

ANNUAL REPORT 2023

FORM 56-1 ONE REPORT



บริษัท ฮีวฟงrubber (ไทยแลนด์) จำกัด (มหาชน)
HWA FONG RUBBER (THAILAND) PUBLIC COMPANY LIMITED



RENEWABLE ENERGY 
TO GREEN SUSTAINABILITY



DURO



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Message from The Board of Directors

Year 2023 was a very challenging year for many companies and people. The war and inflation led by the war. All causing difficult lives for the whole world. We hold tight to our clients and market to minimize the impact.

The bicycle industry worldwide got hit the most. The inflation caused the market to grow slower than expected. And the high inventory level stored since the year 2022. Both factors making our bicycle tire customers cautious on the purchasing strategy led to a huge drop in the sector. Meanwhile our Motorcycle tire sales increased thanks to new OE business locally and mild growth from ASEAN country sales. Though the increase of sales from MC can't cover the loss of business from BC, We still record a profitable year continuously.

In the darkest hour, we still see dawn shining. Our outlook of 2024 is positive. The bicycle market still growing in the steady trend despite the volatility from year 2021 to 2023. We are seeing a recovery in the bicycle tire and tube market and also keep expanding our motorcycle tire business. And with the global trend to avoid geopolitical risk we are confident our client will rely on our Thailand production more and more. We will keep our promise to create more values to our supportive shareholders.



.....
(Mr.Shen,Kuo-Jung)

Chairman of the Board of Director

Important Financial Information

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

Financial Ratios	2021	2022	2023
Net Profit Margin (%)	13.42	10.54	9.34
Return on assets (%)	11.26	8.59	6.10
Return on equity (%)	13.57	10.11	6.92
Debt to Equity Ratio (Times)	0.22	0.13	0.14
Basic earnings per share (Baht)	0.70	0.55	0.38
Book value per share (Baht)	5.37	5.49	5.49

Part 1

Business Operations and Operating Results

1. Structure and operation of the group of companies.

1.1 Policy and business 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 36 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 29 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-UICK 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.

HFT's sales portion is classified by the local and international sales in the percentage of 33.07% and 66.93% respectively. In domestic sales, HFT distributes its products to the leading bicycle's Original Equipment Manufacturer (OEM) such as LA BICYCLE, TURBO BICYCLE under the brand name "DURO" and motorcycle manufacturers I.E. HONDA, KAWASAKI including genuine parts to be distributed amongst licensed distributors under "DUNLOP" brand. Moreover, HFT supplies golf tires under trademark “DURO” for golf cart manufacturers (OEM) in making of YAMAHA’s golf cart. On top of OEM business, HFT has also work under the brand name "DUNLOP", “DURO”, “Q-UICK” and PREMIUM HFT in the Replacement Equipment Market (REP) business via Borneo Technical (Thailand) Co., Ltd., SCI Co., Ltd. And P.V. Motor Co., Ltd.

In the international sales, HFT distribute products via its network of Hwa Fong Rubber (Thailand) Public Company Limited ("HFT"), Hwa Fong Rubber Industries company limited ("HFR"), Hwa Fong Rubber (U.S.A.) Inc.("HFA") they are group companies that allow distribution to cover USA, Europe, Asia, Africa, Australia and Middle East.

1.1.1 Vision, Objectives and Business Goals

VISION

“To be the world leader in manufacturing excellent quality tubes and rubber, to expand our excellent products throughout the world.”

OBJECTIVES

Our objective is to be a professional manufacturer focusing on safety, innovation, and environmental protection.

BUSINESS GOALS

1. Expand market share in domestic and international markets, especially in ASEAN countries that receive import tax benefits such as FTA conditions, making it more likely to increase market share.
2. Aim to develop product quality to be competitive in the market in the long term and can be used as a selling point to compete with competitors in terms of price in the market.
3. Continuously increase efficiency in the production process This includes planning to increase production capacity according to market demand trends from forward-looking forecasts. This is for competitiveness in terms of both production and cost. Including being able to deliver products on time and quickly according to customer needs.
4. Maintain leadership in key markets with support from parent company DURO trademark and DUNLOP trademark from Sumitomo Rubber Company of Japan. The company is a manufacturer under the Q-UICK trademark.
5. Accelerate the expansion of OEM (Original Equipment Manufacturer) customers to be more stable and strong.
6. Sell products that increase profits for the company.
7. Develop new products to meet market needs to satisfy customers
8. Increase public relations to create a good image of the product in the long term by focusing on participating in international trade fairs, especially in ASEAN markets and new customer markets such as the Middle East, South America and Europe, etc.
9. Strive to build strengths to meet the needs of customers in complying with various charters, including projects that are beneficial to the environment and the organization, including sustainability, such as the production of products with environmentally friendly properties in accordance with the Charter on Social Accountability or Social Responsibility. As a result, the product has been certified for quality in many countries. It is an advantage in selling products as specified by each government, such as Industrial Standards of Thailand (TIS), SNI (Indonesia), MS (Malaysia), E-MARK and REACH, and ROHS (European Union countries), etc.
10. Maintain sales Control the cost of production of goods, take care of employees. Shareholders and stakeholders to receive privileges

1.1.2 Major changes and developments

The Company continues to maintain its trading goals and implement plans to support future market growth under the investment promotion program from the Board of Investment (BOI) and uses corporate income tax exemption benefits for net profits derived from promoted business operations (BOI) for a period of 8 years and corporate income tax deduction at 50% of the normal rate for 5 years, as well as benefits on import tax on machinery as approved by the Board of Investment and other benefits under the investment promotion certificate, which will benefit the Company and shareholders.

In terms of marketing expansion, the Company also focuses on expanding the market among existing customers for sustainable growth and striving to create a new customer base in ASEAN countries. It penetrates the market according to the potential of its customers and trademarks and marketing plans, as well as executing its own marketing to reach customers and consumers directly. It can be used to develop and improve products to meet the needs of customers to the maximum.

During the past 1 year, the Company has not changed its structure, management, shareholding, nature of business.

1.1.3 The fundraising is in accordance with the objectives as disclosed by the Company as follows:

- The company has no additional funding-

1.1.4 Obligations committed by the Company in the registration statement and/or the conditions of authorization of the Office and/or the conditions of receipt of securities of the SET

-None-

1.1.5 Name and location of the head office

Location of the head office at 317 Moo 4, Soi 6C, Bangpoo Industrial Estate, Phraeksa Subdistrict, Mueang Samut Prakan District, Samut Prakan Province, 10280

Hwa Fong Rubber (Thailand) Public Company Limited Nature of business Manufacture and sale of tires and inner tubes for bicycles motorcycle Various small transport vehicles and bicycles are abbreviated in the Stock Exchange of Thailand as "HFT", registration number 0107545000152.

As of December 31, 2023, the Company's registered capital was Baht 658,434,300, consisting of a total of 658,434,300 outstanding ordinary shares at the value of Baht 1 per share, with a paid-up capital of Baht 658,434,300

1.2 Nature of Business

Company Background

- 1989 - Hwa Fong Rubber (Thailand) Co., Ltd. (hereinafter referred to as “the Company”) was registered and established on June 2, 1987 with a registered capital of 300,000,000 baht, fully paid. Major shareholder is held by the parent company, Hwa Fong Rubber Industry Co., Ltd. (hereinafter referred to as “HFR”) in Taiwan, holding 99.99 percent of the shares. Produces tire and inner tubes for bicycles under the trademark “DURO” and for motorcycles under the trademark “DUNLOP”.
- 1996 - The company was certified ISO 9002: 1994
- 1998 - The company expanded the production of inner and outer tires for use with motorcycles.
- 1999 - The company began to sell motorcycle tires and tubes to Honda Motorcycle Company in the form of OEM.
- 2002 - The company received the ISO 9001: 2000 standard.
- The company converted to a public company On 29 July 2002
- 2003 - The company registered the capital increase to 387,100,000 baht and was approved by the Stock Exchange of Thailand to be a fully paid listed company.
- 2004 - Construction of the second factory located in Bangpoo Industrial Estate Samut Prakan Province.
- Certified Industrial Product Standard (TIS) Motorcycle Inner Tube.
- 2005 - The 2nd factory opened in Q2, producing beach-hiking tires
- 2006 - The company registered the capital increase to 774,200,000baht, paid-up capital 658,434,300 baht.
- The company has been certified "SNI" (Standard National of Indonesia)
- 2007 - Registered trademark "Q-UICK"
- 2008 - The company reduced the registered capital from 774,200,000 baht to 658,434,300 baht.
- Paid-up capital 658,434,300 baht
- 2009 - Registered for the conversion of shares from 10 baht to 1 baht, totaling registered capital of 658,434,300 shares, paid-up capital of 658,434,300 baht.
- 2010 - The company was certified ISO 9001: 2008
- Established HFT Holding Company Limited, registered capital 50,000,000baht, fully paid 50,000,000baht.
- The Company has a project to offer shares to the public in the Republic of China, Taiwan as Taiwan Depositary Receipts (TDR) of 210,000,000 shares, which are shares held by Hwa Fong Rubber Industry Co., Ltd. (HFR).
- The Company initiated a share repurchase project of 40,929,800 shares
- 2011 - The company has changed the production of beach-hiking (ATV) tires from under the trademark “DUNLOP ” to the trademark “DURO ”, which is the company's trademark.
- 2012 - The Company sold its repurchased shares through the Stock Exchange of Thailand. (Completed on January 15, 2013)
- 2013 - The Company began to import machinery to support the expansion of production capacity according to the investment promotion certificate from the Office of the Board of Investment (BOI).

- 2014 - The company has installed machines and completed in accordance with the investment promotion project from the Office of the Board of Investment (BOI).
- The company registered the capital increase to HFT Holding Company Limited from the registered capital of 50,000,000 baht, increased to 100,000,000 baht, fully paid 100,000,000 baht.
 - The Company has a joint venture with The Ascent (Thailand) Co., Ltd. 43 percent of the registered capital from the registered capital of 20,000,000 baht, and 50% of the paid-up capital.
 - The company has a joint venture with Chital International Co., Ltd. 45% of the registered capital from the registered capital of 25,000,000 Taiwan dollars. Paid in full value of registered capital.
- 2015 - The company began to produce and sell tires for motorcycles. as received investment promotion from the Office of the Board of Investment (BOI).
- 2016 - Board of Directors approved investment in Indonesia to establish a company Hua Fong pick up the number (Indonesia) Company Limited (HFI), whereby the Company holds 99% and HFT Holding Company Limited holds 1%.
- 2017
- Purchase of land to prepare for the construction of the factory according to the investment plan in Indonesia.
 - Board of Directors Approved the purchase of land for investment in the 3rd factory and requesting investment from the Office of the Board of Investment(BOI)to produce bicycle tires.
- 2018 - Purchasing land to support the construction of the 3rd factory.
- Delay the construction of a factory in Indonesia.
 - Added a production line for bicycle tires at the 2nd factory.
 - Registration of dissolution in an associated company.
- 2019 - The 2nd factory starts producing bicycle tires.
- The company began to produce and sell tires for bicycles. as received investment promotion from the Office of the Board of Investment (BOI).
 - Start building construction and ordering machinery to increase production in the rubber compound.
- 2020 - Submit an application for investment promotion (BOI) in a project to produce tires for bicycles and motorcycles.
- Importing machinery to support the production of rubber compounds that increase.
 - Received the safety standard in work ISO 45001 : 2018
- 2021 - Submit an application for investment promotion (BOI) in a bicycle tire production project.
- Project to produce 8.1 million bicycle tires/year.
- 2022 - The Company has registered to increase the capital to HFT Holding Company Limited from the registered capital of 100,000,000 baht. Increase to 2 00,000,000 THB Fully paid 2 00,000,000 Baht
- Start using buildings and machinery in the rubber mixing section.
- 2023
- The Company started selling motorcycle tires and inner tubes to Honda Motorcycle Company in the form of OEM (Original Equipment Manufacture) under the trademark "DURO", which is the Company's mark

The company has established and specialized in the production of outer and inner tubes for more than 36 years with the support of HFR, its parent company in Taiwan. HFR has a long history of 77 years of establishment and specializes in the production of inner tubes that have received many international standards, such as the standard mark "DOT" (Department of Transportation) in 1974, the standard mark "CNS" (Chinese National Standard) in 1987, the standard mark "JIS" (Japan Industry Standard) in 1989, the standard mark QS-9000 in 1998, the standard mark in 1998.

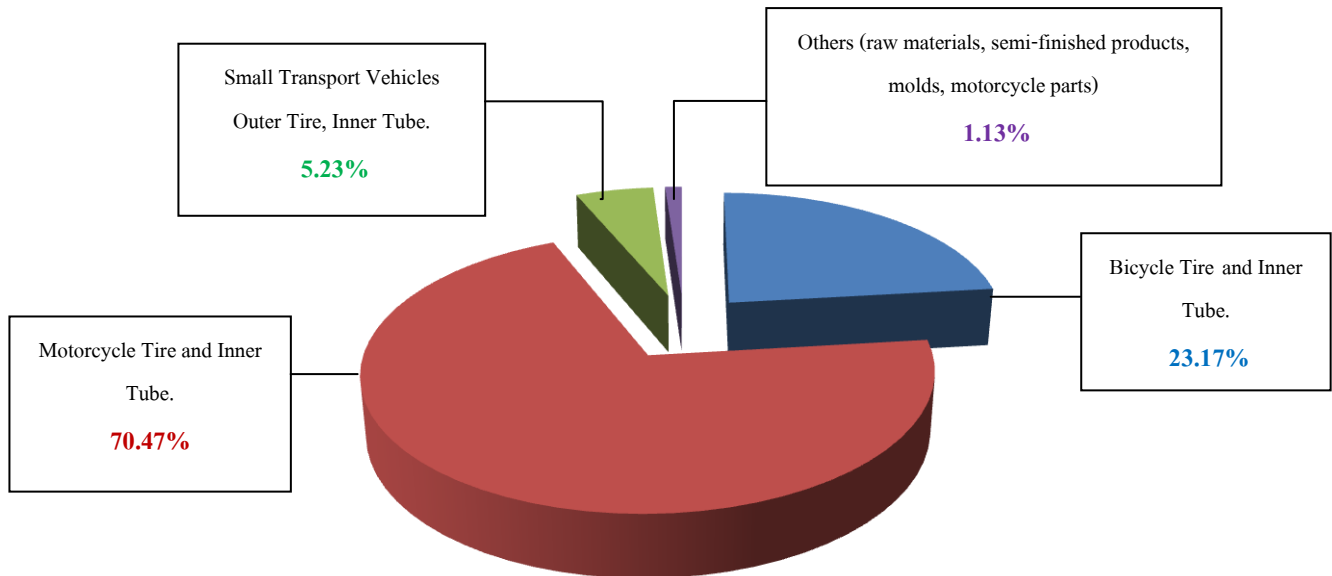
European countries (E-MARK) in 1992 ISO 14001 in 1994 CCC MARK China Compulsory Certification in 2006 and MS (Malaysian Standard) in 2010.

1.2.1 Revenue structure

Value of sales of the company's products Separated by product line, year 2021-2023 (million baht)

Type of product/Line of bussiness	2021		2022		2023	
	(MB.)	%	(MB.)	%	(MB.)	%
<u>Domestic Sales</u>						
1. Bicycle tire, inner tube.	18.98	0.55	17.83	0.52	9.06	0.34
2. Motorcycle tire, inner tube	815.57	23.80	748.07	21.93	813.87	31.40
3. Small transport vehicle tire, inner tube.	17.03	0.50	22.22	0.65	16.66	0.63
4. Others (raw materials, semi-finished products, molds, motorcycle parts)	18.22	0.53	25.67	0.75	18.52	0.70
Total domestic sales value	869.80	25.38	813.79	23.85	876.11	33.07
<u>International Sales</u>						
1. Bicycle tire, inner tube.	1,496.46	43.67	13,92.19	40.81	604.92	22.83
2. Motorcycle tire, inner tube	884.93	25.82	1,006.15	29.49	1,035.02	39.07
3. Small transport vehicle tire, inner tube.	150.79	4.40	169.51	4.97	121.84	4.60
4. Others (raw materials, semi-finished products, molds, motorcycle parts)	24.82	0.72	30.11	0.88	11.40	0.43
Total export value	2,557.00	74.62	2,597.96	76.15	1,773.18	66.93
Total sales revenue	3,426.80	100	3,411.75	100	2,649.29	100

Proportion of product sales in 2023



From the value of the Company's products sold above in 2023, it can be seen that the Company's main revenue structure comes from foreign sales of 66.93% and domestic sales of 33.07%. However, compared to revenue in 2022, sales decreased by Baht 762.46 million or 22.35% due to a decrease in bicycle inner tire sales of Baht 787.27 million and a decrease in sales of industrial vehicle inner tubes of Baht 47.67 million. from customers in European countries due to the economic slowdown. Sales of motorcycle inner tubes increased by 112.69 million baht. Coming from domestic and ASEAN customers. This is because the company proactively markets by promoting the image of the product through targeted user groups and receiving orders from domestic OEM (Original Equipment Manufacturer) customers. For new motorcycles under the DURO trademark that will start production in Q3 2023

1.2.2 Product information

(1) Product or service characteristics

The Company's main business is the production and distribution of inner and outer rubber products as follows:

- Tires for bicycles such as mountain bikes, road bikes, etc.
- Motorcycle tires such as high-speed motorcycles, scooters, motocross vehicles
- Tires for small transport vehicles such as trolleys Forklift, Tricycle Agricultural vehicles Golf Cart
- Tires used for beach and hiking
- Patient wheelchair tires

At present, the production of motorcycle tires has received benefits from the BOI with a production capacity of 3.159 million tires per year, with the benefit of corporate income tax exemption for 8 years from the date of income. The Company receives 50% corporate income tax deduction for a period of 5 years)

➤ Outer Tires Products Outer rubber is a product that is valued for sale both domestically and internationally.

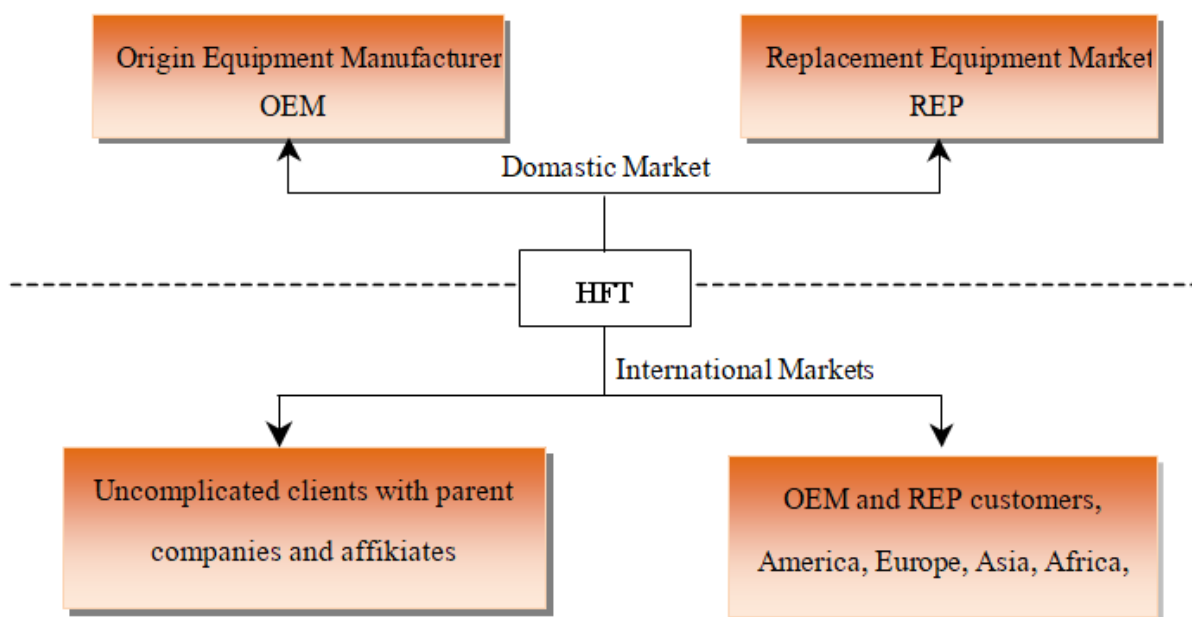
In 2023, the Company's revenue from the sale of outer tires accounted for 83.11% of the total sales.

➤ Inner tube products There are many different sizes and types to meet the needs of customers.

Many groups in 2023 Company Revenue from the sale of inner tubes accounted for 15.76% of the total sales.

➤ Others (raw materials, semi-finished goods, molds, motorcycle parts) In 2023, Companies had sales revenue representing 1.13% of total sales.

Marketing Structure Diagram



➤ Domestic Market

HFT's target customers can be categorized into 2 groups as follows:

1. Manufacturer group (Original Equipment Manufacturer), also known as "OEM", has gained main popularity in the country by selling directly to leading bicycle manufacturers including BANGKOK CYCLE, SIAM CYCLE, etc. Under the trademark DURO and leading motorcycle manufacturers from Japan include HONDA, KAWASAKI, etc. Under the DUNLOP trademark, the Company has a relationship with SUMITOMO RUBBER GROUP, which increases confidence in the quality of the goods with the reputation of the recognized trademark. This makes it more likely to expand the market.

In 2022, the Company has a market share of approximately 14.96 percent of the domestic motorcycle OEM market. The Company continues to sell golf cart tires under the DURO trademark to leading golf cart manufacturers including THAI YAMAHA MOTOR.

2. Replacement Equipment Market or more commonly referred to as the "REP", is the sale of motorcycle tires through the company's stores and dealers. Under the recognized trademarks such as "DURO," "Q-UICK" and "DUNLOP", the Company conducts its own domestic market using an important marketing strategy: focusing on the quality of products at reasonable prices, which the Company's products have been certified by iso 9001:2015 international quality system, and Industrial Product Standards (TIS) including iso 45001 : 2018 work safety standards, the company determines the sales price. There was no interference from the parent company. The Company determines the price based on production costs or competitive conditions and domestic marketing as a factor in determining.

3.

➤ International Markets

Since the company and its affiliates produce the same tire and tube products, in order to avoid conflicts and conflicts of interest between the parent company's affiliates, the company's product and market classification policy has been established. This is the policy that the parent company uses as a guideline as follows.

• Affiliate Market Classification Table

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

note- HFR refers to Hua Fong Rubber Industries Co., Ltd., the parent company located in Taiwan.

- HFT refers to Hwa Fong Rubber (Thailand) Public Company Limited.

- HFC refers to Hwa Fong Rubber (China) Co., Ltd.

- **High-end market** refers to (1) a market of bicycle tires that require advanced technology to produce, such as skinwall tires that are lightweight, impact-resistant, suitable for competitive bikes, and foldable tires, which are suitable for freestyle bikes. (2) The motorcycle tire market in the tubeless segment has developed a soft-compound rubber formula that is more rigged according to market demand.

- **Mid-low end** refers to the market for bicycle and motorcycle tires. Mountain-beach tyres (ATVs) as well as industrial tires of ordinary consumers, such as motorcycles, do not use much speed, are inexpensive, as well as do not take into account weight for competition. However, production is regulated in accordance with the aforementioned world standards. There are a variety of product types, including designs, based on vehicle speed, using price as a market segment.

Each affiliate company has a clear marketing target group, which comes from setting a policy from the parent company to prevent competing customers amongst the affiliates. However, although there seems to be an overlap of affiliates such as HFT and HFC, which manufactures motorcycle tires in the middle to lower segments as well, clearly different. HFT has a large customer base from Thailand as well as in Asia and Europe. While HFC has customers in China and the US as bases. At the same time, the parent company specializes in producing bicycle tires, motorcycle tires and industrial tires at a high-tech level. As a result, the product quality is higher and the price is different. The target group of the parent company is therefore completely different from that of HFT and HFC.

In summary, the parent company (HFR) has a policy to define customer groups for each branch. As well as the price of the products that will be offered to various countries with FHA as the center of distribution of products to customers in the United States.

HFT's Export market can be categorized into 2 groups set out below:

1. Customer group supported by parent company

The parent company will send a list of customers according to the type of product that the Company produces and the market segments defined in the table mentioned above. The company will send goods and charge directly from customers, which will cover the entire European continent. It currently has several customers supported by its parent company.

2. International Customers individually acquired by HFT

The Company is able to market overseas in the event that the products are sold in the market that does not overlap with its subsidiaries, namely the major customers in the European market such as the Decathlon Group and Vittoria for bicycle tires and the Indochina, ASEAN, Middle East, Africa group, which the Company is the price set by referring and comparing the selling price of the same product. This is to control the price competition between companies in the group and to ensure that the product price is in line with the competitive situation with the world market. The key factor used in pricing is the cost of raw materials. Same product characteristics and price level as competitors, and market conditions at that time, etc.

(2) Market Conditions and Competition

➤ Domestic Competition Conditions

1. Original Equipment Manufacturer (OEM)

The domestic motorcycle market in 2023 recorded 2,065,021 new car registrations compared to 1,974,502 units in 2022, an increase of 4.58 percent. The Company has received orders from manufacturers for new motorcycles under the DURO trademark in addition to existing orders.

Overall, there are still impacts from the supply chain of raw materials in production as a result of the fighting situation in Israel. Meanwhile, the state of war and sanctions in Russia remain a major issue affecting the volatile prices of raw materials, causing energy prices and the prices of many commodities in the global market to continue to rise. As a result, the cost of manufacturing motorcycles has risen accordingly.

2. Replacement Equipment Market (REP)

Although the country's economic condition has improved due to the increase in the number of new car registrations from the previous year, there is still an impact from the decrease in consumer purchasing power due to the rise in prices of essential goods for consumption and consumption. As a result, the Company and its customer merchants collaborate to drive sales and promotions to maintain market share. Meanwhile, the Company is still affected by price competition from competitors, forcing the Company to adjust its selling price and market plan. Overall, sales promotions have been able to maintain sales in the past year

Feedback from customers who use electric vehicles, both E-Motorcycle and E-bicycle, accept the company's products and the electric car manufacturer has launched new models while still considering choosing the company's products, which will be an extension of the business in the future.

In addition, the Company continues to focus on building good relationships between the Company and its store network, enabling the Company to retain its existing customer base and execute its sales strategy in the alternative market by selling the Company's products directly to retail and wholesale stores in Bangkok and upcountry. With the quality of products that have been recognized for a long time, as well as the Company's transportation and distribution management capabilities, the Company continues to focus on improving its price competitiveness, thus gaining popularity among consumers and increasing confidence in the Company's products in the future.

➤ International Competition Conditions

The Company has exports all over the world, including Asia, Europe, the Americas, Africa and the Central East, with factors supporting the Company's exports, such as:

- Having a trademark is recognized all over the world.
- Marketing support from parent companies and group companies that have long specialized and operated in this business.
- The quality of the product is acceptable and competitive with the global market.

However, due to the fact that there is currently quite a lot of price competition. In terms of product marketing policy in 2023, if compared with competitors for similar products, it was found that in the bicycle tire segment, the company was able to create a selling point in terms of price accessible to customers. This makes it possible to systematically manage order receipt and customers can plan their orders in advance in the long term. If compared to competitors

The bicycle tire product is Skinwall (thin sidewall – high performance), which is considered to be a quality and lightweight tyre, and the product continues to be developed at a higher level. In 2023, the company will continue to develop tubeless bicycle tires called Tuebless ready (TLR), as well as foldable and thinner bicycle-tube tires. In addition, creating selling points in the field of affiliate business cooperation. Therefore, it has been able to expand the market in terms of adding more customers and distribution centers in many regions on the continent. The focus is on Europe. In 2023, due to the economic impact and war, inflation. The volume of products in customer inventory remained high as the consumption rate did not meet expectations. As a result, public consumption has decreased compared to the previous year. Tire sales Bicycle inner tube reduced

The company has adjusted its production plan to be related to orders in order to control production costs and still be able to accommodate orders that will return as customers want. The Company is committed to training employees in various fields of learning in order to continuously improve in terms of product management and production efficiency

For motorcycle tires, the Company continues to promote sales to customers by providing support in terms of studying the prices of competitors and adjusting the price structure of each market to be competitive and considering the development of new products to the market. However, in 2023, due to the impact of price competition from competitors, the Company considers supporting sales and marketing activities with customers in the ASEAN region. In addition, the COVID situation has started to improve and the positive results from the reopening of the country have received satisfactory feedback.

Overall, the proportion of foreign sales stood at 66.93 percent. Indonesia, India Vietnam and Sri Lanka, which have high production capacity coupled with low cost. As a result, the selling price is relatively low to compete in the ASEAN market. However, the company has a competitive approach by using quality and good service as a selling point in order to maintain the existing customer base. At the same time, the company plans to publicize and expand the market to make the product more well-known. Create strengths in meeting the needs of customers to comply with various charters, including projects that are beneficial to the environment and the organization, such as the production of products with environmentally friendly properties in accordance with the Charter on Social Accountability or Social Responsibility. As a result, products are

certified in many countries as an advantage in selling products as specified by each government, such as the Industrial Standards of Thailand (TIS), SNI (Indonesia), MS (Malaysia), E-MARK, REACH, and ROHs (European Union countries), etc.

➤ Industry Trends

According to the company have many competitors who are produce tire and tube for bicycles, motorcycles and industrial vehicle in China, Indonesia, Vietnam and other countries. So the company still plans to launch new best quality products to be able to expand market share especially in the middle and lower market. In order to avoid compete by undercut price and the company is facing extreme competition in the market. Company must raise the level of the high-end market by way of commission.

- Development of new products continuously by making our own unique goods which different from other competitors.
- Development of packaging in accordance with the market's demands
- Maintaining the best quality and follow all international standard which company is guaranteed.
- Realizing the customer needs, and cooperate with customers to create the cooperated market strategies for goal achievement
- Sensing the price fluctuation and review the competitor's price timely and precisely, as well as, revising HFT strategies by conducting the competitor's analysis (Benchmarking)

▲ Domestic Market

The consumption of tires and tubes on motorcycles and bicycles depends on the conditions of the motorcycle and bicycle manufacturing industry. including the overall economic condition as for the investment and production base structure of Thailand's motorcycle industry at present, it is still a group of manufacturers from Japan.

From the number of new motorcycle registrations in 2023 which has increased by 4.58 percent, the company has considered the overall economic condition. Make it necessary to implement marketing and sales strategy plans. by focusing on maintaining a potential old customer base by focusing on maintaining product quality product image creation Controlling sales prices to stay competitive and does not focus on price competition, which will cause negative effects in the long-term market

▲ International Market

The rate of exports of motorcycle tires and tubes still tends to grow higher each year. If there is no COVID-19 epidemic situation This is to increase market share from other competitors as much as possible, along with efforts to access markets in developing countries in the ASEAN region. Middle East and Africa the bicycle tire product segment remains an important part that can be expanded in the European market, which is a group of countries campaigning for energy conservation and environmental protection. Each year, sales continue to increase steadily. The company continues to develop new products. to be able to meet the needs of customers in the market especially the products in the high-end customers Whether it is high-performance products that can dominate the upper market or fashionable products, etc.

(3) Procurement of products or services

The company has a factory located at 317 Moo 4 Soi 6C Bangpoo Industrial Estate, Phraeksa Subdistrict, Mueang Samut Prakan District, Samut Prakan Province, comprising the head office building, factory office Warehouse and raw materials Chemical and Rubber Mixing Plant rubber factory tire factory and the second factory located at 865/1 Moo 4 Soi 11B Bangpoo Industrial Estate, Phraeksa Subdistrict, Mueang Samut Prakan District, Samut Prakan Province, consisting of a factory office, Factory to store

➤ **Total Capacity**

Actual production capacity and volume of the company Year 2021-2023

	2021	2022	2023
Full capacity (Unit : Line/ Year)			
- Outer tires	26,496,000	27,957,000	27,957,000
- Inner tube	29,400,000	29,400,000	29,400,000

➤ Raw material

The company pays attention to the quality control system of the products by selecting raw materials. Inspection and quality control prior to order approval and brought into the manufacturing process. In addition, the Company has a policy to reserve raw materials from abroad for approximately 4 - 8 weeks and domestic raw materials for approximately 2 weeks. For the main raw materials in production, there are approximately 10 types according to the proportion of imports and purchases from the country in 2023 from Supplier countries as follows

Category	Order Ratio (%) /Buy from country
1. Nylon Cord	61.24 % from China 24.38% from Taiwan 14.38 % from Thailand
2. Synthetic Rubber (Butyl Rubber)	53.56 % from China 32.34 % from India 14.10% from Singapore
3. Synthetic Rubber	53.94 % from Korea 42.60 % from Thailand 3.46 % from Taiwan
4. Natural Rubber	100 % from Thailand
5. Carbon Black	68.91% from China 19.21 % from Thailand 11.42 % from India 0.47 % from Taiwan
6. Calcium carbonate	100 % from Thailand
7. Bead Wire	52.08 % from Thailand 47.92 % from China
8. Zinc Oxide	100.00 % from Thailand
9. Reclaimed Rubber	56.37 % from China 24.98 % from India 18.53 % from Taiwan 0.12 % from Thailand
10. Crown Clay	100 % from Thailand

Although the company There will be no long-term raw material purchase agreement with any supplier. But the company has at least 2 main raw material distributors that are trading. Therefore, the company therefore never encountering a shortage of raw materials because there are many sources for purchasing raw materials both domestically and internationally for some raw materials which the company in the group must be used the same. The parent company will be an agent in procuring and negotiating the price with the group companies, enabling the company to purchase raw materials at a cheaper price. The company will be paid the cost of raw materials directly to the supplier company.

The company has two sources of raw materials purchased from:

1. Purchase raw materials directly from manufacturers and suppliers.
2. Purchase raw materials through a Broker.

The Company orders raw materials directly rather than through broker, thus controlling costs and also establishing good relationships between the company and the manufacturer and distributor of raw materials.

- The value of raw material purchases is divided by direct purchase and broker purchase in 2021 – 2023.

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

- Value of domestic and international raw material orders in 2021-2023.

	2021		2022		2023	
Source of raw materials	MB	%	MB	%	MB	%
Domestic	738.44	36.12	482.11	37.45	484.50	41.92
foreign	1,306.05	63.88	805.22	62.55	671.16	58.08
Total	2,044.49	100	1,287.33	100	1,155.66	100

Raw material orders in 2023 were about 10.23% less than in 2022, mainly due to lower production volumes. Raw material prices declined from 2022 due to lower market demand. High inventories of finished goods, global economic instability and rising costs resulting from inflation. Global Economic Concerns The war situation in Ukraine has contributed to the increase in energy costs. As a result, sales of replacement tires for consumers in Europe declined compared to 2022.

However, at the end of 2023, raw material prices began to rise as market demand began to return again. Also, the weather dries faster than usual. As a result, rubber is less likely to come to market and prices are rising. In terms of raw materials related to oil, such as synthetic rubber. Carbon black has a chance to rise in line with oil prices later this year as well.

➤ **Environmental Impact**

The Company, located in Bangpoo Industrial Estate, Samut Prakan Province, has met the criteria for controlling pollution and factory waste to meet the standards of industrial estates. This is in line with the current provisions and there are no production pollution affecting the environment.

➤ **Wastewater Management**

The company will sort each type of waste before disposal. The company hires a company licensed by Phraeksa Subdistrict Municipality to collect and dispose of the waste properly, and sewage or unused materials are collected and disposed of by a company licensed by the Department of Industrial Works. In addition, the Company has appointed officers to take care of occupational health and working environment to comply with environmental laws and to develop workplaces to avoid environmental impacts.

❓ **Air pollution Management**

In the production process of the company's tires, it may cause dust dispersion. Therefore, the company chose to use a vacuum cleaner system. To collect particulate matter to prevent dispersion to the outside and treat it by a filter bag system before releasing it into the outside air to prevent problems and for excellent performance. This is for workplace cleanliness and to improve environmental quality. In addition, the company has installed a dust removal system in the rubber mixing area.

As a result, there is wastewater from production, most of which comes from mechanical coolant to ensure that the water quality meets the standards required by law. The company has invested in a primary wastewater treatment pond to trap grease. The wastewater treatment pond system will trap grease before discharge and adjust the pH to meet the standard before discharging into the wastewater receiving pipe of the contractor company. This is to assess and monitor the quality level of discharged water. The company has taken the following measures:

1. Monitor pH from pH meter and litmus paper on a daily basis for two times a day, 8:00 am. morning and 1:00 pm. Afternoon.
2. Hired Global Environmental Technology Co., Ltd., which was assigned by the Industrial Estate Authority of Thailand to analyze the company's wastewater. From the results of sampling wastewater twice a month, the PH and temperature values are within the effluent standards of the Industrial Estate Authority of Thailand.
3. Waste is scooped out of the treatment pond and cleaned up in the wastewater treatment pond on a daily basis. Continuously and clean the treatment pond 2 years / time.
4. The company has installed a Cooling Tower system used on machines, which separate oil from wastewater. Reuse saves water resources and reduces the amount of wastewater that will be delivered for further treatment, and also reduces unnecessary costs.

❓ **Disposal of sewage or waste materials**

1. Sewage or waste material disposal system of 9 20 hp Silo aerosol vacuum cleaners and using an automatic carbon conveyor system Vertical screw feeder instead of carbon transmission system using a conveyor cup, which does not cause carbon dust leakage to the outside by hiring Safety Plain Company Limited to conduct an audit once a year

2. The Company uses natural gas as fuel to produce steam at (Boiler), thus reducing production costs and for a better environment.

1. The Company has inspected the air from the boiler chimney that releases polluted air into the environment.
Environmental & Chemical To conduct an audit and control of boiler emissions twice a year

2. The Company has arranged a work environment inspection to measure and assess the air quality within the production process. This has led to engineering and personal protection of air quality prevention and correction of employees by hiring Safety Plain Co., Ltd. to conduct an audit twice a year.

3. CO₂ Carbon Footprint. The Company focuses on management to reduce greenhouse gas problems. It was found that the activities that emit the most greenhouse gases are thermal energy and electric power. Key measures to To achieve carbon neutrality and net zero GHG emission, the Company plans to use electricity and heat as 100% renewable energy by 2026 by installing a solar PV rooftop at Plant 1 with a capacity of 2,335.99kwp and Plant 2 with a capacity of 1,904.1kwp. In 2022 Approximately 63,288 tonCo₂-eq of direct and indirect greenhouse gas emissions were emitted in 2023, while the Company is in the process of preparing information to propose CO₂ reduction projects to the Board of Investment.

(3) Assets used in business operations

Main assets of the Company, subsidiaries and associated companies

The Company's main assets as of December 31, 2023 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 2022)	company owns the ownership	206.98	without
4 Units of Suit rooms in 2places	company owns the ownership	7.02	without
Buildings Located on the same land as the factory area.	company owns the ownership	429.59	without
Machinery & Equipment	company owns the ownership	574.72	without
Office Furnishings & Supplies	company owns the ownership	3.19	without
Vehicle	company owns the ownership	6.91	without
Assets under construction and Machines in process	company owns the ownership	151.46	without

The main assets of the subsidiaries as of December 31, 2023 are as follows:

Property Type/Characteristics	Proprietary characteristics	Book value (Million Baht)	Encumbrances
Land in Indonesia It has an area of 80,729 square meters (in 2023, the subsidiary has sold 1 plot of land, while the other 1 plot has not been used for operation).	The subsidiary owns the ownership.	145.93	without

Investment Policy in Subsidiaries

The Company has an investment policy.

- Beneficial short-term and long-term investments can generate income for the company by investing in subsidiaries for business Investing in bonds or instruments of value as well as other businesses under the objectives of the company.

- The Company established a subsidiary in Indonesia under the name of Hwa Fong Rubber Company (Indonesia) Co., Ltd. because it is the country with the 4th largest population in the world. The company has a policy to invest in business to produce and sell tires and inner tubes. can participate in the management and set guidelines of such business at present, the company has slowed down its investment in Indonesia. Due to the Company's focus on investment in expanding production in Thailand, as for the investment in land that has already been purchased, the Company will operate in the area of warehouses that import products from Thailand. to distribute as well as to study additional distribution and distribution channels.

Investment Policy in Associated Companies

The company has a policy to focus on expanding investment in businesses related to importing, exporting, purchasing and distributing bicycle products. motorcycle Tires for all types of vehicles including spare parts and related equipment by which such investments are in the proper proportion and at present, the company registered the dissolution of The Ascent (Thailand) Co., Ltd. on February 27, 2018. The company received some investment back from the dissolution of The Ascent (Thailand) Co., Ltd., currently in during liquidation.

Significant intangible assets in business

-None-

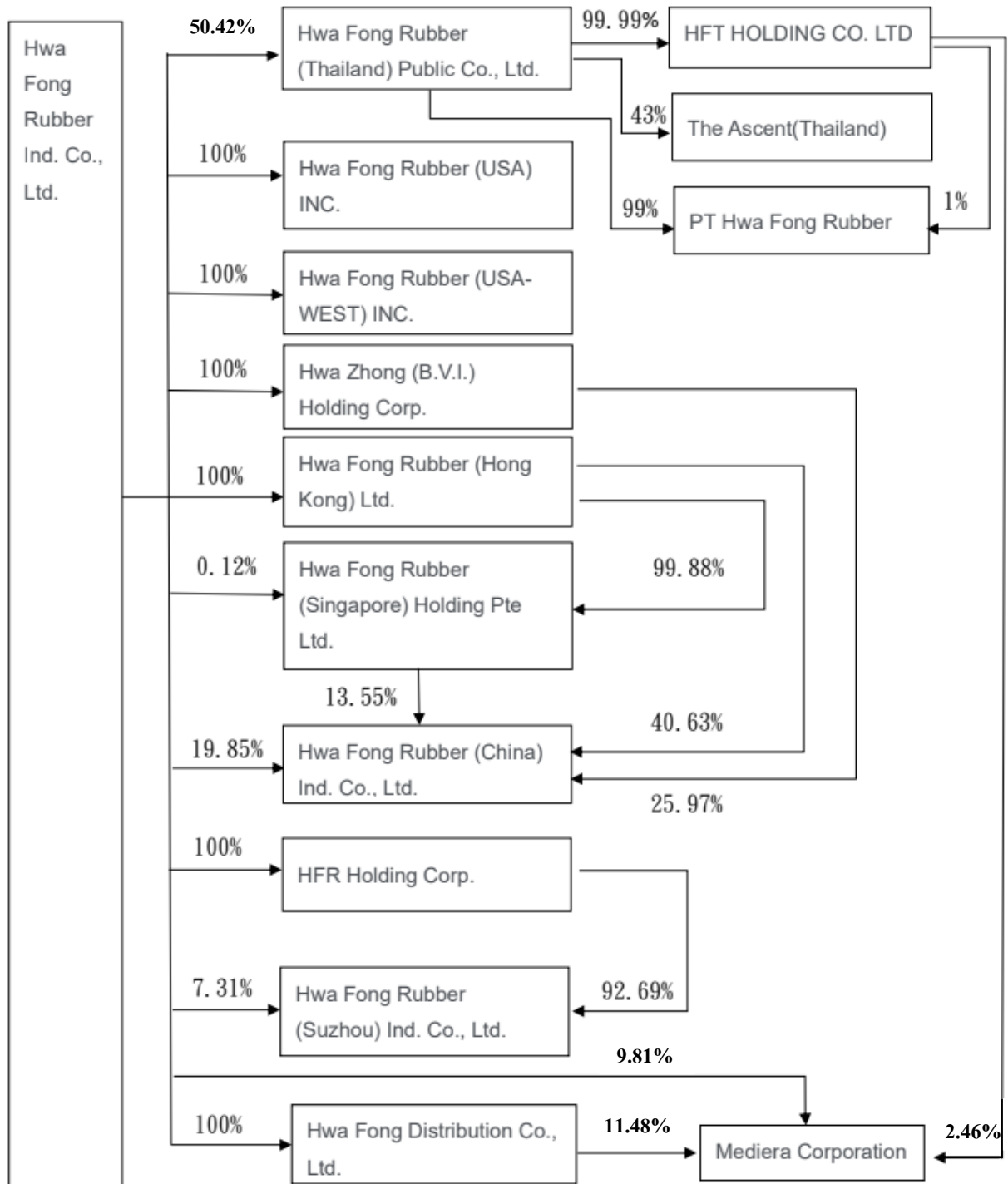
(1) Undelivered work

-None

1.3 Group Shareholding Structure

1.3.1 Group Shareholding Structure

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



- 1.3.2 The person who may have a conflict holds more than 10% of the shares in the subsidiary or subsidiary with the voting rights of the Company.

- None –

1.3.3 Relationship with the Business Group of Major Shareholders

Hwa fong Rubber Industries Co., Ltd. – HFR is the parent company of the Hua Fong Group. It consists of HFT, HFA, HFC, HFZ and its subsidiaries, HFR, located in Taiwan. while affiliates are distributed in different countries with potential for business growth The parent company is the one who provides both production and marketing policies for the entire group of companies. which various policies It comes from the agreement received from the resolution of the executive meeting. which the subsidiary company must comply with the said policy In addition, the responsibility of the parent company not only closely supervising the performance of affiliated companies; but also a tire manufacturer for sale in Taiwan and markets around the world, such as Europe, the Middle East and North America, with an emphasis on producing tires of medium to high quality. and tires for motorcycles and high-speed industrial tires. The method of selling products produced by HFR will focus on selling mainly in Taiwan, especially bicycle tires. As for motorcycle tires, there is a European market to support. and global markets for other industrial tires including radial tires that are constantly expanding the market Another important thing is the parent company provides research and technology support to group companies whose technology is also cooperated with business partners, Japan's Sumitomo Rubber Company.

Hwa Fong Rubber (Thailand) Public Company Limited – HFT is a manufacturing and distributing company. The Company will manage and determine the marketing policy in Thailand. Southeast Asia, Africa, Middle East and Australia for the European market And the Americas, the company will receive support from the parent company. The company produces both tires. and inner tubes for bicycles motorcycle small transport vehicle and tires used for running on the beach - hiking, but the products produced will focus on medium to high quality. and tires for low-speed vehicles which is different from the market of the parent company therefore, HFT has a different market than its parent company and its group companies.

Hwa Fong Rubber (USA) Co., Ltd. – HFA is a company that does not have its own manufacturing center. It is the only distribution center in the North American market. and is an after-sales service center the nature of the company's operations is to receive products from affiliated companies. to be sold in the United States.

Hwa Fong Rubber (China) Co., Ltd. – HFC is a manufacturing company. and selling products with a focus on the domestic market in China mainly because China is a country with a large market The products sold will focus on the mid- to low-end market. and tires for low-speed vehicles Like HFT, HFC has a distinct market. In addition to selling within China also exporting products for sale in the United States through the company HFA, which takes care of the American market and sold to African countries and Middle East countries.

Hwa Fong Rubber (Hong Kong) Co., Ltd. – HFK is a trading company. The company was established due to the legal restrictions of Taiwan. The prohibition of Taiwanese companies from direct investment in the People's Republic of China, effective since 1994, caused the establishment of HFK, an intermediary for investment in China further. The company does not have any production bases.

Hwa Fong Rubber (Singapore) Co., Ltd. – HFS is a holding company that acquires shares in HFC on behalf of its parent company (HFR) with no production base or business. The company was formed because after Hong Kong merged with China in 1997, the parent company HFR had to form a new company as a trading company with HFC.

HFR Holding Corp., Ltd. is a holding company that has acquired shares in HFZ on behalf of the parent company HFR without a production base. But to operate the business of investment, trading, manufacturing, planning and technical services, the company was established in 1998.

Hwa fong Rubber (Suzhou) Co., Ltd. - HFZ is a manufacturer and distributor of radial tires in the global market

PT Hwa fong Rubber (Indonesia) Co., Ltd – HFI is a subsidiary of Hwa Fong Rubber (Thailand) Public Company Limited. Currently, delay the construction of the factory.

Hwa zhong Company Holding Group Co., Ltd. is a company established for trading. The company was established due to the legal restrictions of Taiwan. The prohibition of Taiwanese companies from direct investment in the People's Republic of China, effective since 1994, caused the establishment of Hwa zhong Holding Group Co., Ltd., an intermediary for investment in China. The company does not have any production bases.

Hwa Fong Distribution Co., Ltd. operates an apparel business. Electrical equipment tyres, electronics Retail-wholesale, trading, leasing of real estate international business (currently HFH buys tires from HFT and resells them to customers in Vietnam)

Medi Ara Corporation Co., Ltd. manufactures and sells electronic components and import and export business.

HFT Holding Company Limited is a subsidiary of the Company. Hwa Fong Rubber (Thailand) Public Company Limited was established to trade goods and raw materials, operate business for investment in bonds or valuable instruments. Investment in real estate, buying, selling and for renting, retailing, wholesale of tires, inner tubes and equipment for vehicles and international trade or investment, both import and export, as well as supporting the Company's business.

The Ascent (Thailand) Co., Ltd. is an associate of the Company. Hwa Fong Rubber (Thailand) Public Company Limited was incorporated on April 1, 2014 to sell tires, inner tubes and accessories for all types of vehicles. international trade or investment as well as ordering to be sold in the country and exported to sell abroad bicycle goods motorcycle including spare parts Registered dissolution on February 27, 2018, currently in the process of liquidation.

1.3.4 Shareholder

(1) List of Major Shareholders

The top 10 shareholders of the Company as of the book closing date on December 30, 2023 are as follows:

shareholder	Number of shares held (shares)	Shareholding (%)
1. HWA FONG RUBBER INDUSTRY CO., LTD.	332,000,000	50.423
2. THAI NVDR COMPANY LIMITED	23,092,561	3.507
3. MRS. HSIN-MEI YEN HSIEH	15,018,000	2.281
4. MRS.SUPA YANGYOENSUNTHORN	13,998,600	2.126
5. MR.SOMSHAT KUBNIRATTISAIKUL	13,822,000	2.099
6. MR. RAWI KASEMSARN	13,750,000	2.088
7. MR.CHIH-CHE YEN	8,076,950	1.227
8. MR.JUI-HSIEN YEN	7,817,000	1.187
9. MRS.PIYAMAS PRAPROETTIPONG	7,750,000	1.177
10. MR.SHIH-HUNG YEN	7,578,750	1.151

1.2 Amount of registered capital and paid-up capital

The company's registered capital as of December 31, 2022 is 658,434,300.00 baht, divided into 658,434,300 ordinary shares, with a par value of 1 baht per share, paid-up shares. 658,434,300.00 baht

1.5 Issuance of other securities

- None -

1.6 Dividend Payment Policy

The Company has a policy of paying dividends to shareholders, including policies for subsidiaries to pay dividends to the Company as follows:

- (1) The Company has a policy to pay dividends at the rate of at least 30% of net profit after deduction of corporate income tax and other reserves if there are no other necessities such as future expansion of the business.

➤ Dividend payment information 3 year

Year	2021	2022	2023*
Earnings per share (EPS)	0.70	0.55	0.38
Dividend per share (DPS)	0.425	0.38	0.30
Dividend Payout Ratio (%)	60.72%	69.20%	79.05%

Remark: *Resolution of the Board of Directors' Meeting No. 1/2024 to pay interim dividend from retained earnings and net profit from operating results for the year 2023

2. Risk Manangement

2.1 Risk Management Policy and Plan

The company's risk assessment under the changes that may affect both internal and external process, we had been review and evaluate the risk of the practitioners and monitoring the performance under the supervision of the responsible director. We usually arrange the management meeting to review the performance and appropriateness of the risk management process. Management of the company also considers and reviews the Company's compliance to ensure the effectiveness and suitability of the risk management system. The internal audit department is responsible for monitoring each department's operations. As a check credit risk control by the relevant authorities approval and set the repayment period before selling products to customers. To prevent the risk that may occur from customers who do not pay the debt and have a system to check accounts receivable. Based on these measures, the Company has an appropriate internal control and risk management system efficiency.

2.2 Risk factors for the company's business operations

2.2.1 Business Risks

Risk related to the large competitors and new competitors

Presently, many main competitors for motorcycle and bicycle tire and tube do exist. It is important to concern on the new entry of other competitors depending on the expected surging demand. However, the new comers are lack of capital, technology, human resources, and marketing and trademark to be recognized, which reduced the likelihood of new entry of competitors. Also, the long- term establishment can be beneficial to the existing players, which created so-called barrier of entry. At the present, although the low-cost product from China breaks into the market, the company still keeps focusing on the product quality and production standard to earn acceptances from customers.

In relation to potential international competitors, with the umbrella of HFR, incorporated in Taiwan for a period of time coupled with being the producer and distributors in many countries, HFT can automatically enhanced the distribution channel, which sustain the competitive edge worldwide. However, the company has faced the pricing issue which is deemed to be higher than sale price quoted by other competitors, particularly Chinese rivals having their competitive edges in terms of production cost. The generally higher selling price stemmed from the higher price from main raw materials i.e. nylon, synthetic rubber and chemical, most of which had been procured from China since the merchandized items from China are cheaper than those in other sources together with the reasons from fewer suppliers. Nonetheless, since the company has changed its stance to review and hike the selling price in tandem with higher cost pressure, which may adversely impact on the company's competitive advantage. However, with the globally recognized standard, the company is confident that its selling point in terms of quality is still second to none, thus helping retain the customer base.

Risk factors of competition among company groups

Since groups of company are in the same industry, the parent company therefore requires establishing the inter-company policy to separate the products and marketing in transparent manner. In addition, the company requires monitoring the affiliate companies to ensure the compliance as set out in the guide line. Currently our company has got a lot of the major and minor customers who are interested in our Thailand factory product. But the company must trace back or check with the mother company if we may have the parallel export in to the same market which will cause the competition conflict in the group company. The segregation of the market hinges on the unique competitive advantage depending on the location, import duties, type of products and price in order to balance the companies under the group with each respective customer and avoid any cannibalization.

Risks related to the competition from Sumitomo Rubber

For Sumitomo Rubber as HFR's majority shareholder, with expertise in the manufacturing of the motorcycle tire and tube and as long-term business alliance with the company, Sumitomo Rubber has therefore act as business partner rather than the competitor. Currently, the motorcycle tires produced from the company are unique to those from Sumitomo Rubber which were produced in other factories. Hence, it is difficult to compete within the same market coupled with the long-term established relationship. For the company's point of view, the company has consistently received the strong support from Sumitomo Rubber to develop the products under "Dunlop" licensed with Sumitomo Rubber and the company can therefore exploit such know-how to indirectly improve other products under the group.

Risk associated with Foreign Exchange Rate**- Risk from Trading**

At present, the Company's revenue is still mainly from export business, accounting for 76.15% in 2023, and 66.93% in 2022, which still consists of two major foreign currencies, the US dollar and the euro. To be able to estimate and resolve foreign exchange losses in a timely manner. The Company continues to manage exchange rates by matching assets and liabilities in the same currency. Natural hedge is the US dollar, which can reduce exchange rate risk to a certain extent.

Risk related to the uncertainty in price of product and raw material accordance with world price

The price of raw materials including natural rubber Synthetic rubber, carbon black powder and other chemicals also showed an increase compared to last year. This is caused by a variety of factors, such as power shortages. Crude oil and natural gas prices have risen. Environmental control measures and restrictions on electricity consumption in China Shortage of shipping containers and rising international shipping costs

However, the Company has managed the risk by procuring additional sources of raw materials. In addition, new raw materials are continually procuring to replace them. to control production costs and prevent raw material shortages

Risk from the deficiency machinery

With the 2-shift operation, the production might be disrupted if the malfunction of machinery and equipment occurs. For this reason, the company usually sets the inspection systems and the yearly maintenance program, as well as the monthly maintenance plan and daily inspection before running to ameliorate the machine to be in place. As a matter of fact, the company prepare for the large maintenance program twice a year by means of holiday event such as Songkran and New Year period which has not affect the production.

2.2.2 Risks to securities holders' investments**Risk related to the HFT's independent management policy**

HFR, which it is parent company, holds the stake of 50.42% of total Paid-up shares. As a result of this, HFR can control a supermajority vote of shareholders meeting. However, the parent company as known as HFR has no policy to manipulate HFT's policy but rather support in many ways such as recommendation HFT to new foreign customers. In the process of raw material purchase, HFT is free to buy any suppliers who provide the fair price. Currently, the raw material purchased from HFR accounts for only 0.57% of total raw material purchase in 2023. However, it shows that the parent company has conducted the policy and divided segment of customer clearly. In addition, HFR, parent company is also listed Taiwanese company and is obliged to comply with the relevant rules and regulations.

Management that relies on executives or major shareholders

The company is the affiliated company of Hwa Fong Rubber Industries which is the parent company in Taiwan and hold 50.42 % of company's share. The company is tire and tube manufacture under brand name "DURO", "Q-UICK" "PREMIUM HFT" and "DUNLOP", it has created the identical quality and standard among groups for a period of time. The companies amongst its group have adopted the mutual technology support whereas the marketing policy and price determination are agreed upon the HFT and its parent company. Since the policy must be adhere from the parent company, the possible risk is related to HFR's existing shareholders, if any changes in shareholder structure take place, in turn triggering the significant change in the policy. Anyhow, the parent company policy remains the same, advocating the international marketing to the affiliated companies obviously in order to strengthen the international marketing in overalls and protect the intervention of the affiliated companies.

For Sumitomo Rubber, another HFR's majority shareholder, holding 10.18% stake, it can be seen as one of main shareholders to generate the adverse impact if they are to pull out from HFR and HFT since some of revenue stream stemmed

from the brand "Dunlop" and its technology support. However, Sumitomo Rubber has an intimate business relationship with HFR and HFT for a long time.

In the case of no cooperation from majority shareholders mentioned above, HFT can ensure the Era of Success, evidenced by the increase in domestic sales continued. In addition, the long-term relationship amongst groups including HFT, parent company and Sumitomo Rubber will ensure the long commitment.

2.2.3 Risks to Foreign Securities Investment

The company invests in two foreign securities. The investment is made through HFT Holding Company Limited, a subsidiary of HFT Holding Company Limited.

3. Sustainable business operations

3.1 Sustainability Management Policies and Goals

➤ Social and Environmental Policy

The Company is committed to conducting business as good corporate governance. The company's sustainable growth coupled with society. Therefore, recognizing the importance of conducting business responsibly is acceptable to all concerned sectors. Including taking into account the interests of all stakeholder groups. The Company's directors, management and employees to promote with confidence and awareness to occur at all levels. To be in the same direction, the Company has established policies, social responsibility and environmental follows;

1. To conduct business with transparency and accountability. The company Committed to sustainable business growth coupled care environment and the community by social assistance willingly as well as the interests of all stakeholders.
2. The Company will improve manufacturing processes to reduce impact to the environmental.
3. To labor practices, the Company's governance wage to a level appropriate to industry, Including laws and regulations on occupational health and safety for employees

In 2023, the Company has reviewed its social and environmental responsibility policy, which did not change the aforementioned material

The company supports the social activities that give raise the benefit to the community in order to build the long-term relationship with those in community. In terms of the environment, the company has set up the committee of safety and environmental for society and environment.

In 2023, the company has promoted social activities continued. For the common good and in the future, the company will continue its policy of corporate social responsibility in the years follow the guidelines. "Corporate Social Responsibility" Prepared by the Stock Exchange of Thailand, which the Company has made the following social activities as following;

1. Fair business conduct
2. Anti-corruption
3. Human rights respect
4. Equitable treatment of labours
5. Accountability to customers
6. Support environmental responsibilities
7. Community and social development
8. Innovation and its promotion from socially responsible operations, Environment and Stakeholder

Participating and supporting activities in 2023 are as follows;

Support motorcycle tires for government use

The company handed over motorcycle tires to Bangpoo Police Station, Samut Prakan, for use in government work, crime prevention at various vulnerable spots, as well as traffic checks. Facilitate traffic flow and inspect the scene when an accident occurs in the area.



Provide scholarships for children of employees. The Company has a policy to promote education by providing education funds for employees' children. This scholarship is given to elementary school students – secondary, vocational and bachelor's degree students, aiming that this scholarship will help employees and their families to reduce some expenses and be a part of creating good people, talented and moral people for employees' families and society.



Conducting business with fairness

The Company recognizes that its business with integrity and honesty by adhering to social responsibility and stakeholder follow good corporate governance to ensure. The policy of company for responsibility practices and the requirement to the appropriate action.

By paying attention to all of stakeholder, whether they are customers, competitor employees and directors of companies to be fair and equitable. Such as the product to customers will be responsibility for both the quality of the product, to be providing after-sales service and customer confidentiality and compliance with the rules of the competition as well.

1. Shareholders and investors.

The company is committed to operating its business in order to build customer satisfaction and maximum benefit to our shareholders and investors, by the policy to support the rights in recognition of information transparent and reliable

2. Employees

The company has made a significant and pay great attention to the employees and to treat employees fairly, in terms of welfare benefit, health, environment and safety in the workplace. According to the policy of developing employees to specialize and can be adapted to work more efficiently.

3. Customer

The company focuses on producing quality and standards to customers. According to the policy that "Quality are first, the customer satisfaction are most important" By the preparation of a survey of customer satisfaction in order to improve quality and provide the best service. We strive to develop products, machine, employees and transportation. Research to improve the quality of the production. The Company conducts business with integrity and also featured heavily on the confidentiality of each customer by the ethics of the business for a good relationship between the company and customers, to achieve a long and lasting.

4. Partners or creditors

The Company has operating with partners or creditors fairly and equally, by the terms and conditions of words and taking into account the interests of the Company. By suppliers or creditors will receive the payment or products by the agreement on time and be treated equally in all cases. The Company is not in default of payment or reject without reason.

➤ **The Anti-Corruption**

To conduct the business with transparency and strive to prevent corruption in every shape and form, the company has established anti-corruption measures to ensure that the business with fairness, the social responsibility, and stakeholder, having the impact from corruption risk, are examined cautiously. These measures are used as the practical guideline with the aim for transparency transactions and the development of corporate sustainability.

➤ **Human Rights Respect**

Company has conducted the policy and operated under the law and the principle of labor practice, corresponding to human right with employee, community and other involved person, with respect to human rights, equality and liberty, regardless of invading fundamental rights and racism, as well as discrimination of religion, language, gender, education, social status and physically conditions such as childhood labor or sexual harassment.

➤ **Equitable Treatment of Labors**

Company Conduct business in accordance with good corporate governance principles that are consistent with labor practices. Employment and employment relations Legally employed and without employment restrictions. The Company realizes equality in equality and freedom. Environment and safety at work, in particular, involve employees in safety practices and work environment by providing rules, regulations, and work manuals for safety, safety week, and safety training for new employees, including providing standardized tools, appliances, or safety equipment to employees as appropriate on the job site, as well as establishing a welfare committee using election methods to promote basic democracy by using participatory management mechanisms to represent employees in consultation with employers to find ways to improve welfare and working environment. It promotes labor relations and good understanding between each other. It builds morale at work, improves work efficiency.

➤ **Accountability to Customers**

Company's major business is to product and distribute tube and tire of bicycle, motorcycle and small truck such as cart, forklift, trailer, golf car and motocross. In production process of these products, company has emphasized on safety of customer as the first consideration of condition, as in the way of road seizure, moving in a circular path and direction control accurately and simply, in every condition of road as slippery, dry or wet, by designing tire patterns which contain the qualification of watersplitting for save ride. Moreover, company has invented new compounds which free from Polycyclic Aromatic Hydrocarbon (PAHs) in production process, which it is a low immediate toxic and named as cancer distributed chemical, therefore, company has designed to use PAHs free chemical in production as the same as new European standard for tire.

➤ **Decrease The Number of Accident in Workplace**

Company aware of safety in workplace and set safety target to decrease the number of accident in workplace as zero (called as Zero Accident) for each department and provide safety activities such as rewarding to employee who participate in survey of risky or dangerous point at workplace and manage to inform the company for improvement. This is to emphasize the employee to aware of safety in workplace.

➤ **The Community Relations**

Company has provided products to government organization for use in management as keep the peace of Bangpoo Industrial Estate area and nearby

➤ **Energy Saving Project**

1. Energy Conservation Group Establishment Policy

Hwafong Rubber (Thailand) Public Company Limited recognizes the importance of using energy resources efficiently, so it is focused on providing energy conservation practices to employees within the organization to keep all employees engaged in the operation. Energy conservation and action in the same direction towards the company's spending reduction goals.

2. Principle

To follow the policy of decreasing energy consumption and in the needed quantity for most advantages, by divided into electrical energy and thermos power, company has managed to train employee for more understanding and building conscience about saving energy, analysis and instruction for energy consumption.

3.2 Impact Management on stakeholders in the value chain of business

3.2.1 Business Value Chain

(1) Raw material procurement

The Company has a policy for employees to treat their business partners, and or all creditors with fairness and honesty, taking into account the best interests of the Company on the basis of obtaining fair returns for both parties. Avoid situations that create conflicts of interest. Negotiations are based on business relationships, including competitors with the following guidelines:

1.1 There is a process for selecting partners. By recruiting more than one transparent partner (unless they are the sole representative material or raw material) for comparison before making a decision, provide equal information to partners and select business partners fairly under the criteria for evaluating and selecting business partners of the Company with a suitable contract format and fair to all parties to the contract.

1.2 Comply with commercial terms and contracts made strictly together in the event that any conditions cannot be complied with. Must notify business partners and/or creditors in advance to jointly consider a solution to the problem and to maintain a relationship that will bring long-term benefits to both parties.

1.3 Do not claim, receive or provide any dishonest interest in trading with trading partners and or creditors.

1.4 The Company treats creditors as their most important counterparties. Therefore, it is committed to complying with all obligations under contracts with creditors, as well as making payments on a timely basis.

In the case of competitors, the company will operate with transparency under fair competition, provide assistance and exchange information that is beneficial to business operations without disclosing secrets or knowing competitors' trade secrets through illegal means including avoiding dishonest methods to destroy competitors.

(2) Product Manufacturing & Development

Producing and developing quality products to meet the needs of customers.

(3) Domestic shipping and distribution

The Company manufactures products under production standards and maintains products in proper storage space for delivery to customers.

➤ Domestic shipping and distribution.

1. Shipping by the company

2. The company has recruited transportation services from partners who have experience and expertise.

3. Operate under efficient transportation management to ensure that the company's products will be delivered to the customer correctly and still maintain the standard of the product

4. Distributing products to consumers through distribution channels through stores that have been partners for a long time.

➤ **Shipping and distribution to international customers**

1. The Company has recruited transportation services from experienced and skilled partners.
2. Operate under the efficient transportation management to ensure that the company's products are delivered to customers correctly and maintain the standard of the product.
3. Distribute products to consumers through long-standing merchant distribution channels.

(4) Marketing & Distribution

1. Distributed to motorcycle dealerships / motorcycle repair centers
2. Distributed to motorcycle parts stores
3. Marketing, Public Relations via social media
4. Organize sales promotions with responsibly

(5) After-sales service

1. Product quality assurance according to product standards
2. Use data and recommendations from consumers to analyze and implement developments to respond to market demands. Along with taking action to reduce environmental impact for sustainability

3.2.2 Analysis of stakeholders in the value chain of the business

Stakeholder Groups	Stakeholder Expectations	Meeting stakeholder expectations
shareholder	1. Good Corporate Governance	1. Establish good corporate governance and compliance policies
	2. Operational transparency	2. Listen to the opinions of shareholders to formulate the company's strategy and operations.
	3. Business Growth	3. Manage your business to grow Under transparency
employee	1. Skill development	1. Training, knowledge, appropriate skills and development of employee potential
	2. Having a good working environment	1. Development of security management System Occupational Health and Work Environment 2. Encouraging the implementation of labor standards and good labor practices
Stakeholder groups	Stakeholder Expectations	Reaction Expectations of Stakeholders
customer	1. Quality products, reasonable price	1. Understand the needs and expectations of customers, apply them in the development of products and services.
Partners	1. Be able to do business together, be a good partner	1. Acknowledge problems and total needs to formulate common solutions.
Communities around the business	1. Engagement creation	1. Listening to feedback from surrounding communities to lead Let's develop and improve coexistence
	2. Good environmental management	1. Energy Conservation Action 2. Industrial waste and solid waste Management The right way.
Public Sector	1. Compliance with the laws and requirements of the relevant authorities	1. Cooperate and take any action requested by government agencies.
Competitor	1. Fair Competition	1. Conduct business with transparency Take no action that violates rights.
mass media	1. Improving the image of the organization	1. Accurate communication of information through all communication channels.
Wider Society	1. . Providing educational opportunities	1. Implementing educational support programs to create good people in society - Scholarships and vocational training for Interns -Scholarships for children of employees

3.3 Sustainability Management in Environmental Dimensions

3.3.1 Environmental Policies and Guidelines

Reducing greenhouse gas emissions

In 2023, the Company has conducted Carbon Footprint for Organization assessment activities to lead to the determination of management guidelines. To reduce greenhouse gas emissions arising from activities within the organization effectively, both within the organization to the organization level. The Company has set a policy to reduce greenhouse gas emissions as a guideline for its operations as follows:

1. Determine plans and goals for reducing greenhouse gas emissions and will communicate to all employees to understand to ensure cooperation in the implementation of the measures set correctly
2. Reducing greenhouse gas emissions is the responsibility of all executives and employees of the Company, which all levels must cooperate in complying with the measures set by the company as well as monitoring and reporting to the Greenhouse Gas Reduction Committee.
3. Give promotion and supporting matters that are necessary and appropriate including personnel resources budget for training work and participation of employees in presenting their ideas for the development of work on reducing greenhouse gas emissions.
4. Policies, plans and goals for reducing greenhouse gas emissions Management and the Greenhouse Gas Management Committee will review and evaluate each year

Managing to reduce greenhouse gases

The company focuses on managing greenhouse gas problems. The Company has a plan to continuously conserve energy by 1 Renewable Electricity plant by 100% by 2026 and reduce CO₂ emissions by 0% by 2031, resulting in lower greenhouse gas emissions, and plans to install solar cell rooftop system in 2022.

3.3.2 Environmental Performance

The company attaches great importance to management to reduce greenhouse gas problems. It was found that the activities of the business with the highest amount of greenhouse gas emissions were the use of electricity from rubber mixers, and fuel consumption from corporate vehicles. The company therefore has measures to continuously maintain the rubber mixer according to the energy conservation plan.

In 2023, the company is going to find a way to reduce very kind of doing bad thing to the environment as much as possible.

3.4 Sustainability Management in Social Dimensions

3.4.1 Social Policies and Practices

The company realizes the importance of society. by applying social responsibility in management for sustainable business success as well as uphold and comply with the Universal Declaration of Human Rights, with an emphasis on labor practices and respect for human rights with fairness, equality and non-discrimination. both in terms of employment compensation promotion Employee Training and Development without distinction of gender, age, educational institution, race and religion; fair wages to employees; as well as supporting employment for disadvantaged groups, such as the disabled, the elderly, and those who have been released from prison, in order to create opportunities, create careers and stable income.

3.4.2 Social Performance

(1) Employees & Workers

The Company adheres to the principles of human rights from employment to the care of employees and personnel. In order for all employees and personnel to feel that they are connected to the same family as the organization, in 2022 the Company has the following key employee operations:

Employment

Detail	Number of employees (people)	
	male	female
Full-time employee	910	664
Disabled employee	10	10
Total	920	674

Employee Training

In 2023 The Company provides 3 training courses for employees to increase their skills and work potential. The average number of training hours or knowledge development activities for employees is 6 hours per person per year from the target of 6 hours per person per year.

Safety, Occupational Health and Working Environment

In 2023, the company continually improves and optimizes safety operations to reduce the risk of illness, injury or death, and take care of the quality of life of employees or employees appropriately the important operations are as follows:

The Company continuously strives to operate in the areas of occupational health, safety and good working environment, as well as create a safety culture in the organization under the policy of safety, occupational health and working environment.

1. The company will support the improvement of working environment that is safe and suitable for working, to prevent injury and illness
2. The company will strictly comply with the law and other related requirements.
3. The Company has carried out operations to eliminate hazards and reduce risks. Occupational health and safety continually.
4. The company will provide training, consulting and promoting participation in occupational safety, health and work environment, for employees at all levels.
5. All employees must comply with the rules, regulations and participate in activities organized by the Company by requiring work safety It is the duty of every employee.

In 2023, the company has measures to prevent accidents as follows:

1. The company has established ISO45001:2018 an occupational health and safety management system. To raise awareness of safety, safe working conditions Employees are safe and reduce accidents or diseases caused by work.
2. Review the risk assessment at the scene of the accident and analyze it to avoid a repeat of the incident.
3. In the event of an accident, the Safety Committee jointly investigates the accident and provides preventive measures, whether Control at the source (Source), control at the path (Path), control at the person (Receiver)
4. Training to emphasize correct and safe work for employees in order to be aware of the dangers that will occur.
5. Procurement of safety equipment that is standardized and suitable for the job site and potential risks.

Employee engagement

In 2023, the company has a plan to develop employee engagement. In 2023, there were 2.10 percent of employees who voluntarily quit their jobs (Turnover rate), a decrease of 0.68 percent from the previous year.

(1) customer

The Company continuously develops products and services to meet customer satisfaction with responsibility, honesty and ethics. In 2022, The Company has received more than 80% of customer satisfaction by the level of customer satisfaction in 4 dimensions.

(2) Community & Society

The Company operates its business with responsibility to the community and society, focusing on reducing environmental impacts and avoiding operations that may negatively impact the quality of life of the communities around the establishment. In 2022 No complaints were found from the community on social issues.

4. Management analysis and description

4.1 Business Performance

Performance of the Company and its subsidiaries in accordance with the financial statements for the year 2023 ended 31 December 2023 are summarized as follows:

➤ Main Income

The main income of the Company and its subsidiaries in 2023 amounted to Baht 2,649.29 million. Revenue from foreign sales was 1,773.18 million baht and domestic sales were 876.11 million baht. Total revenue decreased from 2022 to Baht 762.46 million or 22.35% due to lower purchasing power of bicycle tires and inner tubes among European customers as customers continued to drain their inventory.

➤ Cost of sales and selling and administrative expenses

Cost of sales of the Company and its subsidiaries in 2023 amounted to Baht 2,186.68 million and in 2022 amounted to Baht 2,864.86 million. 678.18 million baht decrease The Company's gross profit margin increased from 2022 by 1.43% due to lower raw material prices

The company continues to focus on implementing various measures to reduce production costs, for example Establishment of an energy conservation group to control energy use for maximum benefit. Reduce unnecessary energy consumption and set up a policy to inspect the production process with the reduction of indirect production processes and the development of production formulas for both tire and inner tube types. to develop production potential to increase

Sales and management expenses of the Company and its subsidiaries in 2023 amounted to Baht 174.91 million and in 2022 amounted to Baht 162.09 million. 12.82 million baht increase It was 7.91 percent.

Overall, in 2023, the Company recorded a net profit of Baht 249.87 million. This was a decrease from 2022 to Baht 111.71 million. This was mainly due to a 22.35% decline in sales and USD fluctuations, resulting in lower foreign exchange earnings. 49.14 Million Baht The Company's net earnings per share were Baht 0.38

4.1 Financial Status

➤ Asset

The Company's assets were Baht 4,105.53 million. The increase from 2022 amounted to 13.86 million baht. This was mainly due to an increase in cash and financial assets totaling Baht 232.82 million. Inventories and accounts receivable decreased by Baht 124.81 million. This was in line with a decrease in bicycle tire sales and a decrease in investment properties amounting to 79.03 million baht. From the sale of land in Indonesia.

➤ **Liquidity**

The Company's liabilities were Baht 494.00 million. The increase from 2022 amounted to 14.27 million baht. This is due to the increase in trade payables for raw materials

➤ **Equity**

The Company's shareholders' equity was Baht 3,611.53 million. The decrease from 2022 amounted to 0.41 million baht

4.1 Measures against the COVID-19 pandemic situation

The Company has been monitoring and attaching great importance to the response to the coronavirus outbreak. This includes planning to effectively deal with such incidents. The Company has adjusted the production volume, number of employees, and controlled various expenses to suit the situation, as well as providing vaccines and vaccination services to employees to create herd immunity within the Company.

❓ **Trade Lending**

The Company has established a trade credit policy based on financial position, past payment history and other factors, with a trade credit duration of 30-90 days, and a credit line determination based on the results of such assessment in accordance with the Company's policy. In addition, it is stipulated that the product will not be delivered if the customer pays late

Some accounts receivable require collateral in the form of a guarantee or letter of credit. The Company shall be able to collect payment if the parties default in accordance with the terms of the contract and the Company enters into a commercial credit insurance agreement with the insurance company.

Financial Ratios

รายการ	Unit	2021	2022	2023
Liquidity Ratio				
Current ratio	times	3.43	5.34	5.41
Quick ratio	times	1.99	3.65	3.87
Cash flow current ratio	times	0.15	1.31	1.15
Account receivable turnover	times	5.35	5.54	5.78
Average collection period	days	67.32	64.99	62.23
Inventory turnover	times	7.93	6.91	6.44
Average sale (Inventory) period	days	45.42	52.11	55.91
Account payable turnover	times	8.05	9.47	10.37
Average payment period	days	44.73	38.00	34.71
Cash cycle	days	68.02	79.11	83.43
Profitability Ratio				
Gross profit margin	%	19.93	16.03	17.46
Operating profit margin	%	14.66	11.28	10.86
Other profit margin	%	1.72	1.76	0.72
Cash to profit margin	%	18.21	194.71	174.82
Net profit margin	%	13.42	10.54	9.34
Return on equity	%	13.57	10.11	6.92
Efficiency Ratio				
Return on asset	%	11.26	8.59	6.10
Return on fix asset	%	36.09	31.03	24.14
Total assets turnover	times	0.84	0.82	0.65
Financial Policy Ratio				
Debt to equity ratio	times	0.22	0.13	0.14
Interest coverage ratio	times	13,998.81	1,385.70	44,243.71
Commitment coverage ratio (cash basis)	times	0.59	1.25	1.55
Dividend payout ratio	%	60.72	69.20	79.05

5. General information and other important information

5.1 General Information

Name of the Company	:	Hwa Fong Rubber (Thailand) Public Company Limited.
Symbol	:	HFT
Type of Business	:	Manufacture and Distribution of tire tube of bicycle, Motorcycle and Small industrial vehicle and Bicycle
Registered capital	:	658,434,300 Baht consisting of 658,434,300 paid-up shares at par value of Baht 1
Head Office and Main Factory	:	317 Soi 6C Moo 4 Bangpoo Industrial Estate Tombon Praksa, Amphor Muang, Samutprakarn 10280
Second Factory	:	865/1 Moo 4 Soi 11B Bangpoo Industrial Estate Tombon Praksa, Amphor Muang, Samutprakarn 10280
Company Registration	:	0107545000152
Telephone No.	:	0-2709-6580-8
E-MAIL	:	hwafong@duro.co.th
Website	:	www.duro.co.th
Subsidiary company	:	HFT Holding Company Limited. 317 Soi 6C Moo 4 Bangpoo Industrial Estate TombonPraksa, AmphorMuang, Samutprakarn 10280
	:	PT. Hwa Fong Rubber (Indonesia) (Incorporated in Indonesia.)
Securities Registrar	:	Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand Tel: (66 2) 009 900 Fax: (66 2) 009 9991
		SET Contact Center : (66 2) 009 9999
		E-mail: SETContactCenter@set.or.th
		Website: http://www.set.or.th/tsd
		Securities staff : Khun Boonrak Muenvichit
Auditors	:	MRS. ANUTAI PHUMSURAKUL Certified Public Account Registration No. 3873
		MR. KRIT CHATCHAWONG Certified Public Account Registration No. 5016
		MR. SA-NGA CHOKENITISAWAT Certified Public Account Registration No. 11251
		PricewaterhouseCoopers ABAS Ltd.
		15th Floor Bangkok City Tower 179 74-80 S Sathorn Rd, Bangkok 10120

5.2 Other important information

5.2.1 Other information that may significantly affect investors' decisions

The Company has technical assistance agreements with its parent company and its subsidiaries, most of which focus on product development. Production Procedures & Machinery Key technical cooperation contracts include:

1. Trademark License Agreement

The contract discusses the right that the Company can use the trademark "DURO" for sale both domestically and internationally

Parties	: Hwa fong Rubber Industries Co., Ltd. ("HFR")
Contract Age	: 1 year at the end of the contract, if there is no termination from either party, it will be considered as an extension. Automatic contracts for 1 year at a time
Fee	: The company will be charged a 2% fee for sales of products under the trademark "DURO".

2. Technical Cooperation Agreement

The contract discusses the right for the Company to receive the transfer of production technology from the findings of the parent company, namely factory design. Use of machinery and equipment used in production Production procedures, raw material formulations, personnel training, product development and the use of trademarks for domestic and international distribution.

Parties	: Hwa fong Rubber Industries Co., Ltd. ("HFR")
Contract Age	: 1 year at the end of the contract, if there is no termination from either party, it will be considered as an extension. Automatic contracts for 1 year at a time
Fee	: Technical assistance is calculated based on 1% of sales of goods received technical services from the parent company.

3. Trademark License Agreement is a contract between Sumitomo Rubber Industries Ltd. And HFT's parent company, which covers HFR affiliates as well. It was effective since September 24, 2003. Sumitomo Rubber allowed HFT to use its trademark, which currently is "DUNLOP", for production and distribution both domestically and internationally. The company will have to pay a 1.5 - 3% trademark fee on sales of products under the "DUNLOP" trademark.

5.2.2 Restrictions on Foreign Shareholders In the event that the company has a policy to request a resolution of the shareholders' meeting for the offering of shares or issuing a transferable subscription right to shareholders in proportion to their shareholding. without issuing and offering to shareholders that will make the company have duties under foreign law

- The Company does not have such an action policy. -

5.3 Legal disputes

5.3.1 The case brought by Hwa fong Rubber (Thailand) Public Company Limited to the court.

- Samut Sakhon Provincial Court in Black Case No. 548/2016 The case between Hua Fong Rubber (Thailand) Co., Ltd., the plaintiff and the Company. Yoko The Samut Sakhon Provincial Court sentenced the defendant to pay 89,510,286.36 baht (eighty-nine million five hundred and ten thousand two hundred eighty-six baht thirty-six satang) together with 7.5% interest on the principal amount of 88,169,044.46 baht (eighty-eight million one hundred sixty-nine thousand forty-four baht forty-six satang). It was on May 13, 2016 and the case is pending
- Samut Sakhon Provincial Court in Black Case No. 557/2016 The case between Hua Fong Rubber (Thailand) Co., Ltd., the plaintiff and the Company. Yoko The Samut Sakhon Provincial Court sentenced the defendant to pay 33,742,729.29 baht (thirty-three million seven hundred and forty-two thousand seven hundred twenty-nine baht twenty-nine satang) together with 7.5% interest on the principal amount of 33,634,073.27 baht (thirty-three million six hundred thirty-four thousand seventy-three baht twenty-seven satang). It was on May 18, 2016 and the case is pending
- Samut Sakhon Provincial Court in Black Case No. 696/2016 The case between Hua Fong Rubber (Thailand) Co., Ltd., the plaintiff and the Company. Yoko Alloy Wheels Co., Ltd., the defendant, Samut Sakhon Provincial Court rendered a verdict. The defendant paid THB 43,963,770.31 with interest at 7.5% on the principal amount of THB 43,844,396.65 (forty-three million eight hundred and four thousand three hundred and ninety-six baht sixty-five satang) from June 17, 2016 and the case is pending trial
- Samut Sakhon Provincial Court in Black Case No. 895/2016 The case between Hua Fong Rubber (Thailand) Co., Ltd., the plaintiff and the Company. Yoko Alloy Wheels Co., Ltd., the defendant, the Samut Sakhon Provincial Court has sentenced the defendant to pay 6,745,796.55 baht (six million seven hundred and forty-five thousand seven hundred and ninety-six baht fifty-five satang) together with 7.5% interest on the principal amount of 6,701,663.68 baht (six million seven hundred one thousand six hundred and sixty-three baht sixty-eight satang). It was on July 26, 2016 and the case is pending
- Samut Sakhon Provincial Court in Black Case No. B.5/2018 The case between Hua Fong Rubber (Thailand) Co., Ltd., the plaintiff, Yoko Sales and Distribution Co., Ltd., the petitioner. Yoko Corporation Alloy Wheels Co., Ltd., the defendant, on October 20, 2020, the Supreme Court dismissed the company's decree. Yoko Sales and Distribution Co., Ltd., the petitioner, is therefore at the end of the case and is awaiting the auction sale of the seized property.
- Samut Sakhon Civil Court Black Case No. 331/2019 The case between Hua Fong Rubber (Thailand) Public Company Limited, the plaintiff, and Yoko Co., Ltd. Alloy Wheels Co., Ltd. No. 1 and 4 Defendants (Charged with Revocation of Registration of Transfer of Ownership of Machinery) Samut Sakhon Provincial Court On July 17, 2023, the plaintiff and the 2nd defendant were able to come to an agreement and entered into a compromise agreement, whereby the 2nd defendant agreed to pay the plaintiff a total of 45,000,000 baht by completing the installments by February 2029. As for the 1st defendant, the plaintiff withdrew the suit

- Samut Sakhon Provincial Court Criminal Case No. A.631/2562 The case between Hua Fong Rubber (Thailand) Public Company Limited, the plaintiff, and Yoko Co., Ltd. Alloy Wheels Co., Ltd. No. 1 and 4 of them, defendants (guilty of cheating creditors by transferring ownership of machinery) On September 28, 2020, the Samut Sakhon Provincial Court found the four defendants guilty of embezzlement. On August 29, 2022, the Court of First Instance read the judgment of the Court of Appeal Region 7 whereby the Court of Appeal Region 7 disagreed with the judgment of the Court of First Instance and therefore reversed the judgment of the defendants No. 1 and No. 2, which the plaintiff had challenged the judgment of the Court of Appeal and the case was pending before the Supreme Court.
- Criminal case of the Crime Suppression Division, a case between Hua Fong Rubber (Thailand) Public Company Limited, the accuser, and the company. Yoko The accused in the case is in the process of examining additional witness statements and the investigating officer has already examined Mr. Komol Suphamittanon and the investigating officer will issue a summons to the revenue officer for further examination.
- The case of Bangpoo Police Station, a criminal case between Hua Fong Rubber (Thailand) Public Company Limited by Ms. Usa Chaikittirungroj, an attorney. The accused and Mr. Thongchai Chokviriyakorn, the accused, by the investigators of Bangpoo Police Station, have already executed an arrest warrant for the accused Mr. Thongchai Chokviriyakorn. The investigation is underway and the accused is being arrested

- **Secondary Market**

-None -

Part 2

Corporate Governance

6. The Policy of Corporate Governance

6.1 Overview of Corporate Governance Policies and Practices

6.1.1 Policies and Guidelines relating to the Board of Directors

The Board of Directors takes into account the importance of good corporate governance policies. Emphasis is placed on transparency in business operations and accountability, and information will be disclosed to the public and shareholders regularly. In addition, the Company places importance on the internal control system and internal audit. As for risk management, the Company tries to control and manage risks closely, while also taking into account ethics in business operations. By maintaining fairness to business partners. Shareholders and all groups of stakeholders as follows:

Board of Directors (Sub-Committee)

Board Structure

The Board of Directors consists of: There are 2 executive directors and 6 non-executive directors, and the Board of Directors and the Company's executives have clearly separated their powers and duties. Independent directors and 4 members of the Audit Committee, totaling 12 members (listed in the management structure), whose executive directors are long-term business experts from the parent company in the Republic of China, Taiwan. The other four members of the Audit Committee are free to express their opinions and make observations. In case the opinion of the Audit Committee differs from the opinion of the Board of Directors. In addition, one-fourth of the Audit Committee members have sufficient knowledge and expertise in accounting to be able to perform their duties in reviewing the financial statements

(1) Audit Committee

The Company has appointed an audit committee in 3 years' term, consisting entirely of Independent Directors on 31 December 2023 as follows;

Mr. Hsiao, Chin-Lung	The chairman of Audit Committee
Mrs.Syuan Wen	Audit Committee
Mr. Monsiam Sinworaphan	Audit Committee
Mr. Lin,Cheng-Yung	Audit Committee

All audit committee members has requisite qualification under relevant SET rules and guidelines, The Audit Committee meets and reports to the Board of Directors on following matters:

- To review financial reports before submitting them to the Board of Directors.
- To coordinate with internal auditors on report of internal controls assessments.
- To review transactions that involves conflicts of interests.
- To contemplate the risk management.

(2) Role and Responsibility of the Board of Directors

The Board of Directors is essentially responsible for managing according to Good Corporate Governance Policy with transparency and give the consensus on the significant matters such as quarterly financial statements, yearly financial statements, budgets, connected transaction and sufficiency of the internal control, etc.

In addition, the Board of Director also emphasizes on the importance of efficient operation as well as the risk management taking the best interests of shareholders into consideration.

(3) Leadership and vision

The board of director is eligible to endorse the vision, business goal and mission including the company budget. In addition, the boards of director's duties are to supervise the management team to conduct the business as set out in the company's policy with accountability and integrity to achieve the target. Furthermore, the board of director recognizes the importance of the internal control system and internal audit to ensure the business conducted in productivity and efficient manner including the prudent risk management for the best interests of shareholders.

(4) Business Ethics

The board of director and management team has cultivated the business ethics for every employee to comply with integrity and be responsible to all stakeholders, shareholders and all concerned parties to build the organizational culture in relation to business ethics which are made accountable and recognizable for general public.

(5) Conflict of Interest

The company has given the policy to manage the conflict of interest with caution and transparency of which the transactions are to be proposed to the board of director for consideration. The connected party is not eligible to cast the vote to ensure the fairness and best interests of the company. The company will comply with the rules and regulations set forth by the Stock Exchange of Thailand and disclosure the information with sufficiency, accurateness containing the value of the transaction, the parties involved with further disclosure to be conducted in the annual report

(6) Internal control system and Internal audit

The company has its own functional internal audit department to have duties to examine the business operation and important financial activities to ensure the proper conduct in accordance with the guideline and procedure set forth by the company. The company has established its own internal audit and continuously improved the functionality to ensure that the procedural system is conducted in productivity and efficiency manner with periodical monitoring system. The monitoring system includes the examination of the procedure for implementation. On the contrary, the inspected department will be given the evaluation and recommendation feedback to improve the auditing and monitoring procedure including the modernization of IT system.

➤ The Board of Director

As at December 31 , 2023 , the Board of Directors are as follow:

List of Directors	Position
1. Mr.Shen,Kuo-Jung	Chairman of the Board of and Managing Director
2. Mr.Chuang, Chih-Yao	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

Scope of Authority of the Board of Directors

1. To decide on important matters of the Company, determine the mission, objectives. Method The Company's policies include overall operational supervision. Product, customer relationship and responsibility to the Board of Directors
2. Have the power to hire, appoint Dismissed, dismissed, fired. Set wage rates, award pensions, raise salaries, remuneration, bonuses, as well as appoint employer representatives on the Company's Provident Fund Committee regarding all employees of the Company.
3. Have the power to approve and authorize the disbursement period for procurement of assets and services for the benefit of the Company.
4. Have the power to issue orders, regulations, announcements, records to ensure that the operation is in accordance with the company's policies and interests in order to maintain the discipline of work within the organization.
5. Have the power to act and present yourself as a representative of the Company. to third parties in related parties and to Benefits to the Company
6. Approve the appointment of various consultants necessary for the operation.
7. Conduct business related to general administration of the Company.
8. Provide self-assessment of directors annually.

➤ Management Team

As of December 31, 2023, The Management Team are as follow:

Name of Management Team	Position
1. Mr.Shen,Kuo-Jung	Chairman of the Board of managing director
2. Mr.Chuang, Chih-Yao	Deputy General Manager
3. Mr. Shiao Yi Chou	Deputy General Manager
4. Miss Radatorn Tanasawapol	Accounting & Finance Manager

Scope of Authority of the Managing Director

1. Have the authority to implement the policies of the Board of Directors which are subject to the laws, conditions, regulations and regulations of the Company.
2. Oversee the operation in accordance with the policies assigned by the Board of Directors.
3. Consider proposing, revising, updating. Regulations as appropriate for the Board of Directors for approval
4. For approval of the company's obligations as a borrower, the Managing Director shall act at a value not exceeding 1,100,000,000 Baht if more than 1,100,000,000 Baht is approved by the Board of Directors.
5. Perform other actions as assigned by the Board of Directors.

Audit Committee

The Company has arranged for an independent director/audit committee to oversee the company's operations to meet the standards. Currently, the Audit Committee consists of a board of directors. **4** persons as follows:

Name of Audit Committee	Position
1. Mr. Hsiao, Chin-Lung *	The chairman of Audit Committee
2. Mrs.Syuan Wen	Independent Director/ Audit Committee
3. Mr. Monsiam Sinworaphan	Independent Director/ Audit Committee
4. Mr. Lin,Cheng-Yung	Independent Director/ Audit Committee

* The Audit Committee Member No. **1** has the knowledge and experience to review the company's financial statements.

Scope of Authority of the Audit Committee

The Audit Committee has responsibilities and reports to the Board of Directors as follows:

1. To review the Company's financial reporting to ensure that it is accurate and adequate.
2. To review the Company's internal control system and internal audit system to be appropriate and effective, and consider the independence of the internal audit department, as well as approve the appointment and dismissal of the chief. Internal audit agency or any other agency responsible for internal audit
3. To review for the Company Comply with the laws governing securities and exchange, the requirements of the Stock Exchange and laws relating to the Company's business
4. To consider and nominate an independent person to act as the Company's auditor and to propose the remuneration of such person, as well as to attend meetings with the auditor without at least the management attending the meeting. Once a year
5. To consider connected transactions or transactions that may have conflicts. This is to ensure that such transactions are reasonable and in the best interests of the Company
6. To prepare the audit committee's report, which is disclosed in the Company's annual report, which must be signed by the Chairman of the Audit Committee and must contain at least the following information:
 - (a) Opinion on the accurateness and reliabilities of the financial report
 - (b) Opinion on the sufficiency of the internal control system.
 - (c) Opinion on the compliance with the securities act, SET rules and regulations and other relevant laws.
 - (d) Opinion on the suitability of external auditor.
 - (e) Opinion on transactions that may have conflicts of interest
 - (f) Number of attendance of Audit Committee as well as each respective attendance.
 - (g) Opinion or overall observations from the audit committee in compliance with charter's specified duties.
 - (h) Other relevant indicating what shareholders and investors should know in accordance with the scope of works and duties and responsibilities assigned by the Board of Director.
7. To perform other duties as assigned by the Board of Directors and approved by the audit committee. The audit committee will be directly supervised by the Board of Director whereas the Board of Director will be responsible for external parties.

Recruitment and Appointment of the Directors and the Management

(1) Independent Director

Holding a position as an independent director of the Company did not pass the nomination committee But the Board of Directors will consider the selection according to the qualification criteria under Section 68 of the Public Limited Companies Act B.E. 2535 and in the relevant notifications of the Securities and Exchange Commission.

(2) Nomination of directors and top executives

Selection of persons to be appointed as directors of the Company did not pass the nomination committee. But the Board of Directors will consider the selection according to the qualification criteria under Section 68 of the Public Limited Companies Act B.E. 2535 and in the relevant notifications of the Securities and Exchange Commission, as well as taking into account the experience, knowledge and abilities. Then the list of names is presented to the shareholders' meeting for further consideration and appointment.

The Company's rules and regulations for the election of the Board of Directors of the Company Here's how:

- (1) One shareholder is entitled to one vote per share.
- (2) Each shareholder must use all of his votes under (1) to vote for the election of one or more persons to be directors and may not allocate votes to any other shareholders.
- (3) The candidates obtaining the highest numbers of votes shall be appointed directors, until all vacancies are filled. Should be a tie vote, the chairman of the Board of Directors will make the determination.

The Board of Directors has set a schedule of meetings throughout the year in advance. Meetings are usually held every 3 months, with additional meetings as needed. The agenda will be clearly set in advance by the chairman or the committee assigned by the chairman. There will be a meeting invitation letter with the meeting agenda, and supporting documents must be sent at least 7 days in advance for the directors to study the information before attending the meeting.

In 2023, there were 5 meetings of the Board of Directors and 4 audit committees.

Self-assessment of the Board of Directors

The company has established self-assessment for the Board of Directors for the past year in compliance with SET's rule and regulation in which the Board of Directors employs to enhance and improve the efficiency and productivity. For the evaluation result for the period 2023, the overall performance of the Board of Directors is fairly good.

The development of the Directors and Management Team

The Company encourages directors and executives to attend knowledge training at the Institute of Directors on topics related to the Company's business in order to improve their performance and develop their knowledge and competence.

Supervision of operations of subsidiaries companies

- The company has arranged to send a person to be the company's representative to be the executive director of the subsidiary in order to implement the policy in accordance with the objectives of the company, and to maintain interest in investment
- Determining the scope of duties and responsibilities of directors and executives representing the Company in such companies to control or participate in making important policies
- The Company has no agreement with other shareholders to manage the subsidiary. To divide the return in addition to the return in proportion to the normal shareholding.

Caring for matters Use of Inside Information

The Company has a policy to supervise executives in the use of insider information by prohibiting executives, including spouses and minor children, from using insider information of the Company that has not yet been disclosed to the public for personal benefit. In addition, the Company has instructed executives not to disclose inside information before disclosing information to the public. This is especially true regarding the purchase of shares of companies on the Stock Exchange of Thailand.

Auditing Fee

In 2023, the shareholders' meeting approved the appointment of PricewaterhouseCoopers ABAS Company Limited as follows: (1) Audit fee of 2,820,000 baht (two million ducks hundred and twenty thousand baht)

Compliance with good corporate governance principles in other matters

1. Shareholders Right

The company recognizes the importance of equal rights of all shareholders. The company considers all shareholders as owners of the company regardless of the percentage of shares owned. The company reports to shareholders regularly on progress of operations, it will report through the Stock Exchange of Thailand. The company recognizes that each shareholder is equally important as the owner of the company and therefore realizes every aspect or issue that the shareholder addresses as follows:

1.1 In 2023, the Company held a total of 1 shareholders' meeting, which is the Annual General Meeting of Shareholders. On April 26, 2023 at 10:00 a.m. at the Company's office, 317 Moo 4, Soi 6C, Bangpoo Industrial Estate, Phraeksa Subdistrict, Mueang Samut Prakan District, Samut Prakan Province, the consideration was carried out in the order of the agenda set and approved by all shareholders.

1.2 The shareholders were given an advance notification including other supportive documents in sufficient manner prior to the meeting through the company's registrar. The disclosure of shareholders' notification was also conducted through the company's website prior to the meeting

1.3 The company encouraged and offered the shareholders the opportunities to fully express the opinion. In case that the shareholders do not attend the meeting, the shareholders are able to give the proxy to other assignees to attend and vote on their behalves. The company publicizes the proxy form in the company website for shareholders' convenience.

1.4 During the meeting, the chairman offered the shareholders' opportunities to render their own opinion. Before the commencement of the meeting, the chairman announced the number of shareholders who physically attend the meeting and those who gave the proxy including the vote casting manner by counting the dissent shareholders only for convenience. In addition, the company provided the opinion form in case non-approval in every agenda.

2 Equitable Treatment of Shareholders

The Company has a policy to uphold the rights and benefits of shareholders equally with equality, including appropriate management to ensure shareholders' confidence in investing with the Company. In each agenda item, there will be an opinion of the Board of Directors for consideration along with complete and sufficient supporting documents for the meeting, as well as published in daily newspapers for at least 3 consecutive days and not less than 3 days before the meeting date. In the invitation letter, the Company has informed the details of the necessary documents to attend the meeting, together with the proxy letter form Form A, so that shareholders who are unable to attend the meeting can appoint others to attend the meeting on their behalf. B. and proxy form C. on the Company's website.

At the shareholders' meeting, the Company gives all shareholders equal rights to ask questions and express their opinions in a timely manner. In addition, there is a staff to welcome and facilitate shareholders to attend the meeting

6.1.1 Policies and guidelines relating to shareholders and stakeholders

The Company places importance on all groups of stakeholders, including customers, creditors, competitors, as well as employees and executives of the Company to receive equal fairness, such as providing products as promised to customers. Responsible to customers in terms of product quality, after-sales service, customer confidentiality, and compliance with good competition rules to competitors, etc

1. Shareholders & Investors

The company is committed to operating its business in order to build customer satisfaction and maximum benefit to our shareholders and investors, by the policy to support the rights in recognition of information transparent and reliable

2. Employees

The company has made a significant and pay great attention to the employees and to treat employees fairly, in terms of welfare benefit, health, environment and safety in the workplace as follows:

▲ The welfare

The company recognizes the value of employees. Therefore, we have provided the benefits for the employees as followings:

- Provide the rice for lunch welfare for every employee for free.
- Provide the top-up compensation for employees who do not take leave or be late to encourage the employees and practice the discipline for the employees.
- Provide the provident for employees.
- Provide Funeral welfare benefit and wedding welfare benefit.
- Provide annual health check-up.
- Provide uniform.
- Offer Extra reward for the employees who achieve the target to stimulate the working environment.
- Provide car pool service for the employee for transportation's convenience.
- Organize the promotional activities for the outstanding employees by awarding them on yearly basis.

- Organize Annual travel.
- Start Scholarship program for children of employees.

▲ **Safety and Occupational Health**

In 2023, the Company continuously develops and improves the efficiency of safety operations to reduce the risk of illness. And take proper care of the quality of life of employees or employees. It has significant operations. as follows:

The Company is committed to continuously working on occupational health, safety and good working environment. Throughout the organization's safety culture under the safety policy. Occupational Health and Working Environment

1. The Company will support the improvement of a safe and suitable working environment. To prevent injury and illness
2. The Company will strictly comply with the laws and other relevant requirements.
3. The Company continuously conducts hazardous disposal and risk reduction in occupational health and safety.
4. The Company will provide training, consultation and promotion of participation in occupational safety, health and working environment for employees at all levels
5. All employees must comply with the rules. Regulations and participation in activities prepared by the Company by requiring that Safety at work is the duty of all employees.

In 2023, the Company has already implemented measures to prevent such accidents as follows:

1. The Company has established ISO45001: 2018 Occupational Health and Safety Management System to raise safety awareness. Occupational health and safe working environment Employees are safe and reduce accidents or diseases caused by work.
2. Review and assess the risk at the scene of the accident and analyze it to prevent a repeat of the incident
3. In the event of an accident, the Joint Safety Committee investigates the accident, providing preventive measures, whether it is control at the source or origin.
4. Training emphasizes correct and safe work for employees to be aware of the dangers that will occur.
5. Provide safety equipment that meets the standards and is suitable for the job site.

▲ **Development and course training for Employee**

The company has the policy for human resource development according to their competency as per each section requirement. This is in order to create the competition in the organization in the term of product quality, competitive cost, on time delivery, production engineering knowledge and management as following:

- Provide training to the employees every Monday morning to be communication protocol and understanding the employees' need as well as strengthen the employees' knowledge.

- Sent the employee to training as related field and by necessity such as Training with the Stock Exchange of Thailand, Government office, Language Education with Language Institute and Department of Skill Development for development working skill of employee.
- The Company trains and develops employees and supervisors at all levels. To develop employees' capacities, such as data analysis, internal quality system (IQA) audit techniques, production planning and control.

The Company has organized training to increase the work potential of employees at all levels by inviting speakers from outside the organization to attend training on the following topics:

1. Training of executive-level safety officers
2. Training supervisory safety officers
3. Lead Auditor Internal Audit ISO45001 : 2018
4. ISO 50001

3. Customers

The company recognizes the importance to manufacture the quality product to meet the customer's requirement since the Company's policy is quality comes first and customers' satisfaction matters the most. The company organizes the customer satisfactory survey form so as to after reviewing the outcome of the survey improve the quality of product and service. We determine to develop our products, machinery, employees and logistics system including the research & development to improve the quality of products

Furthermore, the Company conducts its business with integrity and places the importance of retaining the confidentiality of each customer to meet the business ethics in order to tighten the good relationship between the company and customers to ensure the sustainability of the business.

4. Suppliers or Creditors

The company complies with the suppliers and creditors in fair manner in accordance with the agreed business arrangement and terms and conditions with best interests of the company to ensure that the suppliers and creditors will be given the fair treatment in payment and receiving merchandise items in accordance with the agreement in timely manner. Every counterparty will be equally treated and the company will not pay overdue or object any payments unless deemed necessary.

5. Competitors

The company conducts its business with ethics and transparency and complies with the rules without the unfair business conduct to ruin the competitors and does not seek for the trade secret in unfair or inappropriate treatment including avoiding the price war and tarnishing the trade competitors' image. Throughout the company's business operation, the company has never experienced any legal disputes with the trade competitors.

6.2 Business Ethics

In the event that the Company has prepared a Code of Business Ethics, it shall explain the connection of the practice with the vision, objectives, goals, or strategies that lead to the creation of values in the organization. The Company's executives and employees comply with the Code of Business Conduct to create a corporate culture

This is to bring policy information. The Corporate Governance Guidelines and Code of Business Conduct are disclosed in the attached documents for investors to understand and can be used as a guideline for further monitoring of business direction.

6.3 Major changes and developments in policy Guideline and Corporate Governance System in the past year

6.3.1 Major changes and developments regarding policy review Guidelines and Corporate Governance System

The Company places importance on good corporate governance, which is important to ensure the sustainable growth of the Company's operations which will benefit all stakeholders. Whether it is shareholders, investors and other stakeholders. as well as employees and executives of the Company to ensure transparency and accountability of the Company's operations. Have ethics and ethics in conducting business in line with the principles of good corporate governance continuously.

6.3.2 For matters that have not been complied with in accordance with the Good Corporate Governance Principles for Listed Companies 2017 (CG Code)

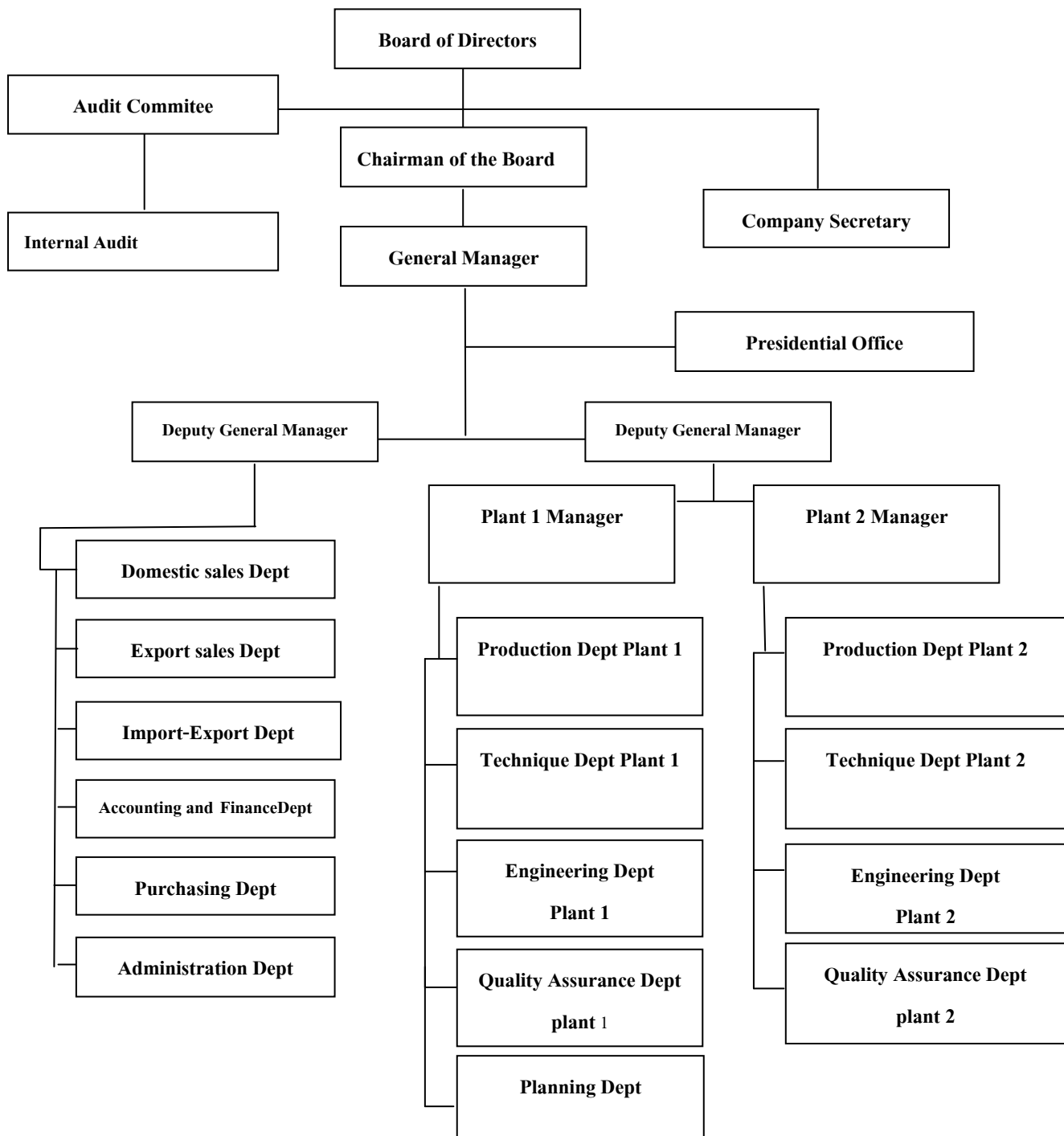
Establishment of the Nomination Committee and the Remuneration Committee However, the Board of Directors takes into account the importance of good corporate governance policies. Appointment of directors even without passing the Nomination Committee and the Remuneration Committee Tap the Board of Directors will consider and select persons with legal qualifications and consider their experience, knowledge and abilities to propose to the shareholders' meeting for consideration and appointment.

7. Corporate Governance Structure and Important Information about the Board of Directors Sub -committees, executives, employees and others

7.1 Management Structure

The management structure of the company consists of the Board of Directors, Audit Committee, and Management team, having the details as below;

Organization Chart



7.2 Information about the Board of Directors

As of December 31, 2023, the Company's directors were 12 members, including:

1. 2 Executive Directors
2. 10 non-executive directors
 - 4 independent directors (accounting for 1 in 3 of the entire board of directors)
 - Directors who are not involved in the administration 6 persons (1 in 2 members of the entire board of directors)

7.2.1 Composition of the Board of Directors

The Board of Directors consists of 2 executive directors, 6 non-executive directors, of which the Board of Directors and the Company's executives have clearly separated the powers and duties Independent Directors and Audit Committee 4 persons, totaling 12 persons. The Board of Directors, who are the Company's executives, are knowledgeable and competent in the business for a long time. From the parent company in the Republic of China, Taiwan the other 4 Audit Committee members are free to express their opinions. and noted in case the opinion of the Audit Committee differs from the opinion of the Board of Directors to counterbalance the executive directors Another quarter of the Audit Committee members are knowledgeable, competent, and proficient in accounting sufficient to be able to review financial statements.

7.2.2 Information of the Board of Directors and Controlling Persons of the Company

Board of Directors

List of Directors	Position
1. Mr.Shen,Kuo-Jung	Chairman of the Board of and Managing Director
2. Mr.Chuang, Chih-Yao	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

* Directors no. 1 and 2 are authorized directors to sign binding the company.

7.2.3 Roles and Duties of the Board of Directors

committee It plays an important role in the management of the business in accordance with the good corporate governance policy. Be transparent and approve important matters such as quarterly financial statements, Annual Financial Statements Budget Connected Transactions adequacy of internal control, etc. In addition, the Board of Directors emphasizes on effective implementation as well as risk management by taking into account all stakeholders

The scope of work and responsibilities of the Board of Directors

1. Responsible for making important or critical decisions on behalf of the Company, and give work assignments, objectives, guidelines and directional indicators as well as draw up the company's policies, including overall supervision of the business operations, production and performance, customer relations and be directly responsible to the Board of Directors.
2. Authorized and empowered to hire, appoint, discharge, force retirement and expulsion, setting the wage and salary scales, wage and salary adjustments / increases, granting bonuses and other financial rewards and incentives, including the appointment of representative(s) to represent the Employer in the company's Provisional Welfare Fund management committee, which involves all company employees.
3. Authorized to approve and transfer the power of attorney or the granting of authorization to a legal representative for the purpose of hire and procurement of assets and services for the interest and benefits of the company.
4. Empowered to issue orders, regulations, announcements and memorandums in order to ensure that the business operations and work assignments are carried out in strict compliance to instructions for the interest and benefit of the company, and in order to observe the rules and regulations within the organization.
5. Authorized to act in the capacity of the company's representative in dealing with outside persons in businesses and activities which are beneficial to the Company.
6. Grant approval for the appointment of advisors in various fields which are necessary for operating the business or for implementation of the work assignments.
7. Engage in managerial works which are involved with the general operations of the company.
8. Annual self-estimation of directors.

7.3 Information about the Sub-Committee

7.3.1 Structure and composition of sub-committees

Audit Committee

The company has established the independent director and Audit Committee to supervise and monitor the company's internal operation to be in standardization. Present, the Audit Committee, comprising of 4 directors are as follows:

Name of Audit Committee	Position
1. Mr. Hsiao, Chin-Lung	The chairman of Audit Committee
2. Mrs.Syuan Wen	Independent Director/ Audit Committee
3. Mr. Monsiam Sinworaphan	Independent Director/ Audit Committee
4. Mr. Lin,Cheng-Yung	Independent Director/ Audit Committee

The scope of work and responsibilities of the Audit Committee

The audit committee has the responsibilities and the obligation to report to the Board of Directors, as follow;

1. review the accuracy, completeness, reliability of the company's financial reporting and the sufficiency of such disclosure.
2. To review the adequacy and effectiveness of internal control systems and internal audit functions as well as to perform the independent duties of internal audit and to render the opinion to consider appointment or removal of head of internal audit or other responsible relevant.
3. To review compliance with the Securities and Exchange Act, regulations of the SET and any other relevant laws.
4. To consider, propose appointment and propose compensation for auditor including to attend the meeting with the auditor without having management team at least once a year.
5. To consider compliance with all connected transaction disclosures or conflict of interest disclosures to ensure the appropriateness and best interests of the Company.
6. To report the activities of the audit committee in the company's annual report, which must be signed by the chairman of the audit committee and comprises the follow:
 - (a) Opinion on the accurateness and reliabilities of the financial report.
 - (b) Opinion on the sufficiency of the internal control system.
 - (c) Opinion on the compliance with the securities act, SET rules and regulations and other relevant laws.
 - (d) Opinion on the suitability of external auditor.
 - (e) Opinion on the connected transactions.
 - (f) Number of attendance of Audit Committee as well as each respective attendance.
 - (g) Opinion or overall observations from the audit committee in compliance with charter's specified duties.
 - (h) Other relevant indicating what shareholders and investors should know in accordance with the scope of works and duties and responsibilities assigned by the Board of Director.

7. To perform other duties as assigned by the Board of Directors and approved by the audit committee. The audit committee will be directly supervised by the Board of Director whereas the Board of Director will be responsible for external parties.

7.4 Information about the management

7.4.1 Management Team

Names of the management team as at December 31st, 2023

Name of Management Team	Position
1. Mr.Shen,Kuo-Jung	Chairman of the Board of managing director
2. Mr.Chuang, Chih-Yao	Deputy General Manager
3. Shiao Yi Chou	Deputy General Manager
4. Miss Radatorn Tanasawapol	Accounting & Finance Manager

7.4.2 Remuneration Policy for Executive Directors and Executives

The Company's remuneration policy for directors and executives with regard to obligations which have been assigned and the payment of compensation for executives is consistent with the results of operations of the Company and the performance of management.

7.4.3 Executive Director and Executive Remuneration

1) Monetary compensation

(a) Remuneration of Directors and Independent Directors/Audit Committee members include:

1. Exactly approved remuneration including transportation, lodging, air ticket, and other expenses are paid to directors. The directors living in Thailand can receive individually 25,000 Baht per meeting (Twenty-five thousand baht only), excepting that the directors, residing abroad, can receive 40,000 Baht per meeting (Forty thousand Baht only) in case of appearance in the meeting (in the event that VDO conference, 25,000 Baht per meeting is paid to an individual) until further notice has been announced.

2. Annual remuneration 2023

Positions	Annual remuneration
Chairman of the Board	540,000.00 Baht
Directors	300,000.00 Baht
Chairman of the Audit Committee	350,000.00 Baht
Independent Director / Audit Committee	350,000.00 Baht

▲ Remuneration of each Director in 2023

Name	Position	Annual Remuneration	Meeting Allowance	Remark
1. Mr.Shen,Kuo-Jung	Chairman	540,000 baht	100,000 baht	
2. Mr.Chiu, Hsih-Chien	Director	300,000 baht	100,000 baht	
3. Miss Wu, Ping-Yi	Director	300,000 baht	100,000 baht	
4. Mr.Liu, Hsing-Hung	Director	300,000 baht	-	
5. Mr.Yen, Ming-Shan	Director	300,000 baht	100,000 baht	
6. Mr.Yen, Jui-Hsian	Director	300,000 baht	100,000 baht	
7. Mr.Yen, Chih-Che	Director	300,000 baht	100,000 baht	
8. Mr.Chuang, Chih-Yao	Director	300,000 baht	100,000 baht	
9. Mr. Hsiao, Chin-Lung	Independent Director/Audit Committee	350,000 baht	100,000 baht	
10. Mrs.Syuan Wen	Independent Director/Audit Committee	350,000 baht	100,000 baht	
11. Mr. Lin,Cheng-Yung	Independent Director/Audit Committee	350,000 baht	100,000 baht	
12. Mr. Monsiam Sinworaphan	Independent Director/Audit Committee	350,000 baht	100,000 baht	

(b) The total remuneration for 12 directors from 3 positions and 4 executives in 2023, compared to 2021 and 2022 is as follows:

Type of remuneration	Director's remuneration 12 persons (Baht)			Management remuneration (Baht)		
	2021	2022	2023	2021 (4 persons)	2022 (4 persons)	2023 (3 persons)
Salary	-	-		5,829,560	5,799,950	4,184,333
Annual remuneration	4,040,000	4,040,000	4,040,000	-	-	
Bonus	-	-		5,381,812	13,122,164	5,191,758.75
Meeting Allowance	1,100,000	1,375,000	1,475,000	-	-	
Total	5,140,000	5,415,000	5,515,500	11,211,372	18,922,114	9,376,081.75

Other compensation

- None -

7.5 Information about the employee.

7.5.1 Number of employees

The total number of employees as of December 31, 2023 is 1,594 people.

- Employee responsible for the quantity production.	1,261	persons
- Office Workers	135	persons
- Supervisor level employee Department Head	126	persons
- Thai Executive Staff	65	persons
- Taiwanese Executive Staff	7	persons
- On average, employees have an average age	34	years
7.5.2 Significant changes in headcount over the past 3 years		
- - None -		
7.5.3 Major labor disputes over the past 3 years		
- - None -		
7.5.4 Return characteristics and total employee return		
- The company pays wages as compensation for the work of employees for the year 2023. as follows		
- Wages, overtime, diligent allowances, shifts to employees	395,313,836	baht
- Bonus	28,500,000	baht
- Total	423,813,836	baht

In addition, the Company also has other benefits such as provident fund from the Company and employees pay monthly contributions to the fund at the rate of 2-4% of their salary, which is managed by Principal Asset Management Company Limited. Rice cost The Company has established a Company Welfare Committee in accordance with the regulations of the Ministry of Labour and Social Welfare, which consists of the employer and employee departments. To consider the welfare of employees in particular.

7.5.5 Employee Development Policy

The company attaches great importance to employee development. so that employees have expertise and can be applied to work such as training for new employees Supervisor skills training How to use graphs to control work. The company also encourages employees to gain knowledge and new developments. By sending them to training in related fields both inside and outside the facility in order to apply the knowledge from the training to apply and develop skills to work more efficiently. The company has a policy to develop personnel of the Companies of all levels as follows

1. Training on labor protection law to provide employees with an understanding of rights and duties legally
2. First Aid Training
3. Training and development of production techniques to develop new products

4. Safety training in operations for employees
5. Training in the use of personal protective equipment for employees
6. Organizing public relations boards for employees to stay informed of the company's information.
7. Organize Safety Week events
8. Organize fire evacuation drills
9. Send employees to train with external institutions in their own line of work.

7.6 Other important information

Appointment of the Company Secretary

The appointment of the Company Secretary is at the discretion of the Board of Directors to select qualified persons to perform such duties. The Board of Directors' Meeting No. 3/2010 on May 13, 2010 approved the appointment. Mr. Athisit Worachot to serve as Company Secretary effective from May 13, 2010 to present.

Qualifications of the Company Secretary

- Knowledge and understanding of the Company's business, including roles related to the company's secretarial work, and knowledge of the law on public limited companies. Securities and Exchange Act and related regulations, as well as studying, knowledge and information to improve operations on a regular basis.
- Perform duties in accordance with the laws, regulations, regulations of the Company with responsibility, caution. Honesty, commitment. Dedicate and support the Company's operations to achieve its objectives under good corporate governance principles and business ethics.
- Adherence to morality, ethics, taking into account all stakeholders. Do not take any action that will damage the company's reputation and image.
- Not aiming for personal gain from the Company's business opportunities as well as maintaining the Company's confidentiality.
- Good human relations Have the ability to coordinate with departments and agencies both inside and outside the Company.

Scope of Authority of the Company Secretary

- Ensure that the Company Secretary agency is the information center of the organization, such as the registration of juristic persons, memorandums, regulations and licenses.
- Provide basic advice to directors in legal matters. The company's regulations and regulations that the Board of Directors must know and monitor to be properly and consistently followed, including reporting significant changes in legal requirements to directors.
- Hold shareholders' meetings and board meetings in accordance with the law. Company Regulations and Best Practices

- Record minutes of the Shareholders' Meeting and The Board of Directors' meeting, as well as monitor the compliance with the resolutions of the Shareholders' Meeting and the Board of Directors' meeting.
- Prepare and maintain the directors' register Annual Report of the Company Letter of Shareholders' Meeting Letter of Appointment of the Board of Directors minutes
- Maintain the report of interests reported by directors and executives, and prepare copies to the Chairman and Chairman of the Audit Committee within 7 business days from the date of receipt of the report.
- Ensure the disclosure of information and information reports in respect of responsibility to the agencies that direct the company in accordance with the regulations and regulations of the official authorities.
- Contact and communicate with general shareholders to acknowledge the rights of shareholders and the company's news.

Investor Relations

The Company has established an agency to communicate and provide information and activities to shareholders, investors, analysts and the general public by contacting the Company via E-Mail : hwafong@duro.co.th or contact us at Line official account: @550zmucm



8. Corporate Governance Performance Report

8.1 Summary of the performance of the Board of Directors in the past year

In 2023, there were 5 meetings of the Board of Directors and 4 meetings of the Audit Committee.

8.1.1 Recruiting, developing and evaluating the performance of the Board of Directors

(1) Independent Director

Holding a position as an independent director of the Company not passed the nomination committee But the Board of Directors will consider the selection according to the qualification criteria under Section 68 of the Public Limited Act B.E. 2535 and in the relevant Notifications of the Securities and Exchange Commission.

(2) Nomination of Directors and Top Executives

Selection of persons to be appointed as directors of the Company not passed the Nomination Committee, but the Board of Directors will be considered and selected according to the qualification criteria in Section 68 of the Public Limited Companies Act B.E. 2535 and in the relevant Notification of the Securities and Exchange Commission. as well as taking into account the experience, knowledge and abilities Then the list of names is presented to the shareholders' meeting for further consideration and appointment.

8.1.2 Attendance and individual board remuneration

(1) Attendance of the Board of Directors

In 2023, a board meeting was held. 5 times and the audit committee 4 times by attending the meeting of the Board of Directors.

Name	Position	Meeting attendance/ number of meetings		Remark
		committee	Audit Committee	
1. Mr.Shen,Kuo-Jung	Chairman of the Board of and Managing Director	4/5	-	
2. Mr.Chiu, Hsih-Chien	Director	5/5	-	
3. Miss Wu, Ping-Yi	Director	5/5	-	
4. Mr.Liu, Hsing-Hung	Director	-	-	
5. Mr.Yen, Ming-Shan	Director	5/5	-	
6. Mr.Yen, Jui-Hsien	Director	5/5	-	
7. Mr.Yen, Chih-Che	Director	5/5	-	
8. Mr.Chuang, Chih-Yao	Director	5/5	-	
9. Mr. Hsiao, Chin-Lung	Independent Director/Audit Committee	5/5	4/4	
10. Mrs.Syuan Wen	Independent Director/Audit Committee	5/5	4/4	
11. Mr. Lin,Cheng-Yung	Independent Director/Audit Committee	4/5	1/4	
12. Mr. Monsiam Sinworaphan	Independent Director/Audit Committee	5/5	4/4	

(2) Monetary compensation

At the 2023 Annual General Meeting of Shareholders held on April 23, 2023, a resolution was passed to determine the remuneration of directors and independent directors/audit committees. In 2023, it includes:

1. Directors' meeting allowance includes travel expenses. Accommodation Cost Directors will only be paid for those that have been approved. Directors based in Thailand 25,000 baht per person (twenty-five thousand baht net) Directors who are abroad come to Thailand for meetings. 50,000 baht per person (fifty thousand baht net) In case of meeting via electronic media and not traveling to Thailand, the meeting will be paid 25,000 baht per person (twenty-five thousand baht net). Directors attend Board meetings until further changes

2. Annual remuneration as detailed:

Positions	Annual remuneration
Chairman of the Board	540,000.00 Baht
Directors	300,000.00 Baht
Chairman of the Audit Committee	350,000.00 Baht
Independent Director / Audit Committee	350,000.00 Bath

Other forms of compensation

- None -

8.1.3 Corporate Governance of Subsidiaries and Associated Companies

The company has arranged to send a person to be a representative of the company to be the executive director of the subsidiary. To carry out the policy in accordance with the objectives of the Company and to maintain the benefits in the investment

Determining the scope of duties and responsibilities of directors and executives representing the Company in such companies to control or participate in making important policies

The Company does not have agreements with other shareholders to manage the subsidiary. in the distribution of rewards in addition to the normal return on equity

8.1.4 Monitoring compliance with good corporate governance policies and guidelines

The Company attaches importance to good corporate governance by establishing relevant policies and practices in the Company's Corporate Governance Policy and Business Ethics, while reinforcing real practices to build trust with all stakeholders.

The company has followed up to ensure compliance with good corporate governance in 4 other issues as follows:

(1) Prevention of conflicts of interest

The Company has a policy to focus on the management of conflicts of interest of the stakeholders with prudence and transparency. The company will comply with the rules of the Stock Exchange of Thailand, and disclose complete information, transaction value, counterparties

(2) Use of inside information for gains

The company has set a policy to prevent the use of inside information for profit. To prevent the use of information for trading in the Company's securities by allowing directors and executives Including the department that is related to important information, stop trading securities before the announcement of the company's results.

(3) Anti-corruption

To have transparent business operations and to prevent corruption that may occur in the Company's business operations and to ensure fair and socially responsible operations and stakeholders that may have Corruption risks have been carefully considered. The Company has established an anti-corruption policy. To be a clear practice guideline in business operations and develop into a sustainable organization

(4) Whistleblowing

The company has channels to receive information, or clues related to the company's operations The clues can be reported at the internal audit unit. The Audit Committee, which is independent from the management, is considered and the management is responsible for scrutinizing such clues and complaints.

8.2 Report on the performance of the Audit Committee over the past year

8.2.1 Number of audit committee meetings

In the year 2023, the Audit Committee has convened a total of 4 meetings by the directors to attend the following meetings:

List	Position	Meeting attendance/number of meetings
1. Mr. Hsiao, Chin-Lung	Independent Director/ Chairman of The Audit Committee	4/4
2. Mrs.Syuan Wen	Independent Director/ Audit Committee	4/4
3. Mr. Monsiam Sinworaphan	Independent Director/ Audit Committee	4/4
4. Mr. Lin,Cheng-Yung	Independent Director/ Audit Committee	1/4

8.2.2 Performance of the Audit Committee

(As shown in Attachment 6 Report of the Audit Committee)

8.3 Summary of performance of other sub-committees

The Audit Committee is appointed by the Board of Directors consisting of 4 members of the Audit Committee who are qualified persons with knowledge, ability and experience in accounting and finance. To monitor and supervise the Company's operations, including supervising financial reports, supervising the management to ensure accurate and transparent standards, as well as complying with the company's official regulations and regulations, in order to have good internal control, a reporting system that is attractive and beneficial to all parties involved. In 2023, the Audit Committee held a total of 4 meetings. The summary of the meeting was as follows:

1. Review both quarterly and annual financial reports by analyzing financial reports in collaboration with management. Auditor and Internal Audit Department to ensure the preparation of the Company's financial reports. Prepared correctly as it should in essence in accordance with financial reporting standards and the requirements of laws and/or regulations. Be reliable and timely, including accurate, adequate and useful disclosure of important information to financial reporting users.
2. Recommend that the auditor review or audit any transactions deemed necessary and instrumental during the company's audit. To go into action efficiently.
3. To consider the qualifications and make recommendations for selection and propose the appointment of auditors and determine remuneration for submission to the Board of Directors.

4. Review the audit report and follow-up report on the implementation of the internal audit department's recommendations. On significant issues to contribute to good corporate governance. Risk management and adequate internal control
5. Review and evaluate the Company's internal control system and internal audit system that is appropriate and effective. Express opinions on the audit report and the company's overall internal control to the Board of Directors.
 1. Report the performance to the Board of Directors in the event that the audit finds or suspects that there are transactions or actions that may have a significant impact on the company's financial position.

In conclusion, The Audit Committee considers that in 2023, Hua Fong Rubber (Thailand) Public Company Limited has prepared accurate financial reports in accordance with financial reporting standards. Compliance with various requirements and regulations Good corporate governance Adequate risk management There is an internal control system, an appropriate and effective internal audit does not find any significant defects in the performance of duties. The Audit Committee expresses its opinions independently and gives advice to management and attends meetings honestly with a focus on the company's interests.

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 2023, 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 department which is an independent agency responsible for auditing, monitor the performance in the organization. Every procedure of the operation is clear and contain a good system. These results in transparency in operations including the possibility of fraud prevention may occur. In the past year, the fraud is not found. The results of this audit are in accordance with the prescribed procedures. And Internal audit department directly report result of the examination to top management and the Audit Committee to acknowledge, consider, comments and provide recommendations to the management of the Company for further improvement. The Audit Committee has scheduled a meeting with PricewaterhouseCoopers ABAS Ltd., the auditor on a quarterly basis to consider financial statements and review financial statements in accordance with accounting standards. The Company is confident that the internal control systems are appropriate and sufficient.

Risk Management

The Company assesses risks under changes that may affect both inside and outside the Company's business processes. Risk assessment is conducted at the operator level. The Company continuously monitors its performance under the supervision of responsible management and holds meetings with the Company's management, as well as regularly considers and reviews compliance with the Company's requirements to be effective and appropriate in the risk management system. The internal audit department has been responsible for monitoring each department's operations to take into account the potential risks, such as auditing the credit risk control by requiring the relevant departments to follow the procedures for approving the credit line and determining the repayment period. Before selling products to customers to prevent risks that may arise from customers who do not pay their debts as scheduled and have a debt audit system. By defining such measures, the Company has an appropriate internal control and risk management system to maximize the efficiency of the Company.

Opinion from Board of Directors

The Board of Directors comments that the company's Internal Audit System is sufficient and satisfactory and, to a certain extent, is considered suitable, whether it be Organizational internal control, risk assessment and Information and communication systems. The company has set Operational Targets for each department which can be factually achieved, and company performance is consistently monitored and regularly appraised and assessments made, as well as the close monitoring and follow-up of all company business engagements and activities. Moreover, the company establishes an unambiguous organizational structure, aiming for better operational performance and more concisely.

The head of internal audit and supervisor to supervise the company's operation.

The consideration and approval of the appointment, removal, or change position of the head of internal audit will be needed to approve by Independent Directors / Audit Committee. The qualification of The head of internal audit is described in attachment 3.

9.2 Connected Transaction

In 2023 company committed connected transactions with related companies as the following details:

Person or Company	Relationship	Characteristics of interrelated transactions	Interrelated transaction value Year 2023 (Million Baht)	Pricing Policy	Reasonableness of Inter-related transactions
1. Hwa Fong Rubber Industries Co., Ltd. (HFR)	Major shareholder which is holding as 50.42%	-Product Sale	9.93	Market price or based on agreement price, company set the structure of sale price between company and related companies, considering actual cost adding gross profit margin.	The price is close to the market price and the conditions are in accordance with normal business.
		- Raw materials Sale	0.30	Price based on agreement	
		- Other income	0.39	Price based on agreement	
		- Product purchase	5.99	Cost plus margin	For standard production with normal business conditions
		- Product purchase	-	Cost plus margin	For standard production with normal business conditions
		- Fixed asset purchase	4.20	Cost plus margin (Machinery purchase for production)	For complying the same production technology with normal business conditions
		- Spare parts, materials and other expenses	2.92	Cost plus benefit (Spare parts for machine repairing and miscellaneous for production)	For complying the same production technology with normal business conditions
		- Technical assistance fee	27.95	On June 1, 2020, the contract was revised to 1% of sales of technically serviced products, and on August 1, 2022, revised to 1.2% of sales of technically serviced products	Price based on agreement

Connected Transaction (Continued)

Person or Company	Relationship	Characteristics of interrelated transactions	Interrelated transaction value Year 2023 (Million Baht)	Pricing Policy	Reasonableness of Inter-related transactions
1. Hwa Fong Rubber Industries Co., Ltd. (HFR) (continued)	Major shareholder which is holding as 50.42%	- Trademark fee	20.61	The price on the agreement was revised as 2% of total sold products since 1 June 2020	Price based on agreement
		- Trade Account receivables	1.02	Credit 60 days	
		- Account Payable	0.84	Credit 60 days	
		- Other creditors	52.07	Credit 60 days and accordance with trade agreement	
2. Hwa Fong Rubber (USA) Co.,Ltd. (HFA)	Affiliated Company (sharing parent company)	- Product sale	68.67	Market price or based on agreement price, company set the structure of sale price between company and related companies, considering actual cost adding gross profit margin.	The price can be compared to the market price and normal business conditions
		- Other Expenses		Market price or based on agreement price	The price can be compared to the market price and normal business conditions
		- Trade Account receivables	6.05	Credit 90 days	
		- Other trade creditors	-	Credit 90 days	

Connected Transaction (Continued)

Person or Company	Relationship	Characteristics of	Interrelated transaction value	Pricing Policy	Reasonableness of Inter-related transactions
3. Hwa Fong Rubber (Hong Kong) Co., Ltd. (HFK)	Affiliated Company (sharing parent company)	- Product sale	0.08	Market price or based on agreement price, company set the structure of sale price between company and related companies, considering actual cost adding gross profit margin.	The price can be compared to the market price and normal business conditions
		- Trade Account receivables	-	Credit 60 days	
4. Hwa Fong Rubber (China) Co., Ltd. (HFC)	Affiliated Company (sharing parent company)	- Product sale	-	Market price or based on agreement price, company set the structure of sale price between company and related companies, considering actual cost adding gross profit margin.	The price can be compared to the market price and normal business conditions
		- Fixed Asset Purchase	18.78	Cost plus profit (Machinery purchase for production)	For complying the same production technology and normal business condition
		- Trade Account receivables	-	Credit 90 days	
		- Other trade creditors	1.87	Credit 90 days	
		- Spare parts, materials and other expenses	0.03	Cost plus benefit (Spare parts for machine repairing and miscellaneous for production)	For complying the same production technology and normal business condition
5. Hwa Fong Rubber (Suzhou) Co., Ltd. (HFZ)	Affiliated Company (sharing parent company)	- Fixed Asset Purchase	-	Cost plus profit (Machinery purchase for production)	For complying the same production technology and normal business condition
		- Trade Account receivables	17.18		

Connected Transaction (Continued)

Person or Company Person or Company	Relationship Relationship	Characteristics of	Interrelated transaction value Interrelated transaction value	Pricing Policy Pricing Policy	Reasonableness of Inter-related transactions
6. Sumitomo Rubber Industries Co., Ltd.	Related company which is holding the shares in parent company (HFR) as 10.18%	- Product Sell	78.50	Market price or based on agreement price, company set the structure of sale price between company and related companies, considering actual cost adding gross profit margin.	The price can be compared to the market price and normal business conditions
		- Trade Account receivables	3.00	Credit 30 days	
		- Trademark fee	2.64	1.5 - 3% of the total amount of sold product	Price is based on agreement
		- Raw material purchase and other expenses	0.30	Cost plus benefit (Spare parts for machine repairing and miscellaneous for production)	For complying the same production technology and normal business condition
		- Other trade creditors	1.26	Credit 60 days and based on trade agreement	
7. HFT Holding Co., Ltd.	The company is holding the shares as 99.99% (A subsidiary company)	- Short term real estate rent	0.12	Price is based on agreement	According to the price in an agreement
		-Product purchase	0.21	Market price or based on agreement price	The price can be compared to the market price and normal business conditions
		-Transportation revenue	0.04	Price is based on agreement	According to the price in an agreement
		- Other recievables	0.01	Credit 30 days	
		- Other trade creditors	0.04	Credit 30 days	
8. Hwa Fong Rubber Indonesia Co., LTD	The company is holding the shares as 99%(A subsidiary company)	- Other recievables	0.63		

The Company sold 0.39% of the total sales to related companies, namely Hua Fong Rubber Industry Co., Ltd., 2.60% of Hua Fong Rubber (USA) and Sumitomo Rubber Industry Co., Ltd. 2.97% of the total sales. The price of selling products to related companies has a pricing policy, i.e. the general market price or the price according to the memorandum of agreement. It takes into account the actual cost of goods plus gross margin.

The Company provides loans to major companies and related companies for 30-90 days, which is normal business. For the purchase of raw materials and machinery from the parent company, the Company will have to pay a handling fee in addition to the price of raw materials and machinery, which is normal in accordance with the trading procedures between the group companies.

The parent company will determine and treat it equally. However, the company will purchase specific raw materials or machinery necessary to obtain Production standards at the same level as companies in the group.

The necessity and reasonableness of doing Inter-related transactions

The transaction between the parties is necessary and reasonable for the maximum benefit of the Company, for example, if the quality of the product is controlled according to the specified criteria, the same type of raw materials or machinery must be used by the parent company.

Buying from the parent company will help make mistakes less or urgent needs, which may be inconvenient if you have to order and wait for the delivery process from the parent manufacturer, will help the company get raw materials in a faster time.

In 2023, some machines were purchased from the parent company because they require the expertise of the parent company to buy and order to be the same technology.

When problems arise in addition, Taiwan ranks first in the world in exporting machinery for the production of bicycle and motorcycle tires. Therefore, it is confirmed that this type of machine produced in Taiwan is accepted worldwide.

Measures or Procedures of Approval of Connected Transaction

The Company has complied with the Securities and Exchange Act. set the company and subsidiary to enter into transactions with directors, executives or related persons, such agreements must be approved by the Board of Directors. or seek approval in principle from the Board of Directors prior to such transactions

Policy and Trend of Connected Transaction

The company expects to continue to engage in existing inter-company transactions carried out in the normal course of business in fair market price basis. In purchase of the raw material, machinery, equipment and spare part via the parent company and affiliate companies, the basis will be cost plus the management fee which will be conducted in two cases, due to the identical standardization amongst the group and the immediate necessity to procure some types of raw material, thus making the company essentially procure through the parent company and affiliate company albeit probably more expensive than direct purchase. In any case, in conducting of connected transactions, the company will comply with the inter-company policy in accordance with normal course of business

Part 3

Financial Statement

HWA FONG RUBBER (THAILAND) PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2023

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 2023, 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 2023;
- 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 significant 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 receivables (net)’ to the consolidated and separate financial statements. As at 31 December 2023, the Group has trade accounts receivable of Baht 576.17 million and loss allowance of Baht 170.98 million. The trade accounts receivable (net) of Baht 405.19 million is 9.87% of the Group's total assets. 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. 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.	I evaluated the appropriateness of the loss allowance - trade accounts receivable by: - 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. - Testing the reliability of the accounts receivable aging report initially used in assessing the loss allowance. 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. - 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. 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.

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

21 February 2024

Hwa Fong Rubber (Thailand) Public Company Limited**Statements of Financial Position****As at 31 December 2023**

	Notes	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		Baht	Baht	Baht	Baht
ASSETS					
Current assets					
Cash and cash equivalents	9	1,139,132,413	964,083,665	968,075,304	869,326,822
Financial asset measured at fair value through profit or loss	6,11	74,850,063	85,381,423	-	-
Other financial assets measured at amortised cost	11	98,589,899	30,288,749	98,589,899	30,288,749
Trade and other receivables (net)	10	428,081,165	510,885,455	427,774,676	511,321,303
Inventories (net)	12	649,145,588	691,148,564	645,987,389	687,522,604
Other current assets (net)	13	13,416,546	15,879,066	9,711,897	12,367,861
Total current assets		2,403,215,674	2,297,666,922	2,150,139,165	2,110,827,339
Non-current assets					
Financial asset measured at fair value through other comprehensive income	6,11	20,460,492	22,364,584	-	-
Investment in subsidiaries (net)	14	-	-	512,255,214	512,255,214
Investment in an associate	15	1,185,697	1,185,248	1,161,000	1,161,000
Investment property	6,16	145,928,878	224,963,372	-	-
Property, plant and equipment (net)	17	1,492,011,126	1,504,561,330	1,492,011,126	1,504,561,330
Intangible assets (net)	18	599,612	918,806	597,802	911,497
Deferred tax assets (net)	19	40,910,575	38,751,035	36,254,042	36,200,773
Other non-current assets		1,218,773	1,256,592	1,079,112	1,117,712
Total non-current assets		1,702,315,153	1,794,000,967	2,043,358,296	2,056,207,526
Total assets		4,105,530,827	4,091,667,889	4,193,497,461	4,167,034,865

The accompanying notes on pages 14 to 60 are 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 2023

		Consolidated		Separate	
		financial statements		financial statements	
		2023	2022	2023	2022
Notes		Baht	Baht	Baht	Baht
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	21	364,039,412	339,897,827	363,308,441	339,013,212
Contract liabilities	22	46,308,795	64,035,021	46,308,795	64,035,021
Current portion of lease liabilities (net)	20	-	383,520	-	383,520
Accrued income tax		31,235,490	24,091,923	31,066,646	24,030,101
Other current liabilities		2,281,264	1,719,540	2,263,031	1,718,442
Total current liabilities		443,864,961	430,127,831	442,946,913	429,180,296
Non-current liabilities					
Employee benefit obligations	23	50,136,261	49,603,154	50,136,261	49,603,154
Total non-current liabilities		50,136,261	49,603,154	50,136,261	49,603,154
Total liabilities		494,001,222	479,730,985	493,083,174	478,783,450

The accompanying notes on pages 14 to 60 are 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 2023

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2023	2022	2023	2022
		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		2,734,914,183	2,735,249,044	2,749,227,464	2,737,064,592
Other components of equity		(77,197,212)	(77,124,774)	(2,625,811)	(2,625,811)
Equity attributable to owners					
of the parent		3,611,529,605	3,611,936,904	3,700,414,287	3,688,251,415
Non-controlling interests		-	-	-	-
Total equity		3,611,529,605	3,611,936,904	3,700,414,287	3,688,251,415
Total liabilities and equity		4,105,530,827	4,091,667,889	4,193,497,461	4,167,034,865

The accompanying notes on pages 14 to 60 are 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 2023

	Notes	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		Baht	Baht	Baht	Baht
Revenue from sales of goods and services		2,649,288,690	3,411,751,430	2,645,206,489	3,406,327,323
Cost of goods sold and providing services		(2,186,675,299)	(2,864,862,865)	(2,183,148,010)	(2,860,063,261)
Gross profit		462,613,391	546,888,565	462,058,479	546,264,062
Other income	27	26,522,240	19,364,591	24,469,408	17,408,571
Profit before expenses		489,135,631	566,253,156	486,527,887	563,672,633
Selling expenses		(120,389,922)	(103,036,561)	(120,369,663)	(103,008,989)
Administrative expenses		(54,518,255)	(59,054,076)	(49,090,128)	(56,597,502)
Loss from measurement of financial asset measured at fair value through profit or loss	11	(10,531,360)	(12,751,305)	-	-
Gain on disposal of financial asset measured at fair value through profit or loss		-	32,765	-	-
Fair value loss on investment property	16	(6,752,835)	-	-	-
Gain on sale of investment property		9,475,777	-	-	-
Gain (loss) on foreign exchange rate (net)		(7,358,871)	41,777,131	(5,704,372)	35,648,215
Finance costs		(12,480)	(631,002)	(12,480)	(631,002)
Share of profit from investment in an associate	15	449	158	-	-
Total expenses		(190,087,497)	(133,662,890)	(175,176,643)	(124,589,278)
Profit before income tax expense		299,048,134	432,590,266	311,351,244	439,083,355
Income tax expense	29	(49,177,961)	(71,012,900)	(48,983,338)	(73,497,158)
Net profit for the year		249,870,173	361,577,366	262,367,906	365,586,197

The accompanying notes on pages 14 to 60 are 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 2023

	Notes	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		Baht	Baht	Baht	Baht
Other comprehensive income (loss), net of tax:					
Items that will be reclassified subsequently to profit or loss					
Currency translation differences		1,831,654	(17,940,884)	-	-
Total items that will be reclassified subsequently to profit or loss		1,831,654	(17,940,884)	-	-
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of post-employment benefit obligations	23	-	20,719,697	-	20,719,697
Income tax on remeasurements of post-employment benefit obligations	19	-	(4,143,939)	-	(4,143,939)
Change in value of financial asset measured at fair value through other comprehensive income	11	(1,904,092)	(7,260,722)	-	-
Total items that will not be reclassified subsequently to profit or loss		(1,904,092)	9,315,036	-	16,575,758
Other comprehensive income (loss), net of tax		(72,438)	(8,625,848)	-	16,575,758
Total comprehensive income for the year		249,797,735	352,951,518	262,367,906	382,161,955

The accompanying notes on pages 14 to 60 are 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 2023

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2022	2022
		Baht	Baht	Baht	Baht
Profit attributable to:					
Equity holders of the owner's parent		249,870,173	361,577,366	262,367,906	365,586,197
Non-controlling interests		-	-	-	-
		249,870,173	361,577,366	262,367,906	365,586,197
Total comprehensive income					
attributable to:					
Equity holders of the owner's parent		249,797,735	352,951,518	262,367,906	382,161,955
Non-controlling interests		-	-	-	-
		249,797,735	352,951,518	262,367,906	382,161,955
Earnings per share for profit attributable					
to the equity holders of the owners' parent					
Basic earnings per share	30	0.38	0.55	0.40	0.56

The accompanying notes on pages 14 to 60 are 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 2023

Consolidated financial statements (Baht)												
Attributable to owners of the parent												
Not e	Retained earnings					Other components of equity						
						Other comprehensive income (loss)						
						Measurement						
	Issued and paid-up share capital	Premium on paid-up ordinary shares	Surplus on treasury shares	Appropriated - legal reserve	Unappropriated	Translation differences	Remeasurements of post-employment benefit obligations	of financial asset at fair value through other comprehensive income	Total other components of equity	Total owners of the parent	Non-controlling interests	Total equity
Opening balance as at 1 January 2022	658,434,300	222,105,000	7,429,904	65,843,430	2,653,506,256	(37,802,321)	(19,201,569)	(11,495,036)	(68,498,926)	3,538,819,964	-	3,538,819,964
Changes in equity for the year ended 31 December 2022												
Dividend paid	31	-	-	-	(279,834,578)	-	-	-	-	(279,834,578)	-	(279,834,578)
Net profit for the year	-	-	-	-	361,577,366	-	-	-	-	361,577,366	-	361,577,366
Other comprehensive income (loss) for the year	-	-	-	-	-	(17,940,884)	16,575,758	(7,260,722)	(8,625,848)	(8,625,848)	-	(8,625,848)
Closing balance as at 31 December 2022	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

The accompanying notes on pages 14 to 60 are 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 2023**

Consolidated financial statements (Baht)												
Attributable to owners of the parent												
Not e	Retained earnings					Other components of equity						
						Other comprehensive income (loss)						
						Measurement						
	Issued and paid-up share capital	Premium on paid-up ordinary shares	Surplus on treasury shares	Appropriated - legal reserve	Unappropriated	Translation differences	Remeasurements of post-employment benefit obligations	of financial asset at fair value through other comprehensive income	Total other components of equity	Total owners of the parent	Non- controlling interests	Total equity
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												
Dividend paid	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

The accompanying notes on pages 14 to 60 are 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 2023

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 2022		658,434,300	222,105,000	7,429,904	65,843,430	2,651,312,973	(19,201,569)	(19,201,569)	3,585,924,038
Changes in equity for the year ended 31 December 2022									
Dividend paid	31	-	-	-	-	(279,834,578)	-	-	(279,834,578)
Net profit for the year		-	-	-	-	365,586,197	-	-	365,586,197
Other comprehensive income (loss) for the year		-	-	-	-	-	16,575,758	16,575,758	16,575,758
Closing balance as at 31 December 2022		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

The accompanying notes on pages 14 to 60 are 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 2023

Separate financial statements (Baht)								
						Other component of equity		
						Other comprehensive		
						income (loss)		
						Remeasurements		Total other
						of post-employment		component of
						benefit obligations		equity
						Total equity		
Note	Issued and paid-up share capital	Premium on paid-up ordinary shares	Surplus on treasury shares	Appropriated - legal reserve	Unappropriated			
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)		3,688,251,415
Changes in equity for the year ended 31 December 2023								
Dividend paid	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)		3,700,414,287

The accompanying notes on pages 14 to 60 are 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 2023

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2023	2022	2023	2022
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax expense		299,048,134	432,590,266	311,351,244	439,083,355
Adjustments for:					
Depreciation and amortisation		112,029,383	114,775,335	112,023,884	114,769,835
Expected credit loss	10, 13	542,517	187,816	542,517	187,816
(Reversal of) allowance for actual cost of inventories					
in excess of net realisable value	12	(2,347,425)	2,205,735	(2,347,425)	2,205,735
Allowance for obsolete and defective inventories	12	10,578,302	13,042,147	10,594,827	13,042,147
Gain on disposals of property, plant and equipment	27	(1,899,689)	(93,171)	(1,899,689)	(93,171)
Share of profit from investments in an associate	15	(449)	(158)	-	-
Loss from measurement of financial asset					
measured at fair value through profit or loss	11	10,531,360	12,751,305	-	-
Gain on disposal of financial asset measured at fair value through profit or loss		-	(32,765)	-	-
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		11,314,283	18,343,841	11,381,474	19,537,435
Employee benefit obligations	23	4,704,825	6,049,377	4,704,825	6,049,377
Interest income	27	(13,210,130)	(2,224,538)	(13,039,718)	(2,128,177)
Finance costs		12,480	631,002	12,480	631,002
Dividend income	27	(2,046,236)	(2,040,983)	-	-
Changes in working capital					
Trade and other receivables		76,372,750	224,318,299	77,140,343	223,638,652
Inventories		33,772,099	264,024,153	33,287,813	265,304,975
Other current assets		2,402,107	16,100,013	2,595,249	16,437,795
Other non-current assets		21,600	(67,600)	21,600	(67,600)
Trade and other payables		29,411,882	(250,554,746)	29,455,248	(250,835,089)
Contract liabilities		(17,726,226)	7,458,293	(17,726,226)	7,458,293
Other current liabilities		562,718	(1,002,800)	544,589	(1,003,556)
Employee benefit paid	23	(4,171,718)	(6,879,728)	(4,171,718)	(6,879,728)
Cash generated from operations		547,179,625	849,581,093	554,471,317	847,339,096
Interest paid		(12,480)	(592,384)	(12,480)	(592,384)
Income tax paid		(44,196,031)	(99,763,570)	(42,000,062)	(99,763,570)
Net cash generated from operating activities		502,971,114	749,225,139	512,458,775	746,983,142
The accompanying notes on pages 14 to 60 are 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 2023**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2023	2022	2023	2022
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Increase in other financial assets					
measured at amortised cost		(68,301,150)	(189,478)	(68,301,150)	(189,478)
Payment for investment in a subsidiary	14.2	-	-	-	(100,000,000)
Payment for investment in financial asset measured at					
fair value through profit or loss	11	-	(98,416,498)	-	-
Proceeds from disposal of financial asset measured at					
fair value through profit or loss		-	316,535	-	-
Purchase of property, plant and equipment		(102,892,876)	(68,128,208)	(102,892,876)	(68,128,208)
Purchase of intangible assets		-	(127,400)	-	(127,400)
Proceeds from disposal of property, plant and equipment		4,269,491	683,966	4,269,491	683,966
Cash received from sale of investment property		85,281,999	-	-	-
Interest received		12,305,425	2,319,250	12,135,013	2,222,889
Dividend received	27	2,046,236	2,040,983	-	-
Net cash used in investing activities		(67,290,875)	(161,500,850)	(154,789,522)	(165,538,231)
Cash flows from financing activities					
Dividend paid		(250,129,708)	(279,772,565)	(250,129,708)	(279,772,565)
Payment for principal elements of lease payments	20	(383,520)	(432,000)	(383,520)	(432,000)
Net cash used in financing activities		(250,513,228)	(280,204,565)	(250,513,228)	(280,204,565)
Net increase in cash and cash equivalents		185,167,011	307,519,724	107,156,025	301,240,346
Cash and cash equivalents at the beginning of the year		964,083,665	672,848,670	869,326,822	581,261,488
Exchange loss on cash and cash equivalents		(10,118,263)	(16,284,729)	(8,407,543)	(13,175,012)
Cash and cash equivalents at the ending of the period		1,139,132,413	964,083,665	968,075,304	869,326,822
Non-cash transactions:					
Unpaid purchase of plant and equipment		8,789,884	4,690,511	8,789,884	4,690,511

The accompanying notes on pages 14 to 60 are 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 21 February 2024.

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 Amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2023 relate to the Group

- a) **Amendment to TAS 16 - Property, plant and equipment** clarified to prohibit entities from deducting from the cost of an item of PP&E any proceeds received from selling any items produced while the entity is preparing that asset for its intended use.
- b) **Amendment to TAS 37 - Provisions, contingent liabilities and contingent assets** clarified that, in considering whether a contract is onerous, the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract. Before recognising a separate provision for an onerous contract, the entity must recognise any impairment losses that have occurred on the assets used in fulfilling the contract.
- c) **Amendment to TFRS 9 - Financial Instruments** clarified which fees should be included in the 10% test for the derecognition of financial liabilities. It should only include fees between the borrower and lender.

The Group’s management assessed that the above revised standard does not have a significant impact on the Group.

3.2 Amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2024 relate to the Group

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

- 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.

3 New and amended financial reporting standards

3.2 Amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2024 relate to the Group (Cont'd)

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.

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.

- 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 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 substantively 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.

Earlier application is permitted.

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.

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.

4.3 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 asset

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, they 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.

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. 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 asset (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 are reported together with 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.

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. 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 to 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 reporting period.

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

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.

4.10 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.

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. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

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.

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.

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:

- Initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- 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 measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

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 when 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.

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.

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 receivables	Aging analysis Credit ratings
Liquidity risk	Cash and cash equivalents	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 2023							
	US Dollar Baht	Euro Baht	Japanese Yen Baht	Singapore Dol lar Baht	Indonesian Rupiah Baht	Chinese Yuan Baht	Taiwan 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 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 payables	129,885,326	2,006,030	-	-	-	3,378,535	-

Consolidated financial statements							
31 December 2022							
	US Dollar Baht	Euro Baht	Japanese Yen Baht	Singapore Dol lar Baht	Indonesian Rupiah Baht	Chinese Yuan Baht	Taiwan Dollar Baht
Cash and cash equivalents	573,118,911	9,175,448	12,191	556,727	71,374,508	42,937	15,353
Trade and other receivables	310,148,398	6,909,860	-	-	-	-	-
Financial asset at fair value through profit or loss	-	-	-	-	-	-	85,381,423
Financial asset at fair value through other comprehensive income	-	-	-	-	-	-	22,364,584
Trade and other payables	135,154,079	96,738	-	-	-	-	-

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

Separate financial statements					
31 December 2022					
	US Dollar Baht	Euro Baht	Japanese Yen Baht	Chinese Yuan Baht	Taiwan Dollar Baht
Cash and cash equivalents	568,732,954	9,175,448	12,191	42,937	15,353
Trade and other receivables	310,148,398	6,909,860	-	-	-
Trade and other payables	135,154,079	96,738	-	-	-

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)

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

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Net foreign exchange gain/(loss) included in other gains/(losses)	(8,604,215)	35,557,529	5,704,372	35,648,215
Total net foreign exchange gain/(loss) recognised in profit before income tax for the year	(8,604,215)	35,557,529	5,704,372	35,648,215
Net foreign exchange gains/(losses) recognised in other comprehensive income	3,188,719	(15,105,231)	-	-

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	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
US Dollar to Baht exchange rate - increase 7% (2022: 11%)*	57,422,276	82,290,615	-	-
US Dollar to Baht exchange rate - decrease 7% (2022: 11%)*	(57,422,276)	(82,290,615)	-	-
Euro to Baht exchange rate - increase 7% (2022: 3%)*	691,371	479,657	-	-
Euro to Baht exchange rate - decrease 7% (2022: 3%)*	(691,371)	(479,657)	-	-
IDR to Baht exchange rate - increase 7% (2022: 13%)*	-	-	10,264,824	9,278,686
IDR to Baht exchange rate - decrease 7% (2022: 13%)*	-	-	(10,264,824)	(9,278,686)
Taiwan Dollar to Baht exchange rate - increase 4% (2022: 9%)*	2,994,003	7,684,328	818,420	2,012,813
Taiwan Dollar to Baht exchange rate - decrease 4% (2022: 9%)*	(2,994,003)	(7,684,328)	(818,420)	(2,012,813)

* 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	
	2023 Baht	2022 Baht
US Dollar to Baht exchange rate		
- increase 7% (2022: 11%)*	57,118,073	81,808,160
US Dollar to Baht exchange rate		
- decrease 7% (2022: 11%)*	(57,118,073)	(81,808,160)
Euro to Baht exchange rate		
- increase 7% (2022: 3%)*	691,371	479,657
Euro to Baht exchange rate		
- decrease 7% (2022: 3%)*	(691,371)	(479,657)

* Holding all other variables constant

b) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. As at 31 December 2023, 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.

Outstanding balance of significant financial assets and financial liabilities and their interest rates as at 31 December 2023 and 2022 are summarised as follows:

Consolidated financial statements							
As at 31 December 2023							
Baht							
	Floating interest rate	Fixed interest rate		Without interest	Total	Interest rate (% per annum)	
		Remaining period before maturity date or repricing date				Float rate	Fixed rate
		Less than 1 year	1 year - 5 years				
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 receivables (net)	-	-	-	422,373,329	422,373,329	-	-
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	-	530,097,741	1,755,406,196		
Financial liabilities							
Trade and other payables	-	-	-	357,243,521	357,243,521	-	-
Contract liabilities	-	-	-	6,744,529	6,744,529	-	-
Total financial liabilities	-	-	-	363,988,050	363,988,050		

5 Financial risk management (Cont'd)

5.1 Financial risk factors (Cont'd)

5.1.1 Market risk (Cont'd)

b) Interest rate risk (Cont'd)

Outstanding balance of significant financial assets and financial liabilities and their interest rates as at 31 December 2023 and 2022 are summarised as follows: (Cont'd)

Consolidated financial statements							
As at 31 December 2022							
Baht							
	Floating interest rate	Fixed interest rate		Without interest	Total	Interest rate (% per annum)	
		Remaining period before maturity date or repricing date				Float rate	Fixed rate
		Less than 1 year	1 year - 5 years				
Financial assets							
Cash and cash equivalents	-	948,475,408	-	15,608,257	964,083,665	-	0.04 - 2.00
Other financial assets measured at amortised cost	-	30,288,749	-	-	30,288,749	-	0.95 - 1.85
Trade and other receivables (net)	-	-	-	506,480,986	506,480,986	-	-
Financial asset at fair value through profit or loss	-	-	-	85,381,423	85,381,423	-	-
Financial asset at fair value through other comprehensive income	-	-	-	22,364,584	22,364,584	-	-
Total financial assets	-	978,764,157	-	629,835,250	1,608,599,407		
Financial liabilities							
Trade and other payables	-	-	-	326,035,679	326,035,679	-	-
Contract liabilities	-	-	-	15,753,939	15,753,939	-	-
Lease liabilities	-	383,520	-	-	383,520	-	6.45
Total financial liabilities	-	383,520	-	341,789,618	342,173,138		
Separate financial statements							
As at 31 December 2023							
Baht							
	Floating interest rate	Fixed interest rate		Without interest	Total	Interest rate (% per annum)	
		Remaining period before maturity date or repricing date				Float rate	Fixed rate
		Less than 1 year	1 year - 5 years				
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 receivables (net)	-	-	-	422,071,003	422,071,003	-	-
Total financial assets	-	1,056,353,782	-	432,382,424	1,488,736,206		
Financial liabilities							
Trade and other payables	-	-	-	356,512,550	356,512,550	-	-
Contract liabilities	-	-	-	6,744,529	6,744,529	-	-
Total financial liabilities	-	-	-	363,257,079	363,257,079		
Separate financial statements							
As at 31 December 2022							
Baht							
	Floating interest rate	Fixed interest rate		Without interest	Total	Interest rate (% per annum)	
		Remaining period before maturity date or repricing date				Float rate	Fixed rate
		Less than 1 year	1 year - 5 years				
Financial assets							
Cash and cash equivalents	-	854,368,270	-	14,958,552	869,326,822	-	0.04 - 2.00
Other financial assets measured at amortised cost	-	30,288,749	-	-	30,288,749	-	0.95 - 1.85
Trade and other receivables (net)	-	-	-	506,930,456	506,930,456	-	-
Total financial assets	-	884,657,019	-	521,889,008	1,406,546,027		
Financial liabilities							
Trade and other payables	-	-	-	325,151,064	325,151,064	-	-
Contract liabilities	-	-	-	15,753,939	15,753,939	-	-
Lease liabilities	-	383,520	-	-	383,520	-	6.45
Total financial liabilities	-	383,520	-	340,905,003	341,288,523		

5 Financial risk management (Cont'd)

5.1 Financial risk factors (Cont'd)

5.1.1 Market risk (Cont'd)

c) 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).

5.1.2 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.

c) Impairment of financial assets

The Group has 2 types of financial assets that are subject to the expected credit loss model:

- Deposits with banks and financial institutions
- Trade and other 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. Debt investments are considered to be low credit risk when they have a low risk of default and the issuer 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 900,406,602 (2022: Baht 905,820,409) 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.

a) 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.

Contractual maturities of financial liabilities As at 31 December 2023	Consolidated financial statements (Unit: Baht)					Carrying amount
	On demand	Within 1 year	1 - 5 years	Over 5 years	Total	
Non-derivatives						
Trade and other payables	-	357,243,521	-	-	357,243,521	357,243,521
Contract liabilities	-	6,744,529	-	-	6,744,529	6,744,529
Total non-derivatives	-	363,988,050	-	-	363,988,050	363,988,050
Contractual maturities of financial liabilities As at 31 December 2022	Consolidated financial statements (Unit: Baht)					Carrying amount
	On demand	Within 1 year	1 - 5 years	Over 5 years	Total	
Non-derivatives						
Trade and other payables	-	326,035,679	-	-	326,035,679	326,035,679
Contract liabilities	-	15,753,939	-	-	15,753,939	15,753,939
Lease liabilities	-	396,000	-	-	396,000	383,520
Total non-derivatives	-	342,185,618	-	-	342,185,618	342,173,138
Contractual maturities of financial liabilities As at 31 December 2023	Separate financial statements (Unit: Baht)					Carrying amount
	On demand	Within 1 year	1 - 5 years	Over 5 years	Total	
Non-derivatives						
Trade and other payables	-	356,512,550	-	-	356,512,550	356,512,550
Contract liabilities	-	6,744,529	-	-	6,744,529	6,744,529
Total non-derivatives	-	363,257,079	-	-	363,257,079	363,257,079
Contractual maturities of financial liabilities As at 31 December 2022	Separate financial statements (Unit: Baht)					Carrying amount
	On demand	Within 1 year	1 - 5 years	Over 5 years	Total	
Non-derivatives						
Trade and other payables	-	325,151,064	-	-	325,151,064	325,151,064
Contract liabilities	-	15,753,939	-	-	15,753,939	15,753,939
Lease liabilities	-	396,000	-	-	396,000	383,520
Total non-derivatives	-	341,301,003	-	-	341,301,003	341,288,523

5 Financial risk management (Cont'd)

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 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Assets								
Financial asset at fair value through profit or loss	74,850,063	85,381,423	-	-	-	-	74,850,063	85,381,423
Financial asset at fair value through other comprehensive income	20,460,492	22,364,584	-	-	-	-	20,460,492	22,364,584
						224,963,372		
Investment property	-	-	-	-	145,928,878	2	145,928,878	224,963,372
Total assets measured at fair value	95,310,555	107,746,007	-	-	145,928,878	224,963,372	241,239,433	332,709,379

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 receivables (net)
- Trade and other payables
- Contract liabilities
- Lease liabilities

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.

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.

6 Fair value (Cont'd)

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 2023 Baht	31 December 2022 Baht		31 December 2023	31 December 2022	
Investment property	145,928,878	224,963,372	The market value for similar properties	650,000 - 950,000 IDR/m ²	420,134 - 924,000 IDR/m ²	-
			Indonesia's economic growth rate	5.05%	5.30%	-
			Indonesia's inflation rate	2.61%	3.10%	-
			Exchange rate	0.0023 THB/IDR	0.0022 THB/IDR	The exchange rate and the fair value has relationships in the same direction

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 certain financial assets

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 6.

b) 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.

c) 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)**d) Determination of transaction price in contracts with customers**

The Group has not recognised revenue of Baht 26,817,315 (2022: Baht 23,003,366) from free goods contracts with products volume for customers. The Group did not have any expectation with the customer and the product line. Management therefore determined that it was not highly probable that a portion of the revenue will not be reversed.

e) 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.

f) 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	
	2023	2022	2023	2022	2023	2022
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Revenue from sales of goods and services	2,649,289	3,411,751	-	-	2,649,289	3,411,751
Other income	24,476	17,324	2,046	2,041	26,522	19,365
Total revenue	2,673,765	3,429,075	2,046	2,041	2,675,811	3,431,116
Timing of revenue recognition:						
At a point in time	2,666,062	3,398,243	2,046	2,041	2,668,108	3,400,284
Over time	7,703	30,832	-	-	7,703	30,832
	2,673,765	3,429,075	2,046	2,041	2,675,811	3,431,116
Gross profit	462,613	546,889	-	-	462,613	546,889
Selling and administrative expenses	(174,908)	(162,090)	-	-	(174,908)	(162,090)
Net profit (loss) before income tax	307,533	443,267	(8,485)	(10,677)	299,048	432,590
Income tax	(51,284)	(73,563)	2,106	2,550	(49,178)	(71,013)
Net profit (loss) for the year	256,249	369,704	(6,379)	(8,127)	249,870	361,577
Investment property	145,929	224,963	-	-	145,929	224,963
Property, plant and equipment (net)	1,492,011	1,504,561	-	-	1,492,011	1,504,561
Total assets	4,009,035	3,982,737	96,496	108,931	4,105,531	4,091,668

	Separate financial statements					
	Sales of goods and services		Investment		Total	
	2023	2022	2023	2022	2023	2022
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Revenue from sales of goods and services	2,645,206	3,406,327	-	-	2,645,206	3,406,327
Other income	24,470	17,409	-	-	24,470	17,409
Total revenue	2,669,676	3,423,736	-	-	2,669,676	3,423,736
Timing of revenue recognition:						
At a point in time	2,661,973	3,392,904	-	-	2,661,973	3,392,904
Over time	7,703	30,832	-	-	7,703	30,832
	2,669,676	3,423,736	-	-	2,669,676	3,423,736
Property, plant and equipment (net)	1,492,011	1,504,561	-	-	1,492,011	1,504,561
Total assets	4,193,497	4,167,035	-	-	4,193,497	4,167,035

The Group's revenues of approximately Baht 462.45 million (2022: Baht 1,043.71 million) are derived from a major customer. These revenues are attributed to the sale of goods segment.

8 Segment information (Cont'd)

Significant information relating to revenue of geographic are as follows:

	Consolidated financial statements	
	For the year ended 31 December	
	2023	2022
	Thousand Baht	Thousand Baht
Local	876,106	813,783
Overseas - Asia	889,281	941,657
Overseas - Europe	578,771	1,348,147
Overseas - America	284,297	264,518
Overseas - Others	20,834	43,646
Total	2,649,289	3,411,751

9 Cash and cash equivalents

Cash and cash equivalents as at 31 December 2023 and 2022 are as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	Baht	Baht	Baht	Baht
Cash on hand	312,811	263,256	298,238	250,094
Deposits held at call with banks				
- current accounts	149,300,175	76,995,159	2,659,828	5,620,652
- savings accounts	751,106,427	828,825,250	726,704,238	805,456,076
- fixed accounts	238,413,000	28,000,000	238,413,000	28,000,000
Bill of exchange	-	30,000,000	-	30,000,000
Total cash and cash equivalents	1,139,132,413	964,083,665	968,075,304	869,326,822

As at 31 December 2023, fixed accounts with maturities of 1 month bear interest at the rate of 5.5% per annum and fixed accounts with maturities of 3 months bear interest at the rate of 5.55% and 5.6% per annum.

As at 31 December 2022, fixed account with maturities of 12 days bear interest at the rate of 0.3% per annum and bill of exchange with maturities of 3 months bear interest at the rate of 0.5% per annum.

10 Trade and other receivables (net)

Trade and other receivables (net) as at 31 December 2023 and 2022 are as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	Baht	Baht	Baht	Baht
Trade accounts receivable				
- other parties	566,096,205	646,092,416	565,152,269	645,999,705
Less: Allowance for expected credit losses	(170,977,188)	(170,495,386)	(170,977,188)	(170,495,386)
Total trade accounts receivable				
- other parties (net)	395,119,017	475,597,030	394,175,081	475,504,319
Trade accounts receivable				
- related parties (Note 32.3)	10,076,289	13,585,985	10,076,289	13,585,985
Other accounts receivable				
- related parties (Note 32.3)	17,178,023	17,297,971	17,819,633	17,840,152
Interest receivable	930,364	25,659	930,364	25,659
Others (net)	4,777,472	4,378,810	4,773,309	4,365,188
Total trade and other receivables (net)	428,081,165	510,885,455	427,774,676	511,321,303

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

Trade accounts receivable - other parties as at 31 December 2023 and 2022 can be aged as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Not yet due	370,142,040	419,874,549	369,208,216	419,830,979
Overdue not exceeding 3 months	26,128,666	50,950,333	26,128,666	50,911,303
Overdue 3 to 6 months	324,586	6,134,854	324,586	6,134,854
Overdue 6 to 12 months	652,131	850,001	652,131	850,001
Overdue exceeding 12 months	168,848,782	168,282,679	168,838,670	168,272,568
	566,096,205	646,092,416	565,152,269	645,999,705
<u>Less</u> Allowance for expected credit losses	(170,977,188)	(170,495,386)	(170,977,188)	(170,495,386)
Total trade accounts receivable - other parties (net)	395,119,017	475,597,030	394,175,081	475,504,319

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

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 doubtful accounts 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.

As at 31 December 2023, the seized assets are in the process of auction announcement part of the lawsuit.

However, the recoverability of such receivable was still uncertain.

Trade accounts receivable - related parties as at 31 December 2023 and 2022 can be aged as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Not yet due	10,076,289	13,585,985	10,076,289	13,585,985
Total trade accounts receivable - related parties	10,076,289	13,585,985	10,076,289	13,585,985

Allowance for expected credit losses for trade receivables - other parties as at 31 December 2023 and 2022 was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Not yet due	1,019,480	701,181	1,019,480	701,181
Overdue not exceeding 3 months	303,963	438,230	303,963	438,230
Overdue 3 to 6 months	195,550	290,073	195,550	290,073
Overdue 6 to 12 months	619,525	793,334	619,525	793,334
Overdue exceeding 12 months	168,838,670	168,272,568	168,838,670	168,272,568
	170,977,188	170,495,386	170,977,188	170,495,386

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

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	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Allowance for expected credit losses				
As of 1 January	170,495,386	172,092,700	170,495,386	172,092,700
Increase in loss allowance recognised in profit or loss during the year	481,802	-	481,802	-
Reversal loss allowance	-	(1,597,314)	-	(1,597,314)
As of 31 December	170,977,188	170,495,386	170,977,188	170,495,386

11 Financial assets and financial liabilities

Financial assets and financial liabilities as at 31 December 2023 and 2022 are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Financial assets				
Financial assets at amortised cost				
- Cash and cash equivalents	1,139,132,413	964,083,665	968,075,304	869,326,822
- Trade receivables (net)	405,195,306	489,183,015	404,251,370	489,090,304
- Other financial assets measured at amortised cost				
- Fixed deposit with maturities over three months	98,589,899	30,288,749	98,589,899	30,288,749
- Other receivables	17,178,023	17,297,971	17,819,633	17,840,152
Financial asset at fair value through profit or loss	74,850,063	85,381,423	-	-
Financial asset at fair value through other comprehensive income	20,460,492	22,364,584	-	-
	1,755,406,196	1,608,599,407	1,488,736,206	1,406,546,027
Financial liabilities				
Financial liabilities at amortised cost				
- Trade and other payables	357,243,521	326,035,679	356,512,550	325,151,064
- Contract liabilities	6,744,529	15,753,939	6,744,529	15,753,939
- Lease liabilities	-	383,520	-	383,520
	363,988,050	342,173,138	363,257,079	341,288,523

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 2023			31 December 2022		
	Current Baht	Non-current Baht	Total Baht	Current Baht	Non-current Baht	Total Baht
Fixed deposit with maturities over three months	98,589,899	-	98,589,899	30,288,749	-	30,288,749
Other receivables	17,178,023	-	17,178,023	17,297,971	-	17,297,971
Total	115,767,922	-	115,767,922	47,586,720	-	47,586,720

	Separate financial statements					
	31 December 2023			31 December 2022		
	Current Baht	Non-current Baht	Total Baht	Current Baht	Non-current Baht	Total Baht
Fixed deposit with maturities over three months	98,589,899	-	98,589,899	30,288,749	-	30,288,749
Other receivables	17,819,633	-	17,819,633	17,840,152	-	17,840,152
Total	116,409,532	-	116,409,532	48,128,901	-	48,128,901

Other receivables

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

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 recognise fair value gains and losses through OCI.

Financial assets at FVPL are as follows:

	Consolidated financial statements	
	2023 Baht	2022 Baht
Current assets		
Investments in equity investments		
- Listed securities	74,850,063	85,381,423
Total	74,850,063	85,381,423

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	
	2023 Baht	2022 Baht
Fair value losses on equity investments at FVPL recognised in other gains/(losses)	(10,531,360)	(12,751,305)
Dividends from equity investments at FVPL recognised in profit or loss in other income (Note 27)		
- Related to investments held at the end of the reporting period	2,046,236	1,841,609

Significant acquisitions and disposals during the year

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

During the year 2023, the Group acquired listed securities measured at FVPL in the amount of Baht 98,416,498.

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	
	2023 Baht	2022 Baht
Non-current assets		
Investments in equity investments		
- Listed securities	20,460,492	22,364,584
Total	20,460,492	22,364,584

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	
	2023 Baht	2022 Baht
Losses recognised in other comprehensive income		
- Related to equity investment	(1,904,092)	(7,260,722)
Dividends from equity investments at FVOCI recognised in profit or loss in other income (Note 27)		
- Related to investments held at the end of the reporting period	-	199,374

12 Inventories (net)

Inventories (net) as at 31 December 2023 and 2022 are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Raw material	260,854,411	238,381,763	260,854,411	238,381,763
Work in progress	28,821,631	35,491,704	28,821,631	35,491,704
Finished goods	314,408,861	364,773,465	311,250,662	361,130,980
Spare parts and supplies	63,690,233	75,913,431	63,690,233	75,913,431
	667,775,136	714,560,363	664,616,937	710,917,878
<u>Less</u> Allowance for obsolete and defective				
- Raw materials	(2,203,465)	(1,584,537)	(2,203,465)	(1,584,537)
- Finished goods	(18,159,102)	(16,286,065)	(18,159,102)	(16,269,540)
- Spare parts and supplies	(11,604,607)	(10,442,393)	(11,604,607)	(10,442,393)
<u>Less</u> Allowance for actual cost in excess of net realisable value - Finished goods	(1,881,725)	(4,229,150)	(1,881,725)	(4,229,150)
	633,926,237	682,018,218	630,768,038	678,392,258
Goods in transit	15,219,351	9,130,346	15,219,351	9,130,346
Total inventories (net)	649,145,588	691,148,564	645,987,389	687,522,604

During the years ended 31 December 2023 and 2022, amounts recognised as cost of sales in profit or loss are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Cost of sales and cost of services	2,178,444,422	2,849,614,983	2,174,900,608	2,844,815,379
Allowance for obsolete and defective	10,578,302	13,042,147	10,594,827	13,042,147
(Reversal) Allowance for actual cost in excess of net realisable value	(2,347,425)	2,205,735	(2,347,425)	2,205,735

During the year ended 31 December 2023, the Company has destroyed obsolete and defective inventories amounting to Baht 6,924,123 (2022: Baht 1,224,741).

13 Other current assets (net)

Other current assets (net) as at 31 December 2023 and 2022 are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Tax receivable (net)	3,244,472	2,770,837	3,244,472	2,770,837
Value added tax receivable	6,490,814	9,743,530	2,786,220	6,234,383
Undue input tax	1,673,629	1,708,202	1,673,524	1,708,202
Others	2,007,631	1,656,497	2,007,681	1,654,439
Total other current assets (net)	13,416,546	15,879,066	9,711,897	12,367,861

14 Investment in subsidiaries (net)

14.1 Details of investments

Investment in subsidiaries (net) as at 31 December 2023 and 2022 are as follows:

Entity name	Country of incorporation	Nature of business	Ownership interest held by Company		Voting rights		Investment at cost method	
			2023 (%)	2022 (%)	2023 (%)	2022 (%)	2023 Baht	2022 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	346,698,000	346,698,000
Total (net)							512,255,214	512,255,214

14.2 Movements of investments

Movements of investments in subsidiaries (net) for the years ended 31 December 2023 and 2022 are as follows

	Separate financial statements	
	Investment at cost method	
	2023 Baht	2022 Baht
Opening balance	512,255,214	412,255,214
Increase in investment - HFT Holding Co., Ltd.	-	100,000,000
Closing balance	512,255,214	512,255,214

During the year 2022, HFT Holding Co., Ltd. increased its registered capital by issuing 1,000,000 ordinary shares at a par value of Baht 100 each, totaling Baht 100 million. The subsidiary called an additional paid-up at Baht 100 per share, totaling Baht 100 million. The Company paid for the additional paid-up share capital on 21 March 2022.

15 Investment in an associate

Investment in an associate as at 31 December 2023 and 2022 are as follows:

Entity name	Country of incorporation	Nature of business	Ownership interest held by Company		Consolidated financial statements		Separate financial statements	
			2023 (%)	2022 (%)	Investment at equity method		Investment at cost method	
					2023 Baht	2022 Baht	2023 Baht	2022 Baht
The Ascent (Thailand) Co., Ltd.	Thailand	(1)	43	43	1,185,697	1,185,248	1,161,000	1,161,000
Total					1,185,697	1,185,248	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 2023 and 2022 are as follows:

	Consolidated financial statements		Separate financial statements	
	Investment at equity method		Investment at cost method	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Opening balance	1,185,248	1,185,090	1,161,000	1,161,000
Share of profit from an associate	449	158	-	-
Closing balance	1,185,697	1,185,248	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 2023, 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 2023 and 2022 are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Opening balance at 1 January	224,963,372	238,440,346	-	-
Disposal	(75,806,220)	-	-	-
Revaluation losses recognised	(6,752,835)	-	-	-
Currency translation differences recognised in other comprehensive income	3,524,561	(13,476,974)	-	-
Closing balance at 31 December	145,928,878	224,963,372	-	-

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 2023 and 2022, 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 2023 and 2022 are as follows:

	Consolidated and Separate financial statements						Total Baht
	Land Baht	Buildings and building improvement Baht	Plant and machinery Baht	Office equipment, furniture and fixtures Baht	Vehicles Baht	Construction in progress Baht	
At 1 January 2022							
Cost	319,126,782	711,358,672	2,218,846,436	18,831,784	28,942,284	324,868,342	3,621,974,300
<u>Less</u> Accumulated depreciation	-	(248,495,232)	(1,777,357,058)	(14,060,402)	(18,364,199)	-	(2,058,276,891)
Net book amount	319,126,782	462,863,440	441,489,378	4,771,382	10,578,085	324,868,342	1,563,697,409
For the year ended 31 December 2022							
Opening net book amount	319,126,782	462,863,440	441,489,378	4,771,382	10,578,085	324,868,342	1,563,697,409
Additions	-	7,739,705	26,412,513	1,849,905	-	19,773,087	55,775,210
Disposals - cost	-	-	(9,818,414)	(70,500)	(476,945)	-	(10,365,859)
- accumulated depreciation	-	-	9,228,151	69,970	476,943	-	9,775,064
Transfer in (out)	-	437,540	247,662,726	-	-	(248,100,266)	-
Depreciation charge	-	(21,525,269)	(88,951,155)	(2,022,973)	(1,821,097)	-	(114,320,494)
Closing 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
At 31 December 2022							
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

17 Property, plant and equipment (net) (Cont'd)

The movements of property, plant and equipment (net) for the years ended 31 December 2023 and 2022 are as follows: (Cont'd)

	Consolidated and Separate financial statements						Total Baht
	Land Baht	Buildings and building improvement Baht	Plant and machinery Baht	Office equipment, furniture and fixtures Baht	Vehicles Baht	Construction in progress Baht	
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)

As at 31 December 2023 and 2022, right-of-use asset balance presented as a part of property, plant and equipment are as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	Baht	Baht	Baht	Baht
Vehicle	-	3,912,512	-	3,912,512
<u>Less</u> Accumulated depreciation	-	(1,599,668)	-	(1,599,668)
Net book amount	-	2,312,844	-	2,312,844

18 Intangible assets (net)

The movements of intangible assets (net) for the years ended 31 December 2023 and 2022 are as follows:

	Consolidated financial statements	Separate financial statements
	Computer software Baht	Computer software Baht
At 1 January 2022		
Cost	8,718,003	8,663,003
<u>Less</u> Accumulated amortisation	(7,361,356)	(7,319,165)
Net book amount	1,356,647	1,343,838
For the year ended 31 December 2022		
Opening net book amount	1,356,647	1,343,838
Amortisation charge	(437,841)	(432,341)
Closing net book amount	918,806	911,497
At 31 December 2022		
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

18 Intangible assets (net) (Cont'd)

Amortisation recognised in profit or loss that are related to intangible assets for the years ended 31 December 2023 and 2022 are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Cost of goods sold	140,304	141,283	140,304	141,283
Administrative expense	178,890	296,558	173,391	291,058
	319,194	437,841	313,695	432,341

19 Deferred tax assets (liabilities)

The analysis of deferred tax assets (liabilities) is as follows:

As at 31 December 2023 and 2022, deferred tax assets and deferred tax liabilities presented by net taxable entities comprised the following:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Deferred tax assets	44,451,898	42,246,431	39,795,365	39,696,169
Deferred tax liabilities	(3,541,323)	(3,495,396)	(3,541,323)	(3,495,396)
Deferred tax asset (net)	40,910,575	38,751,035	36,254,042	36,200,773

The movements of deferred tax assets (liabilities) are as follows:

	Consolidated financial statements					
	Impairment on financial assets Baht	Allowance for net realisable value Baht	Employee benefit obligation Baht	Allowance for unclaim duties Baht	Remeasurement of financial asset at fair value Baht	Total Baht
Deferred tax assets						
At 1 January 2022	23,306,686	3,650,504	14,230,641	63,008	-	41,250,839
(Charged)/credited to profit or loss (Note 29)	(86,367)	2,753,174	(166,071)	88,533	2,550,262	5,139,531
Charged to other comprehensive income	-	-	(4,143,939)	-	-	(4,143,939)
At 31 December 2022	23,220,319	6,403,678	9,920,631	151,541	2,550,262	42,246,431
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

19 Deferred tax assets (liabilities) (Cont'd)

The movements of deferred tax assets (liabilities) are as follows: (Cont'd)

	Consolidated financial statements	
	Difference of depreciation between tax base and accounting base Baht	Total Baht
Deferred tax liabilities		
At 1 January 2022	(3,461,544)	(3,461,544)
Charged to profit or loss (Note 29)	(33,852)	(33,852)
At 31 December 2022	(3,495,396)	(3,495,396)
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)

	Separate financial statements				
	Impairment on financial assets Baht	Allowance for net realisable value Baht	Employee benefit obligation Baht	Allowance for unclaim duties Baht	Total Baht
Deferred tax assets					
At 1 January 2022	23,306,686	3,650,504	14,230,641	63,008	41,250,839
(Charged)/credited to profit or loss (Note 29)	(86,367)	2,753,174	(166,071)	88,533	2,589,269
Charged to other comprehensive income	-	-	(4,143,939)	-	(4,143,939)
At 31 December 2022	23,220,319	6,403,678	9,920,631	151,541	39,696,169
At 1 January 2023	23,220,319	6,403,678	9,920,631	151,541	39,696,169
(Charged)/credited to profit or loss (Note 29)	96,361	(115,929)	106,621	12,143	99,196
At 31 December 2023	23,316,680	6,287,749	10,027,252	163,684	39,795,365

	Separate financial statements	
	Difference of depreciation between tax base and accounting base Baht	Total Baht
Deferred tax liabilities		
At 1 January 2022	(3,461,544)	(3,461,544)
Charged to profit or loss (Note 29)	(33,852)	(33,852)
At 31 December 2022	(3,495,396)	(3,495,396)
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)

19 Deferred tax assets (liabilities) (Cont'd)

As at 31 December 2022, 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	
	2023 Baht	2022 Baht
Unused tax losses		
Tax losses expired 2023	-	1,208,502

20 Lease liabilities (net)

The movements of lease liabilities arising from financing activities as at 31 December 2023 and 2022 comprise the following:

	Consolidated and Separate financial statements	
	Leases liabilities Baht	
As at 1 January 2022		776,902
Interest expense from lease liabilities		38,618
Cash flows paid		(432,000)
As at 31 December 2022		383,520
Interest expense from lease liabilities		12,480
Cash flows paid		(396,000)
As at 31 December 2023		-

The effective interest rates at the statements of financial position date were as follows:

	Consolidated and Separate financial statements	
	2023 %	2022 %
Finance lease liabilities	-	6.45

20 Lease liabilities (net) (Cont'd)

	Consolidated and Separate financial statements	
	2023 Baht	2022 Baht
Minimum lease payments of lease liabilities:		
Not later than one year	-	396,000
	-	396,000
<u>Less</u> Future finance charges on leases	-	(12,480)
Present value of lease liabilities	-	383,520
Lease liabilities:		
- Current	-	383,520
	-	383,520
Present value of lease liabilities:		
Not later than one year	-	383,520
	-	383,520

21 Trade and other payables

Trade and other payables as at 31 December 2023 and 2022 are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Trade accounts payable				
- others	220,265,011	178,809,538	220,265,011	178,809,538
- related parties (Note 32.3)	840,261	957,672	840,261	957,672
Other accounts payable				
- others	25,030,215	17,236,239	24,594,248	16,672,655
- related parties (Note 32.3)	49,471,490	57,138,580	49,471,490	57,138,580
Payables on fixed assets				
- others	3,061,837	8,788,592	3,061,837	8,788,592
- related parties (Note 32.3)	5,735,376	1,424,073	5,770,739	1,424,073
Accrued salary and bonus	47,711,157	58,056,686	47,711,157	58,056,686
Retention	736,860	9,167,577	736,860	9,167,577
Accrued dividend	567,487	492,161	567,487	492,161
Accrued expenses	10,619,718	7,826,709	10,289,351	7,505,678
Total trade and other payables	364,039,412	339,897,827	363,308,441	339,013,212

22 Liabilities relating to contracts with customers

The Group has recognised the following liabilities related to contracts with customers:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Contract liabilities				
- Current	46,308,795	64,035,021	46,308,795	64,035,021
- Non-current	-	-	-	-
Total contract liabilities	46,308,795	64,035,021	46,308,795	64,035,021

Significant changes in contract liabilities

Contract liabilities for expected volume discounts and customer loyalty programme contracts have decreased by Baht 17,726,226 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	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Revenue recognised that was included in the contract liability balance at the beginning of the period				
- Advance receipt from customers	23,292,495	20,625,385	23,292,495	20,625,385

23 Employee benefit obligations

Employee benefit obligations as at 31 December 2023 and 2022 are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Statements of financial position:				
Retirement benefits	50,136,261	49,603,154	50,136,261	49,603,154
Liability in the statements of financial position	50,136,261	49,603,154	50,136,261	49,603,154
Profit or loss charge included in operating profit for:				
Retirement benefits	4,704,825	6,049,377	4,704,825	6,049,377
Remeasurements of post-employment for:				
Benefit obligations	-	(20,719,697)	-	(20,719,697)

23 Employee benefit obligations (Cont'd)

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 2023 and 2022 are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
At 1 January	49,603,154	71,153,202	49,603,154	71,153,202
Current service cost	3,199,678	4,748,532	3,199,678	4,748,532
Interest expense	1,505,147	1,300,845	1,505,147	1,300,845
	54,307,979	77,202,579	54,307,979	77,202,579
Remeasurements of post-employment for:				
Benefit obligations	-	(20,719,697)	-	(20,719,697)
Payment from plans:				
Benefit payment	(4,171,718)	(6,879,728)	(4,171,718)	(6,879,728)
At 31 December	50,136,261	49,603,154	50,136,261	49,603,154

The significant actuarial assumptions used are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 %	2022 %	2023 %	2022 %
Discount rate	3.15	3.15	3.15	3.15
Inflation rate	3	3	3	3
Salary growth rate	5	5	5	5

Sensitivity analysis for each significant assumption used is as follows:

	Consolidated financial statements					
	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2023	2022	2023	2022	2023	2022
Discount rate	1%	1%	Decrease by 9.22%	Decrease by 9.48%	Increase by 10.72%	Increase by 11.05%
Salary growth rate	1%	1%	Increase by 9.85%	Increase by 9.21%	Decrease by 8.60%	Decrease by 8.07%
	Separate financial statements					
	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2023	2022	2023	2022	2023	2022
Discount rate	1%	1%	Decrease by 9.22%	Decrease by 9.48%	Increase by 10.72%	Increase by 11.05%
Salary growth rate	1%	1%	Increase by 9.85%	Increase by 9.21%	Decrease by 8.60%	Decrease by 8.07%

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)

Sensitivity analysis for each significant assumption used is as follows: (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 14 years (2022: 14 years).

Expected maturity analysis of undiscounted retirement benefits are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Retirement benefits				
Within 1 year	3,405,100	2,387,656	3,405,100	2,387,656
Later than 1 year but not later than 2 years	4,944,793	6,112,200	4,944,793	6,112,200
Later than 2 year but not later than 5 years	6,640,751	5,747,637	6,640,751	5,747,637
Later than 5 years	130,808,692	133,939,499	130,808,692	133,939,499
Total	145,799,336	148,186,992	145,799,336	148,186,992

24 Share capital and premium on share capital

The movements of share capital and premium on share capital for the years ended 31 December 2023 and 2022 are as follows:

	Number of Shares Shares	Ordinary Shares Baht	Share Premium Baht	Surplus on Treasury Shares Baht	Total Baht
At 1 January 2022	658,434,300	658,434,300	222,105,000	7,429,904	887,969,204
Issue of shares	-	-	-	-	-
At 31 December 2022	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

As at 31 December 2023 and 2022, 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 2023 and 2022, 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
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	✓	-	-	✓	✓

* 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.
- 5) 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 2023 and 2022 which is classified as revenue under corporate income tax exemption and non-corporate income tax exemption as follows:

	Consolidated financial statements					
	2023			2022		
	BOI Baht	NON-BOI Baht	Total Baht	BOI Baht	NON-BOI Baht	Total Baht
Export sales	428,263,646	1,344,919,724	1,773,183,370	456,453,477	2,141,514,599	2,597,968,076
Domestic sales	219,976,941	656,128,379	876,105,320	176,931,807	636,851,547	813,783,354
Total	648,240,587	2,001,048,103	2,649,288,690	633,385,284	2,778,366,146	3,411,751,430
	Separate financial statements					
	2023			2022		
	BOI Baht	NON-BOI Baht	Total Baht	BOI Baht	NON-BOI Baht	Total Baht
Export sales	428,263,646	1,341,279,524	1,769,543,170	456,453,477	2,137,523,699	2,593,977,176
Domestic sales	219,976,941	655,686,378	875,663,319	176,931,807	635,418,340	812,350,147
Total	648,240,587	1,996,965,902	2,645,206,489	633,385,284	2,772,942,039	3,406,327,323

27 Other income

Other income for the years ended 31 December 2023 and 2022 are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Interest income	13,210,130	2,224,538	13,039,718	2,128,177
Rental income	-	-	120,000	120,000
Gain on sales of assets (net)	1,899,689	93,171	1,899,689	93,171
Dividend income	2,046,236	2,040,983	-	-
Others	9,366,185	15,005,899	9,410,001	15,067,223
Total other income	26,522,240	19,364,591	24,469,408	17,408,571

28 Expense by nature

The following significant expenditures, classified by nature for the years ended 31 December 2023 and 2022, have been charged in arriving at profit (loss) before finance costs and income tax:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Changes in inventories of finished goods and work in process	57,034,677	117,297,677	56,550,391	118,578,499
Raw material and consumables used	1,195,488,616	1,652,256,520	1,195,488,616	1,652,256,520
Employee benefit expense	450,680,578	539,682,228	450,680,578	539,682,228
Depreciation and amortisation	112,012,383	114,758,335	112,006,883	114,752,835
Transportation expense	41,107,368	68,065,443	41,096,708	68,048,143
Utility expense	210,532,891	226,174,006	210,532,891	226,174,006
Packing expense	63,505,313	73,117,722	63,505,313	73,117,722
Repair and maintenance expense	44,579,175	43,487,355	44,579,175	43,487,355

29 Income tax expense

Income tax expense for the years ended 31 December 2023 and 2022 are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Current tax:				
Current tax on profits for the year	51,017,595	75,393,940	48,716,701	75,327,937
Adjustments in respect of prior year	319,906	724,639	319,906	724,639
Total current tax	51,337,501	76,118,579	49,036,607	76,052,576
Deferred tax:				
Increase in deferred tax assets (Note 19)	(2,205,467)	(5,139,531)	(99,196)	(2,589,270)
Increase in deferred tax liability (Note 19)	45,927	33,852	45,927	33,852
Total deferred tax	(2,159,540)	(5,105,679)	(53,269)	(2,555,418)
Total income tax expense	49,177,961	71,012,900	48,983,338	73,497,158

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	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Profit before tax	299,048,134	432,590,266	311,351,244	439,083,355
Tax calculated at a tax rate of 20%	59,809,627	86,518,053	62,270,249	87,816,671
Tax effect of:				
Profit under BOI certificate subject to exempt income tax	(14,061,506)	(14,768,607)	(14,061,506)	(14,768,607)
Expenses not deducted for tax purpose	1,795,336	849,653	1,712,886	762,249
Income not subject to tax and expenses additionally deductible for tax purpose	(1,896,921)	(1,044,446)	(1,258,197)	(1,037,794)
Utilisation of previously unrecognised tax losses	(241,118)	(721,426)	-	-
Difference in overseas tax rate	308,366	(544,966)	-	-
Tax losses of subsidiary for which no deferred income tax asset was recognised	1,012,221	-	-	-
Adjustment in respect of prior year	319,906	724,639	319,906	724,639
Land tax	2,132,050	-	-	-
Income tax	49,177,961	71,012,900	48,983,338	73,497,158

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 2023 and 2022 are as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Basic earnings per share				
Net profit attributable to ordinary shareholders (Baht)	249,870,173	361,577,366	262,367,906	365,586,197
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)	0.38	0.55	0.40	0.56

There are no potential dilutive ordinary shares in issue for during 2023 and 2022.

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 year 2022 at Baht 0.38 per share, totaling Baht 250,205,034.

At the Annual General Meeting No. 1/2022 on 26 April 2022, the shareholders approved the payment of annual dividend from net profit for year 2021 at Baht 0.425 per share, totaling Baht 279,834,578.

32 Related party transactions

32.1) The Company and related parties

As at 31 December 2023, the majority of the Company's shares are held by Hwa Fong Rubber Industries Co., Ltd. by 50.42% (2022: 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

32.2) Transactions with related parties

Transactions with related parties are as follows:

	Consolidated financial statements		Separate financial statements		Pricing policies
	2023 Baht	2022 Baht	2023 Baht	2022 Baht	
Sales of goods and services					
Parent	9,934,862	11,634,242	9,934,862	11,634,242	Market price
Other related parties					
- Subsidiaries of parent	68,749,165	74,627,329	68,749,165	74,627,329	Market price
- Shareholding in parent	78,500,162	100,902,755	78,500,162	100,902,755	Market price
Sales of raw materials					
Parent	300,434	92,574	300,434	92,574	Market price
Purchases of raw materials					
Parent	5,991,196	13,904,592	5,991,196	13,904,592	Market price
Purchases of spare parts and equipment					
Parent	2,259,429	5,490,619	2,259,429	5,490,619	Market price
Purchases of machinery					
Parent	4,199,967	2,328,244	4,199,967	2,328,244	Market price
Other related parties					
- Subsidiaries of parent	18,775,686	1,047,934	18,775,686	1,047,934	Market price
Purchases of merchandise					
Subsidiaries	-	-	212,350	10,450	Market price
Purchases of equity securities					
Other related parties					
- Company under the same chairman	-	98,132,728	-	-	Market price

32 Related party transactions (Cont'd)

32.2) Transactions with related parties (Cont'd)

Transactions with related parties are as follows: (Cont'd)

	Consolidated financial statements		Separate financial statements		Pricing policies
	2023 Baht	2022 Baht	2023 Baht	2022 Baht	
Technical assistance fee					
Parent	27,952,956	32,927,628	27,952,956	32,927,628	Contractual price
Trademark fee					
Parent	20,613,207	22,092,656	20,613,207	22,092,656	Contractual price
Other related parties					
- Shareholding in parent	2,637,151	2,596,706	2,637,151	2,596,706	Contractual price
Other income					
Parent	386,037	-	386,037	-	Market price
Subsidiaries	-	-	163,923	181,381	Contractual price
Other expenses					
Parent	657,770	349,851	657,770	349,851	Market price
Subsidiaries	-	-	33,050	-	Market price
Other related parties					
- Subsidiaries of parent	34,240	-	34,240	-	Market price
- Shareholding in parent	300,918	117,363	300,918	117,363	Market price

As at 1 August 2022, the Company has amended Technical Aid Agreement, calculated by 1.2% of revenue from sales of goods provided technical service from the service provider (parent company) (previous agreement : calculated by 1% of revenue from sales of goods provided technical service from the service provider). The agreement is effective from 1 August 2022 to 31 July 2023 and shall be automatically renewed if there is no written notice of non-renewal or any renewal term. As at 31 December 2023, the agreement is still valid as there is no any written notice exercised.

32.3) Outstanding balances arising from sales and purchases of goods and services

The outstanding balances as at 31 December 2023 and 2022 in relation to transactions with related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Trade accounts receivable				
Parent	1,021,668	1,476,871	1,021,668	1,476,871
Other related parties				
- Subsidiaries of parent	6,050,750	2,228,215	6,050,750	2,228,215
- Shareholding in parent	3,003,871	9,880,899	3,003,871	9,880,899
Total	10,076,289	13,585,985	10,076,289	13,585,985
Other accounts receivable				
Parent	-	119,948	-	119,948
Subsidiaries	-	-	641,610	542,181
Other related parties				
- Indirect subsidiary of parent	17,178,023	17,178,023	17,178,023	17,178,023
Total	17,178,023	17,297,971	17,819,633	17,840,152
Trade accounts payable				
Parent	840,261	957,672	840,261	957,672
Other accounts payable				
Parent	48,206,579	55,472,932	48,206,579	55,472,932
Other related parties				
- Shareholding in parent	1,264,911	1,665,648	1,264,911	1,665,648
Total	49,471,490	57,138,580	49,471,490	57,138,580
Payable on fixed assets				
Parent	3,865,441	1,424,073	3,865,441	1,424,073
Subsidiaries	-	-	35,363	-
Other related parties				
- Subsidiaries of parent	1,869,935	-	1,869,935	-
Total	5,735,376	1,424,073	5,770,739	1,424,073

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	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Salaries and other short-term employee benefits	9,698,393	11,214,950	9,698,393	11,214,950
Post-employment benefits	47,878	41,035	47,878	41,035
Total	9,746,271	11,255,985	9,746,271	11,255,985

33 Bank guarantee

As at 31 December 2023 and 2022, the Group had commitments in respect of bank guarantee issued by the domestic commercial banks as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Electricity usage	3,419,500	3,419,500	3,419,500	3,419,500
Others	8,736,873	8,136,873	8,736,873	8,136,873

34 Commitments

34.1) Capital expenditure commitments

As at 31 December 2023 and 2022, the Group had commitments which are capital expenditure contracted but not recognised as liabilities as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Property, plant and equipment	152,274,009	33,009,253	152,274,009	33,009,253

34 Commitments (Cont'd)**34.2) Expense relating to leases of low-value assets**

As at 31 December 2023 and 2022, the Group had the minimum lease payments under operating leases of copying machine contracts are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Within 1 year	542,700	388,050	542,700	388,050
Later than 1 year but not later than 5 years	1,248,750	218,700	1,248,750	218,700
Total	1,791,450	606,750	1,791,450	606,750

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 2023, the Company received compensation amounting to Baht 8.70 million. However, the compensation remains Baht 36.30 million which is still uncertain. Therefore, the Company has not recognised such contingent assets in the financial statements.

35 Events occurring after the reporting period**35.1) Short-term borrowings**

On 23 January 2024, the Company borrowed short-term loans from commercial banks totaling Baht 15,703,637 in order to make payment for the solar rooftop system according to the purchase agreement by paying the first installment of 10% after receiving an investment promotion certificate for the solar power generation system project.

35.2) Interim dividend payment

At the Board of Directors' meeting no. 1/2024, held on 21 February 2024, it passed a resolution to approve the interim dividend payment of Baht 0.30 per share, totaling Baht 197,530,290. The dividend will be paid to the shareholders on 20 March 2024.

Data authentication

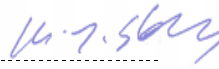
The Company has carefully reviewed the information in this Annual Registration Statement. It is not false. Do not mislead others or lack information that should be communicated in essence. In addition, the Company certifies that:

(1) The financial statements and financial information summarized in the Annual Registration Statement accurately and completely reflect the financial position. Operating results and cash flow of the Company and its subsidiaries

(2) The Company has established a good disclosure system to ensure that the Company has disclosed material information to both the Company and its subsidiaries accurately, and to supervise compliance with such system.

(3) The Company has established a good internal control system and supervised the implementation of such system, and the Company has notified the internal control system assessment information as of December 31, 2023 to the auditor and the Audit Committee of the Company, covering significant deficiencies and changes in the internal control system, including misconduct that may affect the preparation of financial reports of the Company and its subsidiaries

In this regard, as evidence that all documents are the same documents that the Company has authenticated. The Company has assigned Mr. Athisit Worachot to sign this document on every page as well. If any document does not have the signature of Mr. Athisit Worachot The Company shall assume that it is not information that the Company has certified the accuracy of the information mentioned above.

Name	Position	Signature & Seal
.....Mr. Shen Kuo-Jung.....	chairman.....	 



Name	Position	Signature
Attorney	Mr. Athisit Worachote	Secretary of Company
		 

Information of Directors, Management, Controlling Person, and Company Secretary

1. Information of Director, Management, Controlling Person, and Company Secretary

1.1 Information of Director, Management, Controlling Person, and Company Secretary

1.1.1 Board of Directors As of 31st December 2023 Board of Director are as follow:

Name-Last name/Position/ Appointment date	Age	Educational Background	Equity Holding in Company (%)	Relationship between Directors and Executives	Working Experience for Past 5 Years		
					Period	Position	Name of Organization/ Company/Type of Business
1.Mr.Shen,Kuo-Jung Chairman and Managing Director Board authorized To bind the company, according to the affidavit. 22 June 2018	74	-Ph.D.(Business Administration) American International University -Honorary Doctorate Degree(Management) Luoyang University of Technology-The Republic of China - Taiwan	0.258	-	2018 - Present	Chairman	Hwa Fong Rubber Industry Co., Ltd.
					2018 - Present	Chairman	Hwa Fong Rubber (Thailand) PLC.
					2018 - Present	Chairman	HFT Holding Co., Ltd.
					2016 - Present	Advisor	National Policy Office of President of The Republic of China (Taiwan)
					2014 - Present	Chairman	Alliance Association of Industrial Science Park
					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, 8 June 2018 Director Board authorized To bind the company, according to the affidavit. 18 December 2018	48	-B. Sc. (Finance) Arizona State University -United States of America	0.121	-	2018 - Present	Director	Hwa Fong Rubber (Thailand) PLC.
					2015 - Present	Managing Director (Owner)	Thai Bright Bar Co., Ltd
					2010 - Present	Managing Director (Owner)	V G Steel Co., Ltd.

1.1.1 Board of Directors (Continued)

Name-Last name/Position/ Appointment date	Age	Educational Background	Equity Holding in Company (%)	Relationship between Directors and Executives	Working Experience for Past 5 Years		
					Period	Position	Name of Organization/ Company/Type of Business
3.Mr. Chiu, Hsih- Chien Director 22 June 2018	52	-M.S.(Statistics) , National Cheng Kung University- Taiwan	-	-	2019 - Present	Director	Hwa Fong Rubber (Thailand) PLC.
					Present	Vice President	Hwa Fong Rubber Industry Co., Ltd.
					Present	Chief Executive Office	Jian Sin Industrial Co., Ltd.
					Present	Chief Executive Office	Jui Li Enterprise Co., Ltd.
4.Miss Wu, Ping-Yi Director 22 June 2018	33	- Bachelor of Laws Program, National Chung Hsing University -Taiwan	-	-	2019 - Present	Director	Hwa Fong Rubber (Thailand) PLC.
					Present	Director	Hwa Fong Rubber Industry Co., Ltd.
					2016 - 2019	Special Assistant Chief Executive Officer	Jian Sin Industrial Co., Ltd.
5.Mr. Liu Hsing- Hung Director 11 May 2020	64	- Vocational Education, Hsinchu Industrial Vocational College	-	-	2020 - Present	Director	Hwa Fong Rubber (Thailand) PLC.
					2019 - Present	Chairman of Executive Directors	Xingli Development Co. , Ltd.
					2002 - Present	Chairman of Executive Directors	Xiang Qiyan Advertising Co. , Ltd.
					2002 - Present	Chairman of Executive Directors	Xingheli Construction Co. , Ltd.
					1991 - Present	Chairman of Executive Directors	Neo-Vision Advertisement Co., Ltd.

1.1.1 Board of Directors (Continued)

Name-Last name/Position/ Appointment date	Age	Educational Background	Equity Holding in Company (%)	Relationship between Directors and Executives	Working Experience for Past 5 Years		
					Period	Position	Name of Organization/ Company/Type of Business
6.Mr. Yen, Ming Shan Director 11 August 2012	83	- EMBA, National Changhua University of Education - Voc. Cert.- Taiwan	0.307	-	2012 - Present	Director	Hwa Fong Rubber (Thailand) PLC.
					2012 - Present	Director	Taiwan Rubber and Elastomer Industry Association Co., Ltd.
					2012 - Present	Director	Taiwan Rubber Research and Testing Center
					2012 - Present	Director	Taiwan Provincial Industry Association
					2011 - Present	Director	Hwa Fong Rubber Industry Co., Ltd.
					2009 - Present	Chairman	Shenda Investment
					2003 - Present	Director	Hwa Fong Rubber (Suzhou)
					1993 - Present	Director	Hwa Fong Rubber (China)
7. Mr. Yen Yu Shian Director 23.April 2022	50	-IMBA, Business Administration State Universities National Changhua University of Education Taiwan	1.187	-	1992 - Present	Director	Hwa Fong USA Duro Tire and Wheel Co., Ltd.
					2022 - Present	Director	Hwa Fong Rubber Company (Thailand) Public Company Limited
					2019 - Present	General Manager	Siangrui Construction Co., Ltd
					2018 - Present	General Manager	Miji Construction Co., Ltd. limit
					2018 - Present	General Manager	Xu-Fu Corporate Communities Co.,Ltd
					2012 – Present	Director	SU LON INDUSTRIAL CO.,LTD
					1994 – Present	General Manager	Hsin-Tai Hardware & Electricity Materialand Co.,Ltd

Attachment 1 (continued)

1.1.1 Board of Directors (Continued)

Name-Last name/Position/ Appointment date	Age	Educational Background	Equity Holding in Company (%)	Relationship between Directors and Executives	Working Experience for Past 5 Years		
					Period	Position	Name of Organization/ Company/Type of Business
8. Mr. Yen, Chih- Che Director 21 April 2017	47	- Architectural Engineering department Cheng Shiu University Bachelor of Business Administration DAYEH University -The Republic of China (Taiwan)	1.226	-	2017 - Present 2007 - Present	Director Chairman	Hwa Fong Rubber (Thailand) PLC. Sin-Jian-Hua Hydropower materials Co., Ltd.
9. Mr. Hsio, Chin- Lung Independent Director/ Chairman of The Audit Committee 6 August 2561	52	- MBE, Economic Institute of Chinese Culture University	-	-	2018 - Present 2007 - Present	Independent Director/ Chairman of The Audit Committee Finance Senior Manager	Hwa Fong Rubber (Thailand) PLC. Far Eastern International Bank, Taiwan.
10. Mrs. Syuan Wen Independent Director/ The Audit Committee 6 August 2561	73	Accounting, Saint Louis College- United Kingdom	-	-	2018 - Present 2018 - Present 2015 - Present 1996 - Present	Independent Director/ Chairman of The Audit Committee Director Overseas Coordinator Director	Hwa Fong Rubber (Thailand) PLC. Placetin International Group Eagles Air & Sea (Thailand) Co., Ltd. 9999 International Co., Ltd.

Attachment 1 (continued)

1.1.1 Board of Directors (Continued)

Name-Last name/Position/ Appointment date	Age	Educational Background	Equity Holding in Company (%)	Relationship between Directors and Executives	Working Experience for Past 5 Years		
					Period	Position	Name of Organization/ Company/Type of Business
11. Monsiam Sinworaphan Independent Director/ The Audit Committee 6 August 2018	51	-B.BA (International business), Siam University -Bachelor of Laws, Ramkhamhaeng University	-	-	2017 - Present 2005 - Present 2017 - Present	Independent Director/ Chairman of The Audit Committee Legal Advisor Legal Advisor	Hwa Fong Rubber (Thailand) PLC. Applied DB Plc. Savemor International Co., Ltd.
12. Mr. Lin, Cheng- Yung Independent Director/ The Audit Committee 11 May 2020	51	- Chiao Tai High School	0.468	-	2020 - Present 2006 - Present	Independent Director/ Chairman of The Audit Committee Chairman of The Board	Hwa Fong Rubber (Thailand) PLC. Sheng Hua Manpower Resource Enterprise CO.,Ltd,

Attachment 1 (continued)

1.1.2 Information of Management, Controlling Preson, and Company Secretary

Name-Last name/Position/ Appointment date	Age	Educational Background	Equity Holding in Company (%)	Relationship between Directors and Executives	Working Experience for Past 5 Years		
					Period	Position	Name of Organization/ Company/Type of Business
1. Mr.Shen,Kuo-Jung Managing Director and Control Authority	74	- Ph.D. (Business Administration) American International University -Honorary Doctorate Degree(Management) Luoyang University of Technology-The Republic of China - Taiwan	0.258	-	2018 - Present	Chairman	Hwa Fong Rubber Industry Co., Ltd.
					2018 - Present	Chairman	Hwa Fong Rubber (Thailand) PLC.
					2018 - Present	Chairman	HFT Holding Co., Ltd.
					2016 - Present	Advisor	National Policy Office of President of The Republic of China (Taiwan)
					2014 - Present	Chairman	Alliance Association of Industrial Science Park
					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 Manager	48	-B. Sc. (Finance) Arizona State University -United States of America	0.121	-	2018 - Present	Director	Hwa Fong Rubber (Thailand) PLC.
					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, controlling persons and company secretaries as follows:

Name-Last name/Position/ Appointment date	Age	Educational Background	Equity Holding in Company (%)	Relationship between Directors and Executives	Working Experience for Past 5 Years		
					Period	Position	Name of Organization/ Company/Type of Business
4. Ms. Radatorn Tanaasawapol Financial and Accounting Manager 22.August.2022 24.November.2022	59	Bachelor Degree (Marketing) Ramkhamhaeng University - Financial instrument impairment provision (TFRS9) - CFO Refresher Class 3/2022 "Sustainable Business Practices (ESG) Issues Related to Operational Strategy Disclosure of Information and Financial Reports of Listed Companies"	0.000076	-	2005 - Present	Financial and Accounting Manager	Hwa Fong Rubber (Thailand) PLC.

Company Secretary

Name-Last name/Position/ Appointment date	Age	Educational Background	Equity Holding in Company (%)	Relationship between Directors and Executives	Working Experience for Past 5 Years		
					Period	Position	Name of Organization/ Company/Type of Business
5.Mr. Athisit Worachote Secretary of company 13 May 2010	59	- Bachelor Degree (Laws), Ramkhamhaeng University - Diploma (Secretary of company) 37/2553 -Diploma of "Effective Warehouse Management" -Diploma of "Section 11/1 of the new labour law"	0.000228	-	2010 - Present	Secretary of company	Hwa Fong Rubber (Thailand) PLC.
					2003 - Present	Presidential office Manager	Hwa Fong Rubber (Thailand) PLC.

1.2 Duties and Responsibilities of the Company Secretary

1.2.1 Appointment of Company Secretary

Appointment of Company Secretary at the discretion of the Board of Directors in the selection of qualified persons to perform such duties; The Board of Directors Meeting No.3/2010, held on May 13, 2010, resolved to appoint Mr. Atisit Worachote to be the Company's secretary. which shall come into force from May 13, 2010 onwards to the present

1.2.2 Qualifications of the Company Secretary

- Knowledge and understanding of the Company's business, including the roles and duties related to the Company's secretary work and have knowledge of the law on public limited companies Law on Securities and Exchange and related regulations as well as to study for knowledge and follow the news to improve the performance on a regular basis
- Perform duties in accordance with the law, rules and regulations of the Company, with responsibility, carefulness, honesty, determination, dedication and support to the Company's operations achieve the objective under the principles of good corporate governance and business ethics
- Adhere to morality and ethics, taking into account all stakeholders, no action which will cause a detrimental effect on reputation and the image of the company
- Not aiming for personal gain from the Company's business opportunities as well as maintaining the Company's confidentiality.
- Good human relations Have the ability to coordinate with departments and agencies both inside and outside the Company.

1.2.3 Scope of Authority of the Company Secretary

- Ensure that the Company Secretary agency is the information center of the organization, such as the registration of juristic persons, memorandums, regulations and licenses.
- Provide basic advice to directors in legal matters. The company's regulations and regulations that the Board of Directors must know and monitor to be properly and consistently followed, including reporting significant changes in legal requirements to directors.
- Organize a shareholders' meeting, and meeting of the Board of Directors in accordance with the law Articles of Association and Code of Conduct
- Record minutes of the Shareholders' Meeting and The Board of Directors' meeting, as well as monitor the compliance with the resolutions of the Shareholders' Meeting and the Board of Directors' meeting.
- Prepare and maintain the directors' register Annual Report of the Company Letter of Shareholders' Meeting Letter of Appointment of the Board of Directors minutes
- Maintain the report of interests reported by directors and executives, and prepare copies to the Chairman and Chairman of the Audit Committee within 7 business days from the date of receipt of the report.
- Ensure the disclosure of information and information reports in respect of responsibility to the agencies that direct the company in accordance with the regulations and regulations of the official authorities.
- Contact and communicate with general shareholders to acknowledge the rights of shareholders and the company's news.

1.3 Information of Director, Management, Controlling Preson, and Company Secretary of the subsidiaries .

HFT Holding Co.,Ltd.

Name-Last name/Position/ Appointment date	Age	Educational Background	Equity Holding in Company (%)	Relationship between Directors and Executives	Working Experience for Past 5 Years		
					Period	Position	Name of Organization/ Company/Type of Business
1.Mr.Shen,Kuo-Jung Chairman and Managing Director Board authorized To bind the company, according to the affidavit. 22 June 2018	74	-Ph.D.(Business Administration) American International University -Honorary Doctorate Degree(Management) Luoyang University of Technology-The Republic of China - Taiwan	0.258	-	2018 - Present	Chairman	Hwa Fong Rubber Industry Co., Ltd.
					2018 - Present	Chairman	Hwa Fong Rubber (Thailand) PLC.
					2018 - Present	Chairman	HFT Holding Co., Ltd.
					2016 - Present	Advisor	National Policy Office of President of The Republic of China (Taiwan)
					2014 - Present	Chairman	Alliance Association of Industrial Science Park
					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	48	-B. Sc. (Finance) Arizona State University -United States of America	0.121	-	2018 - Present	Director	Hwa Fong Rubber (Thailand) PLC.
					2015 - Present	Managing Director (Owner)	Thai Bright Bar Co., Ltd
					2010 - Present	Managing Director (Owner)	V G Steel Co., Ltd.

2. Table showing information of executives and persons with controlling power who hold positions as directors or executives in subsidiaries, associated companies or related companies as of December 31, 2023 as follows:

list of companies	Company	Parent Company	Subsidiary	
Name	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,Kuo-Jung	X	X	X	
2. Mr. Chiu,Hsih-Chien	/	/		
3. Miss. 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 Sinworapun	/			
11.Mrs. Syuan Wen	/			
12.Mr. Lin,Cheng-Yung	/			
13. Mr.Lin, Wen-Cheng				X

Remark X = Chairman // = Executive Director / = Director

Details of the directors of subsidiaries

Table showing the names of directors of subsidiaries as of December 31, 2023 are as follows:

List of Subsidiaries List of Directors	HFT Holding Co., Ltd	HFI PT. Hwa Fong Rubber (Indonesia)
MR. SHEN, KUO – JUNG	X	
MR. CHUANG, CHIH-YAO	//	
MR. LIN, WEN - CHENG		X

Remark

1. X = Chairman // = Executive Director / = Director
2. Subsidiary means a significant subsidiary for example, having revenue more than 10% of total revenue according to the consolidated income statement of the latest fiscal year

Details of the Heads of the Internal Audit and Compliance Units**Head of Internal Audit**

Name : Ms. Pailin Amornkul

Position : Supervisor of Internal Audit Department

Birthday: November 4, 1977

Education : Bachelor's degree from Sukhothai Thammathirat Open University Management Science

Training

- Issuing Reports on Related Juristic Persons by the Revenue Department.
- Data Analysis with 5 Gen & Why Why Analysis course by Asia Training Center Co., Ltd.
- Internal Control System Audit Techniques ISO 9001 : 2008 (IQA) by Asia Training Center Co., Ltd.
- Continuous improvement activities with Kaizen course by Asia Training Center Co., Ltd.
- Effective Ordering, Delegation and Task Control course by IBS Consultants.
- AC Forum Vol.13 Internal Audit : Tool of Audit Committee by KPMG Cutting through complexity.
- Smart Use EQ and Work Efficiently course by Asia Training Center Co., Ltd.
- Safety Officers at Work Supervisor Level course by One Stop HR Company Limited.
- Techniques of using 7 types of QC tools (QC 7 Tools) course by Asia Training Center Co., Ltd.
- 5S Pathways to Organizational Quality System Development course by Asia Training Center Co., Ltd.
- Basic QCC course by NAQS Co.,Ltd.
- Internal Auditing Practice Course 1, Class 46 by the Federation of Accounting Professions under royal patronage.
- Motivation and Consciousness in Performance course by Asia Training Center Co., Ltd.
- Corruption Prevention in Organizations, Class 10 course by the Federation of Accounting Professions under royal patronage.
- Course on Key Mechanisms for Governance and Creating Business Value.
- Motivation and Consciousness at Work with 5Q course by IQS Management Co., Ltd.
- Management Safety Officer course by Trainer in Thai Co., Ltd.
- Risks Management of QMS course by Asia Training Center Co., Ltd.
- IATF16949:2016 Standard course by Asia Training Center Co., Ltd.
- Course "Systematic Audit, Class 5 by Professional International Audit Service Company Limited.
- Requirements and Applications of ISO 45001:2018 course by Bismar International Co., Ltd.
- Teaching Strategies and Building a Mentor System course by a comprehensive personnel development station.

work experience

2014 - present	Supervisor of Internal Audit Department	Hwa Fong Rubber (Thailand) Public Company Limited
2013 - 2014	Vice supervisor of Internal Audit Department	Hwa Fong Rubber (Thailand) Public Company Limited
2011 - 2013	Leader of Internal Audit Department	Hwa Fong Rubber (Thailand) Public Company Limited
2008 - 2011	Vice leader 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 (QA) Officer	Hwa Fong Rubber (Thailand) Public Company Limited

Current position as Director or Management in other organization (Listed companies)

-None-

Current position as Director or Management in other organization (Non-listed companies)

-None-

Shareholding in HFT (as of 31 December 2023)

- own (none)

- Spouse/underage child (none)

Relationship between Directors and Executive

-None-

Assets for business undertaking and details of asset appraisal

The company's main assets as of December 31, 2023 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 2022))	The company owns the freehold.	206.98	without
4 Units of Suit rooms in 2places	The company owns the freehold.	7.34	without
Buildings Located on the same land as the factory area.	The company owns the freehold.	492.18	without
Machinery & Equipment	The company owns the freehold.	626.02	without
Office Furnishings & Supplies	The company owns the freehold.	4.60	without
Vehicle	The company owns the freehold.	8.76	without
Assets under construction and Machines in process	The company owns the freehold.	96.54	without

The main assets of subsidiaries as of 31 December 2023 are as follows:

Property Type/Characteristics	Proprietary characteristics	Accounting value (MB)	Encumbrances
Land in Indonesia It has an area of 80,729 square meters (in 2023, the subsidiary has sold 1 plot of land, while the other 1 plot has not been used for operation).	The subsidiary owns the ownership.	145.93	without

Report of the Audit Committee Report

Dear HFT's Shareholders:

The Audit Committee of Hwa Fong Rubber (Thailand) Public Company Limited (the "Company") consists of four independent directors.

Committee member

MR. HSIAO, CHIN-LUNG (Chairman)

MR. MONSIAM SINWORAPUN

MR. LIN, CHENG-YUNG

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.

In addition, in order to perform the duties of the Audit Committee, review and consult with the management. To monitor the effectiveness of internal control policies and procedures, covering financial reports, compliance with company regulations and laws, and matters related to implementation

In order to perform the duties of the Audit Committee. The Committee reviewed and consulted with the management to examine the effectiveness of Hua Fong Rubber (Thailand) Public Company Limited's policies and internal control procedures regarding financial reports. Compliance and Operations

The company's performance in the past year may be affected by market changes. The Board of Directors regularly meets and mitigates to mitigate risks. Risk Management of Hang Fong Rubber (Thailand) Public Company Limited Be effective enough with internal policies and strategies.

Based on the examination of the reports mentioned within the above. Financial Report by Auditors from Pricewaterhouse Coopers ABAS Ltd. We, the Audit Committee, performed its duties perfectly and efficiently.



(Mr. Hsiao, Chin-Lung)

Chairman of the Audit Committee



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อ.เมือง จ.สมุทรปราการ 10280
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