have such characteristics for not less than 2 years.
- 6) Not being or having been a provider of any professional services, including legal or financial advisory services, who receives service fees exceeding 2 million baht per year from the Company, its parent company, subsidiary, associated company, major shareholder, or controlling person of the Company, and not being a significant shareholder, controlling person, or partner of such professional service provider, unless the person has ceased to have such characteristics for at least 2 years.
- 7) Not being a director appointed to represent the company's directors, major shareholders, or shareholders who are related to major shareholders.
- 8) Not engaging in a business of the same nature and in significant competition with the business of the Company or its subsidiary, or not being a significant partner in a partnership, or being a director who participates in the management, an employee, a staff member, a consultant who receives a regular salary, or holding more than 1 percent of the total number

of shares with voting rights of another company which is engaged in a business of the same nature and in significant competition with the business of the Company or its subsidiary.

- 9) There are no other characteristics that would prevent the expression of independent opinions regarding the Company's operations.

In this case, if the Securities and Exchange Commission announces changes to the qualifications of independent directors. The Company's independent directors must have the qualifications as announced in all respects.

(3) Audit Committee

(3.1) Composition and Appointment of the Audit Committee

- 1) The Company's board of directors or shareholders' meeting shall appoint the Company's independent directors to serve as audit committee members.
- 2) The audit committee shall consist of no less than two independent directors : 3 people, all of whom must serve as board members
- 3) At least one audit committee member must be a person with sufficient knowledge and experience related to accounting or finance to be able to perform the duty of reviewing the reliability of the financial statements.
- 4) The Audit Committee shall select one Audit Committee member to serve as the Audit Committee Chairman.
- 5) The Audit Committee shall appoint the Audit Committee Secretary. To assist the Audit Committee in its operations regarding meeting scheduling, preparing meeting agendas, submitting meeting documents and recording meeting minutes.

(3.2) Qualifications of the Audit Committee

- 1) The Company's Audit Committee has: Independence According to the definition of independence of an independent director according to the above qualifications and in accordance with the announcement of the Capital Market Supervisory Board No. Tor Chor. 39/2559 on requesting permission and granting permission to offer newly issued and related shares and having duties

in the same manner as specified in the announcement of the Stock Exchange of Thailand on qualifications and scope of work of the audit committee.

- 2) Not being a director assigned by the board of directors to make decisions on the operations of the company, parent company, subsidiary company, associated company, same-level subsidiary company, juristic person with a potential conflict of interest, major shareholder, or person with controlling power of the company.
- 3) Not being a director of a parent company, subsidiary company or subsidiary company of the same level which is a registered company.
- 4) Have sufficient knowledge and experience to perform duties as an audit committee member and be able to perform duties, express opinions or report the results of work performance in accordance with the assigned duties independently, without being under the control of the executives, major shareholders or controlling persons of the company, including related persons or close relatives of such persons, and have no other characteristics that make it impossible to express opinions independently.
- 5) Be a director in no more than 5 other listed companies in order to devote sufficient time to performing duties as an audit committee member.
- 6) They should receive continuous and regular training and knowledge enhancement on matters related to the operations of the Audit Committee in order to keep up with changes that may occur. They should also continuously enhance their knowledge of the Company's operations in order to increase the effectiveness of the Audit Committee.

(4) Executive Board

(4.1) Composition and appointment of the Executive Committee

- 1) The Board of Directors shall appoint persons who possess the required qualifications as directors.
- 2) The Executive Committee shall consist of at least three members who are directors and/or executives of the Company, whereby the Executive Committee members are not required to hold positions as directors of the Company.

- 3) The Executive Committee shall elect one executive director to serve as the Chairman of the Executive Committee.

The Executive Committee shall appoint a Secretary to the Executive Committee to assist in the operations of the Executive Board regarding meeting appointments, preparation of meeting agendas, submission of meeting documents and recording meeting minutes.

8.1.2 Attendance at meetings and payment of remuneration to individual committee members

(1) Monetary compensation and other compensation

(1.1) Remuneration of the Board of Directors and subcommittees

The 2024 Annual General Meeting of Shareholders, held on 26 April 2024 The remuneration of the Company's directors and sub-committees has been determined in the form of meeting allowances and quarterly compensation, as follows:

(A.) The meeting allowance of the directors includes travel expenses, accommodation, airfare and other expenses. The directors will receive only the approved amount. Each director residing in Thailand is 25,000 baht (twenty-five thousand baht). Each director residing abroad traveling to attend a meeting in Thailand is 25,000 baht (twenty-five thousand baht). In the case of a meeting held via electronic media and not traveling to attend the meeting in Thailand, 25,000 baht (twenty-five thousand baht) per person per time the director attends a board meeting until further notice.

(B.) Annual remuneration of the Company's directors for 2024

Position	Annual compensation
Chairman of the Board of Directors	540,000.00 baht
Board of Directors	300,000.00 baht
Chairman of the Audit Committee	350,000.00 baht
Independent Director/Audit Committee	350,000.00 baht

In the fiscal year 2024, the committee received meeting allowances, with details as follows:

(1.2) Total remuneration for the Company's 12 directors from 3 positions and the executive committee. Number of 4 persons in 2024, comparing the past 3 years as follows:

Type	Remuneration for 12 board positions (baht)			Executive compensation (baht)		
Compensation	Year 2022	Year 2023	Year 2024	Year 2022	Year 2023	Year 2024
				(4 people)	(3 people)	(4 people)
Salary	-			5,829,560	4,184,333	9,950,325.73
Annual Compensation	4,040,000	4,040,000	3,997,500	-		-
Bonus	-		-	5,381,812	5,191,758.75	2,293,735.74
Meeting Allowance	1,100,000	1,475,000	1,125,000	-		-
Total	5,140,000	5,515,000	5,122,500	11,211,372	9,376,081.75	12,244,061.47

(1.3) Other compensation

– Done –

8.1.3 Attendance and individual board remuneration

In 2024, a board meeting was held. 4 times and the audit committee 4 times by attending the meeting of BOD

No.	Board Member	BOD Meeting 2024	
		BOD	AC
		(4) Time	(4) Time
1	Mr. Shen, Kuo-Jung	4 / 4	
2	Mr. Chiu, Hsih-Chien	4 / 4	
3	Ms. Wu, Ping-Yi	4 / 4	
4	Mr. Liu, Hsing-Hung	-	
5	Mr. Yen, Ming-Shan	4 / 4	
6	Mr. Yen, Ya-Nan	1 / 4	
7	Mr. Yen, Chih-Che	4 / 4	
8	Mr. Chuang, Chih-Yao	4 / 4	
9	Mr. Lin, Wen Chen	1 / 4	
10	Mr. Yen, Jui-Hsian	3 / 4	
11	Mr. Hsiao, Chin-Lung	3 / 4	3 / 4
12	Mrs. Syuan Wen	3 / 4	3 / 4
13	Mr. Liu, Hsing-Hung	3 / 4	3 / 4
14	Mr. Monsiam Sinworaphan	4 / 4	4 / 4

8.1.4 Monitoring compliance with good corporate governance policies and guidelines

(1) Preventing conflicts of interest

To prevent conflicts of interest, when entering into transactions with persons who may have conflicts of interest, matters must be presented to the Audit Committee for consideration and approval of such transactions, and the Committee carefully oversees any transactions that may have conflicts of interest. By setting policies and procedures for approving related transactions to be in accordance with the Securities and Exchange Act and regulations, announcements, orders or requirements of the Stock Exchange of Thailand, including compliance with the requirements regarding disclosure of information on related transactions, in which persons who may have conflicts of interest or have an interest in the transaction will not have the right to participate in approving the transaction, and the Company shall comply with the criteria and methods as specified in the said announcement in such matters.

(2) Use of inside information for personal gain

(2.1) Insider Trading

1. Directors, executives, employees, and related persons are prohibited from purchasing or Sell or offer to buy or offer to sell or solicit another person to buy or sell or offer to buy or offer Selling the Company's securities, whether directly or indirectly, in a manner that would take advantage of others An outsider, by relying on inside information that he has gained knowledge of in his position or status and regardless of whether Such action will be done for the benefit of oneself or others or to take out inside information. Revealing to allow others to do such acts, whether or not the person himself receives any benefits in return.

2. Directors, executives, employees, and related persons are prohibited from trading.

The Company's securities, with time periods specified, are separated according to the types of internal information as follows:

- 2.1 Financial Statements Trading of the Company's securities is prohibited from the date of 15 of the month following the month ending the quarterly accounting period or Annually until after the company submits financial statements to the market. The Stock Exchange of Thailand and has already published to the public 24 Hours: The Company Secretary will announce the time period during which securities trading is prohibited.

2.2 Other information The Company's securities are prohibited from being traded since the date of acknowledgement. Information until after the company has released it to the public 24 hour

3. Directors, executives and employees must prepare reports on their securities holdings and Report on changes in the Company's securities, divided into reporting types As follows

3.1 First Report Directors, executives and employees must prepare reports. Holding of securities of oneself and related persons according to the reporting form Holding of the Company's securities and submitting them to the Company Secretary within 30 days from the date of appointment

3.2 Reporting on changes

(1) Directors and executives must prepare a report on changes in Hold securities according to the format specified in the electronic system and forward them. Office of the SEC as announced by the Office of the Securities and Exchange Commission Securities and Exchange Commission (SEC) at SorJor. 38/2018 and notification To the Company Secretary for acknowledgement within 3 working days from the date of receipt. Or persons involved in trading in the company's securities

(2) Employees must prepare a report on changes in securities holdings. According to the company's securities holding report form and submitted to Company Secretary within 3 working days from the date of the person or person Involved in trading of the Company's securities

3.3 Quarterly holdings reporting Directors, Executives and Employees Must prepare a report of your own and related persons' securities holdings at Quarterly closing date according to holding report format The Company's securities and submit them to the Company Secretary within 15 days from The closing date of each quarter's accounting period will be announced by the Company Secretary.

4. Directors, executives and employees are not required to prepare a change report.

Securities in the following cases:

- 4.1 Acquisition of securities in proportion to the number of shares held by each shareholder
- 4.2 Obtaining securities from the company's dividend payments
- 4.3 Exercise of convertible securities rights
- 4.4 Acquisition of assets by inheritance
- 4.5 Obtaining securities from the offering of newly issued securities to directors or company employees (Employee Stock Option Program “ESOP”) or received assets from a joint investment project between employers and employees (Employee Joint Investment Program “EJIP”)
- 4.6 Borrowing or lending securities to a licensed securities company Engaged in securities business, such as securities borrowing and lending (SBL) or Securities Depository Center, including cases where a placement is required Collateral from such transactions as well
- 4.7 Transfer or receipt of transfer made to a custodian and keeper of securities (Custodian) who holds securities on behalf.

(3) Anti-Corruption

The Company realizes and adheres to conducting business with virtue, being responsible to society and all stakeholders in accordance with the principles of good corporate governance, being straightforward, honest, transparent and auditable, and not performing, neglecting or ignoring, and not supporting any illegal practices and violating the Company’s anti-corruption and corruption policies, whether it is demanding or giving money, items or other benefits that lead to the improper use of power, prohibiting all forms of bribery that may lead to or constitute corruption, and establishing a system to control charitable donations, gift giving and entertainment, which must take into account appropriateness. This is determined as an anti-corruption and corruption policy and includes it as part of the Code of Conduct, which all employees must strictly adhere to.

In the past year, the company has not received any complaints about corruption or any misconduct by employees from inside or outside the organization.

(3.1) Preventing Involvement in Corruption

Corruption means bribery in any form by offering, promising to give, promising to give, demanding or receiving money, property or other benefits that are not appropriate for government officials, government agencies, private agencies or persons in charge, whether directly or indirectly, to make such persons perform or refrain from performing their duties, which is to obtain or maintain business or introduce business to the company in particular or to obtain or maintain other benefits that are not appropriate for business, except in cases where laws, regulations, announcements, rules, local customs or trade traditions allow such action.

The Company realizes and places importance on combating corruption by setting guidelines for appropriate conduct for the Board of Directors, executives and employees in the Good Corporate Governance Manual, Code of Ethics and Business Conduct. In addition, the Company is aware of the damage that may result from corruption and has set an anti-corruption policy, prohibiting the Company's directors, executives, employees and employees from performing any acts related to corruption in any form for direct or indirect benefits to themselves, their families, friends and acquaintances, regardless of whether they are the recipient or the giver, whether in cash or in kind, to government agencies or private agencies with which the Company conducts business or deals, with the following guidelines:

1. Directors, executives and employees must comply with the anti-fraud and corruption policy. Including business ethics and must not be involved in corruption or Corruption, either direct or indirect
2. Directors, executives and employees must not neglect or ignore when they encounter any actions that are considered as Any corruption related to the company must be reported to the supervisor or relevant person and cooperate in the fact-finding process
3. To allow bribery in all forms, in a manner that may cause or constitute corruption, including: Control of charitable donations, donations to political parties, giving business gifts and support for various activities must be transparent and not intended to influence officials. Public or private sectors take inappropriate actions.
4. The Company will provide appropriate and consistent internal controls to prevent employees from acting in a manner that: Not suitable, especially for sales, marketing and purchasing jobs.

5. Giving gifts, souvenirs and entertainment must be done within the scope of what is permitted. Consider the appropriateness of each occasion, suitable for the recipient or giver, without violating the law and Follow traditions Or general practices of society, business, etc., this value All gifts, souvenirs, and entertainment expenses must be recorded. Correct, there is evidence to enable verification.
6. Charitable donations or financial support must be transparent and not contrary to morality . Ethical, legal and in accordance with the company's policies and regulations on the matter As mentioned above strictly, such charitable donations or financial support must not It gives rise to conflicts of interest, both personal and company, and cannot be used as an excuse for Corruption and corruption
7. Conduct business in a politically neutral manner, without providing political assistance or Providing political support to political parties or politicians in all forms, including not promoting Directors, executives or employees shall not participate in any political activities on behalf of the Company. However, the Company considers it a personal right and freedom under the law to participate in the activity. Politically, but must not claim to be an employee or use any of the misunderstanding that the company Participate in or support any political party, including expression and expression of opinions. Political activities in the office or on the premises of the company are considered illegal according to the regulations of company.

(3.2) Tip reporting

The company emphasizes on conducting business with honesty, integrity and transparency. Under the framework of good corporate governance and anti-corruption in all forms, including Focus on promoting the company's directors, executives and all employees to adhere to the following: Criteria to establish criteria and guidelines for complaints and notifications Clues of corruption and non-compliance with laws and organizational regulations by the company's personnel Clear, transparent, fair and auditable, including responsibility towards stakeholders. In accordance with the principles of good corporate governance and the code of ethics in business operations The Company has criteria and guidelines for compliance with the complaints and whistleblowing policy.

(3.2.1) Scope of complaints or whistleblowing

1. Violating the law or failing to comply with the corporate governance policy, business ethics and anti-corruption policy.
2. Actions that violate the Company's rules, regulations and regulations.
3. Injustice in work practices
4. Acts that constitute corruption, bribery and giving or receiving bribes
5. Intentional concealment of acts under paragraphs 1 – 4

Investor Relations

Complaints will be treated as strictly confidential and the complainant is not required to disclose his/her identity. However, if the complainant is able to disclose his/her identity, the Company will be able to inform the complainant of the results of the investigation or additional relevant details.

(1) Channels for reporting clues**E-mail Channel**

Investor Relations Persons: chatchadaporn@duro.co.th

**(2) Postal Channel (Please indicate confidential document)****Company Secretary Section:****Hwa Fong Rubber (Thailand) Public Company Limited (Head Office)**

Address:

317 Moo.4, Soi 6C, Bangpoo Industrial Estate, Phraeksa Subdistrict,
Mueang District, Samut Prakan Province 10280

(3.2.2) Process When receiving a complaint or receiving a tip

1. The person receiving the complaint will be the one to investigate and collect the facts or assign the appropriate person/agency to investigate and collect the facts
2. The person receiving the complaint or the person assigned can invite any employee to provide information or request the delivery of related documents for consideration to investigate the facts
3. If the investigation finds that it is true, the Company Secretary or the person assigned will invite the management representative to join in the consideration filtering the information and investigation

(3.2.3) Measures to protect the complainant or the tip of the wrongdoing

1. The Company will keep the information and identity of the complainant, the informant or the person who gives the tip as confidential and will disclose only as necessary, taking into account the safety and damage of the reporter, the source of the information or the person involved, in which access to the information will be limited to only the person responsible for investigating the complaint.
2. In the event that the complainant, the informant or the person who gives the tip of the cooperation sees that he/she may be unsafe or may suffer damage, he/she can request the Company Define appropriate protection measures, or the Company may determine protection measures without the complainant, whistleblower, or cooperator requesting it if it is considered that there is a tendency to cause distress, damage, or insecurity.
3. The Company will not act in any way that is unfair to the complainant, whistleblower, or cooperator, whether by changing job positions, changing job descriptions, changing workplaces, suspending work, threatening, interfering with work, terminating employment.
4. Those who have suffered damage will receive relief through appropriate and fair processes.

9. Internal control and related party transactions

9.1 Internal control

The Company recognized the importance of internal control system and encouraged employee to aware of the role and duties in risk management and IT management. Company has determined the extent of responsibilities of each department and determined the annual target, also clarify to employee to follow and achieve the target.

The Company, meditating in legislation, has developed the company's Internal Audit Manual in order that all business engagements are executed with efficiency and effectiveness. This internal audit manual consists of 8 cycles, of which the contents are provided in writing, in an effort to ensure that the company's internal control system is appropriate and sufficient to defend the maximum interests of the company and shareholders, together with the consideration of fairness to stakeholders. In 2024, the internal audit unit conducts the audit according to the annual plan as follows;

1. Sales and receipt of payment
2. Purchase and payment
3. Production
4. Personnel & human resources management
5. Procurement of investment capital
6. Procurement of fixed assets
7. Procurement of IT management
8. Control and supervision of internal operations

The Company has an internal audit unit, which is an independent unit responsible for auditing and monitoring the performance of various units in the organization. All units are well aware that every step of the operation is clear and has a good system, resulting in transparency in operations, including prevention of possible corruption. In the past year, no corruption or misuse of the Company's assets was found. The results of the audit were in accordance with the specified procedures. The internal audit unit reported the audit results directly to senior executives and the Audit Committee for acknowledgement and consideration of providing comments and suggestions to the Company's management for further improvement and correction. The Audit Committee has scheduled a meeting with PricewaterhouseCoopers ABS Limited, the auditor, every quarter to consider the financial statements and review the financial statements to ensure compliance with accounting standards. Therefore, the Company is confident that the internal control system is appropriate and adequate.

Risk Management

Company There is an assessment of risks under changes that may have both internal and external impacts on all processes of the Company's business operations. Risks are reviewed and assessed at the operator level. Performance results are monitored under the supervision of the responsible executives continuously. Joint meetings are held with the Company's management, including consideration and review of compliance with the Company's regulations for the efficiency and appropriateness of the risk management system regularly. The internal audit unit is responsible for monitoring each department to operate with consideration of possible risks, such as checking the control of credit risk by having the relevant departments follow the approval process for product price limits and set debt repayment periods before selling products to customers to prevent risks that may arise from customers not paying their debts on time and having a debtor account audit system. From the determination of the aforementioned measures Make the company There is an appropriate internal control system and risk management that results in maximum efficiency for the company.

Opinion of the Board of Directors

The Company's Board of Directors is of the opinion that the Company's internal control system is adequate and appropriate in various aspects, namely, internal control, risk assessment, information and communication systems. Each unit's performance has been set with objectives that can be measured and the Company's performance is closely monitored. In addition, the Company has a clear organizational structure to ensure efficient and tight management.mMore and more

Head of Internal Audit and Head of Compliance of the Company

Consideration and approval Appointment Removal or transfer of the head of the internal audit unit of the Company must be approved by the independent committee/audit committee. The qualifications of the head of the internal audit unit are as shown in Attachment 3.

9.1 List betweentogether

In 2024, the Company has entered into transactions with related companies as follows:

Individual / Legal entity	relationship	Item Description	Intercompany transaction value	Pricing Policy	The rationality of Intercompany items
		Between each other	Year 2024		
			(million baht)		
1. Hwa Fong Rubber Industry Co., Ltd.	It is a large company. Holding shares in the company 50.42 percent	- Selling products	7.42	General market price or price according to the agreement, where the Company determines the price structure for selling products between the Company and related companies, taking into account the actual cost of products plus the gross profit margin.	The price is close to the market price and the conditions are in accordance with normal business.
		- Selling raw materials	0.29	Cost price plus profit	
		- Other income	0.09	Contractually agreed price	
		- Purchase raw materials	8.21	Cost price plus profit	To ensure product production standards and conditions are in line with normal business practices.
		- Buy products	-	Cost price plus profit	To ensure product production standards and conditions are in line with normal business practices.
		- Purchase of fixed assets	5.59	Cost price plus profit (Purchase machinery for manufacturing products)	To use the same technology to produce products and conditions are as normal business.
		- Purchase of spare parts, materials and other expenses	3.20	Cost price plus profit (The company purchases spare parts for machine repair and consumables for use in production)	To use the same technology to produce products and conditions are as normal business.
		- Technical assistance fee	32.45	On June 1, 2020, the contract was for 1% of sales of products receiving technical services, and on August 1, 2022, it was amended to 1.2% of sales of products receiving technical services.	Contract price

Intercompany transactions (continued)

Individual / Legal entity	relationship	Item Description Between each other	Intercompany transaction value Year 2024 (million baht)	Pricing Policy	The rationality of Intercompany items
1. Hwa Fong Rubber Industry Co.,Ltd (continue)	It is a major company holding 50.42 percent of the company's shares.	- Trademark usage fees	25.4	June 1, 2020 Contract for 2% of product sales	Contract price
		- Trade debtors	1.48	60 days credit	
		- Trade creditors	1.94	60 days credit	
		- Other creditors	56.44	60 days credit and specified in the contract	
2. Hwa Fong Rubber (USA) Co., Ltd.	Affiliated Companies (have the same parent company)	- Selling products	40.7	General market price or price according to the agreement, where the Company determines the price structure for selling products between the Company and related companies, taking into account the actual cost of products plus the gross profit margin.	The price is close to the market price and the conditions are in accordance with normal business.
		- Other expenses		General market price or price according to the agreement	The price is close to the market price and the conditions are in accordance with normal business.
		- Trade debtors	16.13	90 days credit	
		- Other creditors	-	90 days credit	

Intercompany transactions (continued)

Individual/ Legal entity	relationship	Item Description Between each other	Intercompany transaction value Year 2024 (million baht)	Pricing Policy	The rationality of Intercompany items
4. Hwa Fong Rubber (China) Co., Ltd.	Affiliated companies (have the same parent company)	- Selling products		General market price or price according to the agreement, where the Company determines the price structure for selling products between the Company and related companies, taking into account the actual cost of products plus the gross profit margin.	The price is close to the market price and the conditions are in accordance with normal business.
		- Purchase of fixed assets		Cost price plus profit (Purchase machinery for manufacturing products)	To use the same technology to produce products and conditions are as normal business.
		- Trade debtors		90 days credit	
		- Other creditors		90 days credit	
		- Purchase of spare parts, materials and other expenses		Cost price plus profit (The company purchases spare parts for machine repair and consumables for use in production)	To use the same technology to produce products and conditions are as normal business.
5. Hwa Fong Rubber (Suzhou) Co., Ltd.	Affiliated companies (have the same parent company)	- Purchase of fixed assets		Cost price plus profit (The company purchases spare parts for machine repair and consumables for use in production)	To use the same technology to produce products and conditions are as normal business.
		- Other debtors			
6. Hwa Fong Distribution Co., Ltd.	Affiliated companies (have the same parent company)	- Selling products	31.52	General market price or price according to the agreement, where the Company determines the price structure for selling products between the Company and related companies, taking into account the actual cost of products plus the above profit margin.	The price is close to the market price and the conditions are in line with normal business.
		- Other Income	0.37	Price as agreed upon in the contract	
		- Trade debtors	2.79	60 days credit	

Intercompany transactions (continued)

Individual/ Legal entity	relationship	Item Description	Intercompany transaction value	Pricing Policy	The rationality of Intercompany items
		Between each other	Year 2024 (million baht)		
7. Sumitomo Rubber Industry Co., Ltd.	It is a related company, holding 10.18 percent of the shares in the parent company.	- Selling products	78.86	General market price or price according to the agreement, where the Company determines the price structure for selling products between the Company and related companies, taking into account the actual cost of products plus the gross profit margin.	The price is close to the market price and the conditions are in accordance with normal business.
		- Trade debtors	4.02	30 days credit	
		- Trademark usage fees	2.19	1.5 - 3 percent of product sales	Contract price
		- Purchase of spare parts, materials and other expenses	0.16	Cost price plus profit	To use the same technology to produce products and conditions are as normal business.
		- Other creditors	0.95	60 days credit and specified in the contract	
8. HFT Holding Company Limited	Subsidiary Company	-Short-term property rental	0.12	Contractually agreed price	Contract price
	The company holds 99.99 percent of the shares.	-Buy products	0.17	General market price or price according to the agreement	The price is close to the market price and the conditions are in accordance with normal business.
		-Transportation income	0.04	Contractually agreed price	
		- Other debtors	0.02	30 days credit	
		- Other creditors	-	30 days credit	
9. Hwa Fong Rubber Indonesia Co., Ltd.	Subsidiary Company	- Other debtors	65.63		Contract price
	The company holds 99 percent of the shares.				

Intercompany Transactions (continued)

The Company sells products to related companies, namely, Hwa Fong Rubber Industry Co., Ltd. at 0.25 percent, Hua Fong Rubber (USA) Co., Ltd. at 1.35 percent, Hwa Fong Distribution Co., Ltd. at 1.04 percent, and Sumitomo Rubber Industry Co., Ltd. at 2.61 percent of total sales. The pricing policy for selling products to related companies is the general market price or the price according to the agreement. The Company determines the price structure of selling products between the Company and related companies, taking into account the actual cost of goods plus the gross profit margin.

The Company provides credit to parent companies and related companies for 30-90 days, which is in the normal course of business. For the purchase of raw materials and machinery from the parent company, the Company must pay a management fee in addition to the price of raw materials and machinery, which is normal according to the trading practices among companies in the group, which the parent company will determine and implement equally. However, the Company will purchase raw materials or machinery only as necessary to achieve the same production standards as companies in the group.

Necessity and reasonableness of the related party transactions

Related transactions that occur are necessary and reasonable for the purpose of making the highest benefit to the company, such as in the case of wanting to control the quality of products to meet the specified criteria, the same type of raw materials or machinery that requires the expertise of the parent company will be used, in which case purchasing from the parent company will help reduce errors, or urgent needs that may not be convenient if having to order and wait for the delivery process from the manufacturer, the parent company will help the company obtain raw materials faster in the 2024.

Measures or procedures for approving transactions between each other

The Company complies with the Securities and Exchange Act, which requires the Company and its subsidiaries to conduct transactions with directors, executives or related persons to submit such agreements for approval from the Board of Directors or seek approval in principle from the Board of Directors prior to conducting such transactions.

Future Policy and Trends of Related Transactions

The Company will continue to make related party transactions because the related party transactions between the Company and related companies are in accordance with normal business practices at market prices. For the purchase of raw materials including machinery, equipment and spare parts through the parent company and affiliated companies, the parent company and affiliated companies will calculate the cost plus management service fees, which will be done in 2 cases. It is the maintenance of product standards and the urgent need to use certain types of raw materials, which is why the company has to order through the parent company and affiliated companies.

PART 3

FINANCIAL STATEMENTS



**HWA FONG RUBBER (THAILAND)
PUBLIC COMPANY LIMITED**

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2024

Independent Auditor's Report

To the shareholders and the Board of Directors of Hwa Fong Rubber (Thailand) Public Company Limited

My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Hwa Fong Rubber (Thailand) Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2024;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include material accounting policies and other explanatory information.

Basis for opinion

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

Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
<i>Valuation of trade accounts receivable</i>	
Refer to Note 4.4 ‘Accounting policies - Trade accounts receivable’ and Note 10 ‘Trade and other current receivables (net)’ to the consolidated and separate financial statements.	I evaluated the appropriateness of the loss allowance - trade accounts receivable by:
As at 31 December 2024, the Group has trade accounts receivable of Baht 714.70 million and loss allowance of Baht 173.88 million. The trade accounts receivable (net) of Baht 540.82 million is 12.20% of the Group's total assets.	<ul style="list-style-type: none"> - Inquiring management about the policy and criteria for assessing the loss allowance - trade accounts receivable. And assessing whether the method selected is appropriate and in accordance with Thai Financial Reporting Standards. - Considering the reasonableness of management’s assessment of the adequacy of the loss allowance on overdue individual accounts receivable by retrospectively calculating the average of the past five years of loss rates for each group of trade accounts receivable, as loss rates were significant assumptions used to calculate loss allowance at the reporting date. I also assessed the possibility of recoverable amount and collectability after the reporting date.
Assessing the loss allowance requires a degree of estimation and the use of management’s judgment. Management assesses the appropriateness of the loss allowance from experience and considers historical payments and credit loss, including forward-looking information that may affect cash collection for each group of accounts receivable.	

Key audit matter	How my audit addressed the key audit matter
<p>The Group expanded its distribution channels by supplying goods directly to small businesses which increased the non-recoverability risk for accounts receivable. In addition, because the value of accounts receivable is material to the total assets and the determination of loss allowance is subject to management's judgment and experience, this could affect the appropriateness of the valuation of accounts receivable. So, I considered this to be a focus area in my audit.</p>	<ul style="list-style-type: none"> - Testing the reliability of the accounts receivable aging report initially used in assessing the loss allowance. <p>I did this by sample testing the accuracy of the accounts receivable aging classification of representative invoices. I tested the accuracy recalculating the number of overdue days.</p> <ul style="list-style-type: none"> - Comparing each trade credit insurance with the trade credit insurance contracts and testing that the loss allowance was set-up based on the trade accounts receivable net credit insurance value. <p>From the procedures above, I found the method and assumption for the loss allowance - trade accounts receivable was reasonable and aligned with the supporting evidence.</p>

Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

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

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

PricewaterhouseCoopers ABAS Ltd.



Anutai Poomsurakul

Certified Public Accountant (Thailand) No. 3873

Bangkok

26 February 2025

Hwa Fong Rubber (Thailand) Public Company Limited**Statements of Financial Position****As at 31 December 2024**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2024	2023	2024	2023
		Baht	Baht	Baht	Baht
ASSETS					
Current assets					
Cash and cash equivalents	9	1,231,788,121	1,139,132,413	1,133,364,174	968,075,304
Financial asset measured at					
fair value through profit or loss	6,11	78,041,361	74,850,063	-	-
Other financial assets measured at					
amortised cost	11	31,059,848	98,589,899	31,059,848	98,589,899
Trade and other current receivables (net)	10	544,770,309	428,081,165	610,348,297	427,774,676
Inventories (net)	12	711,200,402	649,145,588	708,583,449	645,987,389
Other current assets (net)	13	47,361,550	13,416,546	43,522,420	9,711,897
Total current assets		2,644,221,591	2,403,215,674	2,526,878,188	2,150,139,165
Non-current assets					
Financial asset measured at fair value					
through other comprehensive income	6,11	25,580,508	20,460,492	-	-
Investment in subsidiaries (net)	14	-	-	338,906,214	512,255,214
Investment in an associate	15	1,174,188	1,185,697	1,161,000	1,161,000
Investment property	6,16	138,497,102	145,928,878	-	-
Property, plant and equipment (net)	17	1,580,680,732	1,492,011,126	1,580,680,732	1,492,011,126
Intangible assets (net)	18	615,354	599,612	615,353	597,802
Deferred tax assets (net)	19	42,221,525	40,910,575	38,161,054	36,254,042
Other non-current assets		1,307,347	1,218,773	1,174,799	1,079,112
Total non-current assets		1,790,076,756	1,702,315,153	1,960,699,152	2,043,358,296
Total assets		4,434,298,347	4,105,530,827	4,487,577,340	4,193,497,461

Director _____

The accompanying note an integral part of these consolidated and separate financial statements.

Hwa Fong Rubber (Thailand) Public Company Limited**Statements of Financial Position****As at 31 December 2024**

		Consolidated		Separate	
		financial statements		financial statements	
		2024	2023	2024	2023
Notes		Baht	Baht	Baht	Baht
LIABILITIES AND EQUITY					
Current liabilities					
Short-term borrowings					
from financial institutions	20	243,459,336	-	243,459,336	-
Trade and other current payables	21	450,773,964	364,039,412	449,843,374	363,308,441
Current contract liabilities	22	56,590,643	46,308,795	56,590,643	46,308,795
Current corporate income tax payable		257,809	31,235,490	-	31,066,646
Other current liabilities		3,009,449	2,281,264	3,009,018	2,263,031
Total current liabilities		754,091,201	443,864,961	752,902,371	442,946,913
Non-current liabilities					
Employee benefit obligations	23	56,436,038	50,136,261	56,436,038	50,136,261
Total non-current liabilities		56,436,038	50,136,261	56,436,038	50,136,261
Total liabilities		810,527,239	494,001,222	809,338,409	493,083,174

Director _____

The accompanying note an integral part of these consolidated and separate financial statements.

Hwa Fong Rubber (Thailand) Public Company Limited**Statements of Financial Position****As at 31 December 2024**

		Consolidated		Separate	
		financial statements		financial statements	
		2024	2023	2024	2023
Notes		Baht	Baht	Baht	Baht
LIABILITIES AND EQUITY (Cont'd)					
Equity					
Share capital	24				
Authorised share capital					
658,434,300 ordinary shares					
of par Baht 1 each		658,434,300	658,434,300	658,434,300	658,434,300
Issued and paid-up share capital					
658,434,300 ordinary shares					
of par Baht 1 each		658,434,300	658,434,300	658,434,300	658,434,300
Premium on paid-up ordinary shares	24	222,105,000	222,105,000	222,105,000	222,105,000
Surplus on treasury shares	24	7,429,904	7,429,904	7,429,904	7,429,904
Retained earnings					
Appropriated - legal reserve	25	65,843,430	65,843,430	65,843,430	65,843,430
Unappropriated		2,726,350,855	2,734,914,183	2,732,177,329	2,749,227,464
Other components of equity		(56,392,381)	(77,197,212)	(7,751,032)	(2,625,811)
Equity attributable to owners					
of the parent		3,623,771,108	3,611,529,605	3,678,238,931	3,700,414,287
Non-controlling interests		-	-	-	-
Total equity		3,623,771,108	3,611,529,605	3,678,238,931	3,700,414,287
Total liabilities and equity					
		4,434,298,347	4,105,530,827	4,487,577,340	4,193,497,461

Director _____

The accompanying note an integral part of these consolidated and separate financial statements.

Hwa Fong Rubber (Thailand) Public Company Limited**Statements of Comprehensive Income****For the year ended 31 December 2024**

	Notes	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
		Baht	Baht	Baht	Baht
Revenue from sales of goods and services	26	3,024,436,980	2,649,288,690	3,021,423,706	2,645,206,489
Cost of goods sold and providing services		(2,476,572,954)	(2,186,675,299)	(2,473,717,925)	(2,183,148,010)
Gross profit		547,864,026	462,613,391	547,705,781	462,058,479
Other income	27	54,809,155	26,522,240	52,199,841	24,469,408
Profit before expenses		602,673,181	489,135,631	599,905,622	486,527,887
Selling expenses and distribution costs		(117,994,434)	(120,389,922)	(117,946,674)	(120,369,663)
Administrative expenses		(59,698,083)	(54,518,255)	(56,931,998)	(49,090,128)
Gain (loss) from measurement of financial asset measured at fair value through profit or loss	11	3,191,298	(10,531,360)	-	-
Loss on revaluation of investment property	16	-	(6,752,835)	-	-
Gain on sale of investment property		-	9,475,777	-	-
Loss on foreign exchange rate (net)		(39,758,609)	(7,358,871)	(45,965,784)	(5,704,372)
Finance costs		(2,578,442)	(12,480)	(2,578,442)	(12,480)
Share of profit (loss) from investment in an associate	15	(11,509)	449	-	-
Total expenses		(216,849,779)	(190,087,497)	(223,422,898)	(175,176,643)
Profit before income tax expense		385,823,402	299,048,134	376,482,724	311,351,244
Income tax expense	29	(12,494,836)	(49,177,961)	(11,640,965)	(48,983,338)
Net profit for the year		373,328,566	249,870,173	364,841,759	262,367,906
Other comprehensive income (loss), net of tax:					
Items that will be reclassified subsequently to profit or loss					
Currency translation differences		20,810,037	1,831,654	-	-
Total items that will be reclassified subsequently to profit or loss		20,810,037	1,831,654	-	-
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of post-employment benefit obligat	23	(6,406,526)	-	(6,406,526)	-
Income tax on remeasurements of post-employment benefit obligations	19	1,281,305	-	1,281,305	-
Change in value of financial asset measured at fair value through other comprehensive income	11	5,120,015	(1,904,092)	-	-
Total items that will not be reclassified subsequently to profit or loss		(5,206)	(1,904,092)	(5,125,221)	-
Other comprehensive income (loss), net of tax		20,804,831	(72,438)	(5,125,221)	-
Total comprehensive income for the year		394,133,397	249,797,735	359,716,538	262,367,906

Director _____

The accompanying note an integral part of these consolidated and separate financial statements.

Hwa Fong Rubber (Thailand) Public Company Limited

Statements of Comprehensive Income

For the year ended 31 December 2024

Note	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Profit attributable to:				
Equity holders of the owner's parent	373,328,566	249,870,173	364,841,759	262,367,906
Non-controlling interests	-	-	-	-
	<u>373,328,566</u>	<u>249,870,173</u>	<u>364,841,759</u>	<u>262,367,906</u>
Total comprehensive income				
attributable to:				
Equity holders of the owner's parent	394,133,397	249,797,735	359,716,538	262,367,906
Non-controlling interests	-	-	-	-
	<u>394,133,397</u>	<u>249,797,735</u>	<u>359,716,538</u>	<u>262,367,906</u>
Earnings per share for profit attributable				
to the equity holders of the owners' parent				
Basic earnings per share	30 0.57	0.38	0.55	0.40

Director _____

The accompanying note an integral part of these consolidated and separate financial statements.

Hwa Fong Rubber (Thailand) Public Company Limited

Statements of Changes in Equity

For the year ended 31 December 2024

Consolidated financial statements (Baht)													
Attributable to owners of the parent													
Note	Issued and paid-up share capital	Premium on paid-up ordinary shares	Surplus on treasury shares	Retained earnings		Other components of equity			Total other components of equity	Total owners of the parent	Non-controlling interests	Total equity	
				Appropriated - legal reserve	Unappropriated	Other comprehensive income (loss)							
						Translation differences	Remeasurements of post-employment benefit obligations	Measurement of financial asset at fair value through other comprehensive income					
Opening balance as at 1 January 2023	658,434,300	222,105,000	7,429,904	65,843,430	2,735,249,044	(55,743,205)	(2,625,811)	(18,755,758)	(77,124,774)	3,611,936,904	-	3,611,936,904	
Changes in equity for the year ended 31 December 2023													
Dividends payment	31	-	-	-	-	(250,205,034)	-	-	-	-	(250,205,034)	-	(250,205,034)
Net profit for the year		-	-	-	-	249,870,173	-	-	-	-	249,870,173	-	249,870,173
Other comprehensive income (loss) for the year		-	-	-	-	-	1,831,654	-	(1,904,092)	(72,438)	(72,438)	-	(72,438)
Closing balance as at 31 December 2023		658,434,300	222,105,000	7,429,904	65,843,430	2,734,914,183	(53,911,551)	(2,625,811)	(20,659,850)	(77,197,212)	3,611,529,605	-	3,611,529,605
Opening balance as at 1 January 2024		658,434,300	222,105,000	7,429,904	65,843,430	2,734,914,183	(53,911,551)	(2,625,811)	(20,659,850)	(77,197,212)	3,611,529,605	-	3,611,529,605
Changes in equity for the year ended 31 December 2024													
Dividends payment	31	-	-	-	-	(381,891,894)	-	-	-	-	(381,891,894)	-	(381,891,894)
Net profit for the year		-	-	-	-	373,328,566	-	-	-	-	373,328,566	-	373,328,566
Other comprehensive income (loss) for the year		-	-	-	-	-	20,810,037	(5,125,221)	5,120,015	20,804,831	20,804,831	-	20,804,831
Closing balance as at 31 December 2024		658,434,300	222,105,000	7,429,904	65,843,430	2,726,350,855	(33,101,514)	(7,751,032)	(15,539,835)	(56,392,381)	3,623,771,108	-	3,623,771,108

Director _____

The accompanying note an integral part of these consolidated and separate financial statements.

Hwa Fong Rubber (Thailand) Public Company Limited**Statements of Changes in Equity****For the year ended 31 December 2024**

Separate financial statements (Baht)									
	Note	Issued and paid-up share capital	Premium on paid-up ordinary shares	Surplus on treasury shares	Retained earnings		Other component of equity		Total equity
					Appropriated - legal reserve	Unappropriated	Other comprehensive income (loss)		
							Remeasurements of post-employment benefit obligations	Total other component of equity	
Opening balance as at 1 January 2023		658,434,300	222,105,000	7,429,904	65,843,430	2,737,064,592	(2,625,811)	(2,625,811)	3,688,251,415
Changes in equity for the year ended 31 December 2023									
Dividends payment	31	-	-	-	-	(250,205,034)	-	-	(250,205,034)
Net profit for the year		-	-	-	-	262,367,906	-	-	262,367,906
Closing balance as at 31 December 2023		658,434,300	222,105,000	7,429,904	65,843,430	2,749,227,464	(2,625,811)	(2,625,811)	3,700,414,287
Opening balance as at 1 January 2024		658,434,300	222,105,000	7,429,904	65,843,430	2,749,227,464	(2,625,811)	(2,625,811)	3,700,414,287
Changes in equity for the year ended 31 December 2024									
Dividends payment	31	-	-	-	-	(381,891,894)	-	-	(381,891,894)
Net profit for the year		-	-	-	-	364,841,759	-	-	364,841,759
Other comprehensive income (loss) for the year		-	-	-	-	-	(5,125,221)	(5,125,221)	(5,125,221)
Closing balance as at 31 December 2024		658,434,300	222,105,000	7,429,904	65,843,430	2,732,177,329	(7,751,032)	(7,751,032)	3,678,238,931

Director _____

The accompanying note an integral part of these consolidated and separate financial statements.

Hwa Fong Rubber (Thailand) Public Company Limited**Statements of Cash Flows****For the year ended 31 December 2024**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2024	2023	2024	2023
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax expense		385,823,402	299,048,134	376,482,724	311,351,244
Adjustments for:					
Depreciation and amortisation		105,283,043	112,029,383	105,281,234	112,023,884
Expected credit loss	10, 13	2,848,682	542,517	2,848,682	542,517
(Reversal of) allowance for actual cost of inventories					
in excess of net realisable value	12	968,717	(2,347,425)	757,732	(2,347,425)
Allowance for obsolete and defective inventories	12	7,826,335	10,578,302	7,826,335	10,594,827
Gain on disposals of property, plant and equipment	27	(180,335)	(1,899,689)	(180,335)	(1,899,689)
Share of (profit) loss from investments in an associate	15	11,509	(449)	-	-
(Gain) loss from measurement of financial asset					
measured at fair value through profit or loss	11	(3,191,298)	10,531,360	-	-
Loss on revaluation of investment property	16	-	6,752,835	-	-
Gain on sale of investment property		-	(9,475,777)	-	-
Unrealised loss on foreign exchange rate		2,839,782	11,314,283	5,746,502	11,381,474
Loss on change from decrease capital in subsidiary		-	-	38,402,622	-
Employee benefit obligations	23	4,778,136	4,704,825	4,778,136	4,704,825
Interest income	27	(39,706,273)	(13,210,130)	(37,824,464)	(13,039,718)
Finance costs		2,578,442	12,480	2,578,442	12,480
Dividend income	27	(1,278,329)	(2,046,236)	-	-
Changes in working capital					
Trade and other current receivables		(120,713,393)	76,372,750	(121,732,697)	77,140,343
Inventories		(70,849,866)	33,772,099	(71,180,127)	33,287,813
Other current assets		(33,889,369)	2,402,107	(33,754,888)	2,595,249
Other non-current assets		(112,687)	21,600	(112,687)	21,600
Trade and other current payables		84,661,465	29,411,882	84,431,490	29,455,248
Current contract liabilities		10,281,848	(17,726,226)	10,281,848	(17,726,226)
Other current liabilities		728,129	562,718	745,987	544,589
Employee benefit obligations paid	23	(4,884,885)	(4,171,718)	(4,884,885)	(4,171,718)
Cash generated from operations		333,823,055	547,179,625	370,491,651	554,471,317
Interest paid		(2,578,442)	(12,480)	(2,578,442)	(12,480)
Income tax paid		(43,502,162)	(44,196,031)	(43,333,318)	(42,000,062)
Net cash generated from operating activities		287,742,451	502,971,114	324,579,891	512,458,775

Director _____

The accompanying note an integral part of these consolidated and separate financial statements.

Hwa Fong Rubber (Thailand) Public Company Limited**Statements of Cash Flows****For the year ended 31 December 2024**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2024	2023	2024	2023
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Decrease (increase) in other financial assets					
measured at amortised cost		67,530,051	(68,301,150)	67,530,051	(68,301,150)
Cash received from decreasing capital of subsidiary		-	-	69,948,097	-
Purchase of property, plant and equipment		(191,924,791)	(102,892,876)	(191,924,791)	(102,892,876)
Purchase of intangible assets		(210,000)	-	(210,000)	-
Proceeds from disposal of property, plant and equipment		395,560	4,269,491	395,560	4,269,491
Cash received from sale of investment property		-	85,281,999	-	-
Interest received		40,030,921	12,305,425	38,149,112	12,135,013
Dividend received	27	1,278,329	2,046,236	-	-
Net cash used in investing activities		(82,899,930)	(67,290,875)	(16,111,971)	(154,789,522)
Cash flows from financing activities					
Dividend paid		(378,928,354)	(250,129,708)	(378,928,354)	(250,129,708)
Proceeds from short-term borrowings from					
financial institutions	20	369,369,230	-	369,369,230	-
Repayment on short-term borrowings from					
financial institutions	20	(125,909,894)	-	(125,909,894)	-
Payment for principal elements of lease payments		-	(383,520)	-	(383,520)
Net cash used in financing activities		(135,469,018)	(250,513,228)	(135,469,018)	(250,513,228)
Net increase in cash and cash equivalents		69,373,503	185,167,011	172,998,902	107,156,025
Cash and cash equivalents at the beginning of the year		1,139,132,413	964,083,665	968,075,304	869,326,822
Exchange gain (loss) on cash and cash equivalents		23,282,205	(10,118,263)	(7,710,032)	(8,407,543)
Cash and cash equivalents at the end of the year		1,231,788,121	1,139,132,413	1,133,364,174	968,075,304
Non-cash transactions:					
Unpaid purchase of plant and equipment		10,864,401	8,789,884	10,864,401	8,789,884
Receivable from decrease capital of subsidiary		-	-	64,998,281	-
Dividend payable		2,975,449	-	2,975,449	-

Director _____

The accompanying note an integral part of these consolidated and separate financial statements.

1 General information

Hwa Fong Rubber (Thailand) Public Company Limited (“the Company”) is a public limited company which is listed on the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

No. 317 Moo 4, Soi 6 C, Bangpoo industrial estate, Praksa, Muang Samut Prakan, Samut Prakan

For reporting purposes, the Company and its subsidiaries are referred to hereafter as “the Group”.

The principal businesses of the Group are manufacturing and distribution of tires and tubes for bicycles, motorcycles and small logistics vehicles.

These consolidated and separate financial statements were authorised for issue by the Company’s authorised board of director on 26 February 2025.

2 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except certain financial assets and investment properties which explained in the accounting policies in Note 4.6 and 4.7, respectively.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 7.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

3 New and amended financial reporting standards

3.1 New and amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2024 which are relevant to the Group

- a) **Amendment to TAS 1 – Presentation of financial statements** revised the disclosure from ‘*significant* accounting policies’ to ‘*material* accounting policies’. The amendment also provides guidelines on identifying when the accounting policy information is material. Consequently, immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

- b) **Amendment to TAS 8 – Accounting policies, changes in accounting estimates and errors** revised to the definition of ‘accounting estimates’ to clarify how companies should distinguish between changes in accounting policies and changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events and conditions from the date of that change. Whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period as if the new accounting policy had always been applied.

3 New and amended financial reporting standards (Cont'd)

3.1 New and amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2024 which are relevant to the Group (Cont'd)

c) Amendments to TAS 12 – Income taxes

- 1) Companies must recognise any deferred tax related to assets and liabilities arising from a single transaction that, on initial recognition, gives rise to equal amounts of taxable and deductible temporary differences. Example transactions are leases and decommissioning obligations.

The amendment should be applied to transactions on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that they can probably be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised at the beginning of retained earnings or any other component of equity, as appropriate.

3 New and amended financial reporting standards (Cont'd)

3.1 New and amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2024 which are relevant to the Group (Cont'd)

- 2) Companies must apply all income taxes arising from the tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD), an international organisation.

In December 2021, the OECD released the Pillar Two model rules to apply the Global Anti-Base Erosion Proposal, or 'GloBE') to reform international corporate taxation. Large multinational enterprises within the rules' scope must calculate the GloBE effective tax rates for each territory in which they operate and pay a top-up tax for the differences between these and the 15% minimum rate.

In December 2023, the amendments to TAS 12 – income taxes provide a temporary relief from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments also require affected companies to disclose:

- the fact that they have applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes
- their current tax expense (if any) related to the Pillar Two income taxes, and
- during the period between the legislation being enacted or substantially enacted and the legislation becoming effective, known or reasonably estimable information that would help users of financial statements to understand an entity's exposure to Pillar Two income taxes arising from that legislation. If this information is not known or reasonably estimable, entities are instead required to disclose a statement to that effect and information about their progress in assessing the exposure.

The Group's management assessed that the above revised standards do not have a significant impact on the Group.

3 New and amended financial reporting standards (Cont'd)

3.2 New and amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2025 which are relevant to the Group

The following amended TFRSs were not mandatory for the current reporting period and the Group has not early adopted them.

- a) **Amendments to TAS 1 Presentation of Financial Statements** clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting period (for example, the receipt of a waiver or a breach of covenant).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the end of reporting period if the entity must only comply with the covenants after the reporting period. However, if the entity must comply with a covenant either before or at the end of reporting period, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting period.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants with which the entity must comply within 12 months of the reporting period. The disclosures include:

- the carrying amount of the liability;
- information about the covenants; and
- facts and circumstances, if any, that indicate that the entity might have difficulty complying with the covenants.

The amendments also clarify what TAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. The amendments must be applied retrospectively in accordance with the normal requirements in TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

3 New and amended financial reporting standards (Cont'd)

3.2 New and amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2025 which are relevant to the Group (Cont'd)

b) Amendments to TAS 7 Statement of cash flows and TFRS 7 Financial instruments:

Disclosures require specific disclosures about supplier finance arrangements (SFAs). The amendments respond to investors that said that they urgently needed more information about SFAs to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk.

To meet investors' needs, the new disclosures will provide information about:

- (1) The terms and conditions of SFAs.
- (2) The carrying amount of financial liabilities that are part of SFAs, and the line items in which those liabilities are presented.
- (3) The carrying amount of the financial liabilities in (2), for which the suppliers have already received payment from the finance providers.
- (4) The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
- (5) Non-cash changes in the carrying amounts of financial liabilities in (2).
- (6) Access to SFA facilities and concentration of liquidity risk with the finance providers.

The Group's management is assessing the impacts from these standards.

4 Accounting policies

4.1 Principles of consolidation and equity accounting

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method. Direct costs related to purchase of investment are recognised as an initial cost of investment.

b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting.

In the separate financial statements, investments in associates are accounted for using cost method.

c) Equity method

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group's subsequently recognises shares of its associates' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in associates equals or exceeds its interest in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

4 Accounting policies (Cont'd)

4.1 Principles of consolidation and equity accounting (Cont'd)

d) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

If the ownership interest in associates is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in associates is recognise in profit or loss.

When the Group losses control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

e) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

4 Accounting policies (Cont'd)

4.2 Foreign currency translation

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Group's and the Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the date of revaluation where items are remeasured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

c) Group companies

The operational results and financial position of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a different functional currency from the Group's presentation currency are translated into the presentation currency as follows.

- Assets and liabilities are translated at the closing rate at the date of respective statement of financial position;
- Income and expenses for statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

4 Accounting policies (Cont'd)

4.3 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date and bank overdrafts. Bank overdrafts are presented in current liabilities of the statement of financial position.

4.4 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business. They are generally due for settlement within 30 to 90 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group holds the trade receivables with the objective to collect the contractual cash flow and therefore measures them subsequently at amortised cost.

The impairment of trade receivables is disclosed in Note 4.6 f).

4.5 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories is determined by the weighted average method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

4 Accounting policies (Cont'd)

4.6 Financial assets

a) Classification

The Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

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

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, which are measured at FVPL.

b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

4 Accounting policies (Cont'd)

4.6 Financial assets (Cont'd)

d) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- **FVOCI:** Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income. Foreign exchange gains and losses are presented in other gains/(losses). Impairment expenses are presented separately in the statement of comprehensive income.
- **FVPL:** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

4 Accounting policies (Cont'd)

4.6 Financial assets (Cont'd)

e) Equity instruments

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of comprehensive income.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

f) Impairment

The Group applies the TFRS 9 simplified approach in measuring the impairment of trade receivables, which applies lifetime expected credit loss, from initial recognition, for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

For other financial assets carried at amortised cost and FVOCI, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

4 Accounting policies (Cont'd)**4.6 Financial assets (Cont'd)**

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Group reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss included in administrative expenses.

4.7 Investment property

Investment properties, land held under operating leases, are held for long-term rental yields or for capital appreciation or both and are not occupied by the Group.

Investment property is measured subsequently at fair value. Changes in fair values are presented in profit or loss.

4 Accounting policies (Cont'd)

4.8 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost net of their residual values over their estimated useful lives, as follows:

Buildings and building improvement	10 – 40 years
Plant and machinery	5 – 30 years
Office equipment, furniture and fixtures	5 – 10 years
Vehicles	5 – 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each financial year-end.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in other income.

4.9 Intangible assets

Computer software

Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives not over than 3 and 10 years.

Repairs and maintenance for computer software are recorded as expenses when incurred.

4 Accounting policies (Cont'd)

4.10 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

4.11 Leases

Leases – where the Group is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

4 Accounting policies (Cont'd)

4.11 Leases (Cont'd)

Leases – where the Group is the lessee (Cont'd)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Low-value asset is copy machine.

4 Accounting policies (Cont'd)

4.11 Leases (Cont'd)

Leases – where the Group is the lessor

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

4.12 Financial liabilities

a) Classification

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date..

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

4 Accounting policies (Cont'd)

4.12 Financial liabilities (Cont'd)

c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation/modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated/modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

4.13 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take 12 months to get ready for its intended use or sale) are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

4.14 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

4 Accounting policies (Cont'd)

4.14 Current and deferred income taxes (Cont'd)

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- Investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4 Accounting policies (Cont'd)

4.15 Employee benefits

a) Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, annual leave and sick leave and bonuses that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

b) Defined contribution plan

The Group pays contributions to a separate fund on a contractual basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

c) Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated every 3 years by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are presented as a separate item in statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

4 Accounting policies (Cont'd)

4.15 Employee benefits (Cont'd)

d) Termination benefits

The Group recognises termination benefits at the earlier of (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

4.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

4.17 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares (net of tax) are shown as a deduction in equity.

Treasury share

Where any companies within the Group repurchases its shares, the consideration paid, including any directly attributable incremental costs (net of taxes) is deducted from equity until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity.

4 Accounting policies (Cont'd)

4.18 Revenue recognition

Revenue includes all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectability of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

Sale of goods – wholesale

The Group manufactures and sells a range of tires and tubes for bicycles, motorcycles and small logistics vehicles in the wholesale market. Sales are recognised when control of the products has transferred, being when the products are delivered, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The distributed tires and tubes are often sold with retrospective volume discounts based on aggregate sales over the year. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in contract liabilities) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No significant element of financing is deemed present as the sales are made with a credit term of 30 – 90 days, which is consistent with market practice.

4 Accounting policies (Cont'd)

4.18 Revenue recognition (Cont'd)

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Services

The Group recognised service contracts with a continuous service provision as revenue on a straight line basis over the contract term, regardless of the payment pattern.

Contract assets and contract liabilities

A contract asset is recognised where the Group recorded revenue for fulfillment of a contractual performance obligation before the customer paid consideration or before the requirements for billing.

A contract liability is recognised when the customer paid consideration or a receivable from the customer that is due before the Group fulfilled a contractual performance obligation.

For each customer contract, contract liabilities are set off against contract assets.

Sale of goods – customer loyalty programme

The Group operates a loyalty programme where customers accumulate point of purchase volume made which entitle them to free product and discount. A contract liability for the award points is recognised at the time of the sale. Revenue is recognised when the points are redeemed or when they are expired.

Material right

Options granted to customers to purchase additional goods or services free of charge or at a discount are separate performance obligations, material right. Part of the transaction price is deferred as a contract liability until the option is exercised or expired.

4 Accounting policies (Cont'd)**4.18 Revenue recognition (Cont'd)***Payment to customers*

Payment to customers, including credited or subsequent discounts, are recognised as a reduction in revenue unless the payment constitutes consideration of a distinct goods or service from the customer.

Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Other income

Other income are recognised on the following basis:

- interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.
- rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.
- dividend income is recognised when the right to receive payment is established.

4.19 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

5 Financial risk management

The Group's exposure to financial risks and how these risks could affect the future financial performance are as follows:

Risk	Exposure arising from	Measurement
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Thai Baht	Sensitivity analysis
Market risk – security prices	Investment in equity securities	Sensitivity analysis
Credit risk	Cash and cash equivalents Trade and other current receivables	Aging analysis Credit ratings
Liquidity risk	Short-term borrowings from financial institutions	Rolling cash flow forecasts

The Group exposes to a variety of financial risks: market risk (currency risk, cash flows and interest rate risk, and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group's management provides principles for overall risk management which is carried out by the Group treasury, including identification, evaluation and hedge of financial risks in close co-operation with operating units.

5.1 Financial risk factors

5.1.1 Market risk

a) Foreign exchange risk

The Group's functional currency is Thai Baht. Sales and purchases transactions are denominated in Thai Baht and foreign currencies. Therefore, the Group is exposed to foreign currency risks, primarily the US Dollar, Euro, Indonesian Rupiah and Taiwan Dollar from trading transactions, purchase of machineries, and investment in equity securities that are denominated in foreign currencies. The Group does not use derivative financial instruments to hedge against such risk and does not apply hedge accounting because the management believes that future fluctuations in exchange rates in the future market will not have a significant impact on the Group's operations.

5 Financial risk management (Cont'd)

5.1 Financial risk factors (Cont'd)

5.1.1 Market risk (Cont'd)

a) Foreign exchange risk (Cont'd)

The Group has only an investment in a foreign subsidiary in Indonesia, which the Group assessed that there is no significant foreign exchange risk. The Group considers that it is not necessary to use derivative financial instruments to hedge against such risk because the management believes that future fluctuations in exchange rates in the future market will not have a significant impact on the Group's operations.

Exposure

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Baht are as follows:

	Consolidated financial statements						
	31 December 2024						
	US Dollar	Euro	Japanese Yen	Singapore Dollar	Indonesian Rupiah	Chinese Yuan	Taiwan Dollar
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Cash and cash equivalents	953,615,409	5,874,233	10,049	2,883,784	72,834,609	1,004,993	49,230
Trade and other current receivables	369,671,235	14,062,777	-	-	-	-	-
Financial asset at fair value through profit or loss	-	-	-	-	-	-	78,041,361
Financial asset at fair value through other comprehensive income	-	-	-	-	-	-	25,580,508
Trade and other current payables	200,386,318	1,188,855	-	-	-	-	-

5 Financial risk management (Cont'd)

5.1 Financial risk factors (Cont'd)

5.1.1 Market risk (Cont'd)

b) Foreign exchange risk (Cont'd)

	Consolidated financial statements						
	31 December 2023						
	US Dollar	Euro	Japanese	Singapore	Indonesian	Chinese	Taiwan
	Baht	Baht	Yen Baht	Dollar Baht	Rupiah Baht	Yuan Baht	Dollar Baht
Cash and cash equivalents	682,468,186	7,479,218	11,314	2,087,863	146,640,348	3,042,216	12,205
Trade and other current receivables	199,617,361	4,403,544	-	-	-	3,676,832	-
Financial asset at amortised cost	68,118,000	-	-	-	-	-	-
Financial asset at fair value through profit or loss	-	-	-	-	-	-	74,850,063
Financial asset at fair value through other comprehensive income	-	-	-	-	-	-	20,460,492
Trade and other current payables	129,885,326	2,006,030	-	-	-	3,378,535	-

	Separate financial statements				
	31 December 2024				
	US Dollar	Euro	Japanese	Chinese	Taiwan
	Baht	Baht	Yen Baht	Yuan Baht	Dollar Baht
Cash and cash equivalents	949,296,748	5,874,233	10,049	1,004,993	49,230
Trade and other current receivables	369,671,235	14,062,777	-	-	-
Trade and other current payables	200,386,318	1,188,855	-	-	-

5 Financial risk management (Cont'd)**5.1 Financial risk factors (Cont'd)****5.1.1 Market risk (Cont'd)****a) Foreign exchange risk (Cont'd)***Exposure (Cont'd)*

	Separate financial statements				
	31 December 2023				
			Japanese	Chinese	Taiwan
	US Dollar Baht	Euro Baht	Yen Baht	Yuan Baht	Dollar Baht
Cash and cash equivalents	678,122,428	7,479,218	11,314	3,042,216	12,205
Trade and other current receivables	199,617,361	4,403,544	–	3,676,832	–
Financial asset at amortised cost	68,118,000	–	–	–	–
Trade and other current payables	129,885,326	2,006,030	–	3,378,535	–

The aggregate net foreign gains/losses recognised in profit or loss and other comprehensive income were:

	Consolidated		Separate	
	financial statements		financial statements	
	2024 Baht	2023 Baht	2024 Baht	2023 Baht
Net foreign exchange losses				
included in gains/(losses)	(45,218,323)	(8,604,215)	(45,965,784)	(5,704,372)
Total net foreign exchange losses recognised in				
profit before income tax				
for the year	(45,218,323)	(8,604,215)	(45,965,784)	(5,704,372)
Net foreign exchange gains/(losses) recognised				
in other comprehensive				
income	(9,221,369)	3,188,719	–	–

5 Financial risk management (Cont'd)

5.1 Financial risk factors (Cont'd)

5.1.1 Market risk (Cont'd)

b) Foreign exchange risk (Cont'd)

Sensitivity

The Group is primarily exposed to changes in Baht/USD, Baht/Euro, Baht/IDR and Baht/TWD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from financial assets and financial liabilities denominated in US Dollar, Euro, Indonesian Rupiah and Taiwan Dollar.

	Consolidated financial statements			
	Impact to net profit		Impact to other components of equity	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
US Dollar to Baht exchange rate				
– increase 10% (2023: 7%)*	112,290,031	57,422,276	–	–
US Dollar to Baht exchange rate				
– decrease 10% (2023: 7%)*	(112,290,031)	(57,422,276)	–	–
Euro to Baht exchange rate				
– increase 13% (2023: 7%)*	2,437,260	691,371	–	–
Euro to Baht exchange rate				
– decrease 13% (2023: 7%)*	(2,437,260)	(691,371)	–	–
IDR to Baht exchange rate				
– increase 10% (2023: 7%)*	–	–	7,283,461	10,264,824
IDR to Baht exchange rate				
– decrease 10% (2023: 7%)*	–	–	(7,283,461)	(10,264,824)
Taiwan Dollar to Baht exchange rate				
– increase 11% (2023: 4%)*	8,584,549	2,994,003	2,813,856	818,420
Taiwan Dollar to Baht exchange rate				
– decrease 11% (2023: 4%)*	(8,584,549)	(2,994,003)	(2,813,856)	(818,420)

* Holding all other variables constant

5 Financial risk management (Cont'd)

5.1 Financial risk factors (Cont'd)

5.1.1 Market risk (Cont'd)

a) Foreign exchange risk (Cont'd)

Sensitivity (Cont'd)

	Separate financial statements	
	Impact to net profit	
	2024	2023
	Baht	Baht
US Dollar to Baht exchange rate		
– increase 10% (2023: 7%)*	111,858,166	57,118,073
US Dollar to Baht exchange rate		
– decrease 10% (2023: 7%)*	(111,858,166)	(57,118,073)
Euro to Baht exchange rate		
– increase 13% (2023: 7%)*	2,437,260	691,371
Euro to Baht exchange rate		
– decrease 13% (2023: 7%)*	(2,437,260)	(691,371)
* Holding all other variables constant		

b) Cash flow and interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. As at 31 December 2024, the Group is exposed to interest rate risk relates primarily to its deposits at financial institutions. Most of the Group's financial assets and liabilities bear fixed interest rates which are close to the market rate.

The Group considers interest rate risk to be insignificant, since the amount of financial assets bearing interest is greater than financial liabilities.

5 Financial risk management (Cont'd)

5.1 Financial risk factors (Cont'd)

5.1.1 Market risk (Cont'd)

c) Cash flow and interest rate risk (Cont'd)

Outstanding balance of significant financial assets and financial liabilities and their interest rates as at 31 December 2024 and 2023 are summarised as follows:

Consolidated financial statements

	As at 31 December 2024						
	Baht						
	Fixed interest rate						
	Remaining period						
	before maturity date						
	or repricing date					Interest rate	
Floating	Less than	1 year -	Without			(% per annum)	
interest	1 year	5 years	interest	Total		Float rate	Fixed rate
rate							
<u>Financial assets</u>							
Cash and cash equivalents	-	1,216,858,817	-	14,929,304	1,231,788,121	-	0.01-5.60
Other financial assets measured at amortised cost	-	31,059,848	-	-	31,059,848	-	1.95-2.10
Trade and other current receivables (net)	-	-	-	541,647,338	541,647,338	-	-
Financial asset at fair value through profit or loss	-	-	-	78,041,361	78,041,361	-	-
Financial asset at fair value through other comprehensive income	-	-	-	25,580,508	25,580,508	-	-
Total financial assets	-	1,247,918,665	-	660,198,511	1,908,117,176		
<u>Financial liabilities</u>							
Short-term borrowings from financial institutions	-	243,459,336	-	-	243,459,336	-	2.70-3.70
Trade and other current payables	-	-	-	450,773,964	450,773,964	-	-
Total financial liabilities	-	243,459,336	-	450,773,964	694,233,300		

5 Financial risk management (Cont'd)

5.1 Financial risk factors (Cont'd)

5.1.1 Market risk (Cont'd)

b) Cash flow and interest rate risk (Cont'd)

Outstanding balance of significant financial assets and financial liabilities and their interest rates as at 31 December 2024 and 2023 are summarised as follows: (Cont'd)

Consolidated financial statements							
As at 31 December 2023							
Baht							
	Floating interest rate	Fixed interest rate			Total	Interest rate	
		Remaining period before maturity date or repricing date				(% per annum)	
		Less than 1 year	1 year – 5 years	Without interest		Float rate	Fixed rate
Financial assets							
Cash and cash equivalents	-	1,126,718,556	-	12,413,857	1,139,132,413	-	0.01–5.60
Other financial assets							
measured at amortised cost	-	98,589,899	-	-	98,589,899	-	0.95–5.35
Trade and other current receivables (net)	-	-	-	424,460,547	424,460,547	-	-
Financial asset at fair value through profit or loss	-	-	-	74,850,063	74,850,063	-	-
Financial asset at fair value through other comprehensive income	-	-	-	20,460,492	20,460,492	-	-
Total financial assets	-	1,225,308,455	-	532,184,959	1,757,493,414		
Financial liabilities							
Trade and other current payables	-	-	-	364,039,412	364,039,412	-	-
Total financial liabilities	-	-	-	364,039,412	364,039,412		

5 Financial risk management (Cont'd)

5.1 Financial risk factors (Cont'd)

5.1.1 Market risk (Cont'd)

b) Cash flow and interest rate risk (Cont'd)

Outstanding balance of significant financial assets and financial liabilities and their interest rates as at 31 December 2024 and 2023 are summarised as follows: (Cont'd)

Separate financial statements							
As at 31 December 2024							
Baht							
	Fixed interest rate					Interest rate (% per annum)	
	Remaining period						
	before maturity date						
	Floating interest rate	or repricing date		Without interest			
	Less than 1 year	1 year – 5 years		Total	Float rate	Fixed rate	
Financial assets							
Cash and cash equivalents	–	1,122,878,077	–	10,486,097	1,133,364,174	–	0.01–5.60
Other financial assets measured at amortised cost	–	31,059,848	–	–	31,059,848	–	1.95–2.10
Trade and other current receivables (net)	–	–	–	607,926,680	607,926,680	–	–
Total financial assets	–	1,153,937,925	–	618,412,777	1,772,350,702		
Financial liabilities							
Short-term borrowings from financial institutions	–	243,459,336	–	–	243,459,336	–	2.70–3.70
Trade and other current payables	–	–	–	449,843,374	449,843,374	–	–
Total financial liabilities	–	243,459,336	–	449,843,374	693,302,710		

5 Financial risk management (Cont'd)

5.1 Financial risk factors (Cont'd)

5.1.1 Market risk (Cont'd)

b) Cash flow and interest rate risk (Cont'd)

Outstanding balance of significant financial assets and financial liabilities and their interest rates as at 31 December 2024 and 2023 are summarised as follows: (Cont'd)

Separate financial statements							
As at 31 December 2023							
Baht							
	Fixed interest rate			Without interest	Total	Interest rate	
	Floating interest rate	Remaining period before maturity date or repricing date				(% per annum)	
		Less than 1 year	1 year – 5 years			Float rate	Fixed rate
Financial assets							
Cash and cash equivalents	–	957,763,883	–	10,311,421	968,075,304	–	0.01–5.60
Other financial assets measured at amortised cost	–	98,589,899	–	–	98,589,899	–	0.95–5.35
Trade and other current receivables (net)	–	–	–	424,710,085	424,710,085	–	–
Total financial assets	–	1,056,353,782	–	435,021,506	1,491,375,288		
Financial liabilities							
Trade and other current payables	–	–	–	363,308,441	363,308,441	–	–
Total financial liabilities	–	–	–	363,308,441	363,308,441		

d) Price risk

The exposure to equity securities price risk arises from investments in equity securities which are classified as at fair value through profit or loss (FVPL) and at fair value through other comprehensive income (FVOCI). The Group's equity investments are publicly traded in the Taiwan Stock Exchange Corporation (TWSE) (Note 11).

5 Financial risk management (Cont'd)

5.1.2 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

a) Risk management

Credit risk is managed on a group basis. For deposits with banks and financial institutions, only credible financial institutions are accepted.

For customers, the Group consider the credit quality of the customer, considering its financial position, past experience and other factors. Individual risk limits are set based on those assessments in accordance with limits set by the board. The non-compliance with credit limits by customers is resulted in restriction of goods delivery. In addition, the compliance with credit limits by customers is regularly monitored by line management.

There are no significant concentrations of credit risk, whether through exposure to individual customers or specific industry sectors.

b) Security

For some trade receivables the Group may obtain security in the form of guarantees or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement and the Group makes the trade credit insurance contracts with insurance company.

5 Financial risk management (Cont'd)

5.1 Financial risk factors (Cont'd)

5.1.2 Credit risk (Cont'd)

c) Impairment of financial assets

The Group has 3 types of financial assets that are subject to the expected credit loss model:

- Deposits with banks and financial institutions
- Other financial assets measured at amortised cost
- Trade and other current receivables

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

The expected loss rates are based on the payment profiles and the corresponding historical credit losses adjusted to reflect current and forward-looking information affecting the ability of the customers to settle the receivables.

The Group considers that all deposits with banks and financial institutions has low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Deposits are considered to be low credit risk when they have a low risk of default and the banks and financial institutions has a strong capacity to meet its contractual cash flow obligations.

5 Financial risk management (Cont'd)

5.1 Financial risk factors (Cont'd)

5.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held deposits at call of Baht 910,206,538 (2023: Baht 900,406,602) that are expected to readily generate cash inflows for managing liquidity risk.

Due to the dynamic nature of the underlying businesses, the Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group, in accordance with practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining financing plans.

5 Financial risk management (Cont'd)

5.1 Financial risk factors (Cont'd)

5.1.3 Liquidity risk (Cont'd)

Maturity of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Consolidated financial statements (Unit: Baht)						
Contractual maturities of financial liabilities		Within	1 - 5	Over		Carrying
As at 31 December 2024	On demand	1 year	years	5 years	Total	amount
Non-derivatives						
Short-term borrowings from financial institutions	-	243,459,336	-	-	243,459,336	243,459,336
Trade and other current payables	-	450,773,964	-	-	450,773,964	450,773,964
Total non-derivatives	-	694,233,300	-	-	694,233,300	694,233,300

Consolidated financial statements (Unit: Baht)						
Contractual maturities of financial liabilities		Within	1 - 5	Over		Carrying
As at 31 December 2023	On demand	1 year	years	5 years	Total	amount
Non-derivatives						
Trade and other current payables	-	364,039,412	-	-	364,039,412	364,039,412
Total non-derivatives	-	364,039,412	-	-	364,039,412	364,039,412

5 Financial risk management (Cont'd)

5.1 Financial risk factors (Cont'd)

5.1.3 Liquidity risk (Cont'd)

	Separate financial statements (Unit: Baht)					
Contractual maturities of financial liabilities		Within	1 - 5	Over		Carrying
As at 31 December 2024	On demand	1 year	years	5 years	Total	amount
Non-derivatives						
Short-term borrowings from financial institutions	-	243,459,336	-	-	243,459,336	243,459,336
Trade and other current payables	-	449,843,374	-	-	449,843,374	449,843,374
Total non-derivatives	-	693,302,710	-	-	693,302,710	693,302,710
	Separate financial statements (Unit: Baht)					
Contractual maturities of financial liabilities		Within	1 - 5	Over		Carrying
As at 31 December 2023	On demand	1 year	years	5 years	Total	amount
Non-derivatives						
Trade and other current payables	-	363,308,441	-	-	363,308,441	363,308,441
Total non-derivatives	-	363,308,441	-	-	363,308,441	363,308,441

5.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

6 Fair value

The following table presents fair value of financial asset and non-financial asset recognised by their fair value hierarchy.

	Consolidated financial statements							
	Level 1		Level 2		Level 3		Total	
			31	31				
	31 December	31 December	December	December	31 December	31 December	31 December	31 December
	2024	2023	2024	2023	2024	2023	2024	2023
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Assets								
Financial asset at fair value through profit or loss	78,041,361	74,850,063	-	-	-	-	78,041,361	74,850,063
Financial asset at fair value through other comprehensive income	25,580,508	20,460,492	-	-	-	-	25,580,508	20,460,492
Investment property	-	-	-	-	138,497,102	145,928,878	138,497,102	145,928,878
Total assets measured at fair value	103,621,869	95,310,555	-	-	138,497,102	145,928,878	242,118,971	241,239,433

Financial assets and financial liabilities are approximately to the carrying amounts as follows:

- Cash and cash equivalent
- Other financial assets measured at amortised cost
- Trade and other current receivables (net)
- Short-term borrowings from financial institutions
- Trade and other current payables

Fair values are categorised into hierarchy based on inputs used as follows:

Level 1: The fair value of financial instruments is based on quoted market prices at the statements of financial position date. The quoted market price used for financial assets held by the Company is the closing price by reference to the Stock Exchange.

Level 2: The fair value of financial instruments is based on significant observable inputs and, as little as possible, entity-specific estimates.

Level 3: The fair value of financial instruments is not based on observable market data.

6 Fair value (Cont'd)

Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices by reference to the Stock Exchange
- the use of market prices

The resulting fair value estimates are included in level 1 and level 3. The group did not change any valuation techniques in determining the level 3 fair values.

Fair value measurements using significant unobservable inputs (level 3)

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

	Fair value		Unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair value
	31 December 2024	31 December 2023		31 December 2024	31 December 2023	
	Baht	Baht				
Investment property	138,497,102	145,928,878	The market value for similar properties	650,000 – 950,000 IDR/m ²	650,000 – 950 IDR/m ²	The unobservable inputs and the fair value has relationships in the same direction
			Indonesia's economic growth rate	5.05%	5.05%	
			Indonesia's inflation rate	2.61%	2.61%	
			Exchange rate	0.0023 THB/IDR	0.0023 THB/IDR	

6 Fair value (Cont'd)

Transfer between fair value hierarchy

During the year, there was no transfer between levels of fair value.

The Group's valuation processes

Chief Financial Officer (CFO), Audit Committee (AC) and a valuation team discuss valuation processes and results at least every quarter.

Significant unobservable inputs of fair value hierarchy level 3 are the market value for similar properties, Indonesia's economic growth rate, Indonesia's inflation rate and exchange rate. The Group has gathered such information from valuation report prepared by independent appraisal, obtained through its subsidiary.

7 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Fair value of investment property

The fair value of investment property is appraised using the market approach. Valuations were made on the basis of recent market transactions on arm's length terms. The comparison of property value will be considered with the factors of location, size, outline, type and development qualitative. Taking into consideration macroeconomic factors include economic growth rate, inflation rate and exchange rate. Then, analysing and adjusting the different factors to conclude the final price of property. Details of key assumptions used are included in Note 6.

b) Defined retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note 23.

7 Critical accounting estimates and judgements (Cont'd)**c) Determination of transaction price in contracts with customers**

The Group provides discount of Baht 17,174,407 (2023: Baht 26,817,315) from free goods contracts with products volume for customers. The Group determined that it was highly probable that a portion of the revenue will not be reversed.

d) Allocation of transaction price in contracts with customers

The customer loyalty programme provides a material right to customers. The promise to provide points to the customer is a separate performance obligation. Therefore, the transaction price is allocated to the original product sold and the points on a relative stand-alone selling price basis. Management estimates stand-alone selling price per point on the basis of the discount granted when the points are redeemed and the likelihood of the redemption, based on past experience.

In some cases, it is difficult to find a single selling price for each product or service in which the Group offers customers various products and services in one contract because the market price is quite volatile due to the high competition. In many cases there is no single selling price offered in the market. The change in the sales price estimated individually will have a significant impact on the price allocation of the combined items to each obligation to be performed. Therefore, the allocation will impact revenue recognition, assets and liabilities arising from contracts.

e) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

8 Segment information

The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chairman of the Board that makes strategic decisions examines the Group's performance both from revenue streams and geographic perspective and has identified two reportable segments and five reportable segments, respectively, of the Group's businesses.

The Chairman of the Board primarily uses a measure of segments' revenue and gross margin to assess the performance of the operating segments.

Significant information relating to revenue and profit of the reportable segments are as follows:

	Consolidated financial statements					
	Sales of goods and services		Investment		Total	
	2024	2023	2024	2023	2024	2023
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht	Baht	Baht
Revenue from sales of goods and services	3,024,437	2,649,289	–	–	3,024,437	2,649,289
Other income	53,531	24,476	1,278	2,046	54,809	26,522
Total revenue	3,077,968	2,673,765	1,278	2,046	3,079,246	2,675,811
Timing of revenue recognition:						
At a point in time	3,070,571	2,666,062	1,278	2,046	3,071,849	2,668,108
Over time	7,397	7,703	–	–	7,397	7,703
	3,077,968	2,673,765	1,278	2,046	3,079,246	2,675,811
Gross profit	547,864	462,613	–	–	547,864	462,613
Selling expenses and distribution costs and administrative expenses	(177,693)	(174,908)	–	–	(177,693)	(174,908)
Profit (loss) before income tax	381,365	307,533	4,458	(8,485)	385,823	299,048
Income tax	(11,856)	(51,284)	(638)	2,106	(12,494)	(49,178)
Net profit (loss) for the year	369,509	256,249	3,820	(6,379)	373,329	249,870
Investment property	138,497	145,929	–	–	138,497	145,929
Property, plant and equipment (net)	1,580,681	1,492,011	–	–	1,580,681	1,492,011
Total assets	4,329,502	4,009,035	104,796	96,496	4,434,298	4,105,531

8 Segment information (Cont'd)

	Separate financial statements					
	Sales of goods and services		Investment		Total	
	2024	2023	2024	2023	2024	2023
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht	Baht	Baht
Revenue from sales of goods and services	3,021,424	2,645,206	-	-	3,021,424	2,645,206
Other income	52,200	24,470	-	-	52,200	24,470
Total revenue	3,073,624	2,669,676	-	-	3,073,624	2,669,676
Timing of revenue recognition:						
At a point in time	3,066,227	2,661,973	-	-	3,066,227	2,661,973
Over time	7,397	7,703	-	-	7,397	7,703
	3,073,624	2,669,676	-	-	3,073,624	2,669,676
Property, plant and equipment (net)	1,580,681	1,492,011	-	-	1,580,681	1,492,011
Total assets	4,487,577	4,193,497	-	-	4,487,577	4,193,497

Significant information relating to revenue of geographic are as follows:

	Consolidated financial statements	
	For the year ended 31 December	
	2024	2023
	Thousand Baht	Thousand Baht
Local	1,037,231	876,106
Overseas - Asia	749,567	889,281
Overseas - Europe	897,130	578,771
Overseas - America	318,992	284,297
Overseas - Others	21,517	20,834
Total	3,024,437	2,649,289

8 Segment information (Cont'd)

The Group's revenues derived from major customers which attributed to the sales of goods and services segment are as follows:

	Consolidated financial statements	
	For the year ended 31 December	
	2024	2023
	Baht	Baht
Company A	747,552,826	462,583,176
Company B	457,963,574	249,822,231
Company C	296,472,767	399,788,119

9 Cash and cash equivalents

Cash and cash equivalents as at 31 December 2024 and 2023 are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Cash on hand	200,383	312,811	194,134	298,238
Deposits held at call with banks				
– current accounts	79,026,030	149,300,175	4,638,295	2,659,828
– savings accounts	831,180,508	751,106,427	807,150,545	726,704,238
– fixed accounts	321,381,200	238,413,000	321,381,200	238,413,000
Total cash and cash equivalents	1,231,788,121	1,139,132,413	1,133,364,174	968,075,304

As at 31 December 2024, fixed accounts with maturities of 2 months bear interest at the rate of 4.69% per annum and fixed accounts with maturities of 3 months bear interest at the rate of 4.58% and 4.95% per annum.

As at 31 December 2023, fixed accounts with maturities of 1 month bear interest at the rate of 5.50% per annum and fixed accounts with maturities of 3 months bear interest at the rate of 5.55% and 5.60% per annum.

10 Trade and other current receivables (net)

Trade and other current receivables (net) as at 31 December 2024 and 2023 are as follows:

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Trade accounts receivable				
– other parties	690,273,510	566,096,205	690,242,998	565,152,269
<u>Less</u> Allowance for expected credit losses	(173,881,505)	(170,977,188)	(173,881,505)	(170,977,188)
Total trade accounts receivable				
– other parties (net)	516,392,005	395,119,017	516,361,493	394,175,081
Trade accounts receivable				
– related parties (Note 32.3)	24,429,993	10,076,289	24,429,993	10,076,289
Other current receivables				
– related parties (Note 32.3)	–	17,178,023	65,654,067	17,819,633
Interest receivable	605,716	930,364	605,716	930,364
Others (net)	3,342,595	4,777,472	3,297,028	4,773,309
Total trade and other current receivables (net)	544,770,309	428,081,165	610,348,297	427,774,676

Trade accounts receivable – other parties as at 31 December 2024 and 2023 can be aged as follows:

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Not yet due	474,327,758	370,142,040	474,319,598	369,208,216
Overdue not exceeding 3 months	38,422,306	26,128,666	38,410,066	26,128,666
Overdue 3 to 6 months	1,006,420	324,586	1,006,420	324,586
Overdue 6 to 12 months	7,844,844	652,131	7,844,844	652,131
Overdue exceeding 12 months	168,672,182	168,848,782	168,662,070	168,838,670
	690,273,510	566,096,205	690,242,998	565,152,269
<u>Less</u> Allowance for expected credit losses	(173,881,505)	(170,977,188)	(173,881,505)	(170,977,188)
Total trade accounts receivable				
– other parties (net)	516,392,005	395,119,017	516,361,493	394,175,081

The normal credit term given to customers by the Group is 30 to 90 days.

10 Trade and other current receivables (net) (Cont'd)

During the second quarter of 2016, the Company filed a lawsuit against Yoko Alloy Wheel Company Limited, to enforce its obligation under sale contract after deduction of trade discounts, amounting to Baht 160 million. As a result, the Company set up the allowance for expected credit losses of such receivable amounting to Baht 160 million.

During the year 2018, the lawsuit against Yoko Alloy Wheel Company Limited was finalised with the favourable judgement to the Company. The Company was in the process of enforcement of debtor to pay Baht 160 million by legal execution department.

However, the recoverability of such receivable was still uncertain.

Trade accounts receivable – related parties as at 31 December 2024 and 2023 can be aged as follows:

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Not yet due	21,681,291	10,076,289	21,681,291	10,076,289
Overdue not exceeding 3 months	2,748,702	–	2,748,702	–
Total trade accounts receivable – related parties	24,429,993	10,076,289	24,429,993	10,076,289

10 Trade and other current receivables (net) (Cont'd)

Allowance for expected credit losses for trade accounts receivable – other parties as at 31 December 2024 and 2023 was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Not yet due	956,905	1,019,480	956,905	1,019,480
Overdue not exceeding 3 months	249,094	303,963	249,094	303,963
Overdue 3 to 6 months	104,419	195,550	104,419	195,550
Overdue 6 to 12 months	3,909,017	619,525	3,909,017	619,525
Overdue exceeding 12 months	168,662,070	168,838,670	168,662,070	168,838,670
	173,881,505	170,977,188	173,881,505	170,977,188

The reconciliations of allowance for expected credit losses for trade accounts receivable for the year ended 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Allowance for expected credit losses				
As of 1 January	170,977,188	170,495,386	170,977,188	170,495,386
Increase in loss allowance recognised in profit or loss during the year	2,904,317	481,802	2,904,317	481,802
As of 31 December	173,881,505	170,977,188	173,881,505	170,977,188

11 Financial assets and financial liabilities

Financial assets and financial liabilities as at 31 December 2024 and 2023 are as follows:

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Financial assets				
Financial assets at amortised cost				
- Cash and cash equivalents	1,231,788,121	1,139,132,413	1,133,364,174	968,075,304
- Trade receivables (net)	540,821,998	405,195,306	540,791,486	404,251,370
- Other financial assets measured at amortised cost				
- Fixed deposit with maturities over three months	31,059,848	98,589,899	31,059,848	98,589,899
- Other current receivables	-	17,178,023	65,654,067	17,819,633
- Interest receivables	605,716	930,364	605,716	930,364
- Others (net)	219,624	1,156,854	875,411	1,708,718
Financial asset at fair value through profit or loss	78,041,361	74,850,063	-	-
Financial asset at fair value through other comprehensive income	25,580,508	20,460,492	-	-
	1,908,117,176	1,757,493,414	1,772,350,702	1,491,375,288
Financial liabilities				
Financial liabilities at amortised cost				
- Short-term borrowings from financial institutions	243,459,336	-	243,459,336	-
- Trade and other current payables	450,773,964	364,039,412	449,843,374	363,308,441
	694,233,300	364,039,412	693,302,710	363,308,441

11 Financial assets and financial liabilities (Cont'd)**11.1 Other financial assets at amortised cost****a) Classification of financial assets at amortised cost**

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest

Financial assets at amortised cost other than trade receivables include the following fixed deposit maturities over three months with and other receivables:

	Consolidated financial statements					
	31 December 2024			31 December 2023		
	Current	Non-current	Total	Current	Non-current	Total
	Baht	Baht	Baht	Baht	Baht	Baht
Fixed deposit with maturities over three months	31,059,848	–	31,059,848	98,589,899	–	98,589,899
Other receivables	–	–	–	17,178,023	–	17,178,023
Interest receivables	605,716	–	605,716	930,364	–	930,364
Others (net)	219,624	–	219,624	1,156,854	–	1,156,854
Total	31,885,188	–	31,885,188	117,855,140	–	117,855,140

	Separate financial statements					
	31 December 2024			31 December 2023		
	Current	Non-current	Total	Current	Non-current	Total
	Baht	Baht	Baht	Baht	Baht	Baht
Fixed deposit with maturities over three months	31,059,848	–	31,059,848	98,589,899	–	98,589,899
Other receivables	65,654,067	–	65,654,067	17,819,633	–	17,819,633
Interest receivables	605,716	–	605,716	930,364	–	930,364
Others (net)	875,411	–	875,411	1,708,718	–	1,708,718
Total	98,195,042	–	98,195,042	119,048,614	–	119,048,614

11 Financial assets and financial liabilities (Cont'd)**11.1 Other financial assets at amortised cost (Cont'd)***Other receivables*

These amounts generally arise from transactions outside the usual operating activities of the Group, collateral is not normally obtained.

As of 31 December 2024, the company has a receivable from decrease capital of subsidiary, PT. Hwa Fong Rubber Indonesia amounting to 65 million baht. The information is disclosed in Note 14.2.

11.2 Financial assets at fair value through profit or loss**a) Classification of financial assets at fair value through profit or loss**

The Group classifies the following financial assets at fair value through profit or loss (FVPL):

- equity investments that are held for trading, and which the Group has irrevocably not elected at initial recognition to recognize fair value gains and losses through OCI.

Financial assets at FVPL are as follows:

	Consolidated financial statements	
	2024	2023
	Baht	Baht
Current assets		
Investments in equity investments		
- Listed securities	78,041,361	74,850,063
Total	78,041,361	74,850,063

11 Financial assets and financial liabilities (Cont'd)**11.2 Financial assets at fair value through profit or loss (Cont'd)****b) Amounts recognised in profit or loss**

The following gains/(losses) were recognised in profit or loss during the year as follows:

	Consolidated financial statements	
	2024	2023
	Baht	Baht
Fair value gains/(losses) on equity investments at FVPL recognised in other gains/(losses)	3,191,298	(10,531,360)
Dividends from equity investments at FVPL recognised in other income (Note 27)		
- Related to investments held at the end of the reporting period	1,278,329	2,046,236

Significant acquisitions and disposals during the year

During the year 2024 and 2023, the Group does not acquire and dispose listed securities measured at FVPL.

11.3 Financial assets at fair value through other comprehensive income**a) Classification of financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income (FVOCI) are as follows:

- equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category.

Financial assets at FVOCI are as follows:

	Consolidated financial statements	
	2024	2023
	Baht	Baht
Non-current assets		
Investments in equity investments		
- Listed securities	25,580,508	20,460,492
Total	25,580,508	20,460,492

11 Financial assets and financial liabilities (Cont'd)**11.3 Financial assets at fair value through other comprehensive income (Cont'd)****b) Amounts recognised in profit or loss and other comprehensive income**

The following gains/(losses) were recognised in profit or loss and other comprehensive income during the year as follows:

	Consolidated financial statements	
	2024	2023
	Baht	Baht
Gains/(losses) recognised in other comprehensive income		
- Related to equity investment	5,120,015	(1,904,092)

12 Inventories (net)

Inventories (net) as at 31 December 2024 and 2023 are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Raw material	266,520,626	260,854,411	266,520,626	260,854,411
Work in progress	45,001,600	28,821,631	45,001,600	28,821,631
Finished goods	343,271,099	314,408,861	340,443,161	311,250,662
Spare parts and supplies	61,293,677	63,690,233	61,293,677	63,690,233
	716,087,002	667,775,136	713,259,064	664,616,937
<u>Less</u> Allowance for obsolete and defective				
- Raw materials	(1,472,134)	(2,203,465)	(1,472,134)	(2,203,465)
- Finished goods	(18,005,845)	(18,159,102)	(18,005,845)	(18,159,102)
- Spare parts and supplies	(12,991,958)	(11,604,607)	(12,991,958)	(11,604,607)
<u>Less</u> Allowance for actual cost in excess of net realisable value – Finished goods	(2,850,442)	(1,881,725)	(2,639,457)	(1,881,725)
	680,766,623	633,926,237	678,149,670	630,768,038
Goods in transit	30,433,779	15,219,351	30,433,779	15,219,351
Total inventories (net)	711,200,402	649,145,588	708,583,449	645,987,389

12 Inventories (net) (Cont'd)

During the years ended 31 December 2024 and 2023, amounts recognized as cost of sales in profit or loss are as follows:

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Cost of sales and cost of services	2,467,777,902	2,178,444,422	2,465,133,858	2,174,900,608
Allowance for obsolete and defective	7,826,335	10,578,302	7,826,335	10,594,827
(Reversal) Allowance for actual cost in excess of net realisable value	968,717	(2,347,425)	757,732	(2,347,425)

During the year ended 31 December 2024, the Company has destroyed obsolete and defective inventories amounting to Baht 7,323,572 (2023: Baht 6,924,123).

13 Other current assets (net)

Other current assets (net) as at 31 December 2024 and 2023 are as follows:

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Tax receivable (net)	6,557,481	3,244,472	6,557,481	3,244,472
Value added tax receivable	37,740,342	6,490,814	33,905,264	2,786,220
Undue input tax	1,680,554	1,673,629	1,680,554	1,673,524
Others	1,383,173	2,007,631	1,379,121	2,007,681
Total other current assets (net)	47,361,550	13,416,546	43,522,420	9,711,897

14 Investment in subsidiaries (net)

14.1 Details of investments

Investment in subsidiaries (net) as at 31 December 2024 and 2023 are as follows:

Entity name	Country of incorporation	Nature of business	Ownership interest held by		Voting rights		Investment at cost method	
			Company					
			2024 (%)	2023 (%)	2024 (%)	2023 (%)	2024 Baht	2023 Baht
HFT Holding Co., Ltd.	Thailand	Investment in bonds and securities, wholesale and retail trading of tires and tubes and equipment	100	100	100	100	165,557,214	165,557,214
PT. Hwa Fong Rubber Indonesia	Indonesia	Manufacture and distribution of tire and tube for bicycle and motorcycle	100	100	100	100	173,349,000	346,698,000
Total (net)							338,906,214	512,255,214

14.2 Movements of investments

Movements of investments in subsidiaries (net) for the years ended 31 December 2024 and 2023 are as follows:

	Separate financial statements	
	Investment at cost method	
	2024 Baht	2023 Baht
Opening balance	512,255,214	512,255,214
Decrease in investment		
– PT. Hwa Fong Rubber Indonesia	(173,349,000)	–
Closing balance	338,906,214	512,255,214

14 Investment in subsidiaries (net) (Cont'd)

During the year 2024, PT. Hwa Fong Rubber Indonesia executed a registered capital reduction by 5,000,000 shares with a par value of Rupiah 13,162 per share, totaling Rupiah 65,810 million. The subsidiary repaid a portion of the capital reduction amounting to Rupiah 33,000 million, equivalent to Baht 69.95 million on 18 October 2024. As at 31 December 2024, there was an outstanding balance of Rupiah 32,810 million, equivalent to Baht 65 million, which the company recorded as other receivables in the separate financial statements.

15 Investment in an associate

Investment in an associate as at 31 December 2024 and 2023 are as follows:

Entity name	Country of incorporation	Nature of business	Ownership interest held by Company		Consolidated financial statements		Separate financial statements	
			2024	2023	Investment at equity method		Investment at cost method	
					2024	2023	2024	2023
			(%)	(%)	Baht	Baht	Baht	Baht
The Ascent (Thailand) Co., Ltd.	Thailand	(1)	43	43	1,174,188	1,185,697	1,161,000	1,161,000
Total					1,174,188	1,185,697	1,161,000	1,161,000

(1) International trading of bicycles and motorcycles.

15 Investment in an associate (Cont'd)

The movements of investment in an associate for the years ended 31 December 2024 and 2023 are as follows:

	Consolidated financial statements		Separate financial statements	
	Investment at equity method		Investment at cost method	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Opening balance	1,185,697	1,185,248	1,161,000	1,161,000
Share of profit (loss) from investment in an associate	(11,509)	449	-	-
Closing balance	1,174,188	1,185,697	1,161,000	1,161,000

The Ascent (Thailand) Co., Ltd. is a limited company and the company's stock has no quoted price in the market. The Company was registered for dissolution on 27 February 2018. As at 31 December 2024, the liquidation has not been completed.

The Group has no contingent liability arise from interest of investment in an associate.

16 Investment property

The movements of investment property for the years ended 31 December 2024 and 2023 are as follows:

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Opening balance at 1 January	145,928,878	224,963,372	-	-
Disposal	-	(75,806,220)	-	-
Revaluation losses recognised	-	(6,752,835)	-	-
Currency translation differences recognised in other comprehensive income	(7,431,776)	3,524,561	-	-
Closing balance at 31 December	138,497,102	145,928,878	-	-

16 Investment property (Cont'd)

Investment property held by the Group consists of land which measured by fair value.

The fair value of investment property is based on the selling price comparison approach. The Group evaluated the valuation of investment property by independent valuation experts (“Independent Appraiser”) in 2023 which independent appraiser is certified according to professional standard and has an experience in appraising the selling price in the same type of property and in the same location as or near that investment property.

Fair value measurement is classified as level 3 of fair value hierarchy levels and the Group does not change the valuation techniques during the year.

During the year 2023, the Group sold 82,781 Sqm. of investment property, which is land located in Indonesia, at selling price of 450,000 Rupiah per Sqm., totaling 37,251,450,000 Rupiah.

As at 31 December 2024 and 2023, the Group does not have any income and expenses related to the remaining investment property because the Group’s management is still considering the objective at the investment property.

17 Property, plant and equipment (net)

The movements of property, plant and equipment (net) for the years ended 31 December 2024 and 2023 are as follows:

Consolidated and Separate financial statements							
	Land	Buildings and building improvement	Plant and machinery	Office equipment, furniture and fixtures	Vehicles	Construction in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
At 1 January 2023							
Cost	319,126,782	719,535,917	2,483,103,261	20,611,189	28,465,339	96,541,163	3,667,383,651
<u>Less</u> Accumulated depreciation	–	(270,020,501)	(1,857,080,062)	(16,013,405)	(19,708,353)	–	(2,162,822,321)
Net book amount	319,126,782	449,515,416	626,023,199	4,597,784	8,756,986	96,541,163	1,504,561,330
For the year ended 31 December 2023							
Opening net book amount	319,126,782	449,515,416	626,023,199	4,597,784	8,756,986	96,541,163	1,504,561,330
Additions	–	9,163,100	21,629,915	526,319	108,785	70,084,668	101,512,787
Disposals – cost	–	–	(22,363,258)	(31,378)	(2,073,200)	–	(24,467,836)
– accumulated depreciation	–	–	20,543,826	31,010	1,523,198	–	22,098,034
Transfer in (out)	–	–	15,165,756	–	–	(15,165,756)	–
Depreciation charge	–	(22,062,541)	(86,283,731)	(1,937,205)	(1,409,712)	–	(111,693,189)
Closing net book amount	319,126,782	436,615,975	574,715,707	3,186,530	6,906,057	151,460,075	1,492,011,126
At 31 December 2023							
Cost	319,126,782	728,699,017	2,497,535,674	21,106,130	26,500,924	151,460,075	3,744,428,602
<u>Less</u> Accumulated depreciation	–	(292,083,042)	(1,922,819,967)	(17,919,600)	(19,594,867)	–	(2,252,417,476)
Net book amount	319,126,782	436,615,975	574,715,707	3,186,530	6,906,057	151,460,075	1,492,011,126

17 Property, plant and equipment (net) (Cont'd)

The movements of property, plant and equipment (net) for the years ended 31 December 2024 and 2023 are as follows: (Cont'd)

Consolidated and Separate financial statements							
	Land	Buildings and building improvement	Plant and machinery	Office equipment, furniture and fixtures	Vehicles	Construction in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
For the year ended 31 December 2024							
Opening net book amount	319,126,782	436,615,975	574,715,707	3,186,530	6,906,057	151,460,075	1,492,011,126
Additions	-	2,791,343	90,802,428	834,038	127,000	99,401,807	193,956,616
Disposals – cost	-	(201,337)	(4,547,218)	-	-	-	(4,748,555)
– accumulated depreciation	-	201,336	4,331,994	-	-	-	4,533,330
Transfer in (out)	-	-	52,872,481	-	-	(52,872,481)	-
Depreciation charge	-	(22,071,684)	(80,441,804)	(1,600,003)	(958,294)	-	(105,071,785)
Closing net book amount	319,126,782	417,335,633	637,733,588	2,420,565	6,074,763	197,989,401	1,580,680,732
At 31 December 2024							
Cost	319,126,782	731,289,023	2,636,663,365	21,940,168	26,627,924	197,989,401	3,933,636,663
<u>Less</u> Accumulated depreciation	-	(313,953,390)	(1,998,929,777)	(19,519,603)	(20,553,161)	-	(2,352,955,931)
Net book amount	319,126,782	417,335,633	637,733,588	2,420,565	6,074,763	197,989,401	1,580,680,732

18 Intangible assets (net)

The movements of intangible assets (net) for the years ended 31 December 2024 and 2023 are as follows:

	Consolidated financial statements	Separate financial statements
	Computer software Baht	Computer software Baht
At 1 January 2023		
Cost	8,718,003	8,663,003
<u>Less</u> Accumulated amortisation	(7,799,197)	(7,751,506)
Net book amount	918,806	911,497
For the year ended 31 December 2023		
Opening net book amount	918,806	911,497
Amortisation charge	(319,194)	(313,695)
Closing net book amount	599,612	597,802
At 31 December 2023		
Cost	8,718,003	8,663,003
<u>Less</u> Accumulated amortisation	(8,118,391)	(8,065,201)
Net book amount	599,612	597,802
For the year ended 31 December 2024		
Opening net book amount	599,612	597,802
Additions	210,000	210,000
Amortisation charge	(194,258)	(192,449)
Closing net book amount	615,354	615,353
At 31 December 2024		
Cost	8,928,003	8,873,003
<u>Less</u> Accumulated amortisation	(8,312,649)	(8,257,650)
Net book amount	615,354	615,353

18 Intangible assets (net) (Cont'd)

Amortisation recognised in profit or loss that are related to intangible assets for the years ended 31 December 2024 and 2023 are as follows:

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Cost of goods sold	78,392	140,304	78,392	140,304
Administrative expense	115,866	178,890	114,057	173,391
	194,258	319,194	192,449	313,695

19 Deferred tax assets (liabilities)

The analysis of deferred tax assets (liabilities) is as follows:

As at 31 December 2024 and 2023, deferred tax assets and deferred tax liabilities presented by net taxable entities comprised the following:

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Deferred tax assets	45,904,081	44,451,898	41,843,610	39,795,365
Deferred tax liabilities	(3,682,556)	(3,541,323)	(3,682,556)	(3,541,323)
Deferred tax asset (net)	42,221,525	40,910,575	38,161,054	36,254,042

19 Deferred tax assets (liabilities) (Cont'd)

The movements of deferred tax assets (liabilities) are as follows:

	Consolidated financial statements					Total Baht
	Impairment	Allowance	Employee		Remeasurement	
	on financial	for net	benefit	Allowance for	of financial	
	assets	realisable value	obligation	unclaim duties	asset at fair value	
	Baht	Baht	Baht	Baht	Baht	
Deferred tax assets						
At 1 January 2023	23,220,319	6,403,678	9,920,631	151,541	2,550,262	42,246,431
(Charged)/credited to profit or loss (Note 29)	96,361	(115,929)	106,621	12,143	2,106,271	2,205,467
At 31 December 2023	23,316,680	6,287,749	10,027,252	163,684	4,656,533	44,451,898
At 1 January 2024	23,316,680	6,287,749	10,027,252	163,684	4,656,533	44,451,898
(Charged)/credited to profit or loss (Note 29)	580,863	260,751	(21,350)	(11,127)	(638,259)	170,878
Credited to other comprehensive income	-	-	1,281,305	-	-	1,281,305
At 31 December 2024	23,897,543	6,548,500	11,287,207	152,557	4,018,274	45,904,081

	Consolidated financial statements	
	Difference of depreciation between tax base and accounting base	Total
	Baht	Baht
Deferred tax liabilities		
At 1 January 2023	(3,495,396)	(3,495,396)
Charged to profit or loss (Note 29)	(45,927)	(45,927)
At 31 December 2023	(3,541,323)	(3,541,323)
At 1 January 2024	(3,541,323)	(3,541,323)
Charged to profit or loss (Note 29)	(141,233)	(141,233)
At 31 December 2024	(3,682,556)	(3,682,556)

The movements of deferred tax assets (liabilities) are as follows: (Cont'd)

	Separate financial statements	
	Difference of depreciation between tax base and accounting base Baht	Total Baht
Deferred tax liabilities		
At 1 January 2023	(3,495,396)	(3,495,396)
Charged to profit or loss (Note 29)	(45,927)	(45,927)
At 31 December 2023	(3,541,323)	(3,541,323)
At 1 January 2024	(3,541,323)	(3,541,323)
Charged to profit or loss (Note 29)	(141,233)	(141,233)
At 31 December 2024	(3,682,556)	(3,682,556)

19 Deferred tax assets (liabilities) (Cont'd)

As at 31 December 2024, the Group has the unused tax but no deferred tax assets are recognised in the statement of financial position because the Group's managements considered that it is not probable the Group future taxable profit which the deferred tax assets can be utilised.

The unused tax losses comprise the following:

	Consolidated	
	financial statements	
	2024	2023
	Baht	Baht
<u>Unused tax losses</u>		
Tax losses expired 2028	7,505,468	9,210,439

20 Short-term borrowings from financial institutions

Short-term borrowings from financial institutions as at 31 December 2024 and 2023 are as follows:

	Consolidated and Separate	
	financial statements	
	2024	2023
	Baht	Baht
Short-term borrowings from financial institutions		
- Promissory note	100,000,000	-
- Trust receipt	143,459,336	-
Total short-term borrowings from financial institutions	243,459,336	-

20 Short-term borrowings from financial institutions (Cont'd)

The movements of short-term borrowings from financial institutions for the years ended 31 December 2024 and 2023 are as follows:

	Consolidated and Separate financial statements
	Baht
At 1 January 2024	-
Additional borrowings	369,369,230
Repayment borrowings	(125,909,894)
At 31 December 2024	243,459,336

As at 31 December 2024, short-term borrowings from financial institutions, including promissory note and trust receipt, bear interest at the rate of 2.70% - 3.70% per annum. The borrowings are due for repayment in January 2025 to March 2025.

21 Trade and other current payables

Trade and other current payables as at 31 December 2024 and 2023 are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Trade accounts payable				
– others	279,747,675	220,265,011	279,547,585	220,265,011
– related parties (Note 32.3)	1,940,437	840,261	1,940,437	840,261
Other current payables				
– others	28,279,542	25,030,215	27,886,209	24,594,248
– related parties (Note 32.3)	57,317,516	49,471,490	57,317,716	49,471,490
Payables on fixed assets				
– others	10,792,694	3,061,837	10,792,694	3,061,837
– related parties (Note 32.3)	71,707	5,735,376	71,707	5,770,739
Accrued salary and bonus	55,796,921	47,711,157	55,796,921	47,711,157
Retention	1,037,966	736,860	1,037,966	736,860
Accrued dividend	3,531,027	567,487	3,531,027	567,487
Accrued expenses	12,258,479	10,619,718	11,921,112	10,289,351
Total trade and other current payables	450,773,964	364,039,412	449,843,374	363,308,441

22 Current contract liabilities

The Group has recognised the following current contract liabilities related to contracts with customers:

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Contract liabilities				
– Current	56,590,643	46,308,795	56,590,643	46,308,795
– Non-current	–	–	–	–
Total current contract liabilities	56,590,643	46,308,795	56,590,643	46,308,795

Significant changes in contract liabilities

Contract liabilities for expected volume discounts and customer loyalty programme contracts have increased by Baht 10,281,848 following the amendment of discount agreements of export customer, which correspond with the decrease in export sales.

Revenue recognised in relation to contract liabilities

Revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Revenue recognised that was included in the liability balance at the beginning of the period				
– Advance receipt from customers	10,843,860	23,292,495	10,843,860	23,292,495

23 Employee benefit obligations

Employee benefit obligations as at 31 December 2024 and 2023 are as follows:

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Statements of financial position:				
Retirement benefits	56,436,038	50,136,261	56,436,038	50,136,261
Liability in the statements of financial position	56,436,038	50,136,261	56,436,038	50,136,261
Profit or loss charge included in operating profit for:				
Retirement benefits	4,778,136	4,704,825	4,778,136	4,704,825
Remeasurements of post-employment for:				
Benefit obligations	6,406,526	-	6,406,526	-

Retirement benefits

The plans are retirement benefit plans. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The movements of the employee benefit obligations for the years ended 31 December 2024 and 2023 are as follows:

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
At 1 January	50,136,261	49,603,154	50,136,261	49,603,154
Current service cost	3,205,716	3,199,678	3,205,716	3,199,678
Interest expense	1,572,420	1,505,147	1,572,420	1,505,147
	54,914,397	54,307,979	54,914,397	54,307,979
Remeasurements of post-employment for:				
Benefit obligations	6,406,526	-	6,406,526	-
Payment from plans:				
Benefit payment	(4,884,885)	(4,171,718)	(4,884,885)	(4,171,718)
At 31 December	56,436,038	50,136,261	56,436,038	50,136,261

23 Employee benefit obligations (Cont'd)

The significant actuarial assumptions used are as follows:

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	%	%	%	%
Discount rate	2.54	3.15	2.54	3.15
Inflation rate	3	3	3	3
Salary increase rate	4	5	4	5

Sensitivity analysis for each significant assumption used is as follows:

	Consolidated financial statements					
	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2024	2023	2024	2023	2024	2023
Discount rate	1%	1%	Decrease by 4.85%	Decrease by 9.22%	Increase by 5.22%	Increase by 10.72%
Salary increase rate	1%	1%	Increase by 8.90%	Increase by 9.85%	Decrease by 7.83%	Decrease by 8.60%

	Separate financial statements					
	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2024	2023	2024	2023	2024	2023
Discount rate	1%	1%	Decrease by 4.85%	Decrease by 9.22%	Increase by 5.22%	Increase by 10.72%
Salary increase rate	1%	1%	Increase by 8.90%	Increase by 9.85%	Decrease by 7.83%	Decrease by 8.60%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the retirement benefits recognised in the statements of financial position.

23 Employee benefit obligations (Cont'd)

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the defined benefit obligation is 13 years (2023: 14 years).

Expected maturity analysis of undiscounted retirement benefits are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Retirement benefits				
Within 1 year	2,826,939	3,405,100	2,826,939	3,405,100
Later than 1 year but not later than 2 years	2,395,851	2,707,100	2,395,851	2,707,100
Later than 2 year but not later than 5 years	9,456,956	8,878,444	9,456,956	8,878,444
Later than 5 years	129,745,273	130,808,691	129,745,273	130,808,691
Total	144,425,019	145,799,335	144,425,019	145,799,335

24 Share capital and premium on share capital

The movements of share capital and premium on share capital for the years ended 31 December 2024 and 2023 are as follows:

	Number of Shares	Ordinary Shares Baht	Share Premium Baht	Surplus on	Total Baht
				Treasury	
				Shares Baht	
At 1 January 2023	658,434,300	658,434,300	222,105,000	7,429,904	887,969,204
Issue of shares	-	-	-	-	-
At 31 December 2023	658,434,300	658,434,300	222,105,000	7,429,904	887,969,204
Issue of shares	-	-	-	-	-
At 31 December 2024	658,434,300	658,434,300	222,105,000	7,429,904	887,969,204

As at 31 December 2024 and 2023, the total authorised number ordinary shares are 658,434,300 shares with a par value of Baht 1 per share. All issued shares are fully paid-up.

25 Legal reserve

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

26 Promotional privileges

As at 31 December 2024 and 2023, the outstanding unexpired promotional privileges are as follows:

BOI certificate	Date of approval	Products	Income first derived date	Exemptional payment of corporate income tax privileges	Significant privileges*					
					1	2	3	4	5	6
2315(1)/2555	11 September 2012	Motorcycle tire	1 October 2015	30 September 2028	✓	✓	✓	-	-	✓
61-0293-1-00-1-0	13 March 2018	Bicycle tire, bicycle tube and motorcycle tire	1 October 2019	30 September 2027	✓	-	-	✓	-	✓
65-0013-1-00-1-0	4 January 2022	Bicycle and motorcycle tire	10 October 2024	9 October 2032	✓	-	-	✓	-	✓
66-1658-2-04-1-0	27 November 2023	Tire and Tube	1 January 2024	31 December 2026	✓	-	-	-	✓	✓

* Significant privileges

- 1) Exemption from payment of import duty on machinery approved by the Board;
- 2) Exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations
- 3) A 50% reduction in the normal income tax rate on the net profit derived from certain operations for a period of five years, commencing from the expiry date in (2) above.
- 4) Exemption from payment of corporate income tax totally not in excess of 100% of the investment amount excluding cost of land and working capital. This privilege is due for expiration within a period of 8 years from the date of income is firstly derived.

26 Promotional privileges (Cont'd)

- 5) Exemption from payment of corporate income tax totally not in excess of 50% of the investment amount excluding cost of land and working capital. This privilege is due for expiration within a period of 3 years from the date of income is firstly derived.
- 6) Exemption from including the dividend income received from exemptional income tax entity as taxable income in corporate income tax calculation throughout the period of income tax exemption of the Company.

In addition, the Group must comply with certain conditions and restrictions provided in the promotional certificates.

The Group has the revenue for the years ended 31 December 2024 and 2023 which is classified as revenue under corporate income tax exemption and non-corporate income tax exemption as follows:

	Consolidated financial statements					
	2024			2023		
	BOI Baht	NON-BOI Baht	Total Baht	BOI Baht	NON-BOI Baht	Total Baht
Export sales	1,978,686,918	8,518,895	1,987,205,813	428,263,646	1,344,919,724	1,773,183,370
Domestic sales	1,010,968,357	26,262,810	1,037,231,167	219,976,941	656,128,379	876,105,320
Total	2,989,655,275	34,781,705	3,024,436,980	648,240,587	2,001,048,103	2,649,288,690

	Separate financial statements					
	2024			2023		
	BOI Baht	NON-BOI Baht	Total Baht	BOI Baht	NON-BOI Baht	Total Baht
Export sales	1,978,686,918	6,107,935	1,984,794,853	428,263,646	1,341,279,524	1,769,543,170
Domestic sales	1,010,968,357	25,660,496	1,036,628,853	219,976,941	655,686,378	875,663,319
Total	2,989,655,275	31,768,431	3,021,423,706	648,240,587	1,996,965,902	2,645,206,489

27 Other income

Other income for the years ended 31 December 2024 and 2023 are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Interest income	39,706,273	13,210,130	37,824,464	13,039,718
Rental income	-	-	120,000	120,000
Gain on sales of assets (net)	180,335	1,899,689	180,335	1,899,689
Dividend income	1,278,329	2,046,236	-	-
Others	13,644,218	9,366,185	14,075,042	9,410,001
Total other income	54,809,155	26,522,240	52,199,841	24,469,408

28 Expense by nature

The following significant expenditures, classified by nature for the years ended 31 December 2024 and 2023, have been charged in arriving at profit (loss) before finance costs and income tax:

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Changes in inventories of finished goods and work in process	(45,042,209)	57,034,677	(45,372,469)	56,550,391
Raw material and consumables used	1,491,190,864	1,195,488,616	1,491,190,864	1,195,488,616
Employee benefit expense	533,548,035	450,680,578	533,372,757	450,680,578
Depreciation and amortisation	105,266,043	112,012,383	105,264,234	112,006,883
Transportation expense	42,874,579	41,107,368	42,860,579	41,096,708
Utility expense	215,499,708	210,532,891	215,499,708	210,532,891
Packing expense	68,894,764	63,505,313	68,894,764	63,505,313
Repair and maintenance expense	46,050,628	44,579,175	46,050,628	44,579,175

29 Income tax expense

Income tax expense for the years ended 31 December 2024 and 2023 are as follows:

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Current tax:				
Current tax on profits for the year	13,776,326	51,017,595	13,518,517	48,716,701
Adjustments in respect of prior year	(1,251,845)	319,906	(1,251,845)	319,906
Total current tax	12,524,481	51,337,501	12,266,672	49,036,607
Deferred tax:				
Increase in deferred tax assets (Note 19)	(170,878)	(2,205,467)	(766,940)	(99,196)
Increase in deferred tax liability (Note 19)	141,233	45,927	141,233	45,927
Total deferred tax	(29,645)	(2,159,540)	(625,707)	(53,269)
Total income tax expense	12,494,836	49,177,961	11,640,965	48,983,338

29 Income tax expense (Cont'd)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Company as follows:

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Profit before tax	385,823,402	299,048,134	376,482,724	311,351,244
Tax calculated at a tax rate of 20%	77,164,680	59,809,627	75,296,545	62,270,249
Tax effect of:				
Profit under BOI certificate subject to exempt income tax	(69,159,707)	(14,061,506)	(69,159,707)	(14,061,506)
Expenses not deducted for tax purpose	7,043,801	1,795,336	7,106,399	1,712,886
Income not subject to tax and expenses additionally deductible for tax purpose	(805,453)	(1,896,921)	(350,427)	(1,258,197)
Utilisation of previously unrecognised tax losses	(187,547)	(241,118)	-	-
Difference in overseas tax rate	(309,093)	308,366	-	-
Tax losses of subsidiary for which no deferred income tax asset was recognised	-	1,012,221	-	-
Adjustment in respect of prior year	(1,251,845)	319,906	(1,251,845)	319,906
Land tax	-	2,132,050	-	-
Income tax	12,494,836	49,177,961	11,640,965	48,983,338

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released the Pillar Two model rules to reform international corporate taxation that aim to ensure that large multinationals pay a minimum effective corporate tax rate of 15% in each jurisdiction in which they operate.

The Group is not within the scope of the Pillar Two model rules, so the Group has no related current tax exposure.

30 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

Basic earnings per shares for the years ended 31 December 2024 and 2023 are as follows:

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Basic earnings per share				
Net profit attributable to ordinary shareholders (Baht)	373,328,566	249,870,173	364,841,759	262,367,906
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share (Share)	658,434,300	658,434,300	658,434,300	658,434,300
Basic earnings per share attributable to the ordinary equity holders of the Company (Baht per share)	0.57	0.38	0.55	0.40

There are no potential dilutive ordinary shares in issue for during 2024 and 2023.

31 Dividends per share

At the Annual General Meeting no. 1/2023 on 26 April 2023, the shareholders approved the payment of annual dividend from net profit for the year ended 31 December 2022 at Baht 0.38 per share, totaling Baht 250,205,034. The dividend was paid to shareholders on 25 May 2023.

At the Board of Directors' Meeting no. 1/2024 on 21 February 2024, the Board of Directors approved the payment of interim dividend from net profit for the year ended 31 December 2023 at Baht 0.30 per share, totaling Baht 197,530,290. The dividend was paid to shareholders on 20 March 2024.

At the Board of Directors' Meeting no. 3/2024 on 7 August 2024, the Board of Directors approved the payment of interim dividend from net profit for the first half year ended 30 June 2024 at Baht 0.28 per share, totaling Baht 184,361,604. The dividend was paid to shareholders on 6 September 2024.

32 Related party transactions

32.1) The Company and related parties

As at 31 December 2024, the majority of the Company's shares are held by Hwa Fong Rubber Industries Co., Ltd. by 50.42% (2023: 50.42%) of the Company's authorised share capital.

The relationships between the Company and related parties that are transacted with are as follows:

Company name	Country of incorporation	Relationship
Sumitomo Rubber Industries Limited	Japan	Shareholding in Parent
Hwa Fong Rubber Industries Co., Ltd.	Taiwan	Parent
HFT Holding Co., Ltd.	Thailand	Subsidiary
PT. Hwa Fong Rubber Indonesia	Indonesia	Subsidiary
The Ascent (Thailand) Co., Ltd.	Thailand	Associate
Hwa Fong Rubber (U.S.A.) Inc.	United States of America	Subsidiary of Parent
Hwa Zhong (B.V.I.) Holding Corp.	British Virgin Island	Subsidiary of Parent
Hwa Fong Rubber (Hong Kong) Ltd.	Hong Kong	Subsidiary of Parent
Hwa Fong Rubber (Singapore) Holding PTE Ltd.	Singapore	Subsidiary of Parent
Hwa Fong Rubber (China) Co., Ltd.	China	Subsidiary of Parent
Hwa Fong Distribution Co., Ltd.	Taiwan	Subsidiary of Parent
China Hwa Fong Enterprise Co., Ltd.	Taiwan	Subsidiary of Parent
Hwa Fong Rubber (Suzhou) Co., Ltd.	China	Indirect subsidiary of Parent
Mediera Corporation	Taiwan	Company under the same chairman
Hota Industrial Manufacturing Co., Ltd.	Taiwan	Company under the same chairman

32 Related party transactions (Cont'd)**32.2) Transactions with related parties (Cont'd)**

Transactions with related parties are as follows:

	Consolidated		Separate		Pricing policies
	financial statements		financial statements		
	2024	2023	2024	2023	
	Baht	Baht	Baht	Baht	
Sales of goods and services					
Parent	7,417,018	9,934,862	7,417,018	9,934,862	Market price
Other related parties					
– Subsidiaries of parent	72,221,251	68,749,165	72,221,251	68,749,165	Market price
– Shareholding in parent	78,860,741	78,500,162	78,860,741	78,500,162	Market price
Sales of raw materials					
Parent	291,601	300,434	291,601	300,434	Market price
Purchases of raw materials					
Parent	8,207,050	5,991,196	8,207,050	5,991,196	Market price
Purchases of spare parts and equipment					
Parent	2,069,355	2,259,429	2,069,355	2,259,429	Market price
Purchases of machinery					
Parent	5,586,424	4,199,967	5,586,424	4,199,967	Market price
Other related parties					
– Subsidiaries of parent	–	18,775,686	–	18,775,686	Market price
Purchases of merchandise					
Subsidiaries	–	–	172,187	212,350	Market price
Refund from share reduction					
Subsidiaries	–	–	69,948,097	–	Contractual price
Technical assistance fee					
Parent	32,452,753	27,952,956	32,452,753	27,952,956	Contractual price
Trademark fee					
Parent	25,396,148	20,613,207	25,396,148	20,613,207	Contractual price
Other related parties					
– Shareholding in parent	2,186,117	2,637,151	2,186,117	2,637,151	Contractual price

32 Related party transactions (Cont'd)**32.2) Transactions with related parties (Cont'd)**

	Consolidated		Separate		Pricing policies
	financial statements		financial statements		
	2024	2023	2024	2023	
	Baht	Baht	Baht	Baht	
Other income					
Parent	93,000	386,037	93,000	386,037	Contractual price
Subsidiaries	–	–	162,730	163,923	Contractual price
Other related parties					
– Shareholding in parent	371,957	–	371,957	–	Contractual price
Other expenses					
Parent	1,129,877	657,770	1,129,877	657,770	Market price
Subsidiaries	–	–	–	33,050	Market price
Other related parties					
– Subsidiaries of parent	–	34,240	–	34,240	Market price
– Shareholding in parent	161,704	300,918	161,704	300,918	Market price

32 Related party transactions (Cont'd)**32.3) Outstanding balances arising from sales and purchases of goods and services**

The outstanding balances as at 31 December 2024 and 2023 in relation to transactions with related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Trade accounts receivable				
Parent	1,484,454	1,021,668	1,484,454	1,021,668
Other related parties				
– Subsidiaries of parent	18,924,025	6,050,750	18,924,025	6,050,750
– Shareholding in parent	4,021,514	3,003,871	4,021,514	3,003,871
Total	24,429,993	10,076,289	24,429,993	10,076,289
Other current accounts receivable				
Subsidiaries	–	–	65,654,067	641,610
Other related parties				
– Indirect subsidiary of parent	–	17,178,023	–	17,178,023
Total	–	17,178,023	65,654,067	17,819,633
Trade accounts payable				
Parent	1,940,437	840,261	1,940,437	840,261
Other current accounts payable				
Parent	56,365,805	48,206,579	56,365,805	48,206,579
Subsidiaries	–	–	200	–
Other related parties				
– Shareholding in parent	951,711	1,264,911	951,711	1,264,911
Total	57,317,516	49,471,490	57,317,716	49,471,490
Payable on fixed assets				
Parent	71,707	3,865,441	71,707	3,865,441
Subsidiaries	–	–	–	35,363
Other related parties				
– Subsidiaries of parent	–	1,869,935	–	1,869,935
Total	71,707	5,735,376	71,707	5,770,739

32 Related party transactions (Cont'd)**32.4) Key management compensation**

Group's key management includes directors and accounting and finance manager. The compensation paid or payable to key management are as follows:

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Salaries and other short-term				
employee benefits	17,366,561	9,698,393	17,366,561	9,698,393
Post-employment benefits	18,233	47,878	18,233	47,878
Total	17,384,794	9,746,271	17,384,794	9,746,271

33 Bank guarantee

As at 31 December 2024 and 2023, the Group had commitments in respect of bank guarantee issued by the domestic commercial banks as follows:

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Electricity usage	14,982,437	3,419,500	14,982,437	3,419,500
Others	9,690,561	8,736,873	9,690,561	8,736,873

34 Commitments

34.1) Capital expenditure commitments

As at 31 December 2024 and 2023, the Group had commitments which are capital expenditure contracted but not recognised as liabilities as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Property, plant and equipment	19,291,782	152,274,009	19,291,782	152,274,009

34.2) Expense relating to leases of low-value assets

As at 31 December 2024 and 2023, the Group had the minimum lease payments under operating leases of copying machine contracts are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Within 1 year	732,000	542,700	732,000	542,700
Later than 1 year but not later than 5 years	1,762,250	1,248,750	1,762,250	1,248,750
Total	2,494,250	1,791,450	2,494,250	1,791,450

34 Commitments (Cont'd)**34.3) Contingent assets**

As at 21 March 2022, the Company entered into a compromise agreement with Yoko Manufacturing Company Limited and its director to settle criminal disputes. Yoko Manufacturing Company Limited and its director agreed to compensate to the Company in the amount of Baht 45 million, payable in total of 84 installments with the specified amount for each installment according to the contract.

As at 17 July 2023, the Company received compensation amounting to Baht 6.30 million and has amended the compromise agreement with Yoko Manufacturing Company Limited and its director to compensate the remaining amount of Baht 38.70 million, payable in total of 68 installments with the specified amount for each installment according to the contract

As at 31 December 2024, the Company received compensation amounting to Baht 13 million. However, the compensation remains Baht 32 million which is still uncertain. Therefore, the Company has not recognised such contingent assets in the financial statements.

Data Authentication


The Company has carefully reviewed the information in this annual information disclosure form. The Company certifies that the information is correct, complete, not false, does not mislead others, and does not omit information that should be reported. In essence, the Company also certifies that:

(1) The financial statements and financial information summarized in the annual information disclosure form have presented accurate and complete information regarding the financial position, operating results and cash flow of the Company and its subsidiaries.

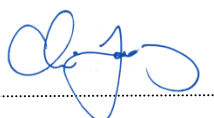
(2) The Company has established a good information disclosure system to ensure that the Company has disclosed material information of the Company and its subsidiaries correctly and completely, and has supervised compliance with such system.

(3) The Company has established a good internal control system and supervises compliance with such system. The Company has notified the Company's auditors and audit committee of the assessment of the internal control system as of 31 December, 2024, which covers deficiencies and significant changes in the internal control system, including any improper acts that may affect the preparation of the Company's and its subsidiaries' financial reports.

In this regard, to be evidence that all documents are the same set of documents that the Company has certified as correct, the Company has assigned Mr. Chuang Chih -Yao to sign every page of this document. If any document does not have the signature of Mr. Chuang Chih-Yao, the Company will consider that it is not information that the Company has certified as correct as mentioned above.

Name	Position	Signature, Seal
Mr. Shen Guo Rong,	Chairman of the Board Director	



Name	Position	Signature
Attorney Mr. Chuang, Chih- Yao	Company Secretary	

Details of the Directors, Executives, Controlling Persons and Company Secretary

1. Information of directors, executives, controlling persons and company secretary

1.1 Details of the directors, executives, controlling persons and company secretary

1.1.1 Details of the directors as of 31 December, 2024 according to the following table:

Name-Surname/ Position/ Date of appointment	Age (year)	Educational Qualifications/Tra ining History	Shareholding proportion in the company (%)	Family relationship between Board of Directors and Executives	Working experience in the past 5 years		
					period	position	Name of agency/company/business type
1. Mr. Shen, Kuo Jung, Chairman of the Board and Managing Director Directors authorized to bind the company as specified in the certificate June 22, 2018	75	-Ph.D. in Business Administration, American International University -Honorary Doctorate in Management, Chuoyang University of Technology Republic of China Taiwan	0.258	-	2018 - present	chairman	Hwa Fong Rubber Industry Co., Ltd.
					2018 - present	chairman	Hwa Fong Rubber (Thailand) Public Company Limited
					2018 - present	chairman	HFT Holding Company Limited
					2016 - present	consultant	Office of the President of the Republic of China (Taiwan)
					2014 - present	chairman	Industrial Science Park Alliance Association
					2010 - present	chairman	Hota Industrial MFG. Co., Ltd.
					2010 - present	chairman	Kao Fong Machinery Co., Ltd.
					2007 - present	chairman	Kao Fong Machinery Co., Ltd
2. Mr. Chuang, Chih- Yao Director June 8, 2018 Directors authorized to bind the company as specified in the certificate December 18, 2018	49	-B. Sc. (Finance), Arizona State University, USA	0.121	-	2018 - present	director	Hua Fong Rubber Company (Thailand) Public Company Limited
					2015 - present	Managing Director (Owner)	Thai Bright Bar Co., Ltd.
					2010 - present	Managing Director (Owner)	V.G. Steel Co., Ltd.

Attachment 1

1.1.1 Details of the committee members according to the following table (continued)

Name-Surname/ Position/ Date of appointment	Age (year)	Educational Qualifications/Traini ng History	Sharehold ing proportio n in the company (%)	Family relationship between Board of Directors and Executives	Working experience in the past 5 years		
					period	position	Name of agency/company/business type
3. Mr. Chiu Hsih-Chien Director June 22, 2018	53	- Master's degree in Statistics, Taiwan State University (National Cheng Kung University)	-	-	2018 - present	director	Hwa Fong Rubber Company (Thailand) Public Company Limited
					current	Vice President	Hwa Fong Rubber Industry Co., Ltd.
					current	CEO	Jian Sin Industrial Co., Ltd.
					current	CEO	Jui Li Enterprise Co., Ltd.
4. Ms. Wu, Pin Yi Director June 22, 2018	34	- Law degree, a public university in Taiwan (National Chung Hsing University)	-	-	2018 - present	director	Hwafong Rubber Company (Thailand) Public Company Limited
					current	director	Hwafong Rubber Industry Co., Ltd.
					2016 – 2018	Special Assistant to the President	Jian Sin Industrial Co., Ltd.
5. Mr. Liu , Hsing Hung Director May 11, 2020	65	-Vocational education, Industrial vocational school Hsinchu	-	-	2020 - present	director	Hwafong Rubber Company (Thailand) Public Company Limited
					2019 - present	Chairman of the Board	Xingli Development Co., Ltd.
					2002 - present	Chairman of the Board	Xiang Qiyan Advertising Co., Ltd.
					2002 - present	Chairman of the Board	Xingheli Construction Co., Ltd.
					1991 - present	Chairman of the Board	Neo-Vision Advertisement Co., Ltd.

Attachment 1 (continued)

1.1.1 Details of the committee members according to the following table (continued)

Name-Surname/ Position/ Date of appointment	Age (year)	Educational Qualifications/ Training History	Shareholdin g proportion in the company (%)	Family relationship between Board of Directors and Executives	Working experience in the past 5 years		
					period	position	Name of agency/company/business type
6. Mr. Yen, Ming Shan director August 11, 2012	84	- Master of Business Administration (EMBA), National Changhua University of Education - Vocational Certificate, Taiwan	0.307	-	2012 - present	director	Hwa Fong Rubber Company (Thailand) Public Company Limited
					2012 - present	director	Taiwan Rubber & Elastomer Industry Association Co., Ltd.
					2012 - present	director	Taiwan Rubber Research and Testing Center Co., Ltd.
					2012 - present	director	Taiwan Provincial Industry Association Co., Ltd.
					2011 - present	director	Hwafong Rubber Industry Co., Ltd.
					2009 - present	Chairman of the Company	Shen Da Investment Co., Ltd.
					2003 - present	director	Hwafeng Rubber Co., Ltd. (Suzhou)
					1993 - present	director	Hwafeng Rubber (China) Co., Ltd.
					1992 - present	director	Hwa Fong Rubber USA Industry Duro Tire & Wheel Co., Ltd.
7. Mr. Yen Yu Shian Director 23 April 2022	51	- Business Administration Public universities in Taiwan (National Changhua University of Education (IMBA)	1.187	-	2022 - present	director	Hwa Fong Rubber Company (Thailand) Public Company Limited
					2019 - present	General Manager	Siang Rui Construction Co., Ltd.
					2018 - present	General Manager	MIJI CONSTRUCTION CO.,LTD. Ltd.
					2018 – Present	General Manager	Xu-Fu Corporate Communities Co.,Ltd Su Lon Industrial Co., Ltd.
					2012 – Present	director	
					1994 – present	General Manager	Hsin-Tai Hardware & Electricity Materialand Co.,Ltd

Attachment 1 (continued)

1.1.1 Details of the committee members according to the following table (continued)

Name-Surname/ Position/ Date of appointment	Age (year)	Educational Qualifications/ Training History	Shareholding proportion in the company (%)	Family relationship between Board of Directors and Executives	Working experience in the past 5 years		
					period	position	Name of agency/ company/business type
8. Mr. Yen Chih-Che Director April 21, 2017	48	-Bachelor of Architecture, Cheng Shiu University, Bachelor of Business Administration, Dayeh University, Republic of China, Taiwan	1.226	-	2017 - present 2007 - present	director chairman	Hwa Fong Rubber Company (Thailand) Public Company Limited Sin-Jian-Hua Hydropower materials Co., Ltd.
9. Mr. Hsio, Chin-Lung Independent Director/Chairman of the Audit Committee August 6, 2018	53	- Master of Economics, Institute of Economics, China Culture University	-	-	2018 - present 2007 - present	Independent Director/ Chairman of the Audit Committee Senior Finance Manager	Hwa Fong Rubber Company (Thailand) Public Company Limited Far Eastern International Bank, Taiwan.
10. Ms. Syuan Wen Independent Director/Audit Committee August 6, 2018	74	Accounting, St. Louis College, United Kingdom	-	-	2018 - present 2018 - present 2015 - present 1996 - present	Independent Director/ Audit Committee director International Coordinator director	Hwa Fong Rubber Company (Thailand) Public Company Limited Placetin International Group Eagle Air & Sea (Thailand) Co., Ltd. 9999 International Company Limited

Attachment 1 (continued)

1.1.1 Details of the board of directors according to the following table:

Name-Surname/ Position/ Date of appointment	Age (year)	Educational Qualifications/ Training History	Shareholdin g proportion in the company (%)	Family relationship between Board of Directors and Executives	Working experience in the past 5 years		
					period	position	Name of agency/company/ business type
11. Mr. Monsayam Sinworaphan Independent Director/Audit Committee August 6, 2018	52	-Bachelor of Business Administration, International Business Management, Siam University -Bachelor's degree, Faculty of Law, Ramkhamhaeng University	-	-	2018 - present	Independent Director / Audit Committee	Hwa Fong Rubber Company (Thailand) Public Company Limited
					2005 - present	Legal Advisor	Applied DB Public Company Limited
					2017 - present	Legal Advisor	Savemore International Co., Ltd.
12. Mr. Lin , Cheng-Yung Independent Director/Audit Committee May 11, 2020	52	-Secondary School: Chiao Tai High School	0.468	-	2020 - present	Independent Director / Audit Committee	Hwa Fong Rubber Company (Thailand) Public Company Limited
					2006 - present	Chairman of the Board	- Sheng Hua Manpower Resource Enterprise CO.,Ltd.

Attachment 1 (continued)

1.1.2 Details of the executives, persons with controlling power and the company secretary are as per the following table:

Name-Surname/ Position/ Date of appointment	Age (year)	Educational Qualifications/T raining History	Shareholdi ng proportion in the company (%)	Family relationship between Board of Directors and Executives	Working experience in the past 5 years		
					period	position	Name of agency/company/business type
1. Mr. Shen, Kuo Jung Managing Director and Controlling Person of the Company	75	-Ph.D. in Business Administration, American International University -Honorary Doctorate in Management, Chuoyang University of Technology Republic of China Taiwan	0.258	-	2018 - present	chairman	Hwa Fong Rubber Industry Co., Ltd.
					2018 - present	chairman	Hwa Fong Rubber (Thailand) Public Company Limited
					2018 - present	chairman	HFT Holding Company Limited
					2016 - present	consultant	Office of the President of the Republic of China (Taiwan)
					2014 - present	chairman	Industrial Science Park Alliance Association
					2010 - present	chairman	Hota Industrial MFG. Co., Ltd.
					2010 - present	chairman	Kao Fong Machinery Co., Ltd.
					2007 - present	chairman	Kao Fong Machinery Co., Ltd
2. Mr. Chuang, Chih- Yao -Deputy General Managerand - Company Secretary	49	-Bachelor of Science in Finance, Arizona State University, USA	0.121	-	2567 –current	Company	Hwa Fong Rubber Company
					2018 - present	Secretary director	(Thailand) Public Company Limited
					2015 - present	Managing Director (Owner)	Thai Bright Bar Co., Ltd.
					2010 - present	Managing Director (Owner)	V.G. Steel Co., Ltd.

Attachment 1 (continued)

1.1.2 Details of the executives, persons with controlling power and the company secretary are as per the following table:

Name-Surname/ Position/ Date of appointment	Age (year)	Educational Qualifications/ Training History	Shareholding proportion in the company (%)	Family relationship between Board of Directors and Executives	Working experience in the past 5 years		
					period	position	Name of agency/company/ business type
3. Ms. Radathorn Tanaasavapol Accounting and Finance Manager	60	Bachelor of Marketing, Ramkhamhaeng University - Impairment provision for financial instruments (TFRS9) -CFO Refresher Batch 3/2022 “Sustainable Business Operations (ESG) Issues Related to Operating Strategies, Disclosures and Financial Reports of Listed Companies”	0.000076	-	2005 - present	Accounting and Finance Manager	Hwa Fong Rubber (Thailand) PLC.
4. Mr. Hsiao, Yi-Chou - Vice President	52	- Bachelor of Production Management National Taichung University of Science and Technology	-	-	2024 - Present 2020 - 2023 2017 -2019 2010 - 2016	Vice President R&D Manager Deputy GM, Director	Hwa Fong Rubber Ind. Co.,Ltd. Hwa Fong Rubber Ind. Co.,Ltd. Hwa Fong Rubber (Thailand) PLC.

Attachments 1 (continue)

1.2 Details of the directors of the subsidiary company**Details of the directors, executives and controlling persons of the subsidiaries are as follows:****HFT Holding Company Limited**

Name-Surname/ Position/ Date of appointment	Age (year)	Educational Qualifications/Tr aining History	Sharehol ding proportio n in the company (%)	Family relationship between Board of Directors and Executives	Working experience in the past 5 years		
					period	position	Name of agency/company/business type
1. Mr. Shen Kuo Jung, Chairman of the Board and Managing Director Directors authorized to bind the company as specified in the certificate June 22, 2018	73	-Ph.D. in Business Administration, American International University -Honorary Doctorate in Management, Chuoyang University of Technology Republic of China Taiwan	0.258	-	2012 - present	director	Hwa Fong Rubber Company (Thailand) Public Company Limited
					2012 - present	director	Taiwan Rubber & Elastomer Industry Association Co., Ltd.
					2012 - present	director	Taiwan Rubber Research and Testing Center Co., Ltd.
					2012 - present	director	Taiwan Provincial Industry Association Co., Ltd.
					2011 - present	director	Hwa Fong Rubber Industry Co., Ltd.
					2009 - present	Chairman	Shen Da Investment Co., Ltd.
					2003 - present	director	Hwafong Rubber Co., Ltd. (Suzhou)
					1993 - present	director	Hwa Fong Rubber (China) Co., Ltd.
2. Mr. Chuang Chih- Yao Deputy General Manager	48	-Bachelor of Science in Finance, Arizona State University, USA	0.121	-	2018 - present	director	Hwa Fong Rubber Company (Thailand) PCL
					2015 - present	Managing Director (Owner)	Thai Bright Bar Co., Ltd.
					2010 - present	Managing Director (Owner)	V.G. Steel Co., Ltd.

2. Table showing information on executives and persons with controlling power who hold positions as directors or executives in subsidiaries.

Associated or related companies as of 31 December, 2024. as per the following table:

List of companies	company	Parent Company	Subsidiary Company	
List	HFT Hwa Fong Rubber (Thailand) PLC.	HFR Hwa Fong Rubber Industrial Co., Ltd.	HFT Holding Co., Ltd	HFI PT. Hwa Fong Rubber (Indonesia)
1. Mr. Shen Guo Rong	X	X	X	
2. Mr. Chiu,Hsih-Chien	/	/		
3. Ms. Wu,Ping-Yi	/	/		
4. Mr. Liu Hsing-Hung	/			
5. Mr. Yen,Ming-Shan	/			
6. Mr. Yen,Yu-Shian	/			
7. Mr. Yen,Chih-Che	/			
8. Mr. Chuang Chih-Yao	//		/	
9. Mr. Hsiao,Chih-Lung	/			
10. Mr. Monsiam Sinworaphan	/			
11. Mrs. Syuan Wen	/			
12. Mr. Lin,Cheng-Yung	/			
13. Mr. .Lin, Wen-Cheng				X

Note: X = Chairman of the Board // = Executive Board / = Director

Attachments 2 (continued)

2. Details of the directors of the subsidiary company

The table shows the list of directors of subsidiaries as of 31 December, 2024 as follows:

List of subsidiaries List of directors	HFT Holding Company Limited	Hwa Fong Rubber (Indonesia) Co., Ltd.
MR. SHEN, KUO – JUNG	X	
MR.CHUANG, CHIH-YAO	//	
MR. LIN, WEN - CHENG		X

Note

1. X = Chairman of the Board // = Executive Board / = Director
2. Subsidiary means a subsidiary that is significant, such as having income exceeding 10% of total income.
According to the latest fiscal year's consolidated profit and loss statement

Attachments 2 (continued)

Details about the Head of Internal Audit

Head of Internal Audit

Name-Surname Ms. Pailin Amornkul

Age 49 year

Nationality Thai

Study Bachelor's degree From Sukhothai Thammathirat University Department of Management Science

Training Seminar to provide accounting knowledge to audit committee members Easy listening: Accounting knowledge at AC

Don't miss it EP.2By the Securities and Exchange Commission("office g.L.T.")

- course "Regarding the issuance of a report on information of related legal entities" By the Revenue Department
- course "Data analysis with 5Gen & Why Why Analysis"by company Asia Training Center Ltd.
- course "Techniques for auditing internal control systemsISO 9001 : 2008 (IQA)"by company Asia Training Center Ltd.
- course "Continuous improvement activities with Kaizen"by company Asia Training Center Ltd.
- course "Command Effective assignment and control of work" by IBS Consultants
- course "AC Forum Vol.13 Internal Audit : Tool of Audit Committee"by KPMG Cutting through Complexity
- course "Use it wisely EQWith efficient work" by company Asia Training Center Ltd.
- course "Supervisor Level Occupational Safety Officer" by company One Stop HR Ltd.
- course "Techniques for using tools QCBoth7type(QC 7 Tools)"by company Asia Training Center Ltd.
- course "5S.Path to corporate quality system development" by company Asia Training Center Ltd.
- course "Basic QCC"by NAQS Co.,Ltd.
- course "Internal audit operations course1Model No.46"by Accountancy Professional Council Under royal patronage
- course "Creating motivation and awareness in work performance" by company Asia Training Center Ltd.
- course "Preventing corruption in organizations Model No.10" By the Accountancy Professional Council Under royal patronage
- course "Key mechanisms for governance and business value creation"
- course "Creating motivation and awareness in working with5Q"by company IQS Management Ltd.
- course "Executive Security Officer" By the company Trainer In Thai Ltd.
- course "Risks Management of QMS"by company Asia Training Center Ltd.
- course "standard IATF16949:2016"By the company Asia Training Center Ltd.
- course "Systematic review(Systematic Audit)Model No.5"by Professional Company Internal Audit Service Ltd.
- course "Terms and Application ISO 45001:2018"by Bisman Company International Ltd.
- course "Coaching strategies and mentoring system development" By the One-Stop Human Resource Development Station
- 2014-current Head of Internal Audit Hwa Fong Rubber (Thailand) Public Company Limited
- 2013-2014 Deputy Head of Internal Audit Department Hwa Fong Rubber (Thailand) Public Company Limited
- 2011-2013 Head of Internal Audit Department Hwa Fong Rubber (Thailand) Public Company Limited
- 2008-2011 Deputy Head of Internal Audit Department Hwa Fong Rubber (Thailand) Public Company Limited
- 2004-2008 Internal Audit Officer Hwa Fong Rubber (Thailand) Public Company Limited
- 1999-2004 Quality Assurance Officer(QA) Hwa Fong Rubber (Thailand) Public Company Limited

Assets for business undertaking and details of Asset Appraisal

The company's main assets as of 31 December, 2024 are as follows:

Property Type/Characteristics	Proprietary characteristics	Accounting value (MB)	Encumbrances
Land in the area where the factory and factory improvements are located has an area of 29 rai 3 ngan 16.3 square wa and the 2nd factory has an area of 32 rai 1 ngan 76 square wa.	The company owns the freehold.	112.15	without
The 3rd factory land has an area of 27 rai 3 Ngan 72.8 Square wa. (Still not being utilized in 2024)	The company owns the freehold.	206.98	without
4 Units of Suit rooms in 2places	The company owns the freehold.	6.71	without
Buildings Located on the same land as the factory area.	The company owns the freehold.	410.62	without
Machinery & Equipment	The company owns the freehold.	637.73	without
Office Furnishings & Supplies	The company owns the freehold.	2.42	without
Vehicle	The company owns the freehold.	6.07	without
Assets under construction and Machines in process	The company owns the freehold.	197.99	without

The main assets of subsidiaries as of 31 December, 2024 are as follows:

Property Type / Characteristics	Proprietary characteristics	Accounting value (MB)	Encumbrances
Land in Indonesia 80,729 Sq.m. (Still not being utilized in 2024)	The subsidiary owns the Ownership.	138.5	without

Report from the Audit Committee

Dear Value Shareholders,

The Audit Committee of Hwafong Rubber (Thailand) Public Company Limited (referred to as "company")
Consisting of independent directors 4 peoples.

1. MR. HSIAO, CHIN-LUNG (Chairman)
2. MR. MONSIAM SINWORAPUN
3. MR. LIN, CHENG-YUNG
4. MRS. SYUAN WEN

The major purpose of Audit Committee is to assist the Board to provide independent oversight of HFT's financial reporting, the effectiveness of internal control, the adequacy of regulatory compliance, and risk management. In such meetings, we serve a Board-level oversight role and ensure all Audit Committee responsibilities are executed appropriately and effectively. Besides, we discuss with HFT's management and provide financial recommendations independently.

The Audit Committee meets PricewaterhouseCoopers ABAS Ltd., HFT's independent registered public account firm, to review and oversight HFT's financial statement quarterly. The Audit Committee is satisfied with the financial reports which were prepared in accordance with the generally accepted accounting principles.

Likewise, to perform the Audit Committee's duties, we have reviewed and discussed with the management to monitor the effectiveness of HFT's policies and procedures of internal control over financial reporting, compliance and operational matters.

The performance of the Company is mostly subject to market fluctuations and the risks inherent in all business environment changes. Meeting of risk identification and mitigation is convened regularly. HFT's risk management is sufficiently effective with the internal policies and strategies.

In reliance of above-mentioned reviews, and the financial reports audited by PWC, we believe the Audit Committee duties are performed effectively and completely.



(Mr. Xiao Jin Long)

Chairman of the Audit Committee



HWAFONG RUBBER (TH)

www.duro.co.th



สำนักงานใหญ่ โรงงาน 1 : เลขที่ 317 ม.4
บ.6C ต.หนองตาครก อ.บึงนาราง
จ.พิจิตร 32100
โทรศัพท์ 02-709-6583 โทรสาร 02-709-6589

Head Office : 317 Moo 4, Soi 6C
Bangpoo Industrial Estate
Phraeksa Sub-district, Muang District
Samutprakorn Province 10280
Tel : (66)2-7096583 Fax : (66)2-7096589

โรงงาน 2 : เลขที่ 865/1 ม.4
บ.118 ต.หนองตาครก อ.บึงนาราง
จ.พิจิตร 32100
โทรศัพท์ 02-324-0518 โทรสาร 02-324-0519

Branch Office : 865/1 Moo 4, Soi 118
Bangpoo Industrial Estate
Phraeksa Sub-district, Muang District
Samutprakorn Province 10280
Tel : (66)2-3240518 Fax : (66)2-3240519

