



# Annual Registration Statement / Annual Report **2023** (56-1 One Report)

Polynet Public Company Limited





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# Message of the Board of Directors



**“ The company maintains a positive outlook and places importance on ESG matters. Therefore, we are taking serious actions to reduce greenhouse gas emissions (GHG) and move towards clean energy.”**

"Polynet" aims to become a sustainable organization by conscientiously considering economic, social, and environmental factors. By considering these factors in our analysis, selection, and management, we aim to create balanced opportunities for Polynet business. Regarding the environment, the factors considered include climate change. Efforts to reduce carbon dioxide emissions or other pollutants. In terms of social aspects, we focus on considering human rights, labor safety and health standards, as well as community relations. Meanwhile, in terms of governance, we emphasize overseeing business operations to ensure transparency, implementing inspection mechanisms, and balancing risk management. Additionally, we operate strictly in compliance with various regulations and rules.

On behalf of Polynet Public Company Limited, I would like to express my sincere gratitude for the support from all stakeholders. I firmly believe that our dedication and collaboration drive business forward with a responsibility towards stakeholders, considering the environment, social responsibility, and adhering to corporate governance principles. Key factors and abilities to create business opportunities and adapt to global trends in order to build the resilience and sustainable growth of Polynet business.

**Mr. Chaiyaporn Nitaswarakul**  
**Chairman of the Board of Director**

# Message of Chief Executive Officer



**"I am confident that the company will continue to expand steadily and I hope that the company will receive strong support from all shareholders as it did in the past year."**

In the past year, which is 2023, the economy gradually recovered from the impact of the COVID-19 pandemic. This resulted in a clearer and steady growth in the automotive industry. Our company expanded its business into the growing industry of medical tools and equipment, focusing on sustainable development policies under good corporate governance and elevating the sustainability strategy department to align with the increasingly challenging context. Moreover, promoting participation from all parts and enhancing communication to raise employee awareness of ESG concepts have been prioritized to drive towards sustainability goals and prepare for potential impacts, whether economic, social, or environmental. In the past year, the company placed greater importance on environmental management, with managers and employees working together to support environmental conservation and energy initiatives, such as the installation of solar panels.

On behalf of the company's board of directors and management, we would like to express our heartfelt gratitude to our shareholders, investors, business partners, customers, government agencies, and all stakeholders who have continuously shown confidence and supported our company. We also extend our thanks to our executives and employees who have worked diligently and collaboratively to navigate through challenging times together. With confidence, we affirm our commitment to continue operating the company with good corporate governance principles, aiming to maximize benefits for shareholders and stakeholders alike. We are dedicated to ensuring the company's strength and sustainable growth moving forward.

**Mrs. Kanchana Laowrattana**  
**Chief Executive Officer**

## Vision

We are an innovative company, continuously developing and improving our manufacturing techniques to create quality products at a fair price. Our commitment is to become one of the top three manufacturing companies in the fields.

## Mission



To uphold high quality standards in every process to ensure the best quality products.



To create robust systems that allow our employees to excel in their work.



To develop innovation and consolidate the management system to provide quality products that meet the needs of our consumers.

## Company's General Information

Company's Name	POLYNET PUBLIC COMPANY LIMITED ("POLY")
Company's Registration	0107565000212
Business Type	Molding, manufacturing, and distributing products related to rubber, plastic, and silicone mold for the automotive industry, tools, and medical devices and goods.
Head Office and Plant 1	888 Moo 11, Bangsaotong, Bangsaotong, Samutprakan 10570
Plant 2	124 Moo 4, Bangsaotong, Bangsaotong, Samutprakan 10570
Telephone	0-2397-9094
Website	<a href="http://www.polynet.co.th">www.polynet.co.th</a>
Registered Capital	450,000,000 Baht
Paid-up Capital	450,000,000 Baht
The par value of each share	1 Baht
References	<p><b>Securities Registrar</b>            Thailand Securities Depository Co., Ltd.            No. 93, 14<sup>th</sup> Floor, Ratchadapisek Road,            Din Daeng, Bangkok 10400            Telephone: 0-2009-9999</p> <p><b>The Auditor</b>            PricewaterhouseCoopers ABAS Co., Ltd.            179/74-80 Floor 15<sup>th</sup> Bangkok City Building,            South Sathorn Road, Tungmahamek, Sathorn,            Bangkok 10120            Telephone: 0-2844-1000            Fax: 0-2264-0789</p>



# Financial Highlights

## Statement of financial position

Unit: Million Baht

Statement of financial position	2021	2022	2023
Total Assets	1,134.9	1,692.9	1,565.9
Total Liabilities	547.7	489.6	264.0
Total Equity	587.2	1,203.3	1,301.9

## Operation results

Unit: Million Baht

Operation results	2021	2022	2023
Revenue from sales	786.1	1,082.3	961.3
Cost of goods sold	563.8	813.0	729.3
Gross profit	222.3	269.2	232.1
Selling expenses	12.9	13.8	15.4
Administration expenses	56.5	64.3	62.8
Net profit	120.9	161.7	175.1
Basic EPS	0.37	0.47	0.39

## Financial ratios

Unit: Million Baht

Significant financial ratio	2021	2022	2023
Gross profit margin	28.3%	24.9%	24.1%
Net profit margin	15.4%	14.9%	18.2%
Debt per equity ratio	0.92	0.4	0.2%
ROA	11.6%	11.4%	11.2%
ROE	23.0%	18.1%	13.4%
Current ratio	0.8	2.8	3.5



# **PART 1**

## **BUSINESS OPERATION AND PERFORMANCE**

# Organizational structure and operation of the group of companies

## Policy and Overview of Business Operation

Polynet Public Company Limited (“Company” or “POLY”) was established on June 28, 1999 by Mr.Srichai and Mrs.Kanchana Laworattana, to produce and sell molds for the rubber industry. In 2011, the company saw the growth opportunity of rapid growth molding business. Therefore, They have become the manufacturer and distributor of rubber and plastic molding in automotive parts. The main customers are Thai automotive parts manufacturers. In the past 20 years, the company has an expertise and a good understanding of the auto parts industry to reduce the risk of fluctuations in the automotive industry. Moreover, the management’s vision is to enter other industries with high growth prospects. In 2019, the company expanded its rubber parts, plastic, and silicone molding for medical equipment and rubber, plastic, and silicone molding for consumer goods responding to the trend of people who love health and saving the world.

The company has passed several quality and management standards certifications to build customer and consumer confidence in the products, such as: ISO9001 quality management system standard, ATF16949 automobile industry quality management system certification, and BSI ISO 13485 Medical device quality management system certification, etc. In addition, the company attaches importance to environmental protection. ISO14001 environmental management system standard and ISO 14064-1 greenhouse gas measurement and reporting standard certification build consumer confidence that all processes have passed the greenhouse gas emission assessment test.

At present, the company produces and sells rubber, plastic, and silicon molding products, which can be divided into the following industries:

1. **Automotive parts industry**, such as rubber air hose, dust rubber, shockproof rubber, wire hose, glass edge rubber, etc.
2. **Medical devices industry**, such as silicone sleeves, silicone valves, silicone tubes, respirators, nasal intubation, sperm conductors, oxygen masks, sanitary cups, surgical medical equipment parts, etc.
3. **Consumer products industry**, such as food silicone bags, packaging rubber seals, and electrical components (such as Silicone Cap Heaters, Steam drain rubber for rice cookers, etc.

## Vision Mission Strategy

### Vision

We are an innovative company, continuously developing and improving our manufacturing techniques to create quality products at a fair price. Our commitment is to become one of the top three manufacturing companies in the fields.

### Mission

- To uphold high quality standards in every process to ensure the best quality products.
- To create robust systems that allow our employees to excel in their work.
- To develop innovation and consolidate the management system to provide quality products that meet the needs of our consumers.

## Objectives and strategies

### Business strategy

The company provides a one-stop service from mold design, and formula development to molding. Our goal is to meet all the needs of customers to diversify the risk of relying on the income of specific industries, the company expands its business to other growing industries and has a high demand for products in this industry. Therefore, the company began to expand its business and manufacture molded products for the medical device and consumer goods industry. Consumption. The goal is to expand the income ratio of the two industries to match the income ratio of the automotive industry.

### Production strategy

The company focuses on the production of various products, including rubber, plastic, silicone resin, and sponge, including the integrity of injection molding, compression, and extrusion technology. The size of the (extrusion) machine varies from 50 tons in small size to 650 tons. In addition, the company is committed to developing a product design and patented production formulas for copyright, including the use of automation technology in production to improve speed and efficiency.

### Human resources strategy

The company supports and drives the organization of learning by establishing a learning center to be a center for training basic knowledge that is necessary for employees from starting to work and during work by determining the knowledge and skills of personnel that is necessary for work. In this regard, employees will develop through internal and external training and other non-training methods, such as conducting effective training, guidance or self-study according to the training roadmap of each employee, and annual training plan, including providing facilities in various fields to promote a good working environment for employees, such as canteen, parking lot and entertainment area (such as football field, fitness room, and snooker table)

The company focuses on proactive work and selects talents in the organization by selecting tools. The main tool is to measure the past performance of employees to assess their potential and the appropriateness of their current positions. Potential employees will be selected as representatives or successors of senior management, including increasing external recruitment from outside.

## Major Changes and Developments

●	<b>1999</b>	Established with a registered capital of THB 1,000,000 for the production and sale of molds for the rubber industry.
●	<b>2001</b>	The registered capital was increased to THB 5,000,000 offering to existing shareholders.
	<b>2008</b>	The registered capital was increased to THB 30,000,000 offering to existing shareholders.
●	<b>2009</b>	<ul style="list-style-type: none"><li>• Began to expand mold making factory.</li><li>• Built the new factory covers an area of 840 square meters, located in Bangsaotong District, Samutprakan. (Plant 1)</li><li>• ISO 9001 quality management system certification</li></ul>
●	<b>2010</b>	Transformed core business into rubber and plastic molding in the automotive industry. IATF16949 Automotive Industry Quality Management System Certification
●	<b>2011</b>	Built and installed machinery for mixing rubber compounds, which are raw materials for automotive manufacturing and molding
●	<b>2012</b>	The registered capital was increased to THB 200,000,000 offering to existing shareholders.
●	<b>2015</b>	Obtained ISO 14000 environmental management certification
●	<b>2017</b>	<ul style="list-style-type: none"><li>• June: increase the registered capital to THB 330,000,000 offering to existing shareholders.</li><li>• October: Entire business transfers from Hi-Tech Elastomer Co., Ltd. Under common control (The main shareholders are: Mr. Srichai and Mrs. Kanchana) to POLY. The main assets were factories and machines, located in Bangsaotong District, Samutprakan (Plant 2)</li></ul>
●	<b>2018</b>	ISO 13485 quality management system for the medical device industry certification. Bought additional adjacent land to prepare for the construction of additional production buildings.
●	<b>2019</b>	March: Clean room and Control room were built to support production, increasing medical equipment and consumer goods demand The second quarter: Began to produce medical equipment parts and consumer goods in both types, silicone and plastic

●	<b>2020</b>	The company became the First Tier of an automotive manufacturer by directly producing parts for car maker companies. At that time, it is still in the early stage, so this part of revenue is not large.
●	<b>2021</b>	Purchased additional land in Plant 1 to prepare for the construction of POLY's mold making factory. Move all molds and mold production parts out of the production area of plant 1 for distribution for the new production line to meet the growing customer demand
●	<b>2022</b>	<ul style="list-style-type: none"> <li>• February: passed ISO14064-1 quality inspection and Greenhouse gases report</li> <li>• March: (1) Transformed to a public company limited (2) Increase the registered capital to THB 450,000,000 with a par value of THB 1 per share. (3) Dividend payment in a total amount of THB 234,135,000</li> <li>• November: listed on the Stock Exchange of Thailand on November 16, 2022</li> <li>• As of December 31, 2022, the registered and paid-up capital of the company was THB 450,000,000 The Laowrattana family holds 78.44% of the shares, and the rest 21.56% is held by the public domestically and internationally.</li> </ul>
●	<b>2023</b>	<ul style="list-style-type: none"> <li>• September: Polynet Public Company Limited signed a Memorandum of Agreement (MOA) with Assoc. Prof. Rangsun Rangsiman, Director of the Medical Innovation and Entrepreneurship Center, Faculty of Medicine, Chulalongkorn University, to collaborate on research and development of PEG products for enteral nutrition.</li> <li>• October: Ms. Kanchana Laowrattana was selected as the "Outstanding Personality of the Year 2023" in the automotive industry sector by the Foundation for the Promotion of Science and Technology under the Patronage of His Majesty the King (FSTT).</li> <li>• November: Polynet Public Company Limited received a 5-star rating, or "Excellent," for corporate governance evaluation from the Thai Institute of Directors Association (IOD), supported by the Stock Exchange of Thailand (SET).</li> <li>• As of December 31, 2023, the registered and paid-up capital of the company was THB 450,000,000 The Laowrattana family holds 78.56 % of the shares, and the rest 21.44% is held by the public domestically and internationally.</li> </ul>

The company issued 120 million new common shares (IPO) for the first time from November 9<sup>th</sup> to 11<sup>th</sup> in 2022. Each share will be 6.80 Baht, with a total capital increase of about 785.1 million baht. After deducting the expenses related to the issuance of new shares, as of December 31, 2023.

Expenses Objectives	The expenses expected to be spent by purpose	Amount spent until December 31, 2023	Remaining
To repay the loan from financial institutions that are not related to that financial advisor and/or manager of distribution and sales insurance	480.0	480.0	-
To be used as working capital in business operations	210.0	210.0	-
To be used for investment in expansion projects factory and additional investment in machinery	95.1	95.1	-
<b>Total</b>	<b>785.1</b>	<b>785.1</b>	<b>-</b>

## Business Operation Characteristic

Original equipment manufacturers (OEMs), and sell rubber, plastic, and silicone molding according to customer needs that are 3 main industries: automotive, medical devices and consumer products which the company has knowledge and expertise in molding products well from the design and manufacture of molds, invention, research and development of raw material formulas as well as molding workpieces into products.

## Revenue structure

As of December 31, 2021, to the fiscal year 2023, the company's main revenue structure is classified by customer industry, and is summarized as follows:

Industry income	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Sales revenue</b>						
Automotive	484.0	61.5%	559.2	51.6%	630.9	64.7%
Consumer Products	198.2	25.2%	394.6	36.4%	200.1	20.5%
Medical Devices and Equipment	103.9	13.2%	128.5	11.9%	130.4	13.4%
Total sales revenue	786.1	99.9%	1,082.3	99.9%	961.4	98.5%
Other income <sup>1</sup>	1.0	0.1%	1.4	0.1%	14.4	1.5%
<b>Total revenue</b>	<b>787.1</b>	<b>100.0%</b>	<b>1,083.7</b>	<b>100.0%</b>	<b>975.8</b>	<b>100.0%</b>

<sup>1</sup> Other income includes waste sales income and interest income. Most of the company's revenue (more than 90% of its total revenue) comes from domestic sales, and the main overseas revenue comes from the United States.

## Product and service information

### Product characteristics

The company produces rubber, plastic, and silicone molding products according to customer requirements. The company's main customer groups include three industries: automotive, medical equipment, and consumer products. The details of products by industry are as follows:

### Automotive Industry

The auto parts produced by the company can be divided into two categories: internal parts and external parts. The 2 parts of the product life cycle are different according to the change in external components. According to the exterior part appearance change, it should be replaced every 4-5 years, while the internal components of the engine should be replaced every 10 years according to the changes of new models. The maximum sales volume will be between 2-5 years after 10 years. The release and sales of new models will gradually decline until the next model is released 10 years after the release of new models. These cars will become obsolete, and these auto parts will be produced to replace 10 replacement parts.



Most companies are OEMs (original equipment manufacturers). The product parts include rubber parts, plastic and silicone resins, depending on each type of application, which required different molding material properties, such as oil resistance, water resistance and heat resistance, etc. The parts currently produced by the company include automotive parts in the following systems:


- Safety systems, such as airbag cover, harness and silicone valve.
- Heating, cooling and ventilation system components, including air filter
- Engine components, including air delivery joint
- Vibration systems, such as dustproof rubber, stable rubber, ductile iron and shaft sleeve.
- Braking system: rubber dust brake
- Exhaust system, including exhaust hanger
- Bumper, fender and rubber cover, such as conduit, rubber pad, door and fender.



## Medical Devices and Equipment Industries

According to the development of new products, the product life cycle of medical equipment components is usually 15-20 years. The development of each medical device and equipment takes a long time to produce and develop when new technology replaces the original products. The medical equipment, produced by the company is composed of silicone resin and plastic components. Our components include silicone sleeve, silicone valve, silicone hose and breathing hose, nasal intubation, sperm conductor, oxygen mask, sanitary cup and medical equipment parts for various operations

### Sample of silicone part

Breathe Pillow Entrainment interface (Elastomeric Pump)	Oxygen Generator
 <ul style="list-style-type: none"> <li>• Silicone valve</li> <li>• Silicone sleeve</li> </ul> <p>Source: Bbraun</p>	<ul style="list-style-type: none"> <li>• Silicone breathing tube</li> </ul>  <ul style="list-style-type: none"> <li>• Nasal pillow</li> </ul>
Sperm guide to enhancing fertility opportunities	The Menstrual Cup for menstruation
	

### Sample of plastic part



Syringe locks (Q-FLO, Q-LOCK) to reduce the risk of direct contact with drugs.



**Consumer Products Industry**

The consumer parts, produced by the company include rubber, silicone and plastic parts, such as rubber on the surface of basketball and packaging rubber seals, bulb rubber seals, silicone food bags, the steam drain of a rice cooker, tea strainer, bottle cover and food box cover, etc. Generally, the product life cycle of consumer product parts is about 10 years.

Sample of Rubber part

Basketball surface rubber seal	Packaging rubber seal
	

Sample of Silicone part

Silicone food pouches	
	

Sample of Plastic part

Tea Strainer


## About products and services

### Customer Acquisition Strategy

The company believes that maintaining product standards will bring confidence to existing customers, leading to the mutual recommendations. There are many new customers from this way. In addition, the company continues to carry out marketing through domestic and foreign exhibitions to show our ability in product molding.

### Customer Relationship Strategy

Since the company's business is business-to-business (B2B), the company focuses on maintaining relationships with customers. The company provides a lounge for each customer and provides consulting and innovation space. We also develop products together with the company's research team and engineers, and believe that we can fully meet the needs of customers in terms of quality value, punctual delivery and good service which will enable customers to have confidence and trust in the company, and regard the company as the primary task. Therefore, there is an opportunity to produce various products and grow steadily from the existing customer base

### Product Development Strategy

The company has many years of professional knowledge in the automotive industry and is equipped with a team of mold design engineers, raw material formula team and a molding design engineer team. The company opens for joint ventures with small enterprises (start-ups) with high potential for product research and development to improve the potential of developing products to meet the needs of the company's customers, not limited to customers in the automotive industry, consumer goods and medical equipment industry. The company is also committed to developing products to meet the needs of customers in the industry who want to use rubber and silicon parts with high growth trends, such as electricity and energy.

### Pricing Strategy

The company implements a cost-plus pricing strategy based on the unit cost of raw material consumption and labor costs, the production time, packaging and transportation costs. They will be taken into account the sales price, gross profit rate and order quantity. The company will send the details of raw materials, production methods and unit prices to the customer before approving the production order of the automotive customer. The company and customers will consider the product price every 3 months to meet the current price of raw materials. For medical equipment and consumer product customers, when the price of raw materials rises, the customer will be notified 1 month before the unit price adjustment.

## Customer Characteristics and Target Customers

The company is an OEM contractor, and more than 90% of its customers are Thai companies. Each customer group has different product use modes, as shown below:

Customer Group	Product Use Mode
<b>1. Automotive industry</b>	
Automotive companies	automotive companies assemble the parts produced by the company into cars for sale to the end users.
Automotive part manufacturer Tier-1	an auto parts manufacturer Tier-1 assembles the parts produced by the company into another auto part to deliver them to another automotive company.
Automotive part manufacturer Tier-2	an auto parts manufacturer Tier-2 assembles the parts produced by the company into auto parts and delivers them to the manufacturer Tier 1
<b>2. Medical device and equipment industry</b>	
Medical equipment manufacturing and distribution company	medical equipment manufacturing company imports silicone parts or plastic molding from the company to assemble them into a medical device, such as a silicone sleeve, for assembling into a blood vessel solution control device (Elastomeric Pump), etc., focusing on innovative companies or start-ups that focus on producing innovative products. This will help the system improve the quality of life of patients and improve the efficiency and accuracy of treatment.
The company sells medical equipment	the company sells medical equipment directly sells molded products to consumers, such as infertility sperm guides, etc.
<b>3. Consumer Products Industry</b>	
The company produces and sells consumer products	the company uses its rubber, silicone or plastic molded parts to assemble electrical appliances, packaging boxes and other products
The company sells consumer good	the company directly sells its molded product to consumers, such as silicone food bags (Silicone Pouch), etc.

Remark: POLY's main customers in the automotive industry are the first-tier auto parts manufacturers. In the medical device industry and consumer product industry, the customer group is distributed between manufacturing and distribution companies and distribution companies.

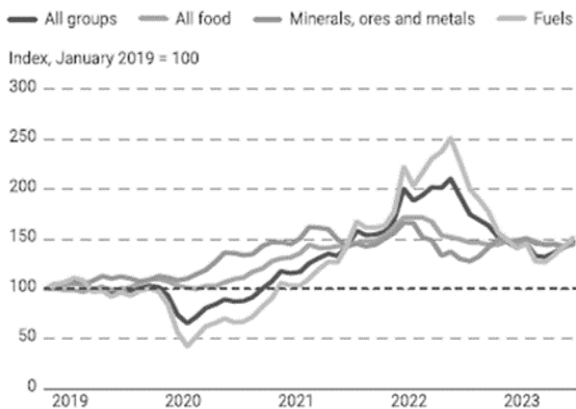
## Sales and Distribution Channels

The company deals directly with the customer company by the use of the sales personnel and marketing personnel coordinating with customers from contacting customers to after-sales service. The company also has a learning center as a channel to show products and provide knowledge to interested customers.

# Industry Overview and Manufacturing Trends

## Global Economy

### UNCTAD commodity price indices



The global economy is projected to grow by approximately 2.7%, with a slower growth rate compared to previous years, especially in developed countries, which have experienced a lower growth rate following the COVID-19 situation. This is due to economic wounds from the past that have caused disruptions in certain supply chains, as well as political uncertainties. Inflation rates remain relatively high, leading central banks in each country to address the situation by adjusting interest rates. High levels of public debt also continue to be a factor, exerting pressure on overall economic growth.

The graph above illustrates the prices of raw materials and energy overall. The price index reached its peak in the second and third quarters of 2022, followed by a downward trend in 2023. However, the index still remains higher than before the COVID-19 crisis occurred.

## Thai Economy

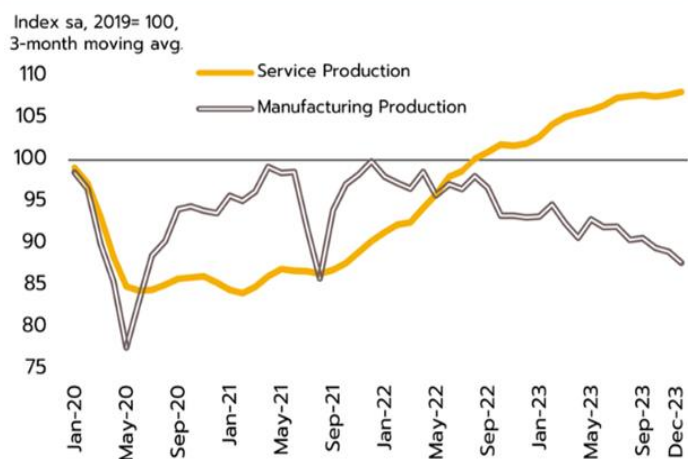
In 2023 Thailand was impacted by various factors from the global economic situation as mentioned earlier, resulting in a slowdown in overall economic expansion. This was due to the sluggish global recovery, affecting private consumption growth. However, private sector consumption continued to grow, with the service sector index maintaining continuous growth due to the country's reopening and the recovery of the tourism sector. Nevertheless, the manufacturing sector continued to experience a consecutive decline in its index. The uncertain political situation and overall economic conditions compounded the situation, including:

1. High interest rates, leading to a slowdown in private sector investment and household consumption.

2. Depreciation of the Thai baht, increasing the cost of importing raw materials and machinery from abroad and increasing the outflow of capital.

In response to the economic slowdown, POLY adjusted to the Thai economy by diversifying its income streams across various industries and adapting its marketing strategies to the current situation. It focused on production efficiency and cost reduction, as well as tightened financial management to remain competitive amid challenging economic conditions.

### Manufacturing Production and Service Production Indices



## Competitive Conditions

Thailand's rubber and plastic molding competition is very fierce because there are many manufacturers from small to large. Major manufacturers have advantages in terms of production capacity and sales price. However, due to the benefits of economies of scale, for high-tech manufacturers, it also has complex molding technology. In terms of workpiece pricing, there are still a small number of advantages, which can obtain better profits than low-complexity workpieces. There are many manufacturers of silicone in the high-density rubber market, while liquid silicone rubber manufacturers are rare because it is very complex in the process of raw material mixing, mold manufacturing and molding is. Therefore, compared with solid silicone molding, liquid silicone molding has lower market competition.

POLY is considered as a large parts manufacturer with high production capacity and can meet the needs of various customers. We also specialize in mold design and manufacturing, formula research and development and manufacturing technology. Therefore, POLY with the advantages of producing low-complexity parts and high-complexity parts, then POLY can meet the needs of customers of various types and industries.

## Automotive Parts Industry

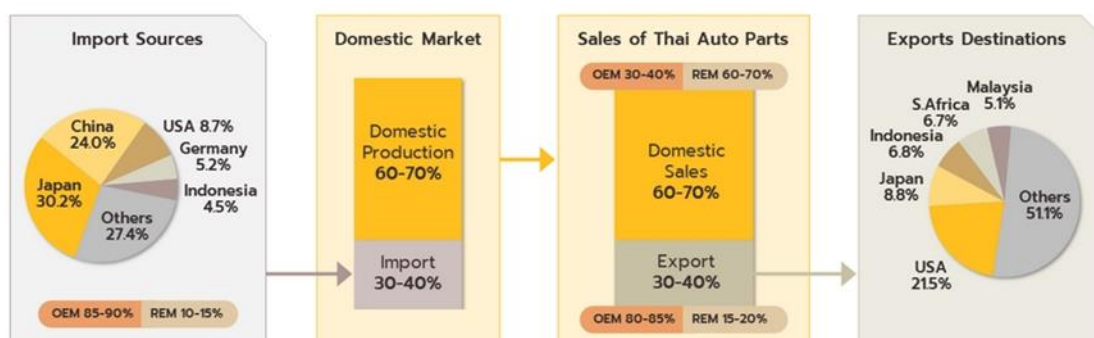
In 2023, component production is expected to continue growing at a moderate rate. However, the shortage of chips persists due to the technological war, particularly between the US and China. Additionally, the global economic slowdown remains a challenging factor, dampening the growth trend of component production until 2024-2025. This is expected to change as major chip manufacturers expand production capacity, and the global economy gradually recovers. Meanwhile, the demand for replacement parts continues to increase with the growing number of accumulated vehicles, and some consumers tend to repair/maintain their old vehicles to delay purchasing new ones. However, challenges remain, including 1) US anti-dumping measures on imported car tires from Thailand, and 2) government initiatives to promote zero-emission vehicles (ZEV), which will be a significant turning point that the Thai component industry must quickly adapt to. The performance trends of each group are as follows:

Automotive Component Manufacturers: Revenue continues to show a consistent upward trend. The demand for OEM components is expected to grow in line with the production volume of vehicles in the country. Meanwhile, the REM market is anticipated to expand steadily in line with the increasing number of accumulated vehicles. However, the export market still faces risks due to the uncertainty of trade policies between the US and China.

The automotive parts manufacturing industry relies primarily on the domestic market, which constitutes 60-70% of total revenue. This market is divided into two main segments: the Original Equipment Manufacturer (OEM) market and the Replacement Equipment Manufacturer (REM) market.

1.OEM Parts: Account for 30-40% of the total value of the parts market, expanding in line with automobile production volumes. Over 80% of these parts are domestically produced. The remaining portion consists of high-tech components sourced from parent companies or their suppliers abroad, such as Microcontroller Chips (MCUs) for automotive control systems from Japan. Additionally, there are imports of internal combustion engine parts and electric vehicle components from China to support the establishment of Chinese-owned automobile manufacturing facilities in Thailand.

2. REM Parts: Account for 60-70% of the total value of the parts market, growing in line with the cumulative number of registered vehicles in the country due to the demand for replacement parts (spare parts) based on usage time and/or mileage. Distribution channels are diverse, including manufacturer/dealer service centers, automotive parts wholesale-retail stores, and general repair shops. In terms of the import value of REM parts, it constitutes 10-20% of the total import value of parts, with the majority imported from Japan (43% of the total import value of REM parts), followed by China (17%), and the United States (8%), which have increased their presence in the Thai market.



Source: KrungSri research (auto parts industry from 2023 to 2025)

In 2023, the automotive industry experienced a downward trend, with the domestic production of vehicles totaling 1,834,986 units, slightly lower than the projected production target. This was mainly due to the continuous expansion of China's automotive manufacturing industry. According to market data on the used car market in China, car sales increased by 14.88% in 2023. The China Automobile Dealers Association reported that over 18.41 million used cars were sold in China in 2023, reflecting a vibrant second-hand car market. This surge in sales significantly increased the value of transactions. Furthermore, continuous cross-border car trading between China and other countries in the region was observed, supported by relevant state policies.

### Status of the Automobile Industry in 2018-2023

	2018	2019	2020	2021	2022	2023
Automobile production	2,167,694	2,013,710	1,427,275	1,685,705	1,883,515	1,834,986
% Change	9.0%	-7.1%	-29.1%	18.1%	11.7%	-3%
Thailand sales	1,041,739	1,007,552	792,146	759,119	849,388	775,780
% Change	19.5%	-3.3%	-21.4%	-4.2%	11.9%	-9%
Export	1,140,640	1,054,103	735,842	959,194	1,000,256	1,117,539
% Change	0.1%	-7.6%	-30.2%	30.4%	4.3%	+12%
Registered electric vehicle	20,204	25,804	28,520	40,710	83,780	15,297
% Change	-	27.7%	10.5%	42.7%	105.6%	30.1%

Source: Thailand Automotive Institute (Automotive Industry Conditions 2018 – 2023)

Although overall car production in the country decreased in 2566, POLY still experienced an increase in revenue from the automotive sector compared to the previous year. This was due to higher sales of headlamp products, which are relatively complex and require advanced manufacturing technology, resulting in fewer competitors compared to other components. As a result, POLY maintained its revenue growth in the automotive industry.



## Future Direction of the Auto Parts Industry

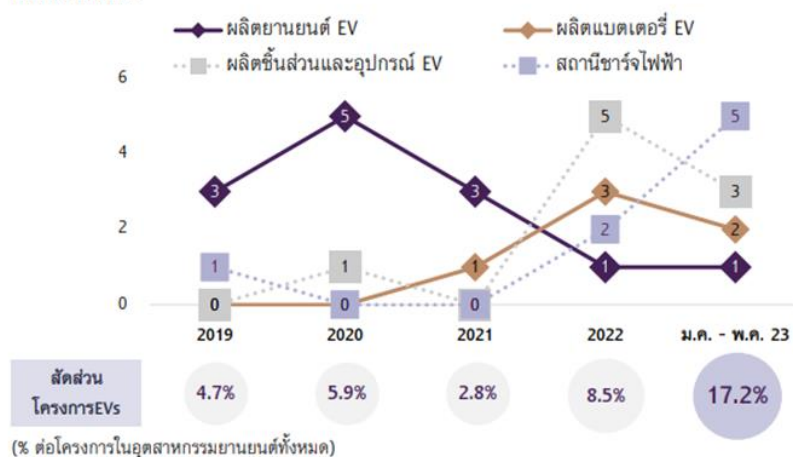
In the past period, the automotive parts manufacturing business has been significantly impacted by the COVID-19 pandemic, affecting both suppliers and manufacturers due to lockdown measures implemented both domestically and internationally. This resulted in disruptions in the supply chain and also impacted demand due to delayed orders and an economic downturn. As a result, the overall revenue of the automotive parts manufacturing business in 2023 is estimated to be approximately 1.51 trillion baht, growing by 1.3% year-over-year (YOY), with continued potential for expansion by 2.6% YOY in 2024. This growth is supported by three main factors:

1. The expansion of car manufacturing in the country is a significant driver for the OEM parts market. Currently, Thailand serves as a major manufacturing base for internal combustion engine vehicles, with an average production of around 1.8-1.9 million units per year. These vehicles typically utilize OEM parts, with each car requiring approximately 20,000 to 30,000 OEM components. These components belong to five main groups, including powertrain systems, chassis systems, electrical systems, body structures, and miscellaneous parts. Therefore, the increased production of cars will directly benefit the automotive OEM parts manufacturing business.

2. The increasing trend in the number of vehicles with an age of over 5 years continuously benefits the REM parts market. Vehicles aged over 5 years tend to require more replacements and spare parts, especially components like oil filters and air filters. This is assessed from the perspective of the higher expenses involved in replacing parts for vehicles aged over 5 years, which can be up to 35% higher compared to vehicles with less than 5 years of usage. As a result, vehicles with an age of over 5 years become a significant target group for the REM parts market.

3. The export of automotive parts from Thailand still has a lot of room to grow. Automotive parts are another important export product for Thailand, generating an average income of 4-5 trillion baht annually. The value of automotive parts exports in 2566-2567 trended continuously upward by 2.8% YOY and 3.7% YOY, respectively. Thailand's market share in automotive parts exports stands at 2.2%, presenting a good opportunity for Thailand to increase its share of automotive parts exports to the global market.

จำนวนธุรกิจที่เกี่ยวข้องกับอุตสาหกรรม EV และได้รับการส่งเสริมการลงทุนจาก BOI  
หน่วย : โครงการ



4. The promotion of investment in the Electric Vehicle (EV) industry by the Thailand Board of Investment (BOI) has seen continuous and rapid growth in Thailand. Thailand is a significant manufacturing base for the automotive industry, and several car manufacturers have decided to invest in building factories in the country. Companies such as SAIC Motor, BYD NETA, and ChangAn have all made investment decisions to establish production facilities in Thailand. These investments contribute significantly to driving the automotive industry forward in Thailand.

## Comparison of Vehicle Types between Combustion Vehicles and Electric Vehicles

The part type	Same	Similarity	Difference	Poly produces
<b>Body group</b>				
Car frame	✓			
Color	✓			
Mirror	✓			
Internal and external car components	✓			
Seating	✓			
Dashboard		✓		
Safety System	✓			✓
Electronics for body	✓			
Cooling and ventilation components		✓		✓
<b>Powertrain Group</b>				
Power transmission shaft			✓	
Clutch and accessories			✓	
Transmission control			✓	
<b>Engine Set</b>				
Engine			✓	
Exhaust control			✓	
Engine parts			✓	✓
Cooling system			✓	
<b>Chassis Group</b>				
Suspension system	✓			
Anti-Vibration System	✓			
Steering System		✓		
Brake System		✓		✓
Exhaust system			✓	✓
Tank			✓	
Rear gear	✓			
Wheels and tires	✓			
Bumper, fender and fender edge	✓			✓
Chassis electronics		✓		✓
Other accessories	✓			✓
Lubricant	✓			

Source: The impact of the transition to electric vehicles on workers in the auto parts manufacturing industry by Dr. Kiriya Kulkolkarn (August 2019)

Remark:

1. 'Same' as the original parts, including automotive, internal combustion engines and electric vehicles.
2. 'Similarity' refers to parts that have been adjusted to adapt to electric vehicles.
3. 'Difference' refers to the parts that are not available in electric vehicles.

By 2023, POLY will only produce engines and parts of the exhaust systems for 3% and 4% of its total revenue. Therefore, even if the production of electric vehicles increases, it will not affect the overall performance of the company.

## Medical Devices and Equipment Industry

In 2566, the Thai medical device market showed a continuous growth trend, with the sales value of medical devices in the country expected to grow by an average of 5.5-7.0% per year. Additionally, the export value is projected to increase by an average of 6.5-7.5% per year. This growth is driven by various factors, including the increasing trend of illness due to an aging population and the emergence of new diseases.

The medical tourism market is also contributing to this growth, as Thailand is recognized for its quality healthcare services globally. Moreover, there is a rising demand for medical equipment and devices in Thailand's key export markets. Furthermore, the government's policies aimed at promoting Thailand as a center for international healthcare and medical device manufacturing in ASEAN are significant contributors to the growth potential of the medical device industry in the country. These factors collectively reflect the opportunities for growth in the Thai medical device industry.

Medical devices manufactured in Thailand are predominantly low in innovation and technology. They focus on producing basic equipment that primarily utilizes domestically sourced materials, such as rubber and plastic. Approximately 70.0% of the production is geared towards exports, including items like rubber gloves and syringes, which do not require advanced technology. However, medical equipment and diagnostic solutions require technical expertise and adherence to international quality standards. Nevertheless, Thailand has developed some advanced medical technologies, such as elderly care robots and surgical robots like the Robotic Assisted Surgical System for Minimal Invasive Surgery (MIS). These medical devices can be categorized into the following groups:

**1. Medical waste materials:** The proportion of entrepreneurs accounts for 49.5% of all medical device manufacturers. Thailand has high potential in producing competitive products in the global market, such as medical gloves. As Thailand is a major producer of natural rubber (the main raw material for glove production) globally, it utilizes non-complex manufacturing technologies. Consequently, the majority (up to 90.0%) of the produced medical gloves are exported. Other products with slightly lower production potential include tubes and syringes, which utilize plastics derived from the petrochemical industry as a crucial component in manufacturing.

**2. Medical equipment:** Entrepreneurs account for 23.1% of all manufacturers. The majority of the products they produce and export are patient mobility equipment such as hospital beds, examination tables, and patient trolleys. Additionally, there are also X-ray machines and MRI machines, as well as certain types of robots such as robotic arms for surgery.

**3. Kit and diagnostic kit:** The number of entrepreneurs accounts for 6.3% of all entrepreneurs, up from 4.8% in 2564, driven by the increased demand for products for detecting COVID-19. The majority of these ventures involve partnerships with foreign companies. Key products in this category include diabetes, kidney, and liver disease test kits, pregnancy test kits, and COVID-19 antigen test kits (ATK).

POLY produces a range of medical tools and equipment that require innovative manufacturing processes, high-level expertise, and advanced production technologies. These include tools used for heart and lung surgeries, needle injection locks, wound drains (also known as surgical drains) for removing waste or blood from the body, silicone urinary catheters, nasal intubation tubes, silicone rubber tubes, nasal breathing aids, and silicone sleeves, among others.

(Source: Krungsri Research, Medical Device Industry, 2023 – 2025)

## The direction of the Medical Device Industry

The medical device market continues to show sustained growth prospects. Sales of medical devices in the country are expected to expand by 5.5% in 2023, before experiencing a slight increase in 2024 and 2025, averaging around 6.0-7.0% per year. This growth is driven by the gradual recovery of the Thai economy, allowing more people to access medical services in healthcare facilities. Additionally, the number of foreign tourists is expected to gradually increase, approaching pre-COVID-19 levels by 2025. This includes international patients and health tourists who seek healthcare services in Thailand, attracted by the internationally recognized quality of medical services and the growing trend in health-related businesses such as beauty clinics, specialized medical centers, and comprehensive elderly care centers. These factors contribute to the growth of Thailand's medical device market. The value of exports is also projected to increase by an average of 6.5-7.5% per year, driven by the demand for infection prevention products such as lenses, medical gloves, as well as diagnostic solutions. Key factors supporting the growth of the industry include:

### **1. The number of patients is trending upwards, both in infectious and non-communicable disease groups:**

In 2020, Thailand had a total of 209,613,842 outpatient treatments and 20,941,174 inpatient admissions. These figures represent an average annual increase of 2.2% and 6.3% respectively from 2011 (Source: Ministry of Public Health). This growth coincides with the continuous expansion of the elderly population. The National Economic and Social Development Council (NESDC) predicts that the elderly population aged over 60 will increase from 11.2 million in 2021 to 13.5 million in 2023. Most elderly individuals suffer from non-communicable diseases, particularly hypertension, which accounts for nearly half of all elderly patients, followed by diabetes, heart disease, stroke, and cancer. Consequently, there is an increasing demand for medical equipment and devices, especially those utilizing advanced technologies for disease diagnosis.

### **2. The expansion of hospital business to accommodate both domestic and international patients:**

Due to Thailand's comparative advantages in service quality, treatment standards, and healthcare costs, the country has become a leading medical tourism destination globally. This positively impacts the hospital business, leading to the expansion of many large hospitals to accommodate the increasing demand. Bangkok Bank Research estimates that the number of hospitals and patient beds is expected to increase by at least 2,000 beds in the year 2022. This increased demand also leads to a rise in the need for various types of medical equipment and tools.

**3. Receiving support from the government to propel Thailand towards becoming an international healthcare hub:** During the years 2017 to 2026, investment privileges were granted by the Thailand Board of Investment (BOI) for businesses involved in the manufacturing of medical devices or components. Further details are provided in the table.

The majority of POLY's medical products are in the American market. The medical equipment market in America has an average growth rate of 4.4% per year, and there is a growing trend towards home care or self-care due to the relatively high medical costs. Consequently, there is a rising demand for disposable materials and medical devices for homecare, aligning with POLY's products, which involve chemical solutions administered to the body without the need for hospital visits. Additionally, there is a demand for tools that increase the chances of conception, designed to be used at home.

POLY continues to focus on its existing product groups, particularly homecare equipment, which addresses cost-saving and time-saving in healthcare while maintaining effective treatment quality. Furthermore, POLY has collaborated with the Faculty of Medicine, Chulalongkorn University, to research and develop products, starting with PEG, an enteral feeding device made of silicone tubing, in which POLY already has expertise in manufacturing. This collaboration presents another promising opportunity for POLY to explore.

### Investment Benefits from BOI: medical device and parts manufacturing

Business Type & Condition	Business Group	Benefits
1. Production of high-risk or high-tech medical equipment (such as X-ray, MRI, CT scanning, and materials embedded in the body) or medical equipment that will be commercially produced by government research results or cooperation with the government).		
<ul style="list-style-type: none"> <li>For Research &amp; Development and Innovation</li> </ul>	A1	8-year corporate income tax exemption (unlimited amount)
<ul style="list-style-type: none"> <li>Without R&amp;D and innovation</li> </ul>	A2	8-year corporate income tax exemption
2. Other medical device manufacturing businesses (excluding medical devices made of fabric or fiber)	A3	5-year corporate income tax exemption
3. Medical equipment manufacturing business from fabrics or fibers of various types, such as gowns, coveralls, hats, face masks, and gauze.	A3	5-year corporate income tax exemption
<ul style="list-style-type: none"> <li>In the case of producing gauze or cotton wool must start from raw cotton fabric or cotton fiber</li> </ul>	A4	3-year corporate income tax exemption
Medical device manufacturing industry for special economic development zones in Tak, Sa Kaeo, Chiang Rai, Nakhon Phanom, Kanchanaburi, Narathiwat	A1-A4	8-year corporate income tax exemption (unlimited amount for business group A1) + 50% corporate income tax reduction for additional 5 years

#### Remark

A1: knowledge-based industry, focusing on design and research and development to improve national competitiveness.

A2: The country develops infrastructure business and uses advanced technology to create a value-added business. However, there is an investment or no investment in Thailand.

A3: High-technology activities that are important to the country's development with a few productions bases.

A4: Businesses that do not have the same level of technology as the A1-A3 group, but help create added value for domestic raw materials and strengthen the supply chain.

Source: Office of the Board of Investment, Krungsri Research (Medical Device Industry 2020-2022).

POLY has received benefits from BOI in group A3. Those who are encouraged to invest in plastic or synthetic rubber to manufacture medical devices or parts of medical devices. For other types of medical device production (except medical devices made of fabric or fiber), see Section 4.7. Investment promotion card

## Consumer products

The Fast-Moving Consumer Goods (FMCG) market in Thailand in the year 2566 (Buddhist calendar) grew by approximately 5.5%. The main driving factors behind this growth were:

1.Economic recovery in Thailand: Supported by tourism, exports, and public sector investment, particularly in anticipation of increased international tourists visiting Thailand. This had a positive impact on businesses such as restaurants, hotels, souvenirs, and overall private sector consumer spending.

2.Expansion of the retail sector: Especially through online channels, e-commerce businesses continued to grow consistently.

3.Changes in consumer behavior: Consumers placed more importance on health, convenience, and value. They tended to purchase products for better health, such as organic food, dietary supplements, and products free from harmful substances. Additionally, there was an increasing demand for convenient and affordable products, such as ready-to-eat meals, canned beverages, and instant noodles. Products with reasonable prices and promotions, such as private label brands of department stores and discounted products, also gained popularity.

In Thailand, the FMCG market is highly competitive, and businesses face various challenges, including:

- Price competition: Businesses need to compete on pricing to attract customers, including private label brands of department stores, discounted products, products from China, organic agricultural products, second-hand products, and handmade products.
- Product competition: Businesses need to develop new products that are innovative and meet customer demands, such as organic products or products aligned with global trends.
- Distribution channel competition: Businesses need to expand their distribution channels, both online and offline.
- Marketing competition: Businesses need to conduct marketing activities to build their brands and attract customers through advertising, public relations, promotions, and sales promotion activities.

From the perspective of Original Equipment Manufacturers (OEM), POLY responds to consumer expectations by collaborating with product owners to develop products that meet consumer needs, reduce costs, and increase production efficiency, thereby ensuring competitive pricing.

## Trends and Strategic Plans for the Future

### Increasing Efficiency in Molding and Reducing Production Waste

Mold is at the core of the molding industry. Due to POLY has mold workshop this allows for flexibility in adapting molds to product variations and the machinery used in production. It also involves creating tools that aid in the production process, reducing both production time and waste. Waste management, including recycling, is also a part of this initiative.

### Solar Panel Installation

To reduce risk and energy costs, POLY installed a 2.5 mWp solar panel, which could begin generating electricity from September 30, 2023. These solar panels can produce approximately 20-30% of the total electricity consumption.

### Utilizing Tools and Robotics to Enhance Production Efficiency

The production department has been gathering, tracking, and analyzing production data continuously. They have established a team of process engineers to develop and optimize production workflows. This involves the development of specialized tools to streamline production processes, enhancing efficiency, and reducing labor costs in the long term.

### Rubber Formula Development

POLY possesses a rubber mixing line that allows for the development of rubber formulas. These formulas can be optimized to meet specific production conditions. Additionally, research and development of alternative materials are underway. This research aims to reduce raw material costs and minimize waste in the production process. It also works towards speeding up production processes. Moreover, material development is undertaken to align products with customer demands. These initiatives also serve as risk mitigation against external suppliers.

### Development of Gastrostomy Feeding Tube Products (Percutaneous Endoscopic Gastrostomy)

POLY has been continuously developing new products and exploring fresh opportunities for the long-term growth of the business. In October 2023, POLY entered into a memorandum of agreement with the Medical Innovation of Chulalongkorn University's Faculty of Medicine. This collaboration focuses on research and development of a percutaneous endoscopic gastrostomy feeding tube product. Currently, there are no manufacturers of these products in Thailand. This initiative aims to support medical treatments while maintaining affordability and accessibility for domestic consumers. It represents a significant opportunity and serves as a starting point for the substantial growth of the medical equipment and tools sector in terms of revenue.

## Product and Service Supply

Currently, POLY operates in the following two locations:

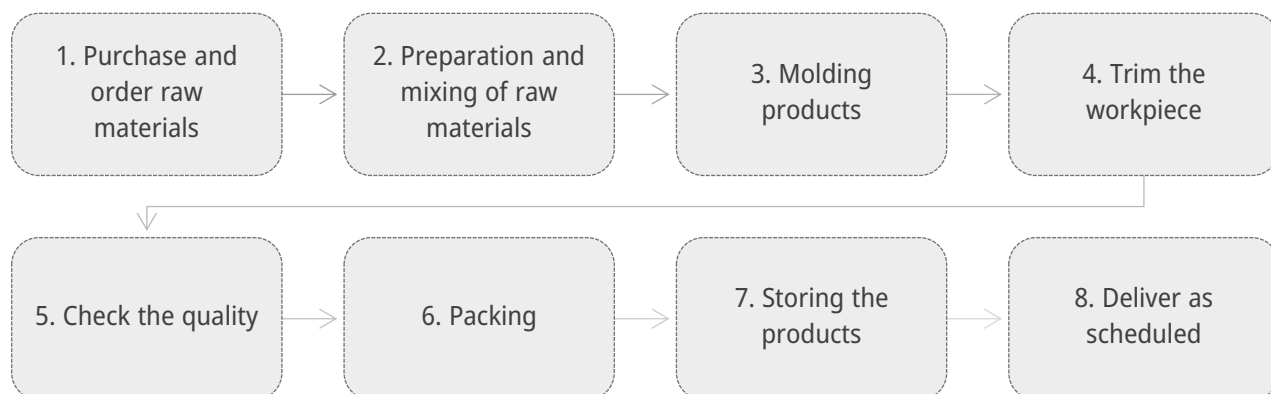
Branches	Address	Purpose	Est. production capacity	Actual production capacity and capacity utilization in 2023
Plant 1	888 Moo 11, Bangsaotong, Bangsaotong, Samutprakan	The product is automotive, medical devices and consumer products	4,725 tons/year	the actual output is 2,722.75 tons, accounting for 58% of the capacity utilization rate
Plant 2	124 Moo 4, Bangsaotong, Bangsaotong, Samutprakan	The product is a medical devices and consumer products	833 tons/year	In 2023, the actual output is 730.75 tons, accounting for the capacity utilization rate of 88%



## Production Capacity Breakdown by Industry

(Unit: ton/year)	For the financial year ended December 31		
	2021	2022	2023
<b>Automotive industry</b>			
<b>Rubber Type</b>			
Max Run Capacity	2,539	2,531	2,531
Utilized Capacity	1,465	1,712	1,852
Utilization Rate (%)	58%	68%	73%
<b>Plastic Type</b>			
Max Run Capacity	336	1,207	1,207
Utilized Capacity	293	591	702
Utilization Rate (%)	87%	49%	59%
<b>Medical Devices and Equipment Industries</b>			
<b>Rubber Type</b>			
Max Run Capacity	177	213	630
Utilized Capacity	141	164	405
Utilization Rate (%)	80%	77%	64%
<b>Plastic Type</b>			
Max Run Capacity	-	-	12
Utilized Capacity	-	-	6.5
Utilization Rate (%)	-	-	54%
<b>Consumer Products</b>			
<b>Rubber type</b>			
Max Run Capacity	86	646	646
Utilized Capacity	37	518	159
Utilization Rate (%)	43%	80%	25%
<b>Plastic Type</b>			
Max Run Capacity	158	532	532
Utilized Capacity	79	356	329
Utilization Rate (%)	50%	67%	62%

## Procurement and Production Process



## Purchase and order of raw materials

### Purchase of raw materials

The company gives priority to selecting high-quality and qualified raw materials designated by customers. It must pass the international standard certification in various fields. The raw material suppliers in the automotive industry must pass the standard certification suppliers of ISO9001, IATF16949 or other systems and raw materials used in the medical device and equipment industry must pass the certification ISO9001, ISO13485 or other systems. In addition, the raw materials used by the company for production must pass the test of prohibited substances in international standards, such as Substances of (Environmental) Concern (SoC), the EU requirements on reducing environmental impact at the end of vehicle service life (SoC) 4 kinds of lead, mercury, cadmium and chromium. The restriction of hazardous substances (RoHS) EU Regulation on the Use of Hazardous Substances in Electrical and Electronic Equipment and REACH (Registration), EU's assessment, authorization and restriction of chemical substances on chemical quarantine. Raw materials are mainly purchased from partners in Thailand, accounting for 70% of the total orders and the rest 30% is purchased from overseas partners. The raw materials purchased from abroad are carbon black and polymer. The price trend of the company's main raw materials will change according to the raw materials produced in each period, such as carbon black, oil, rubber and plastic is the same as the price of oil. Due to the rise of crude oil prices and the increase in demand for raw materials such as silicone, the price of raw materials may rise. This may have a negative impact on the profitability of POLY. However, the average cost price of POLY plastics is due to the increase and decrease in the production of plastic products for consumer goods. These products are formed from plastic particles at low prices. Therefore, the average unit price decreased.

### Details of Raw Material Supply

Our main raw materials are rubber compounds, silicone rubber and plastic particles.

- a) Rubber compounds are the main raw materials for the molding of automotive products. The production of rubber compounds is a combination of natural rubber or synthetic rubber, oil and carbon black. The main rubber produced by the company is as follows:
  - Natural Rubber: NR is a natural rubber with excellent flexibility and tensile strength at room temperature and low temperature. It is high tensile strength and tear strength (tear strength), so it is usually used to produce rubber buffer parts.

- Ethylene Propylene Diene Rubber: EPDM is a synthetic rubber with excellent heat resistance, oxygen, ozone, chemicals and has high elasticity and high fatigue resistance. Therefore, they are usually used to produce parts that are often in contact with water, such as: glass edges rubber, door edges rubber, radiator hoses, etc.
- Nitrile Rubber: NBR is a synthetic rubber with excellent oil resistance, heat resistance and oxygen resistance, ozone resistance and high abrasion resistance. Therefore, it is usually used to produce parts that often contact with oil, such as suction or delivery oil hose, O-ring rubber and sealing rubber.

The Proportion of Rubber Compound Molding is Rough as follows:

Main Raw Materials	Proportion of Mixed Rubber Compound
Natural rubber or synthetic rubber	40%
Oil	30%
Carbon black	20%
Chemicals	10%

The procurement department will plan to purchase at least 1-3 months in advance to select raw materials from the approved supplier list (AVL) that has more than 50 new partners and new partners. Then compare and select partners for raw materials, price and credit semester. The delivery time is 1 month, and 1-2 months of delivery time is reserved. This month, due to the submission of raw material usage forecast to partners, the company has never encountered the problem of raw material shortage.

- b) Silicone rubber is an important raw material in the medical equipment and consumer product industry. There are about 3-4 major silicone manufacturers in the world. For the procurement of raw materials, the company must be purchased through dealers in the country where each manufacturer is located. The company purchases raw materials from its account partners (AVL). In case of shortage, the company will purchase with the following partners in AVL which has more than 7 companies to choose partners with similar quality of raw materials that the company lacks. Raw materials will be purchased 1-3 months before actual production. There are two main types of silicone rubber we produce:
  - High Consistency Silicone Rubber (HCR) is a solid form of silicone rubber with a wide range of hardness and can form workpieces of various shapes.
  - Liquid Silicone Rubber (LSR) is a liquid silicone rubber in clear form with low viscosity. It is transparent that can be easily colored and has a wide range of hardness, which is suitable for forming complex products.
- c) Plastic beads are the raw materials used in all industries. The company's AVL partners include more than 10 suppliers, and orders are placed 5-21 days in advance of the actual production.

# International production and export standards



## ISO 9001:2015 by Lloyd's Register International (Thailand) Limited

It is a quality management system conforming to international standards to ensure that every process of the company is controlled and inspected. It ensures that employees of the company understand the job responsibilities and procedures by specifying the system of the work process by recording the data and checking the consistency between the recorded data and the system requirements guidelines for correcting errors and preventing repeated errors, including understanding the company's requirements, understanding stakeholder needs for risk and opportunity actions. This is the basis for helping the sustainable development of the organization.



## IATF 16949 by Lloyd's Register Quality Assurance Limited

It is a globally recognized quality management system standard for the automotive industry. It can be applied to all businesses related to the automotive industry. The requirements of this standard relate to product safety, risk management and change management guidelines, assurance and management of sub-suppliers



## ISO 13485 by BSI Assurance UK Limited

It is an international standard for medical equipment and other equipment quality management, covering design, development, manufacturing and distribution, quality management system, product development and distribution guide, risk management guide, confirm process, compliance, and effective assurance



## ISO 14001 by SGS (Thailand) Limited and SGS United Kingdom Ltd.

It is an international standard for the environmental management systems of pollution and energy use, mainly including three aspects: 1) raw material management and efficient use of energy and utilities to save costs, including reducing energy consumption and reducing waste on ecosystems. 2) Continuously improve the company's management and make better progress in preventing pollution and reducing energy consumption every year. 3) Comply with energy conservation laws



## ISO 14064-1 by LRQA (Thailand) Ltd.

It is the international standard for monitoring and reporting greenhouse gas emissions of the company by informing the criteria and covering all issues such as designing the development, reporting greenhouse gas emissions, and the results of board of Directors Greenhouse gas database

## Environmental impact management

Recognizing the importance of the environment, the company has formulated management guidelines through policies and measures for reducing and preventing the release of toxins or wastes into the environment. Continuously improving the business activities from receipt to delivery, will ensure that the company has complied with environmental requirements and standards without disputes or issues related to environmental impact. In 2022, the company released the requirements for monitoring and reporting greenhouse gas emissions which have been added to enable the company to monitor and control and take better care of greenhouse gas emissions in the future.

The company manages various business activities to reduce environmental impact. Since the import of raw materials, banned chemicals have been tested according to SoC, RoHS and REACH standards to ensure that products are not toxic chemical pollution to the environment and human beings

We use high-quality machines and tools to produce products. To reduce power consumption and production errors resulting in waste, the company has formulated a policy to use renewable energy of solar energy, or solar cell system for power generation. In addition, the company continuously improves the logistics system by effectively arranging transportation routes, reducing transportation costs and greenhouse gas emissions

For the management of wastewater and toxic substances, the company treats wastewater and toxic substances according to the requirements of laws and international standards. To manage the waste or surplus waste in production, the company will sell the waste to the legally licensed waste destructor.

In addition, the company has also carried out activities of planting trees around the factory to increase the green area of society, including the preparation of greenhouse gas emission reports. The 2 factory complies with the international standard ISO14064-1 to continuously monitor and improve the greenhouse gas emissions of the entire production chain. The greenhouse gas emissions from 2021 to 2023 are reported as follows:

**Greenhouse gas emission by Polynet in 2021-2023**

Greenhouse gas emission	2021	2022	2023	Unit
Direct greenhouse gas emissions from production or leak during process (Direct GHG emission)	268	441	321	TonCO <sub>2</sub> e
Indirect greenhouse gas emissions from buying energy sources such as electricity, heat (Indirect GHG emissions)	4,742	5,723	4,935	TonCO <sub>2</sub> e
Other indirect greenhouse gas emissions, such as raw materials, fuels, and indirect activities	2,906	4,445	3,031	TonCO <sub>2</sub> e

## Assets used in business operation

As of December 31, 2023, POLY has the following main assets:

### 1. Lands, buildings and equipments

Desceiption	Net book value (million) as of December 31, 2023	Ownership	Obligation
Lands	123.3	Owned	Some are guaranteed by banks
Building and building improvement	408.6	Owned	Details according to the building information table
Machines	351.8	Partially owned	-
Tools and factory equipment	50.8	Owned	No obligation
Furniture and office equipment	11.2	Owned	No obligation
Computer equipments	2	Owned	No obligation
Vehicles	10.6	Owned	Encumbered by car leasing contracts
Construction in progress	12.4	Owned	No obligation
<b>Total</b>	<b>970.7</b>		

## 2. POLY Land Ownership

Title deed number	Area (Rai-Ngan-Wah)	Usage	Ownership	Net book value (million) as of Dec 31, 2023	Obligation
<b>Head Office and Plant 1</b> 888, Moo 11, Bangsaotong, Bangsaotong, Samutprakan (same area)					
39292	8-2-25	Head Office the factory building & warehouse	Owned	36.8	Pledge to the bank. Details bank loan agreement
39293	5-3-25.7	Factory building, Learning center, staff dormitory	Owned	13.2	
9791	5-1-54.2	R&D building, clean room, parking lot building and cafeteria	Owned	47.6	
16072	0-0-31	Mold factory	Owned	0.4	None
36428	0-2-41	Mold factory	Owned	3.0	None
16073	0-0-31	Mold factory	Owned	0.4	None
36518	0-2-48	Mold factory	Owned	3.0	None
<b>Plant 2</b> 124 Moo 4, Bangsaotong, Bangsaotong, Samutprakan (2.6 km. from Plant 1)					
61029	10-0-0	Factory and warehouse	Owned	18.9	Pledge to the bank. Details bank loan agreement
<b>Total</b>				<b>123.3</b>	

### 3. Construction and Renovation

Title deed number	Usage	Ownership	Net book value (million) as of Dec 31, 2023	Obligation
Head Office and Plant 1				
888, Moo 11, Bangsaotong, Bangsaotong, Samutprakan (same area)				
39292	Head Office the factory building & warehouse	Owned	218.6	Pledge to the bank. Details according to the table on the loan contract
39293	Factory building, Learning center, staff dormitory	Owned	33.1	Pledge to the bank. Details according to the table on the loan contract
9791	R&D building, clean room, parking lot and cafeteria	Owned	107.6	Pledge to the bank. Details according to the table on the loan contract
16072	Mold factory	Owned	12.1	None
36428		Owned		None
16073		Owned		None
36518		Owned		None
Plant 2				
124 Moo 4, Bangsaotong, Bangsaotong, Samutprakan (2.6 km. from Plant 1)				
61029	Factory and warehouse	Owned	38.2	Pledge to the bank. Details according to the table on the loan contract
Total			408.6	

### 4. Intangible Assets

As of December 31, 2023, the book value of intangible assets of THB 4.9 million was a computer program.

### 5. POLY Trademark

As of December 31, 2023, there was no registered trademark.



## Important licenses for business operation

POLY's business is mainly regulated by the Factory Law B.E.2535 (1992) of the Ministry of Industry. POLY has obtained the following key business licenses:

	License	Start Date	End Date	License Type
1	Factory License (R.N.4) (formerly the license of Hitech Elastomer Co., Ltd., transferred to POLY on January 11, 2017) (Plant 2)	June 1, 2009	N/A	POLY is allowed to produce rubber and plastic-related products, such as rubber pipes, waterproof rubber and plug holes and rubber or plastic used to cover electric wires of automobiles or automobile equipment.
2	The factory license (R.N. 4) (Plant 1)	August 3, 2011	N/A	allowing POLY to produce rubber products, such as rubber parts and auto parts
3	Factory license (R.N.4) (Plant 1)	January 30, 2013	N/A	allowing POLY to the produce rubber compound
4	Factory license (R.N.4) (Plant 1)	September 27, 2021	N/A	allowing POLY to produce medical equipment such as silicone hose, silicone sleeve, etc.
5	Factory license for taking unusable waste outside of factory (Plant 1)	August 09, 2023	December 31, 2023 (Currently renewed until December 31, 2024)	allowing to remove waste or unused materials, such as waste rubber, silicone resin and plastic, carton paper, scrap steel, vehicle manure, pollution containers, electric lights, electronic waste, spray cans, pollution materials, waste oil outside the factory in a specified amount.
6	Factory license for taking unusable waste outside of factory (Plant 2)	November 21, 2023	December 31, 2023 (Currently renewed until December 31, 2024)	according to the specified quantity, including contaminated oil absorption materials, electronic bulbs, electronic waste, spray cans, and waste oil outside of the factory.
7	Registration certificate of medical equipment manufacturing organization (Plant 2)	July 14, 2020	December 31, 2024	Produce medical equipment manufacturing according to a restriction (medical safety glasses).
8	Health hazard business license (Or. Por. 2) (Plant 1)	August 25, 2022	December 31, 2023 (Currently renewed until December 31, 2024)	Forging, turning, stamping, various metals, use rubber, plastic, cellulite and Baker Light to make electrical appliances.
9	Health hazard business license (Or. Por. 2) (Plant 2)	February 15, 2022	February 27, 2024	manufacture of equipment using artificial rubber, plastic, celluloid, Baker Light.
10	Solid waste storage certificate (Plant 1)	June 15, 2021	N/A	prove that POLY can store general solid waste and have a vehicle transport it to the waste treatment center.
11	Solid waste storage certificate (Plant 2)	June 15, 2021	N/A	prove that POLY can store general solid waste and have a vehicle transport it to the waste treatment center.

## Investment Promotion Cards

As of December 31, 2023, POLY received investment promotion certificates from the Board of Investment which received privileges and conditions for specific projects, which can be summarized as follows:

No.	Business type	Benefits	Specific conditions	Date of approval
1	Use plastic or synthetic rubber to manufacture medical devices or medical device parts	<ul style="list-style-type: none"> <li>- Machines approved by the Board of Directors are exempt from import tax.</li> <li>- The company's income tax is exempted, and the total net profit to promote business operation does not exceed 100% of the investment. (excluding land and working capital) The term is 5 years from the date of business income.</li> <li>- The import duty-free period for raw materials and necessary materials is one year.</li> <li>- Exemption from import tax within 1 year from the date of the first import</li> </ul>	<ul style="list-style-type: none"> <li>- The machine must be imported before April 27, 2023.</li> <li>- It must be completed and put into operation within 36 months from the date of issuance.</li> <li>- The registered capital shall not be less than THB 330 million.</li> <li>- Product type produced according to restriction</li> <li>- Business scale and production capacity</li> <li>- The factory must be established in Samutprakan and must not be relocated to other places within 15 years.</li> <li>- Tax-exempt enterprise income tax does not exceed 114,080,000 Baht (excluding land and working capital)</li> <li>- Must pass ISO 13485 certification</li> <li>- Operating revenue from November 2020</li> <li>- 5 years from the beginning of operating revenue (2024)</li> </ul>	September 21, 2020
2	Production of plastic parts for different industries	<ul style="list-style-type: none"> <li>- Machines approved by the board of directors are exempted from import tax.</li> <li>- The import duty-free period for raw materials and necessary materials is one year.</li> <li>- Exemption from import tax within 1 year from the date of the first import</li> </ul>	<ul style="list-style-type: none"> <li>- The machine must be imported before July 14, 2023.</li> <li>- It must be completed and put into operation within 36 months from the date of issuance.</li> <li>- The registered capital shall not be less than THB 330 million.</li> <li>- Product types in electrical, electronic, automotive and other industries.</li> <li>- The factory must be established in Samutprakan Province and cannot be relocated within 15 years.</li> <li>- Starting to import raw materials in July 2021</li> <li>- There is no expiry date, but the use of benefits must comply with regulations, that is, import raw materials and deliver finished products within the expiry date. 1 year from the date of the first import</li> </ul>	December 7, 2020

No.	Business type	Benefits	Specific conditions	Date of approval
3	Manufacturing medical devices or medical component parts with plastic or synthetic rubber	<ul style="list-style-type: none"> <li>- Machines approved by the Board of Directors are exempt from import tax.</li> <li>- The company's income tax is exempted, and the total net profit to promote business operation does not exceed 100% of the investment. (Excluding land and working capital) The term is 5 years from the date of business income.</li> <li>- The import duty-free period for raw materials and necessary materials is one year.</li> <li>- Exemption from import tax within 1 year from the date of the first import</li> </ul>	<ul style="list-style-type: none"> <li>- The machine must be imported before March 21, 2024</li> <li>- It must be completed and put into operation within 36 months from the date of issuance.</li> <li>- The registered capital shall not be less than THB 330 million.</li> <li>- Product type produced according to the restriction</li> <li>- Business scale and production capacity according to the restriction</li> <li>- The factory must be established in Samutprakan Province and cannot be relocated within 15 years.</li> <li>- Tax-exempt enterprise income tax shall not exceed THB 257,560,000 (excluding land and working capital)</li> <li>- Must pass ISO 13485 certification</li> <li>- No operating income</li> <li>- 5 years from the first date of invoice</li> </ul>	On July 12, 2021
4	The production includes rubber and/or plastic components for rail systems, as well as metal components for rail systems.	<ul style="list-style-type: none"> <li>- Exemption from import duties for machinery as approved by the committee.</li> <li>- Exemption from corporate income tax for net profits derived from promoted activities up to 100% of the investment (excluding land and working capital) for a period of 8 years from the commencement of revenue generation from the said activities.</li> <li>- Exemption from import duties for necessary raw materials and materials imported within a period of 1 year.</li> <li>- Exemption from import duties for goods imported for export purposes within a period of 1 year from the first importation.</li> </ul>	<ul style="list-style-type: none"> <li>- Machinery must be imported by November 19, 2025</li> <li>- Operations must be completed and commenced within 36 months from the date of the promotional certificate issuance.</li> <li>- Registered capital must not be less than 330 million baht.</li> <li>- Production must comply with specified product types.</li> <li>- The size of the business and production capacity must comply with the requirements.</li> <li>- The factory must be established in Samut Prakan province and must not be relocated elsewhere within 15 years.</li> <li>- Corporate income tax exemption shall not exceed 90,460,000 baht (excluding land costs and working capital on the commencement date of operations).</li> <li>- Must obtain ISO 9000 or ISO 14000 quality management system certification.</li> <li>- No revenue has been generated from business operations yet.</li> <li>- There is a 5 -year deadline from the date of commencing business operations.</li> </ul>	On December 26, 2022

No.	Business type	Benefits	Specific conditions	Date of approval
5	Plastic components for vehicles and plastic components for electrical appliances.	<ul style="list-style-type: none"> <li>- Granted exemption from import duties for machinery as approved by the committee.</li> <li>- Exemption from corporate income tax for net profits derived from promoted activities shall not exceed 50% of the investment (excluding land and working capital). The duration is 3 years from the date of earning income after receiving the promotion certificate.</li> </ul>	<ul style="list-style-type: none"> <li>- Machinery must be imported by August 25, 2026</li> <li>- Operations must be completed and commenced by August 25, 2026, with notification for operation opening in the format specified by the office.</li> <li>- Registered capital must be no less than 450 million baht.</li> <li>- Products must be manufactured as specified.</li> <li>- The size of the business and production capacity must adhere to the specifications.</li> <li>- Factories must be established in Samut Prakan province and cannot be relocated elsewhere within 15 years.</li> <li>- Exempted corporate income tax shall not exceed 18,590,000 baht (excluding land costs and revolving funds on the opening day of operations).</li> <li>- Authorization must be obtained for electricity connections to the power system of the Electricity Generating Authority of Thailand, Provincial Electricity Authority, or Metropolitan Electricity Authority from the relevant agencies.</li> <li>- Income must be generated after receiving the promotion certificate on August 26, 2023</li> <li>- There is a 3 -year period from the date of income generation after receiving the promotion certificate.</li> </ul>	On June 26, 2023

## Loan Agreement Contracts

As of December 31, 2023, POLY has a credit line and outstanding loans. Details are as follows:

	Borrower	Lender	Loan Type	Contract Date	Installment Payment Plan (THB million/month)	Total loans (THB million)	Outstanding loan (Million Baht) on December 31, 2023	Annual interest rate (%)	Collateral, guarantees	Key financial conditions
1	POLY	BSL	Leasing machinery (4contracts)	Start from 2020 to 2022	Follow the contract	N/A	5.2	N/A	• Assets under leasing agreement.	N/A
2	POLY	BBL	OD	May 8, 2020	N/A	10.0	-	MOR	• The registration of the commercial guarantee contracts, POLY's 8 machines are mortgage.	N/A
3	POLY	EXIM	Short-term loan	September 6, 2023	N/A	50.0	-	MOR	• N/A	N/A
					<b>Total Loan</b>	<b>60.0</b>	<b>5.2</b>			
Other funds from the bank										
8	POLY	BBL	Electricity expense	May 8, 2020	N/A	5.0	N/A	N/A	• The registration of the commercial guarantee contracts, POLY's 8 machines are mortgage.	N/A

Note: Securities trading limit is 1. The essence of the transaction is the sale and rental from BSL. The transaction is a loan from POLY and is therefore classified as a loan.

## Hire Purchase and Leasing

	Lender	Contract types	The number of assets under the contract	The duration of time of contract term	Effective Interest Rate	Debt under Hire Purchase or Leasing as of December 31, 2023 (THB million)	Collateral and guarantor
1	BSL	Hire-purchase (20 contracts)	machinery and factory equipment	5 years	4.7% - 5.5%	63.8	• Assets under the contract
2	BSL	Leasing (6 contracts)	Machine and vehicles	4-5 years	5.9% - 6.3%	9.2	• Assets under the contract
3	Arburg Pte Ltd.	Hire-purchase (3 contracts)	3 machines	2 years	2.0% - 2.2%	6.8	• None
					Total	79.8	

## Insurance policy

No.	Company	Insurance company	Insurance details	Insurance type	Insurance amount (million baht)	Beneficiary insurance	Start date	Term of validity
1	POLY	Bangkok Insurance Co., Ltd.	Assets of Plant 1	Property risk insurance	872	BSL	May 10, 2023	May 10, 2024
			a. Factory building, office, dormitory, merit hall, parking lot (excluding foundation), building expansion, furniture Office appliances, electrical appliances, computers and computer systems, utilities, etc.		165	BSL	May 10, 2023	May 10, 2024
			b. Machinery, accessories, spare parts, molds		40	BSL	May 10, 2023	May 10, 2024
			Assets of Plant 2 Factory building, office, parking lot, Brahma shrine (excluding foundation), building expansion, furniture, office supplies, electrical appliances, computers and computer systems, utilities, etc. Machinery, accessories, spare parts, molds					
2	POLY	Bangkok Insurance Co., Ltd.	Protect the legal liabilities arising from the operation of the business and the use of the insured premises (Plant 1 and Plant 2)	Public liability insurance	For personal injury and property damage to third parties THB 5,000,000 for each accident during the whole insurance period	-	May 10, 2023	May 10, 2024
3	POLY	Chubb Samaki Insurance PCL	A consumer goods company, produces and sells silicone packaging products according to the contract.	Product liability insurance	Not exceeding USD 5,000,000 (total amount and each transaction)	-	March 4, 2022	March 4, 2024

## Equity structure of the company

POLY has no subsidiaries or affiliates.

## Persons with potential conflicts of interest hold more than 10% of the total voting shares of subsidiaries or affiliated companies

- None, because POLY has no subsidiaries or affiliates –

## Relationship with major shareholders

POLY has no significant relationship or connection with other business operations of the founding group.

## Shareholders

	Name	No. of Shares	% of Total Shares
1	Mrs. Kanchana Laowrattana	121,772,000	27.06
2	Mr. Woraphat Laowrattana	110,455,000	24.55
3	Ms. Janjira Laowrattana	102,955,000	22.88
4	Mr. Taweerat Prungpattanasakul	23,965,000	5.33
5	Mr. Supachoke Panchasarp	21,320,000	4.74
6	Mr. Srichai Laowrattana	18,307,000	4.07
7	Mr. Chotikorn Panchasarp	13,658,400	3.03
8	Mr. Tananun Jirawititchai	5,499,100	1.22
9	UBS AG SINGAPORE BRANCH	3,541,300	0.79
10	Mr. Therdsak Chalermwattananon	3,202,000	0.71
	Total Shareholders	424,674,800	94.38%

Remark: The top 10 shareholders as of 28 September 2023

## Agreements between major shareholders affect the issuance and offer of securities or the management and operation essence of Poly

- None –



## Investment policies of subsidiaries and related companies

The company has the policy to invest in the company according to the company's goals, vision and growth strategy. This will enable the company to Increase the operating performance or profit, or invest in the business that is beneficial to the company (synergy) to improve the company's competitiveness. In order to achieve the goal of becoming a leading entrepreneur in the company's core business, the company, subsidiaries and joint ventures and/or related companies may consider investing in other businesses if the business has growth potential or can expand business or benefit the company by considering the investment of companies, subsidiaries and joint ventures, and/or related companies. The company will analyze the feasibility of investment and consider the potential and risk factors of investment through appropriate investment analysis procedures. Board of Directors, Board of Directors or General Meeting (as the case may be) in applying for subsidiaries, joint ventures and/or The above-affiliated companies must comply with the notice of the Capital Market Supervision Committee and the relevant notice of the Stock Exchange of Thailand.

## Registered capital and paid-in capital

As of December 31, 2023, POLY's registered capital was THB 450,000,000 divided into 450,000,000 ordinary shares and fully paid-up share capital of THB 450,000,000 value of 1 THB per share.

## Issuance of other securities

### Convertible securities

- None -

### Bond

- None -

## Dividend Policy & Payment

Dividend payments to shareholders shall be paid in the amount not less than 40% of the net profit of POLY's separate financial statements after the deduction of corporate income tax, and other legal reserves as annually or regulation of POLY.

However, dividend payments and dividend pay-out ratios that differ from the specified ratio depending upon POLY 's operating performance, financial position, cash flows, working capital, investment plans, and business expansion, as well as necessities and other related factors considered and deemed appropriate by the Board of Directors. Such dividend payments shall not have a significant impact on the normal operations of POLY.

Company executive board agreed that annual dividend payments have to be approved from shareholders except interim dividend payment which the company executive board has authority to approve from time to time when POLY has sufficient profit to pay without affecting the normal company operation. Meanwhile, the mentioned interim dividend payment shall be notified in the next shareholder meeting accordingly.

# Risk Management

## Risk management policies and plans

POLY recognizes the importance of risk management because risk management is fundamental to business management. The risk management process as well as regular supervision and review of risks are the active management that POLY must take, the following risk management policies which POLY launched the policies that were approved by Board of Directors No. 1/2023 of February 24, 2023, as follows:

1. POLY will establish a risk management system and process throughout the organization (including POLY Group) according to its business strategy and objectives. According to international standards, the company's enterprise risk management principles (ERM) have been implemented according to the following risk management framework: COSO (The Committee of Sponsoring Organizations of the Treadway Commission) is based on COSO ERM 2017, which is an international standard risk management guide.

2. POLY will register risk lists according to COSO ERM2017 and conduct a quarterly review. POLY will manage risks at an acceptable level or the deviation does not exceed the acceptable level of POLY.

3. The Board of Directors is responsible for supervising the internal risk management of the organization and approving solutions.

4. The Audit Committee has the responsibility to review whether POLY has an appropriate and effective risk management system. We also support the Board of Directors to monitor the overall risk of POLY and help the Management Committee screen opinions and suggestions and follow up to ensure effective and effective risk management.

5. The Executive Committee is responsible for the organization's risk management, including the identification and evaluation process, prioritizing, responding and reporting risks, and determining the roles, responsibilities and performance responsibilities of executives and senior managers. The company reviews risk management operations and acceptable performance deviations, and provides appropriate recommendations. POLY communicates risk management information to the Audit Committee and the Board of Directors on a quarterly basis.

6. Chief Executive Officer is responsible for implementing the risk management policy throughout the organization and supervising its continuous implementation to achieve the plan and set goals

7. The management will manage the risks of POLY and supervise the management of each risk according to its responsibilities and responsibilities, including: assessing and managing risks within the organization as part of its responsibilities. To ensure that the management complies with the policy of POLY or the designation of the Executive Committee, the company shall report its risk management performance to the Executive Committee at least quarterly for approval or recommendation

8. The management department is responsible for training and guiding each department to implement the risk management policy and continuously monitor the implementation of risk management policies.

9. Personnel at all levels and POLY departments are responsible for the identification assess and manage risks within the organization as part of its responsibilities, managing risks at the organizational, departmental and operational levels according to the responsibilities or assignments of the management. The Board of Directors and/or Management Committee and encourage employees to realize the importance of risk management.

10. The management is responsible for providing suggestions, and suggesting risk management guidance to all departments within the organization and reporting to the Executive Committee regularly or as appropriate.

11. All employees are obliged to comply with the company's risk management systems and procedures at the organizational, departmental and operational levels following the policy from Executive Committee or Management

12. Internal auditors or internal audit institutions are responsible for reviewing internal control through an annual audit to review risks in the operation process.

## Risk management plan

Risks are divided into five categories:

1. **Strategic Risk** are risks related to organizational policies and strategic plans, including management decisions that affect the direction of operations in a way that hinders the implementation of the strategy. Therefore, the operation cannot achieve its objectives according to the strategic plan, such as operational risk and organizational image risk that is inconsistent with the goals or objectives, risk of meeting the needs of customers or stakeholders

2. **Operational Risk** refers to the risk generated by each step of operation due to the lack of good governance or good internal control of factors related to processes, equipment and information technology, operator and property safety

3. **Financial Risk** refers to risks related to liquidity, financial management and financial statements. For example, the risk of improper budget allocation, budget preparation error, capital budget use and market factor fluctuation, market risk and credit risk.

4. **Legal risk and compliance risk** refer to risks from different institutions complying with legal and organizational obligations, such as default risk, lack of compliance reporting risk or failure to comply with relevant laws and regulations.

5. **Emerging Risk** refer to the losses caused by risks that have not yet occurred but may occur in the future due to environmental changes. This kind of risk is a slow risk, and it is difficult to determine. The occurrence frequency is low, but once it happens, it will have a serious impact. The risk of reoccurrence is usually the result of political change, legal, social, technical, physical environment or natural change. Sometimes, the impact of such risks may not be determined at present, for example, problems arising from nanotechnology or climate change, etc.

## The risk management structure is divided into the following four levels

1. **The Audit Committee** will develop a risk management policy covering the entire organization and oversee the risk management system, and develop the risk management plan and risk management process of the whole organization, including determining the acceptable risk level and proposing preventive measures and how to reduce the risk to an acceptable level and continuously monitor the operation plan to reduce the risk. The Audit Committee shall review the risk management policy and framework at least once a year and report to the Board of Directors.

2. **The Executive Committee** is responsible to managing an organization's risk, which includes various processes used to identify, assess, rank, respond, and report risks, defining roles, responsibilities, and accountability for executives and senior management in managing risks and monitoring compliance, testing the risk management process and identifying areas of vulnerability in acceptable performance outcomes, providing accurate and appropriate advice, and communicating risk management to the audit committee and board of directors every quarter.

3. **The Chief Executive Officer** is responsible to applying the risk management policy throughout the organization and ensuring that it is consistently implemented to achieve the planned goals and objectives. The head of management appoints a risk assessment committee for POLY, consisting of personnel from various departments involved in the organization to identify, assess, and develop the risk management plan, including updating the risk management plan every quarter and reporting to the management committee at least once every quarter.

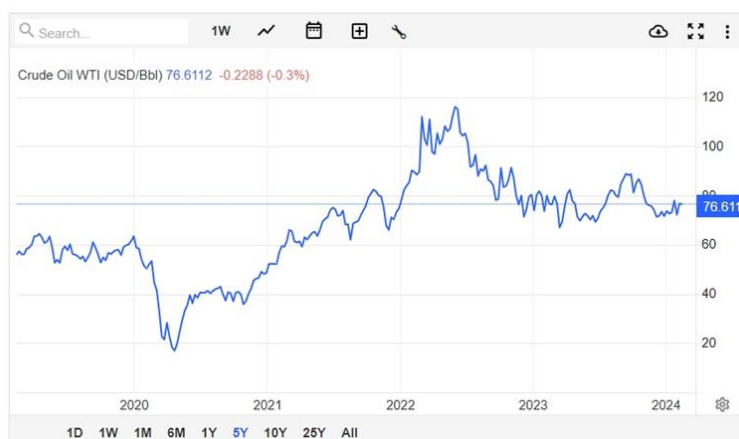
4. **Personnel at all levels and POLY** departments are responsible for identification assess and managing risks within the organization as part of its responsibilities, manage risks at the organizational, departmental and operational levels according to the responsibilities or assignments of the management to report to the Board of Directors and/or Management Committee, and encourage employees to realize the importance of risk management.

# Risk factors of the company's business operation

## Risks to the company's business operation

### 1. Risk of price fluctuation of main raw materials and shortage of main raw materials.

The main raw materials of POLY products are synthetic rubber made of silicone rubber, plastic and crude oil.. Therefore, if the price of silicone rubber changes, silicon minerals and crude oil will directly affect the price of POLY's main raw materials. If the high cost cannot be passed to customers, in 2023, China is the largest silicon production base in the world, and has announced to reduce in the capacity of the high-power industry. This includes the silicon smelting industry. Due to the power shortage in the country, the Chinese government must issue strict control measures. In 2023, the Chinese government will focus on investing in clean energy, which is expected to revive the situation. The world's leading silicone rubber manufacturers and distributors, such as Dow Chemical, Wacker Chemical A.G., Momentive, Elkem and Shin-Etsu Chemical that will take time to increase the production of silicone rubber.



Source: <https://tradingeconomics.com> As of December 31, 2023

However, in the past, POLY has never experienced a shortage of raw materials due to its implementation of the following measures:

- 1) Closely monitor the price trend of main raw materials with raw material suppliers.
- 2) The raw material purchase plan shall be carried out 1-3 months in advance according to the raw material demand to adapt to POLY's production plan. We plan our work together with key customers every year, and track the average order quantity of customers three months in advance. POLY will calculate the number of raw materials required according to the customer order and combine the latest raw material inventory data and track the raw material estimates on the market by closely inquiring about suppliers. We will notify the supplier of the delivery plan (scheduled delivery time) at least 1-3 months in advance to ensure that the quantity of raw materials is consistent with the production plan.
- 3) POLY will store the main raw materials in a proper place and will not deteriorate due to silicone, synthetic rubber and other chemical components for long-term storage. The age is about 2 years old, 3 years old and 3 years old respectively.
- 4) Due to the price adjustment of raw materials and significant negative impact, the company will negotiate with customers and adjust the sales price according to the change in raw material price. The sales price and cost will be reviewed quarterly to maintain the profitability of POLY. In the past, POLY can negotiate sales price adjustments with customers at any time.
- 5) POLY researches and develops similar raw materials that do not affect the product quality and appearance, such as those determined by the customer in advance, to support the target case of raw materials, mainly of specific types, lack of market

## 2. High competitive risk of automotive parts and consumer products

Auto parts and consumer product groups compete fiercely because there are many entrepreneurs and the production technology is not complicated. For the medical equipment industry, there are few competitors because it needs a lot of investment to build clean rooms, including the production process that needs professional knowledge and experience to design and control the production process. If there are new entrepreneurs, POLY may face the risk of sales revenue, which may be under the pressure of intensified competition. Therefore, POLY depends on its competitiveness in the market and has a deep understanding of the use of each production raw material, expertise in designing and controlling the production process and effective cost and cost control. POLY will not use the strategy of reducing the price. POLY focuses on the quality of products and services, including innovative production. POLY has advantages in the following key areas:

- 1) POLY can provide one-stop manufacturing services, that is, we can provide services from mold design and manufacturing to finished product production.
- 2) POLY can produce rubber, plastic, silicone and sponge products, which can be used in all types of businesses, and has the potential of molding products: Injection, compression and extrusion
- 3) Various sizes of machines are available, ranging from 50 tons to 650 tons.
- 4) POLY have a strong R&D team and an experienced quality control department.
- 5) POLY understand the answers and maintain a good relationship with key partners for a long time, including attaching importance to the continuous development of good relations with new partners to increase future business opportunities.
- 6) The management team is talented and has more than 10 years of business experience.
- 7) With a corporate culture, middle managers can visit and share their opinions with senior managers to find solutions to problems to start a new plan together.
- 8) Due to economies of scale, the efficiency of controlling costs and costs leads to POLY being able to set the sales price at a competitive level and maintain profitability.

## 3. The risk of sales revenue is still concentrated in the auto parts business.

From 2021 to 2023, POLY accounted for the sales revenue of the following industries:

Revenue by Industry	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Automotive	484	61.5%	559.2	51.6%	630.9	64.7%
Consumer Products	198.2	25.2%	394.6	36.4%	200.1	20.5%
Medical Devices and Equipment Industries	103.9	13.2%	128.5	11.9%	130.4	13.4%
Total sales revenue	786.1	99.9%	1,082.3	99.9%	961.4	98.5%
Other revenue	1	0.1%	1.4	0.1%	14.4	1.5%
<b>Total revenue</b>	<b>787.1</b>	<b>100.0%</b>	<b>1,083.7</b>	<b>100.0%</b>	<b>975.8</b>	<b>100.0%</b>

Although in 2023, no customer accounted for more than 30% of POLY's total sales revenue. In the same year, POLY had four major customers who collectively generated approximately 57% of total sales revenue, with each customer contributing less than 20% of total sales revenue. These customers belong to the automotive component sector and the consumer products sector. If POLY loses any one of these major customers, it will have a negative impact on the organization's revenue and net income.

## Automotive

Auto parts are parts with high production quality requirements because they are directly related to the safety of auto users. A carefully designed and accurate and verifiable production process must be carried out before the manufacturer of the parts each supplier will be designated by the OEM or Tier 1 supplier, auto parts manufacturer ("parts manufacturer") inspection must be carried out in each process of production, and the test will employ materials of multiple production cycles. The auto parts industry in Thailand is composed of more than 1,800 parts manufacturers (source: Thailand Automobile Research Institute) There are 720 first-tier suppliers and more than 1,100 second-tier suppliers.

Participants in the major automotive manufacturing and distribution businesses include:

- 1) Automobile manufacturers and dealers (Automakers OEMs)
- 2) The manufacturer and dealer of a first-tier supplier, a company that produces and sells auto parts to OEM directly.
- 3) In the second stage, auto parts manufacturers and dealers (secondary suppliers), a company that produces and sells auto parts to the primary level to assemble and resell to OEM or secondary suppliers
- 4) The manufacturer and dealer of the third-tier supplier, a company that produces and sells auto parts to the second tier.

The competition is very fierce. If every component manufacturer wants to become the employer's first choice, it must be able to produce products by the specified quantity and quality, and provide all-round services. Innovation can produce complex products and produce products at competitive prices. In addition, the automotive industry is transforming from an internal combustion engine to an electric vehicle. Electric vehicles will use fewer parts and will affect many manufacturers. POLY has the following risk management guidelines to reduce the negative impact:

- 1) Focus on producing rubber products for internal combustion engines and electric vehicles such as Grommet, anti-vibration groups, crushing valve group and other rubber parts. Therefore, it will not have a significant impact on the changes in the automotive industry that will soon shift from internal combustion engines to electric vehicles.
- 2) Focus on maintaining good relationships with existing customers.
  - Work closely with customers to plan orders in advance to plan production and delivery to customers.
  - Timely delivery of high-quality products
  - Invent and develop a variety of complex rubber products through the use of years of accumulated knowledge (Know-How) over the past 20 years. We have been able to produce unique products and meet customers' needs in a short time.
  - Maintaining the consistency of product and service quality through traceability is the key to the production of auto parts.

Therefore, POLY wins the trust of existing customers to order continuously. In addition, if customers order any type of product according to the replacement period of each model, the production will last for 5-10 years and outdated auto parts will be produced for replacement parts for about 10 years. In addition, POLY focuses on mold design and manufacturing. We provide a full range of services. We have modern machines. Every machine has a replacement. The production efficiency has been maintained for 10 years. In each production process, there are personnel specialized in design and manufacturing and regularly conduct design procedure training with the machine supplier.

- 3) Expand new customer base
  - Regularly participate in domestic and foreign trade exhibitions.
  - Establish a good relationship with old customers because some new customers are obtained through referrals.

- 4) Increase revenue, increase the proportion of sales revenue of consumer products, medical products and other industries, using rubber and silicon raw materials and has a high growth trend, such as electricity and energy.
- Consumer products: POLY predicts the growth of consumer products in lifestyle used in daily life such as anti-leak and reusable silicone rubber bags. The sales department expects that due to the increasing popularity of global trends, such products will be in a market with very high purchasing power in the future. It can also generate a high gross profit margin. POLY signed the contract and gained trust with a large consumer product manufacturer and dealer in the United States which contains many types of lifestyles in consumer products and in 2019, POLY began to invest in clean rooms and R&D facilities to support the production of the consumer product and medical product. With the trust of these partners, POLY executives believe that POLY can increase their Income sustainably.
  - Medical Products: executives see the growth of the market due to the development of medicine. We need efficient treatment equipment and treat equipment, but still have a good quality of life for patients, such as silicone rubber tubes, silicone urethra and silicone rubber are used to remove the waste in the body, syringe lock and silicone sleeve used for the delivery of drugs. Medical products must be produced in clean rooms with high investment. In addition, the production level must be strictly controlled, resulting in a relatively high-profit margin for such products as POLY is trusted by many customers and continue to produce such products
  - Other industries that use rubber and silicone rubber materials and have high growth prospects: feasibility studies of multiple projects are underway.

#### **4. Risk of relying on key customers**

Although by 2023, POLY has no customers whose revenue is considered to depend on or exceed 30% of the total sales revenue. In 2023, POLY has about 4 major customers, with total sales revenue accounting for 57% of total sales revenue. The proportion of sales revenue of each customer shall not exceed 20%, including 2 auto customers, 1 consumer and 1 medical customer. If POLY lost a customer, POLY will face a negative impact on POLY's revenue and net profit.

However, three major customers, two automotive customers and one medical customer, have been customers of POLY for many years. POLY produces high-quality and timely products to meet the needs of customers, then they keep placing production orders to POLY. One consumer, they are American customers. They are new customers who have just started to be delivered products in 2021. POLY helps product development and production process. In addition, POLY focuses on becoming a One-Stop service that focuses on the development of innovative products to make a difference. We are committed to maintaining a long-term good relationship with customers and expanding a new customer base from businesses with high growth prospects to reduce the risk of relying on specific customers in the future.

#### **5. Product quality and safety risks**

Because the safety of products produced by POLY is a very important factor, whether it is auto parts customers or consumer product customers or medical device groups. Minor error, whether a non-standard product, contaminated product or foreign matter may seriously affect the safety and reliability of all POLY products, so POLY has obtained international quality standards such as ISO 9001 (quality), ISO14001 (environment), ISO18001 (health and safety), IATF 16949 (2016) (quality assurance), ISO 13485 (medical equipment) and ISO 14064-1

## 6. Greenhouse gas emission risk

POLY recognizes the importance of greenhouse gas emissions leading to global warming, which have a negative impact on extreme weather conditions. In addition to realizing the importance of POLY, the extinction of natural ecosystems and various animal species. Without effective emission reduction measures, greenhouse gas emission risks may occur, including: may be subject to environmental complaints or not being selected as a manufacturer due to export investment. Thailand is facing more and more environmental protection challenges, which will become a condition of the global trade structure. The United States and Europe have implemented stricter environmental policies and promulgated import control laws focusing on carbon footprint while China has also issued measures to control greenhouse gas emissions. Thai entrepreneurs exporting products must be prepared to adapt to changes in products that require more environmental considerations. The measurement to reduce greenhouse gas emissions are as follows:

- Plan production processes and improve production equipment to improve energy efficiency.
- Select machines or tools with high-quality production lines to reduce the power consumption of POLY production.
- Dispose of waste and toxins according to academic principles and legal requirements and through the law and the same standard as industrial plants in different countries. The high-quality machines will be selected to minimize waste. This includes the selection of industrial waste treatment contractors that meet the standards prescribed by law.
- Design cost-effective products and production layouts to reduce production waste.
- Produce products that help reduce global warming
- Improve logistics systems to reduce greenhouse gas emissions and provide other types of fuel or renewable energy to reduce oil consumption.
- Increase green space by planting trees in the open factory area to increase the green space of society. POLY has been implementing this policy consistently.
- The details of solar renewable energy generation in the production process are being studied.
- Plan and prepare greenhouse gas emission report to monitor the sustainable development of greenhouse gas emission reduction

## Financial risk

### Risk of exchange rate fluctuations

Between the years 2022 and 2023, the value of the US dollar significantly strengthened due to the Federal Reserve's decision to raise interest rates to control inflation. This led to a notable decrease in the value of other currencies, including the Thai baht, which depreciated rapidly. This currency fluctuation had implications for various factors such as the cost of imported raw materials and machinery used for expanding production capacity. To manage this exchange rate volatility risk, POLY considered utilizing forward exchange rates tailored to each project's needs. Additionally, this issue was brought up for discussion during monthly board meetings to assess and make informed decisions regarding the appropriate financial tools to use based on the prevailing circumstances.



## Management risk

### Risk from losing executives and key employees

The company faces risks arising from the loss of key executives and employees in critical positions, which are crucial for the company's success. The loss of human resources with high knowledge and capabilities, both at the managerial and staff levels, may occur due to retirement, resignation, or job moves to competitor companies. The most significant impact is the loss of the company's knowledge and the additional expenses incurred in recruiting and training new employees to manage such risks.

The company has a human resources management policy that supports engagement and cares for valuable employees. It has a fair compensation management system, including reviewing compensation and benefits according to the company's compensation structure, to ensure that compensation is fair and competitive.

Additionally, the company has succession planning in place, with a board committee responsible for ensuring effective succession planning. This includes setting criteria for selecting successors and assessing leadership competencies, as well as developing individual development plans and projects to support and promote the readiness of outstanding employees for key positions. Furthermore, the company accelerates the development of skills, understanding, and the use of digital technology to ensure that employees are prepared to work in an environment that is transitioning to the digital age in the future.

## Investor risk

### The risk of having a majority of the shares held by a family group, Laowrattana, exceeding 50% of the paid-up capital

As of September 28, 2023, the Laowrattana family group collectively holds 78.56% of the issued and fully paid-up registered capital. Since the Laowrattana family group holds positions as both directors and executives of POLY, there may be risks associated with their influence over policy-making and management decisions. They may also control almost all resolutions at shareholder meetings, including matters such as the appointment of directors or resolutions requiring a majority vote, except for those mandated by law or company regulations to receive 3 out of 4 votes at shareholder meetings.

However, the management structure has clearly defined the scope of authority, duties, and responsibilities of the board of directors and the audit committee. Measures have been put in place regarding conflicts of interest, controlling shareholders, and individuals who may have conflicts. These individuals would not have voting rights for approval of specific transactions. Additionally, an independent audit committee is involved in reviewing and making decisions to ensure transparency and confidence among shareholders that POLY's management structure is balanced and efficiently managed.

## Emerging risks

### Risks from tense geopolitical situations

Geopolitical tension situation From the conflict situation between Russia-Ukraine and Israel-Palestine It has a wide impact. Both in terms of energy costs, causing a crisis in global energy prices, soaring and fluctuating. and the use of trade measures by erecting walls and reducing competitiveness. This puts the world economy in a state of instability. and disruption of the supply chain

POLY has methods for dealing with risks by closely monitoring the situation. and assess the situation and impacts To deal with events that may occur Including the use of various tools to reduce risk. and volatility and operational strategies have been adjusted to be consistent with each situation so that operating results meet the goals set.

# Business sustainability development

## Sustainability management policy and goals

The company realizes the importance of good corporate governance and sustainable development. In this regard, the company has formulated policies and guidelines to ensure stable and sustainable development of the organization. Our company considers the social, economic and environmental aspects in our business practice, from the supply chain to our customers, to bring the greatest benefit to all groups and stakeholders.

The board of directors will supervise the objectives and strategies of the company to ensure that it is in line with the United Nations Sustainable Development Goals (SDGs). These guidelines include:

- 1) **Supervise the preparation of the strategy:** Considering the environmental and social impacts, including human rights, in our objectives and business strategy. The company will encourage frequent review of our objectives and strategies to ensure that our practices are sustainable.
- 2) **Ensuring that the environment is analyzed:** The company will complete thorough analysis of the factors and risks that may affect stakeholders throughout the business value chain. The company will also consider various factors that could impact the needs of our stakeholders.
- 3) **Supervise the control of business operations:** The company will ensure that our employees understand, and are part of the planning process of our sustainable development strategies.

## Management of the Value Chain

### Business value chain

The value chain of main activities in the Company's value chain are as follow:

Main Activities	Description
1. Material Sourcing	<ul style="list-style-type: none"><li>• Strict selection of material based on the quality of the product to minimize the risk of depending on only one source and to gain comparative advantage in the market</li></ul>
2. Product Operation and Manufacturing	<ul style="list-style-type: none"><li>• Relies on modern and high-technology operations to manufacture products that minimizes environmental risk while also considering the customers and employees' safety as a primary concern</li><li>• Engages with skilled engineers and employees who can quickly and efficiently solve unexpected problems within the factory</li></ul>
3. Product Distribution and Service	<ul style="list-style-type: none"><li>• Currently have an inventory storage system and logistics that can efficiently distribute the products while minimizing damages</li></ul>
4. Marketing	<ul style="list-style-type: none"><li>• Consists of an experienced team to explore new opportunities in the market and develop new marketing channels along with high-quality products that meet the demands of the market and customers</li></ul>
5. Post-Transaction Service	<ul style="list-style-type: none"><li>• Fast and efficient post-transaction service, handling customers with care. Open to suggestions and areas of improvement from customers to strengthen the customers' impressions towards the Company</li></ul>

Support activities in the company's value chain are as follows:

Supporting Activities	Description
1. Human resources management	<ul style="list-style-type: none"> <li>Encourage senior managers and employees to receive various skills training regularly.</li> <li>Welfare and equipment support to ensure smooth work of employees, commitment and dedication to the organization</li> </ul>
2. Technical development of products and services	<ul style="list-style-type: none"> <li>Encourage innovation to improve the efficiency of workflow. At the same time, create social benefits by focusing on the use of technology, making it easy to use and obtain the maximum benefits.</li> </ul>
3. Procurement	<ul style="list-style-type: none"> <li>Comply with the terms of trade with trading partners and ensure the transparency of procurement.</li> <li>Do not conduct any transactions with partners listed in the database of the Anti-Money Laundering Office.</li> </ul>
4. Infrastructure	<ul style="list-style-type: none"> <li>Monitor, develop and improve key systems so that they always have the latest technology. Be able to accurately, efficiently and timely support all people and customers in the organization.</li> </ul>

### Analysis of stakeholders in the enterprise value chain

The stakeholder group	Expectation	Method	Response of the company
Shareholders / Investors / Analysts	<ul style="list-style-type: none"> <li>Good returns</li> <li>Good corporate business</li> <li>Stable business growth</li> <li>Information is accurate, complete, timely and transparent.</li> <li>Risk management system</li> <li>Good audit and control system</li> </ul>	<ul style="list-style-type: none"> <li>Arrangement of shareholders' meeting</li> <li>Quarterly performance introduction</li> <li>Financial analysts meeting</li> <li>Meeting activities between listed companies and investors</li> <li>Invite investors to visit the factory</li> </ul>	<ul style="list-style-type: none"> <li>Conduct corporate governance in a transparent, fair and accountable manner</li> <li>Appropriate dividend payment</li> <li>Disclosure of information</li> <li>Develop a business strategic plan</li> <li>Carefully manage risks</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Correctly receive information about products and services</li> <li>Reasonable price</li> <li>Price competition is transparent</li> <li>Access to quality products and services</li> <li>Quick problem solving</li> <li>Confidentiality of customer information</li> </ul>	<ul style="list-style-type: none"> <li>Meeting with customers</li> <li>Closely coordinate every step with customers</li> <li>Customer satisfaction survey</li> <li>Provide customers with the opportunity to visit the production process.</li> <li>Conduct activities with customers</li> </ul>	<ul style="list-style-type: none"> <li>Conduct corporate governance in a transparent, fair and accountable manner</li> <li>Develop anti-corruption policies</li> <li>Quality management through ISO 9001, IATF 16949, ISO1 3485 and other systems.</li> <li>Code of conduct for the confidentiality of customer information</li> <li>Invite customers to visit the production process</li> <li>Develop high-quality products to meet customer needs</li> <li>Keep customer information strictly confidential</li> </ul>

The stakeholder group	Expectation	Method	Response of the company
Partners	<ul style="list-style-type: none"> <li>Fulfill contracts and mutual agreements</li> <li>Conduct business together in a transparent, fair and equitable manner</li> <li>Confidentiality of supplier information</li> </ul>	<ul style="list-style-type: none"> <li>Clear product and service transaction contract</li> <li>Partners satisfaction assessment</li> <li>Carry out activities with partners</li> </ul>	<ul style="list-style-type: none"> <li>Improve the efficiency of procurement-related workflow</li> <li>Strictly keep partners' information confidential</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Good salary, career development opportunities and company stability</li> <li>Suitable working environment and area</li> <li>There is sufficient equipment for operation and it is available at any time.</li> <li>Welfare and safety in operation</li> </ul>	<ul style="list-style-type: none"> <li>Convey relevant information through appropriate communication channels and frequency</li> <li>Employee satisfaction assessment</li> <li>Listen to ideas and suggestions through various channels</li> </ul>	<ul style="list-style-type: none"> <li>Train and encourage employees to continuously develop skills and knowledge</li> <li>Joint activities between executives and employees</li> <li>Human resources development policies and plans</li> <li>Safety and occupational health practice guidelines and guidelines</li> <li>Succession plans to plan career development for key positions.</li> </ul>
Society and Community	<ul style="list-style-type: none"> <li>Reduce environmental impact on surrounding communities</li> <li>Safety production conforms to safety standards.</li> <li>Make contributions to the development of the community, create jobs and income, and create stability for the people in the surrounding communities.</li> </ul>	<ul style="list-style-type: none"> <li>Take into account the potential impact on society and communities, and be responsible for the society of surrounding communities.</li> <li>Listen to opinions and suggestions through company channels • Follow occupational safety and health guidelines</li> </ul>	<ul style="list-style-type: none"> <li>Optimize resource utilization</li> <li>reduce the impact of greenhouse gas emissions</li> </ul>
The regulatory authority	<ul style="list-style-type: none"> <li>Adhering strictly to the rules and criteria of each organization.</li> <li>Taking responsibility for receiving various benefits as entitled.</li> <li>Complying with contracts and agreements accurately and legally.</li> </ul>	<ul style="list-style-type: none"> <li>Participating in various training programs to enhance work efficiency.</li> <li>Receiving and considering feedback and suggestions through various channels provided by the company.</li> <li>Engaging in beneficial activities for the company.</li> </ul>	<ul style="list-style-type: none"> <li>Collaborating with the respective regulatory agencies.</li> <li>Adhering strictly to the rules or criteria set forth by the regulatory agencies.</li> <li>Creating and submitting reports accurately and on time.</li> </ul>

The company will evaluate the expectations of stakeholders at least once a year through listening to opinions and satisfaction surveys, meetings or other participation channels to understand the impact and related issues between companies, and positive and negative stakeholders to achieve comprehensive and sustainable development.

# Environmental sustainability management

## Environmental policies and practices

The company recognizes the importance of global warming and greenhouse gas (GHG) emissions, which are mainly caused by carbon dioxide (CO<sub>2</sub>), leading to climate change, earth's surface temperature and natural disasters. The company is aware of the future problems and consequences caused by its business operation. Directly related to greenhouse gas emissions, the company has formulated the following social and environmental responsibility policies "Greenhouse gas emissions (carbon footprint)". In addition, the company has developed a strategy to use renewable energy to manage greenhouse gases, including other important methods.

## Environmental performance

### Energy consumption

The company continues to implement energy conservation projects and ISO 14001 environmental projects every year. In 2023, the company, according to the environmental sustainability policy, realizes and supports the efficiency of the company's internal production process. The company has also improved its employee's awareness and participation in reducing power consumption. The company has taken the following actions

- 1) The company has a policy to utilize renewable energy and to produce electricity using solar cells. Many of our buildings and manufacturing sites are sizable and suitable for the installation of solar panels. This helps lower our energy consumption and costs.
- 2) The logistic system is enhanced with a purpose to reduce transportation cost and to limit greenhouse gas emission. The company will optimize the transportation route efficiently – including direct delivery or from the supplier to directly to the customer – by prioritizing the importance of each transportation in the same direction. As well as finding better sources of energy to reduce petrol consumption.
- 3) The company has policies in choosing machineries or tools with high quality production line that is able to reduce the usage of electrical energy for the productions of the company.

### Electricity Usage

The company prioritizes the efficient use of energy to manage energy consumption effectively. In 2023, the company continued to consider environmental impacts from greenhouse gas emissions during electricity production. Solar panels were installed at both factory locations, resulting in reduced electricity consumption for the company.

(Unit: kilowatt-hour)

Information on energy usage.	2021	2022	2023
Total electricity consumption.	9,485,000	11,587,000	10,694,374
Amount of purchased electricity consumption.	9,485,000	11,587,000	9,938,919
Amount of purchased or produced electricity from renewable energy sources.	-	-	755,455

## Water Usage

The company prioritizes efficient water management by reducing water usage, minimizing water loss, treating wastewater and toxins using appropriate methods compliant with academic principles and legal requirements. Standards are comparable to industrial facilities in other countries. Company water usage is primarily for public utilities and cafeteria facilities. Water usage in the production process is minimal, and the company's machinery used in production does not release wastewater. In 2023, the company's total water usage decreased compared to the previous year.

(Unit: cubic meters)

Information regarding water management.	2021	2022	2023
Total water consumption.	33,318	55,443	26,468

## Waste and pollution management

The company selects high-quality machinery to minimize waste generation to the lowest possible extent. Additionally, it contracts with industrial waste disposal services that meet legal standards for waste management from the production process. Regarding other waste materials such as food waste from the cafeteria, the company has implemented guidelines for segregating waste before handing it over to waste management agencies. In 2023, the company generated a total of 331,254 kilograms of waste, categorized as follows: general waste 36%, industrial waste 34%, recyclable waste 26%, and hazardous waste 4%. This amount decreased compared to the previous year due to the environmental conservation projects implemented by the company, which involved waste reduction, waste categorization with employee involvement, and campaigns to reduce the use of plastic bags, foam containers, and plastic water bottles within the company. Additionally, the company's products have seen a decrease in the proportion of waste generated and have adopted innovative manufacturing processes that make more efficient use of raw materials.

Performance	Waste quantity (kg.)	Waste type			
		General garbage (%)	Industrial waste (%)	Recycled waste (%)	Hazardous waste (%)
2023	331,254	36	34	26	4
2022	346,701	48	29	20	4
2021	351,100	52	31	15	2

The company has delivered the wastes in the production process to the experts with the disposal license for transportation and disposal. The company's environmental treatment system complies with the regulations of the Ministry of Industrial Engineering. In addition, waste treatment inside the company also considers the impact on the environment and safety. The company also organizes internal activities to continuously reduce the amount of waste every year.

## Management of greenhouse gas reduction

The company has taken measures to reduce greenhouse gas emissions, including the use of renewable energy and the improvement of transportation systems to reduce greenhouse gas emissions, select high-quality machines to reduce power consumption in the production line, produce products that help reduce global warming. In addition, the company also formulated a policy to increase green space by planting trees in the open factory area. To increase the green space of society, the company will continue to implement the above policies in 2021. The monitor policy of carbon footprint of organizations and companies for greenhouse gas emission report to monitor the sustainable development of greenhouse gas emission reduction.

### Greenhouse gas emission by Polynet in 2021 to 2023

(Unit: Ton CO<sub>2</sub>e)

	2021	2022	2023
Greenhouse gas emission volume for area 1	268	441	321
Greenhouse gas emission volume for area 2	4,742	5,723	4,935
Greenhouse gas emission volume for area 3	2,906	4,445	3,031

Note: according to the accounting standard regarding greenhouse gas emission (GHG Protocol) for the public and private sectors, which is developed by the World Resource Institute (WRI) in conjunction with the World Business Council for Sustainable Development (WBCSD), direct and indirect emission of greenhouse gases can be categorized into 3 scopes. Scope 1: all direct GHG emission Scope 2: indirect GHG emission from purchasing electricity, heat, or steam Scope 3: indirect GHG emission outside of the scope 2 (e.g., GHG emission from activities related to the transportation with vehicles not controlled or owned by the reporter, etc.)

In 2023, the company appointed BSI group (Thailand) company limited ("BSI"), a reviewer of carbon footprint evaluation who is registered with Thailand Greenhouse Gas Management Organization (Public Organization) or TGO, to review the company's carbon footprint report. BSI provided an opinion that there was no reason to suspect any substantial misinformation.

# Social sustainability management

## Social Environmental policies and practices

The company is dedicated to balancing between its economic, social, and environmental values. The company strives to become a Good Corporate Citizen that leads sustainable business growth while maintaining ethical and socially responsible practices to yield efficient returns to shareholders. The Company will take all of the following into account:

## Social Responsibility Policy

The policy has been executed accordingly:

### 1) Ethical Business Practices

- The company's business is transparent, and fair. All important information can be examined.
- Conducting business in accordance with social responsibility policies based on ethical principles, along with the principles of good corporate governance, is a way to maintain the sustainability of operations in economic, community, social, and environmental aspects, leading to the development of a successful and sustainable business.
- The company strictly complies with the environmental, occupational health, and safety laws. The company strongly urges all personnel to abide by these laws and avoid taking any action that can be deemed as breaking or bending the law, or any other company rules.
- The company does not support any action that is considered violating intellectual property by setting guidelines for the board of directors, executives, and employees to operate within the framework of laws, regulations, and rules, and must not be involved in any actions that violate laws, regulations, or other rules related to intellectual property.
- The company supports its personnel to use resources in the most efficient manners.

### 2) Anti-Corruption

The company operates transparently and fairly to resist any corruption that may arise through its Anti-Corruption Policy to aid with trustworthy business transactions.

### 3) Respect of Human Rights

The company strives to bring forth equality in judgment for all races, genders, ages, religions, status, or other factors that do not directly relate to an employee's ability to work.

### 4) Employee Fairness

The company has a policy to provide a working environment that is happy and acceptable to all employees to work together, and there is a practice towards employees at all levels like brothers and sisters. There is no discrimination, including taking care of Thai and foreign employees equally. The company has a fair compensation system and provides appropriate benefits. In addition, the company also promotes and supports all employees to have opportunities for advancement. The company has established a Learning Center to promote learning and development of employees at all levels of the organization, both in the short and long term, and to develop skills to enhance professionalism in a suitable working environment.

### 5) Customer Responsibility

The company manages our products and services ethically and are always kept up to standard.



## 6) Taking Care of the Environment

The company pays close attention to its community and immediate surrounding area, as it is also part of that community. The company will strive to develop the area's environment, and spare no effort to maintain a good relationship with the current residents so it may continue to do business with the community's approval.

## 7) Developing the Community

The company will run its business in a way that aims to bolster the economy and its society while strictly complying to the law. The company is motivated to develop and increase the quality of life of the community together with the company.

## Anti-Corruption Policy

The company will create a culture that ensures everyone realizes the dangers of corruption by building good values and trust in all parties to resist corruption. Further details are as follows:

1. Prohibits any board of director, manager, or any employee of any level to abuse their power or break any law to gain unworthy benefits in any way (For example demand, accept, or present capital or other benefits to government officials or individuals that do business with the company).
2. The act of giving or accepting presents should not be considered equivalent to giving, accepting, or requesting for incentives or any other benefits that could be considered corruption. If it is necessary, giving or accepting gifts should be reasonable, kept transparent, and devoid of any hidden meanings or business dealings
3. The act of giving or accepting presents should not be considered equivalent to giving, accepting, or requesting for incentives or any other benefits that could be considered corruption. If it is necessary, giving or accepting gifts should be reasonable, kept transparent, and devoid of any hidden meanings or business dealings
4. The Anti-Corruption Policy is communicated to employees at every level within the company, including during training and through various internal communication devices.
5. Set up appropriate channels to allow anyone to notify suspicions or acts of corruption. The notifier will strictly remain anonymous and will receive the appropriate protection to avoid any unfair punishments. The company will also appoint personnel to investigate every report of corruption to ensure the validity and truth of the claims.
6. The company will continue to develop its Anti-Corruption Policy to keep it relevant to any new laws regarding moral code. This is done by continually inspecting the risk of any activity that could be considered corruption, as well as continually coming up with the appropriate respective preventive measures.

## Social Performance

The company realizes the importance of its social impact and has decided to take the following actions:

### Employee Engagement

The company has a policy to allow all employees to work together in a happy and accepting work environment, with everyone treating each other like siblings. There is no comparison or bias towards anyone, and the company takes care of its employees by providing fair compensation and suitable benefits. In 2023, the company had a turnover rate of 2.02%. The rate has increased since 2021.

## Customers

The company will continually develop and adjust its manufacturing processes to answer customer demands with ethical responsibility and honesty. In 2023, The company received satisfaction feedback of 97% from customers, and had received no major complaints.

## Community

The company runs the business with responsibility towards the community by strictly following the social responsibility policies set in place. We avoid any actions that could create a negative impact towards the surrounding community of the company. As a result, the business has received no major complaints from the community in 2023.

## Motivation and human resources development

Polynet Company Limited (corporation) recognizes the importance of people development in driving the business to sustainable growth. We have adopted a tool, so called "Competency," to drive the organization direction into the strategic and continuous people management and capability development. The company has determined our core and managerial competency and skills based on our vision, mission, and strategy, as well as task-specific skills, to be a direction for people development and efficiency improvement. Furthermore, high-level managers are aware of the significance of personnel and employees as a main factor to drive competitive advantages. As a result, we developed talent management and succession plans, with a goal to attract and retain capable and moral employees, with high ability and potential. This will support the sustainable growth of the organization and will prevent the scarce of talent in positions critical to business success in the future.

Therefore, people development strategy of Polynet Company Limited (Corporation) emphasizes the recruitment and selection, training and development, performance evaluation, and talent attraction to retain capable and moral employees and ensure their well-being.

## Human resources development strategy

### 1. Recruitment strategy

Starting from the strategy of recruiting talents and good people to join the company, the focus is to work more actively. Find tools for selecting more talents and the main tool used is performance. It is factors to measure past performance and tools to assess employees' potential assess the current and future capabilities of employees and increase external recruitment channels.

### 2. Training and development strategy

Through the support and promotion of the company, it will become a learning organization. By encouraging employees to continuously develop production line employees and support line employees, the company has established a learning center. The internal learning center provides employees with the basic knowledge training center from the beginning of work to work by determining the knowledge and skills of personnel required for operation. In this regard, employees will develop through internal and external training and other non-training methods, such as: conducting effective self-research training according to the training roadmap of each employee, basic knowledge, hard skills, soft skills according to the organization's human resources development strategic plan.

### 3. Retain and Motivation strategy

The company has found ways to motivate and retain potential employees to stay in the organization for a long time and faces challenges at work and don't get tired of what they do. Therefore, the career path structure is ready to cover the determination of knowledge, skills, abilities, annual training plan, training arrangement, and development guide, training evaluation, and tracking required by personnel. The company also transfers potential employees (Talent Pool) as a representative of Successor to the following Successor.

#### **4. Knowledge management strategy**

The company's human resources development policy develops all employees, committee, and executive through internal and external training and other non-training methods (such as on the job training) and effective self-study guidance according to the appropriate personal employee development guidelines and in line with the organization's personnel development strategic plan. According to the requirements of the career paths and international standards, the company has established an internal teacher plan (Internal trainers) who are divided into internal teachers according to their job levels and internal teachers according to their teaching responsibilities to improve the potential of internal teachers and formulate teaching standards systematically. We have created a variety of teaching courses and teaching tools to prevent employees from getting bored during training, including plans and managing knowledge within the organization by collecting existing knowledge in the organization whether it is to collect knowledge from individuals or documents to develop a system so that everyone in the organization can acquire knowledge and develop themselves, apply the acquired knowledge to the work. The department will review and collect the department's knowledge and support all materials for knowledge management.

### **Personnel development program**

#### **1. Learning Center**

The company prioritizes career development from entering the company to being a full-time employee. In order to make employees knowledgeable, the company has built an internal training facility for basic knowledge about the company such as company history, product information, safety rules, etc. The learning curriculum follows 70:20:10 mode through hands-on training in order to make the activity engaging. This has been proven to promote learning better than in-class lessons.

#### **2. Internal Trainer**

The internal trainer could be grouped into by level trainer and by responsibilities. The trainers are being trained through "Train the trainer" curriculum such as Control and On the Job training to enable the trainee to act as a trainer in on-the-job training situations. The company has created such curriculum such as forklift operation, search and Completely Check Completely Find-Out (CCCCF), chemical safety training, etc.

#### **3. Corporate Core Culture**

Systematically approach to performance is a tool to convert the company's strategy to personnel's development. It is the foundation to human resource management and directing the company's approach to improving employee's skills. The company has brought "Competency model" into the company and adapted it to recruit prospective employees and develop existing employees to increase everyone's productivity, which consists of 7 core cultures. The core culture is being adapted to the upper management and employees for everyone in which the trainer is from the aforementioned trainer training program.

### **Occupational Health and Safety**

The company acts according to the law and standards about health and safety. Employees are assigned responsibilities that lead to the structures that promote safety within the area of noise, dust, chemical substance, and other environmental concerns. The company also provides health services to the employees especially in the area that promotes their wellbeing and preventive care that could affect productivity.

## Occupational Health and Safety Project

Results	2021	2022	2023
Fatalities			
- Employee (Persons)	0	0	0
- Contractor (Persons)	0	0	0
Injuries from working (not included dead)			
- Employee (Persons)	0	1	0
- Contractor (Persons)	0	0	0
Lost-Time Injuries Frequency Rate			
- Employee (Persons)	0	1	0
- Contractor (Persons)	0	0	0
Serious injurie (Cases)	0	0	0

### Personal Protective Equipment (PPE)

According to the safety, biological safety, and working environment act 2011 BE, the law requires the employer to put on warning sign and ensure that the employees wear proper PPE that follows the listed standards.

- Assigned safety personnel indicates the type of required PPE and assign the PPE to employees once per year without any cost.
- Review and check the PPE to be in a working order at all times. The equipment must follow the guideline listed by the law and suitable to the work of the employee.
- Employees working in dangerous conditions must wear proper PPE and follow the company's safety rules.

### Heat, lighting, and noise within the workspace

The company aspires to follow the laws involving work safety and wellbeing of the employees. The company evaluates heat, lighting, and noise within the workspace yearly according to Thai laws, and to ensure the well-being of the employee. The company also enacted a safety committee and actively re-evaluate and improved the working conditions.

# Management Discussion and Analysis

## Operational analysis and financial position

### Overall Business Performance

For the year 2023, the global economy experienced a slower growth rate amid concerns arising from political uncertainty and rising inflation rates, along with measures to cope with inflation by raising interest rates. The higher levels of public debt have become significant obstacles to economic expansion both presently and in the future.

The Thai economy grew nearly in line with the previous year, with a GDP growth rate of approximately 2.6%. However, it faced challenges in terms of escalating energy costs due to political uncertainty, leading to domestic consumption constraints. Economic growth remained fragile, but there were acceleration factors in the third and fourth quarters due to numbers of tourism, resulting in higher economic circulation.

The company's overall revenue for the year 2023 amounted to 975.8 million baht, a decrease from the previous year's 1,083.7 million baht, decrease from last year 107.9 million baht or approximately 10%. The primary reason was the decline in consumer goods purchases in the U.S. due to the economic downturn, which since first quarter. Nevertheless, POLY diversify revenue across multiple industries, with revenue from the automotive and medical equipment sectors continuing to grow from the previous year. Therefore, the decrease in revenue from consumer goods impacted the overall revenue decline.

Despite facing various aforementioned factors in 2023, resulting in reduced overall revenue from the previous year, the company maintained profitability amidst challenges, thanks to its strong fundamentals, high adaptability, and low debt ratios. With continuous development efforts, the company remains vigilant in monitoring economic and social conditions, adapting to rapidly changing environments and continues to seek new opportunities while steadfastly aiming to create sustainable value for all stakeholders.

#### Key highlights of 2023 :

- The U.S. economy faced issues with inflation rates, including interest rate hikes aimed at tempering inflation. The crisis affected confidence in financial institutions
- Overall, raw material costs began to adjust favorably, particularly for synthetic rubber, plastic pellets, and silicon. Prices continuously decreased starting from the second quarter of 2023.
- Energy costs peaked in the first quarter, including electricity costs, which saw the Ft charge decrease from 91 cents per unit to 67 cents per unit, effective September 2023, further reduced by 0.20 Baht per unit due to government policies in October 2023 - December 2023.
- The company repaid long-term debts totaling approximately 160 million baht in May 2023, aiming to reduce interest burden and risks amid continuous interest rate adjustments following the impact of the BOT policy changes.
- Signed a contract for the development and production of PEG medical equipment.
- The company has installed solar panels to cut electricity costs, which have been consistently increasing since the previous year. The installation is completed, and electricity production has commenced in the fourth quarter.

## Performance and Profitability Capabilities

Revenue By Segments	2022		2023		Increase (Decrease)	%Increase (Decrease)
	Million Baht	%	Million Baht	%		
Sale and service Revenues						
Automotive	559.2	51.6%	630.9	64.7%	71.7	12.8%
Consumer products	394.6	36.4%	200.0	20.5%	(194.6)	(49.3%)
Medical devices	128.5	11.9%	130.4	13.4%	1.9	1.5%
Total sales and services	1,082.3	99.9%	961.3	98.5%	(120.9)	(11.2%)
Other income	1.4	0.1%	14.4	1.5%	13.0	912.6%
Total revenues	1,083.7	100.0%	975.8	100.0%	(107.9)	(10.0%)

### Revenue from sales

For the year 2023, total sales revenue decreased by 120.9 million baht, or 11.2%, compared to the same period of the previous year. The main reason for the revenue decline stemmed from a decrease in sales of consumer goods, which decreased by 194.6 million baht, or 49.3%, compared to the same period of the previous year, due to economic issues in America. Customers adjusted sales estimates, leading to clearance of inventory and postponement of orders, resulting in the aforementioned decline.

However, automotive component products experienced significant growth, with sales increasing by 71.8 million baht, or 12.8%, compared to the same period of the previous year. This growth was attributed to new automotive products such as headlights and taillights, as well as other rubber and plastic components. Additionally, sales for Tier 1 product groups also significantly increased. Moreover, product prices were adjusted upwards to align with the increased raw material costs.

Furthermore, the medical equipment group saw growth of 1.9 million baht, or 1.5%, due to expanding customer bases in America. Increased medical costs in America led to a preference for home care treatment, as it is more cost-effective and time-saving. Additionally, there was an increase in orders for products related to fertility treatments, driven by positive word-of-mouth and increased marketing efforts, expanding sales channels in European and American markets.

### Other Income

Total other income amounted to 14.4 million baht, an increase from the previous year's 13.0 million baht. Other income for the year 2023 includes compensation for raw materials called back from customers due to order cancellations. Another portion comprises interest income from depositing excess cash flows into fixed deposits, compensation from insurance claims, and income from the sale of plastic scraps and silicon.

# Important financial information

## Statement of financial position

Unit : Million baht	2022	2023	Increase (Decrease)	% Increase (Decrease)
<b>Assets</b>				
Cash and cash equivalents	410.0	191.9	(218.0)	(53.2%)
Short term investment	-	100.0	100.0	100.0%
Trade and other receivables - net	201.7	228.8	27.2	13.5%
Inventories - net	63.8	51.3	(12.5)	(19.6%)
Unbilled receivables	25.9	13.9	(12.0)	(46.3%)
Other current assets	5.5	1.8	(3.8)	(68.12%)
<b>Total current assets</b>	<b>706.8</b>	<b>587.7</b>	<b>(119.1)</b>	<b>16.9%</b>
Restricted deposits at financial institution	-	-	(0.6)	(100.0%)
Property, plant and equipment - net	969.0	970.7	1.6	0.2%
Intangible assets - net	4.5	4.9	0.4	8.9%
Other non-current assets	12.5	2.6	(9.9)	(79.5%)
<b>Total non-current assets</b>	<b>986.0</b>	<b>978.2</b>	<b>(7.8)</b>	<b>(0.8%)</b>
<b>Total assets</b>	<b>1,692.9</b>	<b>1,565.9</b>	<b>(127.0)</b>	<b>(7.5%)</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Short-term loans	9.9	-	(9.9)	(100.0%)
Trade and other payables	141.6	112.0	(29.6)	(20.9%)
Current portion of				
- Long-term loans - net	63.6	1.9	(61.7)	(97.1%)
- Lease liabilities - net	28.8	28.3	(0.5)	(1.7%)
Income tax payable	3.2	24.5	21.3	658.4%
Contract liabilities	1.1	0.4	(0.7)	(64.8%)
Other current liabilities	4.0	2.6	(1.3)	(33.5%)
<b>Total current liabilities</b>	<b>252.2</b>	<b>169.7</b>	<b>(82.5)</b>	<b>(32.7%)</b>
Long-term loans - net	124.6	3.3	(121.2)	(97.3%)
Lease liabilities - net	73.0	51.5	(21.5)	(29.4%)
Deferred tax liabilities - net	30.5	28.6	(1.9)	(6.2%)
Employee benefit obligations	9.4	10.8	1.4	15.3%
<b>Total non-current liabilities</b>	<b>237.4</b>	<b>94.3</b>	<b>(143.1)</b>	<b>(60.3%)</b>
<b>Total liabilities</b>	<b>489.6</b>	<b>264.0</b>	<b>(225.6)</b>	<b>(46.1%)</b>
<b>Equity</b>				
Issued and fully paid-up share capital	450.0	450.0	0.0	0.0%
Share premium	679.9	679.9	0.0	0.0%
Retained earnings	70.6	169.2	98.6	139.7%
Other components of equity - net	2.8	2.8	0.0	0.0%
<b>Total equity</b>	<b>1,203.3</b>	<b>1,301.9</b>	<b>98.6</b>	<b>8.2%</b>
<b>Total liabilities and equity</b>	<b>1,692.9</b>	<b>1,565.9</b>	<b>(127.0)</b>	<b>(7.5%)</b>

## Comprehensive income

Unit : million baht	2022	2023	Increase (Decrease)	% Increase (Decrease)
Revenue from sales	1,082.3	961.3	(120.9)	(11.2%)
Cost of goods sold	(813.0)	(729.3)	83.7	(10.3%)
Gross profit	269.2	232.1	(37.2)	(13.8%)
Other income	1.4	14.4	13.0	912.6%
Selling expenses	(13.8)	(15.4)	(1.5)	11.2%
Administrative expenses	(64.3)	(62.8)	1.5	(2.4%)
Expected credit losses (reversal)	(0.1)	(3.5)	(3.4)	2,902%
Other gains (losses)	24.3	49.4	25.1	103.5%
Finance costs	(24.0)	(9.2)	14.8	(61.8%)
Profit before income tax	192.7	205.1	12.3	6.4%
Income tax expense	(31.1)	(30.0)	1.0	(3.4%)
Net profit for the year	161.7	175.0	13.4	8.3%
Other comprehensive income:				
Item that will not be reclassified to profit or loss	0.4	-	(0.4)	(100%)
Other comprehensive income for the year	0.4	-	(0.4)	(100%)
Total comprehensive income for the year	162.1	175.0	12.9	8.0%
Basic earnings per share	0.47	0.39	(0.08)	(17.0%)

## Cash flows statement

Unit : million baht	2022	2023	Increase (Decrease)	% Increase (Decrease)
Cash flows from operating activities				
Profit before income tax	192.7	205.1	12.3	6.4%
Adjustments:	117.8	65.0	(52.9)	(0.5%)
Changes in operating assets and liabilities:	(159.8)	38.1	197.9	(1.2%)
Cash generated from operating activities	150.8	308.1	157.3	1.0%
Net cash flows used in investing activities	(57.5)	(227.4)	(169.8)	3.0%
Net cash flows used in financing activities	305.6	(298.8)	(604.4)	(2.0%)
Net increase (decrease) in cash and cash equivalents	398.9	(218.0)	(616.9)	(1.5%)
Opening balance of cash and cash equivalents	11.1	410.0	398.9	36.0%
Closing balance of cash and cash equivalents	410.0	191.9	(218.0)	(0.5%)



## Cost of sales and gross profit margin

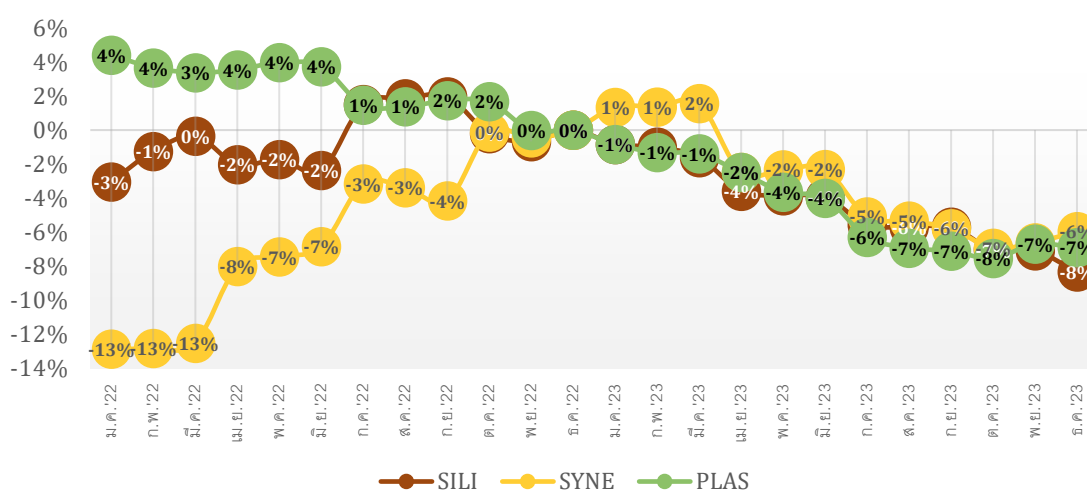
Unit: Million baht	2022	2023	Increase (Decrease)	% Increase (Decrease)
Cost of Sales	813.0	729.3	(83.7)	(10.3%)
Gross profit margin	269.2	232.0	(37.3)	(13.8%)
Gross profit margin (%)	24.9%	24.1%	(0.7%)	

Gross profit for the year 2023 amounted to 232.1 million baht, a decrease of 37.2 million baht from the previous year, representing a decrease of 13.8%. Additionally, the gross profit margin decreased from 24.9% to 24.1%, a decline of 0.7%. The cost structure details are as follows:

Cost of sales	2022		2023		Increase (Decrease)	% to revenue Increase (Decrease)
	Million baht	% to revenue	Million baht	% to revenue		
Raw material cost	464.5	42.9%	402.3	41.2%	(62.2)	(1.6%)
Labor cost	149.5	13.8%	127.2	13.0%	(22.3)	(0.8%)
Depreciation and amortization	86.2	8.0%	94.5	9.7%	8.4	1.7%
Other overhead cost	112.8	10.4%	105.3	10.8%	(7.6)	0.4%
<b>Total cost of sales</b>	<b>813.0</b>	<b>75.1%</b>	<b>729.3</b>	<b>74.7%</b>	<b>(83.7)</b>	<b>(0.3%)</b>

## Raw materials :

### Material price index



The graph illustrates the raw material price index comparison for each month, using the prices as of December 2022 as the base for calculation. The primary raw materials included are silicon (SILI), plastic pellets (PLAS), and synthetic rubber (SYNE).

For the year 2023, the proportion of raw material costs per revenue decreased from 42.9% to 41.2% due to the continuous downward trend in raw material prices. Comparing the raw material price data for 2023 with 2022, prices began decreasing steadily from the first quarter of 2023. The price peak in the third quarter of 2022, and then slowly decrease since the first quarter of 2023. Subsequently, raw material prices gradually decreased, leading to a reduction in the proportion of raw material costs per revenue compared to the previous year, attributed to the lower average raw material prices compared to the preceding year.

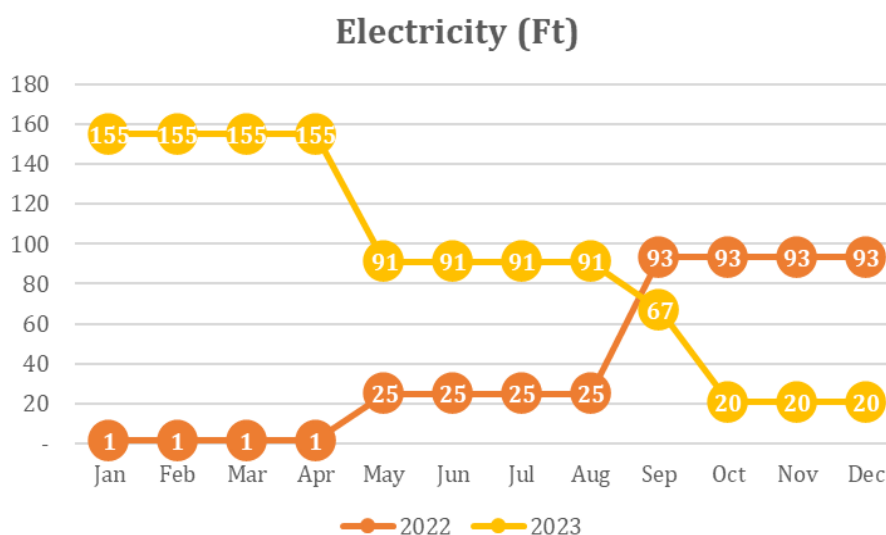
### Labor cost :

For the year 2023, labor costs decreased by 22.3 million baht compared to the same period of the previous year, primarily due to a reduction in the number of employees impacted by the rescheduling of orders for packaging silicone products. Labor costs accounted for 13.0% of revenue, representing a decrease of 0.8% from the previous year. This reduction was attributed to the company's initiatives to control staffing levels, approve overtime payments, streamline production planning, inventory management, and the implementation of automation systems to replace some employees, thereby optimizing efficiency.

### Depreciation and amortization :

Due to the overall decrease in revenue resulting from delayed orders for consumer goods and higher depreciation and selling expenses compared to the previous year, attributed to the introduction of new machinery to accommodate new customer orders, which gradually increased over time. However, customer orders gradually increased, along with a declining production capacity utilization rate, resulting in a higher proportion of depreciation and selling expenses to revenue.

### Other overhead cost :



Other production expenses decreased by 7.6 million baht due to reduced orders, but the proportion of other production expenses to revenue increased by 0.4% compared to the previous year. The main reason for this increase was the higher electricity rates resulting from the adjustment of the variable electricity tariff (Ft), leading to an average increase of approximately 30%-40% per unit of electricity consumption since January.

However, POLY installed a 2.5 mWp solar panel to reduce energy costs and mitigate the risk of electricity price fluctuations. As of September 30, 2023, the installation was completed, and electricity production began. The proportion of electricity produced accounts for 20%-30% of total electricity consumption.

## The analysis of revenue, Cost of sales and gross margin of each product group can be shown as follows

### Automotive

Unit: Million baht	2022	2023	Increase (Decrease)
Revenue	559.2	630.9	71.7
Cost of sales	458.9	531.6	72.7
Gross profit	100.3	99.3	(1.0)
% Gross profit margin	17.9%	15.7%	(2.2%)

For the year 2023, revenue from the automotive parts increased by 71.8 million baht, or 12.9%. This increase was primarily driven by new products entering mass production and sales in the third quarter. Most of the products sold came from the plastic factory starting to generate revenue from the fourth quarter of 2022, with sales gradually increasing continuously.

However, the gross profit margin of the automotive parts group decreased from the previous year's 17.9% to 15.7%, a decrease of 2.2%. This decline was attributed to the higher raw material costs, especially in the first two quarters of 2023, and increased electricity and energy costs due to the Ft adjustment. Additionally, the temporary shift of some orders to be produced at POLY, where the products have relatively high profit margins thus impacted the gross profit margin.

### Consumer products

Unit: Million baht	2022	2023	Increase (Decrease)
Revenue	394.6	200.0	(194.6)
Cost of sales	300.7	147.3	(153.4)
Gross profit	93.9	52.7	(41.2)
% Gross profit margin	23.8%	26.4%	2.6%

Revenue from the consumer goods group was impacted by the economic challenges in U.S. as mentioned earlier, resulting in a decrease of 194.6 million baht, or 49% when compared to the previous year. However, the gross profit margin increased from 23.8% to 26.4%. This increase was primarily due to the reallocation of machinery to other product groups and the control of overtime hours. Furthermore, there were improvements in production processes through increased utilization of automation systems, contributing to the higher gross profit margin.

### Medical devices

Unit: Million baht	2022	2023	Increase (Decrease)
Revenue	128.5	130.4	1.9
Cost of sales	53.5	50.4	(3.1)
Gross profit	75.0	80.0	5.0
% Gross profit margin	58.4%	61.3	3.0%

For the year 2023, the medical equipment group continued to maintain a profit margin of over 60%. Revenue from the medical equipment group increased by 1.9 million baht compared to the previous year. This increase came fertility which received positive feedback from users. Sales in this group continued to rise steadily. The gross profit margin adjusted slightly upward due to the decrease in raw material costs and higher production efficiency due to better utilization rate.

## Overall expenses

Overall expenses	2022		2023		Increase (Decrease)	% to revenue Increase (Decrease)
	Million baht	% to revenue	Million baht	% to revenue		
Selling expenses	13.8	1.3%	15.4	1.6%	1.6	0.3%
Administrative expenses	64.3	5.9%	62.8	6.4%	(1.5)	0.5%
(Reversal) Expected credit losses	0.1	0.0%	3.5	0.4%	3.4	0.4%
<b>Total expense before other gain/loss</b>	<b>78.2</b>	<b>7.2%</b>	<b>81.7</b>	<b>8.4%</b>	<b>3.5</b>	<b>1.2%</b>
Other(Gain) Losses	(24.3)	(2.2%)	(49.4)	(5.1%)	(25.1)	(2.8%)
<b>Total Expenses</b>	<b>53.9</b>	<b>5.0%</b>	<b>32.3</b>	<b>3.3%</b>	<b>(21.6)</b>	<b>(1.7%)</b>

For the year 2023, the total expenses before profit and loss amounted to 81.7 million baht. The main reason for this increase was the rising loss in credit, which is expected to occur primarily. The detailed breakdown of expenses for each group can be explained as follows:

## Selling expenses

Selling expenses	2022		2023		Increase (Decrease)	% to revenue Increase (Decrease)
	Million baht	% to revenue	Million baht	% to revenue		
Salary and remuneration	9.8	0.9%	10.8	1.1%	1.0	0.2%
Marketing expenses	0.4	0.1%	0.4	0.1%	0.0	0.0%
Other selling expenses	3.6	0.3%	4.2	0.4%	0.6	0.1%
<b>Total selling expenses</b>	<b>13.8</b>	<b>1.3%</b>	<b>15.4</b>	<b>1.6%</b>	<b>1.6</b>	<b>0.3%</b>

For the year 2023, sales expenses amounted to 13.8 million baht, which increased from 1.6 million baht in 2022. The main reason for this increase is attributed to a rise in salaries and compensation by 1.0 million baht due to the increase in the number of sales staff. This increase aimed to replace sales staff who left during the first and second quarters of 2022.

Additionally, other sales expenses increased by 0.6 million baht due to higher transportation costs resulting from increased international sales. Moreover, sample products sent to customers, as they are new products to be sold in the third and fourth quarters of 2023, also contributed to the rise in sales expenses.

## Administrative expenses

Administrative expenses	2022		2023		Increase (Decrease)	% to revenue Increase (Decrease)
	Million baht	% to revenue	Million baht	% to revenue		
Management and Employee Remuneration	29.8	2.8%	29.1	3.0%	(0.7)	0.2%
Consulting and professional fees	10.1	0.9%	6.6	0.7%	(3.5)	(0.3%)
Utilities and maintenance	8.0	0.7%	5.0	0.5%	(3.0)	(0.2%)
Depreciation and amortization	9.0	0.8%	9.2	0.9%	0.2	0.1%
Other administrative expenses	7.4	0.7%	12.9	1.3%	5.5	0.6%
<b>Total administrative expenses</b>	<b>64.3</b>	<b>5.9%</b>	<b>62.8</b>	<b>6.4%</b>	<b>(1.5)</b>	<b>0.5%</b>

For the year 2023, management expenses amounted to 62.8 million baht, which decreased by 1.5 million baht compared to the previous period, resulting in a 0.5% increase in proportion to the income. The main reason for this change is the increase in other management expenses by 5.5 million baht. This increase includes fees for early repayment of loans, estimated at around 4 million baht, and expenses for travel and accommodation related to negotiations with suppliers, totaling approximately 0.5 million baht for the first and second quarters.

## Expected credit loss

For the year 2023, there were recorded losses in credit from revenue items that have not yet been collected. These items mainly stem from sales of printing plates. The terms of payment for these printing plates are supposed to be collected along with the cost of the products. However, although the payment terms for these items have expired, there have been no additional purchase orders from customers for over 1 year. Therefore, these uncollected revenue balances from customers are recorded as provisions for potential losses.

## Other gain/ loss

For the year 2023, other income amounted to 49.4 million baht. The majority of this income came from the sale of tools, machinery, and equipment provided to customers for increasing production capacity and efficiency in manufacturing each product according to the manufacturing and agreements for the products and machinery agreed upon.

## Finance cost

Unit: Million baht	2022	2023	Increase (Decrease)	% Increase (Decrease)
Loan interest	19.1	4.4	(14.6)	(76.9%)
Hire purchase interest	4.9	4.8	(0.2)	(3.4%)
Interest expenses	24.0	9.2	(14.8)	(61.8%)

For the year 2023, the financial expenses amounted to 9.2 million baht, reflecting a decrease from the previous year by 14.8 million baht or 61.8%. The lower interest expenses on loans due to debt repayments following the capital raised through the IPO process since December 2022. Additionally, around 160 million baht of long-term loans were repaid in May 2023 to mitigate interest rate risks, as interest rates had been consistently increasing.

## Net profit and Net profit margin

Unit: Million baht	2022	2023	Increase (Decrease)	% Increase (Decrease)
Net profit	161.7	175.0	13.3	8.3%
Net profit margin	14.9%	17.9%	3.0%	

For the year 2023, the net profit amounted to 175.0 million baht, marking an increase of 13.3 million baht from the previous year or 8.3% growth. This increase was attributed to a decrease in operating profit of approximately 37 million baht due to reduced revenue, offset by an increase in other income of 13 million baht and a reduction in financial expenses of 14 million baht. Despite the decline in revenue from the previous year, the net profit margin improved from 14.9% to 17.9%.

## Statement of financial position

Unit : Million baht	31 Dec 2022	31 Dec 2023	Increase (Decrease)	% Increase (Decrease)
<b>Assets</b>				
Current assets	706.8	587.7	(119.1)	(16.9%)
Non-current assets	986.0	978.2	(7.8)	(0.8%)
<b>Total assets</b>	<b>1,692.9</b>	<b>1,565.9</b>	<b>(126.9)</b>	<b>(7.5%)</b>
<b>Liabilities</b>				
Current liabilities	252.2	169.7	(82.5)	(32.7%)
Non-current liabilities	237.4	94.3	(143.0)	(60.3%)
<b>Total liabilities</b>	<b>489.6</b>	<b>264.0</b>	<b>(225.5)</b>	<b>(46.1%)</b>
<b>Equity</b>				
Shares capital	450.0	450.0	0.0	0.0%
Retained earnings	70.6	169.2	98.6	139.7%
Other components of equity	682.7	682.7	0.0	0.0%
<b>Total equity</b>	<b>1,203.3</b>	<b>1,301.9</b>	<b>98.6</b>	<b>8.2%</b>

\*The financial ratios for the fiscal year 2023 are calculated from the financial data in the completed profit and loss statement for the past 12 months and using the financial data from the balance sheet as of December 31, 2022, and December 31, 2023.

### Assets

As of December 31, 2023, the company's total assets amounted to 1,565.9 million baht, decreasing by 126.9 million baht. This decrease comprised a reduction in current assets of 119.1 million baht and a decrease in non-current assets of 7.8 million baht. The decrease in current assets mainly resulted from a decrease in cash and cash equivalents amounting to 218.0 million baht, attributed to the repayment of long-term loans and depositing funds into fixed deposits for a higher interest rate over a 6-month period. The reduction in non-current assets stemmed from the payment of depreciated machinery and equipment and depreciation calculations between periods.

### Liabilities

As of December 31, 2023, the company's total liabilities amounted to 264.0 million baht, decreasing by 225.5 million baht, or 46.1 percent. This reduction comprised a decrease in current liabilities of 82.5 million baht and a decrease in non-current liabilities of 143.0 million baht. The overall decrease in liabilities was due to the early repayment of long-term debts amounting to approximately 160 million baht and regular payments of the remaining liabilities.

### Equity

As of December 31, 2023, the company's total equity amounted to 1,301.9 million baht, increasing by 98.6 million baht. This increase was attributed to the accumulation of retained earnings from the net profit between the periods, amounting to 175.0 million baht, offset by dividends paid during the interim period, approximately 76.5 million baht.

## Significant Financial Ratios

Financial Ratios	2022	2023	Increase (Decrease)
Liquidity Ratio (time)	2.8	3.5	0.7
Gross Profit Margin	24.9	24.1	(0.8)
Net Profit Margin	14.9	17.9	3.0
Return on Equity	18.1	14.0	(4.1)
Return on Asset	11.4	10.7	(0.7)
Debt to Equity Ratio (time)	0.4	0.2	(0.2)
Interest-Bearing Debt to EBITDA Ratio (time)	1.0	0.4	(0.6)

### Liquidity Ratio

The liquidity ratio increased from 2.8 times to 3.5 times due to early debt repayment, reducing financial cost burdens. This led to a significant decrease in liabilities, contributing to the increased liquidity ratio.

### Return on Equity (ROE):

The return on equity decreased from the previous year, dropping to 14.0%. This reduction, from the previous 18.1%, is attributed to a higher average equity holder's share while the net profit increased at a lower rate, resulting in a lower return on equity.

### Return on Asset (ROA):

The return on assets decreased from 11.4% to 10.7%, a decrease of 0.7% from the previous year. This is due to investments aimed at expanding production capacity for the plastic factory and manufacturing car headlights, resulting in increased assets. Although sales from these assets are gradually increasing, the return on assets has temporarily decreased and is expected to rise again when sales from these assets increase in the future.

### Debt to Equity Ratio :

The debt-to-equity ratio decreased from 0.4 times in December, as a result of repaying short-term loans during the period, amounting to approximately 160 million baht.

### IBD/EBITDA Ratio:

The IBD/EBITDA ratio decreased from 1.0 times to 0.4 times due to the reduction in short-term loans resulting from the repayment during the same period.

# General and other important information

## General information

Company name	Polynet Public Company Limited
Abbreviation	POLY
Registration No.	0107565000212
Business type	Molding, manufacturing, and distributing products related to rubber, plastic, and silicone mold for the automotive industry, tools, and medical devices and goods.
Head Office and Plant 1	888 Moo 11, Bangsaotong, Samutprakan 10570
Plant 2	124 Moo 4, Bangsaotong, Samutprakan 10570
Telephone	0-2397-9094
Website	<a href="http://www.polynet.co.th">www.polynet.co.th</a>
Registered Capital	THB 450,000,000
The par value of each share	THB 450,000,000

## Other important information

Other important information affecting investors' decisions

- None -

**Restrictions of foreign shareholders, if the company has policies requiring the shareholders' meeting to pass the resolution of issuing new shares or issuing transferable subscription rights (TSR) to shareholders according to the shareholding ratio. It shall not be issued and issued to shareholders to enable the company to perform its duties in accordance with foreign laws.**

- There is no such situation -

## Legal disputes

As of December 31, 2023, the Company has no legal disputes that may cause damage to the company's assets more than 5% of the shareholders' equity and no other legal disputes that may materially affect the Company's business operations.



# **PART 2**

## **CORPORATE GOVERNANCE POLICY**

# Corporate governance policy

## Corporate governance policy

### Overview of corporate governance policies and practices

The company recognizes the importance of good corporate governance, which is essential to promote the company's operation and improve efficiency and sustainable growth, which will bring maximum benefits to all stakeholders, including employees and investors. Therefore, the Board of Directors agreed to formulate corporate governance policies covering key principles such as the structure, roles, duties, and responsibilities of the board of directors. The principle of managing executives in a transparent, clear and verifiable manner according to the 2017 Guidelines on Good Corporate Governance of Listed Companies of the Securities and Exchange Commission ("SEC") as the guideline of the Board of Directors to ensure the long-term good business performance of shareholders as investors and all stakeholders of listed companies on the Stock Exchange of Thailand ("SET"). As a guideline for organizational management, it ensures that any operation of the company is fair and takes into account the best interests of shareholders and all stakeholders, is effective and ethical in operation and carries out businesses beneficial to society and develops or reduce the negative impact on the environment. This includes being able to adapt to changes in business conditions and create sustainable value for the business which satisfies the wishes of enterprises, investors, capital markets, and the whole of society.

In addition, the Board of Directors also appointed a subcommittee to oversee the audit, internal control and risk management system and the company's corporate governance, while encouraging executives and employees to work clearly and fairly to ensure that all stakeholders adhere to the principles of good corporate governance and trust the company Board of Directors Corporate governance includes the following eight principles:

- |              |  |
|--------------|--|
| Principle 1: | Roles and responsibilities of the board of directors                           |
| Principle 2: | Company's objectives and main objectives                                       |
| Principle 3: | Strengthen the effective board of directors                                    |
| Principle 4: | Recruitment and development of senior management and human resource management |
| Principle 5: | Promote innovation and responsible business operation                          |
| Principle 6: | Ensure appropriate risk management and internal control system                 |
| Principle 7: | Maintain financial reputation and disclosure                                   |
| Principle 8: | Encourage shareholders to participate and communicate                          |

An overview of corporate governance policies and practices can be summarized as follows: the complete corporate governance policies and guidelines can be found in Appendix 4.

### **Principle 1: Recognize the role and responsibility of the board of directors as an organizational leader to create sustainable value.**

1. The board of directors should understand its role and be aware of its responsibilities as a leader to supervise the good management of the organization. Goals and objectives, strategies and operational policies and allocate important resources to achieve goals and objectives, and monitor, evaluate and monitor performance reports.

2. The Board of Directors shall supervise the company to achieve at least good governance results, namely: Considering the long-term impact, competitive and good business performance, ethical operation, respect the rights and responsibilities of shareholders and stakeholders, benefit the society, develop or reduce the negative impact on the environment. It can also adapt to changes in business conditions.

3. The Board of Directors shall ensure that all directors and executives perform their duties with a sense of responsibility, prudence, and honesty (Loyalty obligation) and ensure that the operation complies with laws, regulations, and resolutions of the General Meeting of Shareholders and policies or guidelines, identify and approve important businesses that have a significant impact on the company, such as investment and transaction, transactions with related parties, asset acquisition/disposal, dividend payment, etc. shall comply with legal requirements.

4. The board of directors should understand the scope of responsibilities of the board of directors and clearly define the responsibilities and scope of responsibility distribution of the CEO and management that specifies duties and responsibilities as well as monitor and supervise the Chief Executive Officer and the management to perform their assigned duties by preparing a charter or the corporate governance policy of the Board of Directors (Charter of Board of Directors) The Company shall review the Articles of Association at least once a year and assign the management power to the management through written records, that is, authorization.)

### **Principle 2: Determine the company's sustainable development goals and main objectives**

1. The Board of Directors shall determine or monitor the company's goals and objectives to achieve sustainability. Goals and objectives are consistent with creating value for the company, customers, partners, other stakeholders, and the whole society.

2. The Board of Directors shall monitor the objectives and strategies in the medium term (3-5 years) and/or in the year. Through the proper and safe use of technology, it is in line with the company's objectives and main objectives. The Board of Directors will set goals according to the business environment and the company's potential. The Board of Directors will consider setting monetary and non-monetary targets. In addition, The board of directors should be aware of the risk that setting goals may lead to illegal or unethical behavior.

### **Principle 3: Strengthen the effective board of directors**

1. The Board of Directors is responsible for determining and reviewing the size and composition of the Board of Directors, and an appropriate proportion of independent directors, including skills, experience, ability, and specific characteristics, including gender and age. This is crucial for achieving the organization's goals and main objectives, and for enabling the organization to achieve the established goals and main objectives. The Board of Directors shall consider the appropriate number of directors who can effectively perform their duties. The number of directors shall not be less than 5 people, up to 12 people. The board of directors should account for a certain proportion between executive directors and non-executive directors to reflect the appropriate balance of power. The numbers and qualifications of independent directors meet the standards of the SEC and the Stock Exchange of Thailand. This includes ensuring that independent directors can effectively cooperate with all boards of directors and can express their opinions independently.

2. The Board of Directors shall select a suitable person to be the chairman and ensure that the composition and operation of the board of directors are conducive to the discretion of independent decision-making. The chairman is an independent director. If the chairman is not an independent director, the board of directors must be composed of more than half of the independent directors. The board meeting agenda should balance the power between the board of directors and the management.

The company shall separate the person who is the chairman of the board from the person who is the chief executive officer. It also formulated policies to allow independent directors to serve for no more than 9 consecutive years from the date of the first appointment of independent directors. If an independent director is appointed to continue to hold the position, the Board of Directors will give reasonable consideration to the necessity.

To carefully consider important matters, the Board of Directors will consider appointing two subcommittees: Audit Committee and Executive Committee Board of Directors

3. The Audit Committee will conduct the meeting to consider the criteria and procedures for nominating qualified directors, so that the audit committee has the following knowledge and expertise, including the history of the above person. The Board of Directors provides shareholders with sufficient information about the nominee to make decisions.

4. In proposing the remuneration for the Board of Directors to the shareholders for approval, the Board of Directors shall consider the appropriate structure and remuneration according to the recommendations of the Audit Committee and encourage the Board of Directors. The Board of Directors leads the organization to achieve short-term and long-term objectives according to the company's strategy and long-term objectives, experience, the scope of responsibilities, and the expected interests of each director. This is equivalent to the industry practice level. Shareholders must approve the structure and remuneration of directors in both monetary and non-monetary forms. The Board of Directors will disclose the policies and standards of directors' remuneration to reflect everyone's obligations and responsibilities, including the form and amount of compensation.

5. The Board of Directors has the responsibility to supervise all directors to perform their duties and allocate sufficient time. There is a mechanism to encourage directors to understand their roles and responsibilities and determine the criteria for directors to serve in other companies by considering the work efficiency of directors holding multiple positions to ensure that directors can fully devote their time to performing their duties in the company. The number of listed companies that each director will serve in shall be determined according to the nature of the company or business conditions, but shall not exceed 5 companies. Committees shall attend at least 75% of the board meetings unless necessary. It also includes establishing a system for reporting other positions of directors and making it public for confirmation to ensure that the company has taken adequate measures to prevent conflicts of interest.

6. The Board of Directors is responsible for supervising the development of frameworks and mechanisms to monitor the policies and operations of subsidiaries and other businesses of the company and make major investments at a level suitable for each business, including other businesses of subsidiaries and companies. The company will send a person representing the company to serve as director and executive or the holding person of each subsidiary or other business invested by the company according to the shareholding ratio of each company to supervise other businesses invested by subsidiaries or companies and supervise the subsidiaries to comply with the announcement of asset acquisition or disposal transactions or related party transactions.

7. The Board of Directors and subcommittees shall evaluate the performance of the entire Board of Directors at least once a year. The Board of Directors can apply the evaluation results to the development and improvement of various fields.

8. The Board of Directors shall supervise the Board of Directors and each director to understand their roles, responsibilities, and business nature and laws related to business operation, and encourage all directors to regularly acquire the skills and knowledge to perform their duties as directors.

9. The Board of Directors shall ensure the smooth operation of the Board of Directors and be able to obtain necessary information. There is a company secretary who has the necessary and appropriate knowledge and experience to support the operation of the board of directors. The Board of Directors will arrange the agenda of the meeting and the agenda of the Board of Directors in advance so that the directors can arrange the time and attend the meeting at least 4 board meetings are held every year. The board will ensure that each director has their criteria. The management is free to propose matters that are conducive to the company's agenda. The meeting documents shall be submitted to the directors at least 7 working days before the meeting date. Unless it is urgent to protect the rights or interests of the company, the meeting can be notified by other means and the date of the meeting can be determined in advance.

#### **Principle 4: Recruitment and development of senior management and human resource management**

1. The Board of Directors shall ensure that the Chief Executive Officer and senior management have the knowledge and skills in recruitment and development, experience, and qualifications required to drive the organization to achieve its goals and monitor succession plans to prepare for the succession of CEO and senior management. The CEO shall report the performance of the succession plan to the Board of Directors at least 1 time annually for confirmation.

2. The Board of Directors supervises the determination and proper evaluation of the remuneration structure by making recommendations to the Audit Committee.

3. The board of directors should understand the shareholder structure and relationship that may affect the management and operation of the company.

4. The Board of Directors will supervise management and train personnel with appropriate knowledge, skills, experience, and motivation.

#### **Principle 5: Promote innovation and responsible business operation**

1. The Board of Directors concerns with the importance and support of the operation that creates value for the enterprise and creates a corporate culture that promotes innovation. At the same time, it creates benefits for customers or interested parties and is responsible for society and the environment. Improper conducting, illegal or unethical activities are not encouraged.

2. The Board of Directors will supervise the management to conduct business in a socially and environmentally responsible manner and incorporate it into the operation plan (Operation plan) to ensure that all parties of the organization work in accordance with the objectives, main objectives, and strategies. The company has formulated a business ethics policy covering the following matters:

- Responsibilities to staffs and employees
- Responsibilities to customers
- Responsibility to partners
- Responsibility to the community
- Responsibility to the environment
- Fair competition and
- Anti-corruption

3. The Board of Directors will supervise the effective allocation and management of resources by the management by considering the impact and resources of the whole value chain to achieve the main goals and objectives of sustainability.

4. The board of directors shall establish an information technology supervision and management framework at the organizational level according to the company's requirements, including the introduction of supervision technology.

## **Principle 6: Ensure appropriate risk management and internal control systems suitably**

1. The Board of Directors shall ensure that the company establishes a risk management system and internal control to effectively achieve objectives and comply with relevant laws and standards.
2. The Board of Directors shall establish an audit committee, which can effectively and independently perform its duties, at least composed of directors at least 3 persons, all of whom must be independent directors and have qualifications and responsibilities in accordance with the provisions of the SEC and the Stock Exchange of Thailand. The duties of the audit committee shall be determined in writing. The board of directors shall supervise the company and provide mechanisms or tools to enable the Audit Committee to access the information required to perform its assigned duties, such as the Audit Committee is allowed to convene relevant personnel to provide information and discuss with auditors or seek the independent opinions of other professional consultants for consideration by the Audit Committee and the Board of Directors. The effectiveness of the risk management system and internal control shall be reported to the Audit Committee and the audit report shall be disclosed in the annual report. The Audit Committee shall discuss the adequacy and internal control and disclosure in the annual report
3. The Board of Directors shall supervise and manage the possible conflicts of interest between the company and the management of the Board of Directors or shareholders, including preventing improper use of the company's property, information and opportunities and conducting transactions with persons associated with the company in inappropriate ways.
4. The Board of Directors shall supervise the formulation of clear anti-corruption policies and guidelines, and communicate at all levels and outside the organization, implement and support activities to promote and train all employees to comply with the law and relevant regulations.
5. The Board of Directors shall supervise the company to establish a complaint mechanism and take action when clues appear by contacting the Chairman of the Audit Committee directly via email or mail, including the process of reviewing information, operation and reporting to the Board of Directors. The Board of Directors shall ensure that appropriate protective measures are taken for the informants who report clues in good faith.

## **Principle 7: Maintain financial reputation and disclosure**

1. The Board of Directors is responsible for ensuring that the preparation of financial reports and the disclosure of important information are accurate and sufficient, in timely operation with relevant rules, standards and guidelines. Chief Executive Officer of Accounting and Finance Internal auditors, company secretaries and investor relations personnel have appropriate knowledge, skills and experience, and have sufficient capabilities.
2. The Board of Directors will monitor the adequacy of financial liquidity and solvency.
3. If the company faces financial problems or may have problems, the board of directors will consider ensuring that the company has plans to solve the problems or there are other mechanisms to solve financial problems and regularly monitor solutions, taking into account the rights of stakeholders
4. The Board of Directors will consider the preparation of sustainable and appropriate development reports.
5. The Board of Directors shall supervise the management to arrange a unit or investor relations principal to communicate with shareholders and investors, analysts and other stakeholders should be appropriate, equal and on time.
6. The Board of Directors shall promote the application of information technology in information dissemination.

## Principle 8: Encourage shareholders to participate and communicate

1. The Board of Directors shall ensure that shareholders participate in the decision-making of important matters of the company.

- a) The Board of Directors shall supervise important matters, including issues prescribed by law and issues that may affect the company's operation direction. The company has been reviewed and/or approved by the shareholders. The important matters have been included in the agenda of the shareholders' meeting.
- b) The Board of Directors will support the participation of shareholders, such as: determining the criteria for minority shareholders to propose additional agenda before the shareholders' meeting. The Board of Directors will review the agenda items proposed by shareholders. If the board of directors rejects the agenda item proposed by the shareholders, the board of directors must inform the shareholders' meeting of the reason. In addition, the Board of Directors shall ensure that such standards are disclosed to shareholders in advance.
- c) The Board of Directors shall ensure that the invitation to the general meeting of shareholders contains accurate, complete and sufficient information to exercise the rights of shareholders.
- d) The board of directors shall ensure that the notice of the general meeting of shareholders and relevant documents are at least published on the company's website 14 days before the date of the meeting or the time limit prescribed by relevant laws and regulations. The Board of Directors will allow shareholders to submit issues before the date of the meeting and set the criteria for submitting issues in advance and publish the above rules on the company's website.

2. The Board of Directors shall ensure that the operation of the general meeting of shareholders is smooth, clarified and efficient. The Board of Directors will determine the date, time and place of the meeting, considering the convenience of shareholders attending the meeting, such as appropriate and sufficient meeting time for discussion. The meeting place is convenient for travel, etc. The board of directors will ensure that no action is taken and limit the opportunity to attend the meeting or impose a burden on shareholders, such as shareholders or agents shall not carry documents or identity certificates that exceed the guidelines of relevant regulatory authorities. The Board of Directors and relevant management are encouraged to attend the meeting for being asked by shareholders.

3. The Board of Directors shall ensure that the disclosure of the resolutions of the meeting and the preparation of the shareholders' meeting are accurate and complete. The Board of Directors shall ensure that the company discloses the resolutions and voting results of the General Meeting of Shareholders within the next working day through the news system of the Stock Exchange of Thailand and the company website and will ensure that a copy of the shareholders' meeting is submitted to the Stock Exchange of Thailand within 14 days from the date of the shareholders' meeting.

# Business Ethics

## Persons who are obliged to perform their duties.

The persons who are obliged to comply with this business ethics include directors, officers, employees, employees and consultants counterparty as well as the persons or designated persons acting on behalf of the company or behalf of a person above of the company and its subsidiaries.

## Basic principles

1. Perform duties with integrity, ethics and responsibility.
2. Keep secret and not use internal information or confidential information to seek benefits for yourself or others.
3. Prevent or avoid any behavior that may lead to a conflict of interest.
4. Act as a professional with knowledge, expertise and prudence.

## Behavior and Conduction

1. Perform duties according to the laws related to business operations, objectives, articles of association and corporate governance principles and the general meeting of shareholders
2. Learn knowledge and experience to enhance your knowledge and ability to improve operational efficiency and effectiveness.
3. Adhere to ethics and do not seek positions, advantages, preferences or any other improper interests from superiors or any other person.
4. Avoid bad habits and all drugs. Do not act in a way that may damage your own and the company's reputation, such as: don't act like a person who is heavily in debt, indulging in all kinds of gambling, and don't interfere with all kinds of drugs.
5. They shall not engage in any occupation that may affect their performance of duties or reputation.
6. Avoid financial obligations with people or employees who have business relations with the company. This includes giving loans or loans, claims, sharing, etc., except for charitable and public activities.
7. Do not seek illegal benefits directly or indirectly.
8. Maintain and create team unity.

## Practice and Behave to the company

1. Fulfill duties with responsibility, honesty, determination, energy and thought and abide by the company's rules and policies, values and traditions, and put the company's interests first.
2. Perform duties according to occupational health, safety and work environment policies.
3. Do not slander or take any action that may cause internal division or damage to the company or its related personnel.
4. Protect the company's assets from damage and loss, and use assets effectively to fully benefit the company. The property of the company shall not be used for its benefit or the benefit of others.
5. Maintain one's accepted honor in the company.
6. Do not participate in any activities that may conflict with the interests of the company or conceal any act, or participate in any concealment illegally.
7. Pay attention to and assist in taking any action to protect the working environment and environment, including the excellent development of the organization



## **Gift exchange, entertainment**

1. Shall not require, accept or agree to accept money, goods or any other benefits of persons related to the business of the company
2. Giving or receiving gifts can be done in accordance with tradition, not to encourage or avoid any improper behavior, affecting business decisions or causing unfair benefits
3. The gift exchange shall be conducted in public and shall not exceed the normal value after the exchange, and report to the superior. If the value of gifts received in the form of money or goods exceeds 3,000 Baht, they will be rejected and returned.

## **Employment practice**

1. For the company's overall interests, strengthen team cooperation through cooperation and mutual help.
2. Ensure that the working environment is safe for the life and property of employees.
3. Promote the training and development of employees' knowledge, skills and abilities by providing fair and outstanding opportunities. Also, provide an appropriate and fair response
4. Appointment, transfer, promotion, reward and punishment shall be conducted fairly based on knowledge and ability, experience and appropriateness of employees
5. Unfair discrimination against employees is prohibited.
6. Strictly abide by laws and regulations related to employment.

## **Employee behavior and act towards a colleague**

1. For the overall interests of the company, strengthen team cooperation through cooperation and mutual help.
2. Treat colleagues with courtesy, kindness and good interpersonal relationship, so that they can cooperate with others and do not conceal the information needed by colleagues.
3. Respect others and do not use others' works to be their works.
4. The superior should respect and become an example for the subordinate, including politeness to subordinates and colleagues at all levels
5. Subordinates should respect their superiors.
6. Subordinates should listen to the instructions of their superiors and should not act beyond their superiors unless the above superior commands, including courtesy to personnel and colleagues at all levels.
7. Avoid disclosing information or stories of other people related to operations and personal affairs or criticizing in a way that may cause damage to employees' reputations or the overall image of the company.
8. Do not conduct any unethical or sexual harassment to others. Such behavior will cause trouble and annoyance or create a demoralizing, hostile or aggressive work environment, including interference with the work of other people without cause. Such acts include indecency, indecency or sexual harassment, whether verbal or physical.

## **Act toward customers, suppliers, creditors and competitors**

1. Treat customers, partners and creditors equally and fairly based on fair returns.
2. Strictly abide by the contract and agreed on conditions. In case of failure to comply with any conditions, inform both parties in advance to jointly consider solutions.
3. Report accurate and complete financial information on time to creditors on a regular basis. In case of unable to comply with the conditions of the agreement or contract between the creditor and the company, negotiate with creditors in advance to jointly find solutions and prevent damages, including the management of funds to enable creditors to have confidence in the company's financial condition and good repayment ability.
4. Provide customers with enough accurate service information so that customers have enough information to make decisions. Do not exaggerate advertisements to mislead customers about the quality, conditions or prices of products and/or services.

5. Meet customer needs quickly and efficiently and provide customers with convenient and efficient complaint service systems and channels.

6. Do not seek confidential information of competitors in dishonest or inappropriate ways, such as paying employees of competitors.

7. Treat competitors under good competition rules without damaging their reputation.

8. Strictly keep the confidential information of customers, partners and companies, and pay attention not to disclose confidential documents or news or fall on unrelated personnel who may cause damage to relevant personnel and the company.

## Social and environmental responsibilities

1. Be responsible for protecting the environment, customs and local customs of the company's location.

2. Through cooperation with society, communities, government agencies and relevant organizations, social activities are carried out on appropriate occasions and good relations are established.

3. According to standards, regulations and laws related to the company's business operation, prevent accidents and control waste discharge below international standards.

4. Respond quickly and effectively to events that affect the environment and community due to the company's operation and fully cooperate with government officials and relevant institutions.

5. For the benefit of the company and the public, personnel at all levels should act with caution.

## Violation or non-compliance with business ethics

To comply with the business ethics policy, there is a penalty if directors, executives and employees, including employees, consultants, contractors, and persons acting on behalf of or designated to act on behalf of the company or on behalf of the above company's persons and its subsidiaries that shall not comply with or take any action that does not comply with the provisions of this policy according to the following measures:

- 1) Verbal or written warning
- 2) No salary increase or annual bonus will be considered
- 3) Probation or suspension order
- 4) Dismissal, lay off or termination of employment

## Complaint channels

Stakeholders who are found to have violated or failed to comply with the business ethics can raise questions or express opinions through the following channels:

### Channel 1 E-mail

Contact person: Chairman of the Audit Committee  
E-mail address: ac@polynet.co.th

### Channel 2 Mail

Contact person: Chairman of the Audit Committee  
Polynet Public Company Limited  
888 Moo. 11 Bangsaotong District Samutprakan 10570  
Telephone: 02-397-9094-6

## Significant changes and developments in policies, guidelines and corporate governance system in the past year

Significant changes and developments in policies, guidelines and corporate governance system in the past year as follows

- 1) Review organizational values and strategies.
- 2) Review the Articles of Association of the Board of Directors, the Sub-Committee, the Chief Executive Officer and the Internal Audit Organization.
- 3) Review the authorized operation manual.
- 4) Approve the following policies:
  - Business ethics
  - Good corporate governance policy
  - Risk management policy
  - Policy to complain and report misconduct and corruption
  - Internal information use policy
  - Information technology supervision, management and security policy
  - Related transactions and connected transactions policy
  - Conflict of interest policy
  - Investment policies and governance of subsidiaries, joint ventures and associated companies
  - Corporate social responsibility policy
  - Anti-corruption policy
  - Human resources development policy
  - Dividend payment policy
  - Policy for disclosure and submission of financial statements
  - Succession Plan Policy
  - Social and environmental responsibility policies for greenhouse gas emissions
  - Enterprise value chain stakeholders influence management policies
  - Sustainable development policy
  - Personal information protection policy

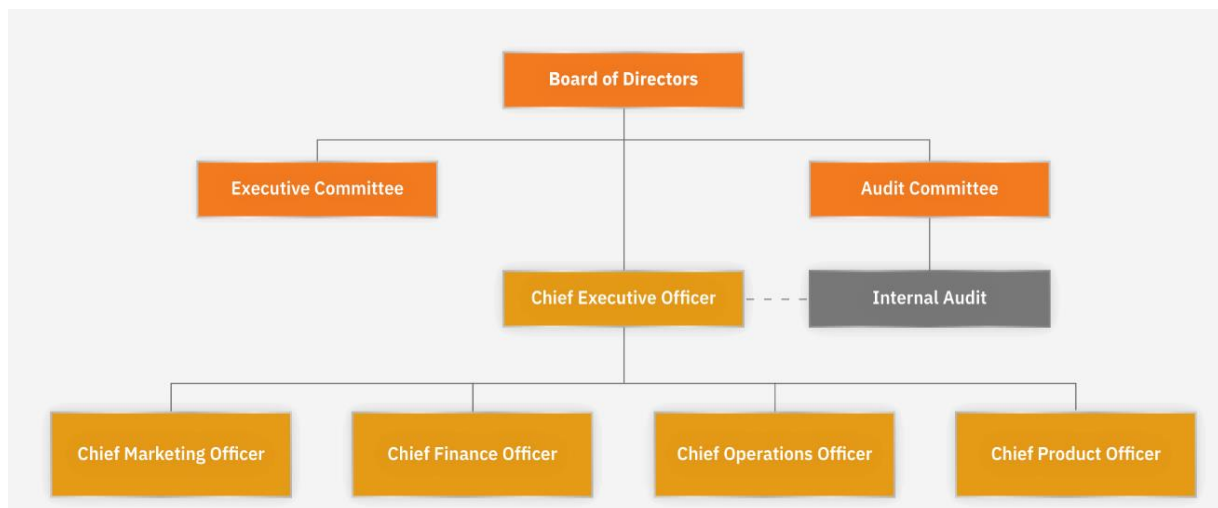
## Other matters in compliance with the principle of good corporate governance

The company reviews the corporate governance policy annually.

# Corporate governance structure and significant information related to the Board of Directors, subcommittees, executives, employees and others

## Corporate governance structure

The organization chart as of December 31, 2023, is as follows:



According to the principle of good corporate governance, the Board of Directors may establish a subcommittee to supervise the nomination committee and other matters. The Remuneration Committee ensures qualified directors in the nomination process and considers to determine the structure and compensation rate suitable for the responsibility, or the Risk Management Committee is responsible for checking and screening to ensure that the company has an appropriate risk management system. However, since POLY has only one company, the number of business projects is small and not complex. Therefore, the Board of Directors assigns the responsibilities of the Nomination Committee and the Risk Management Committee to the Audit Committee. The audit committee is composed of independent directors, the Remuneration Committee and the Board of Directors shall perform the above duties. The Board of Directors is composed of 7 members which are 3 Independent Audit Committee people, accounting for 42.9%, and have no conflict of interest and can express their opinions independently. In addition, on the agenda of reviewing the remuneration of directors with conflict of interest, for example, the CEO, directors and interested parties must abstain.

5 executives are the Chief Executive Officer, Chief Marketing Officer, Chief Financial Officer, Chief Operation Officer, Chief Product Officer.

The company appoints Unique Advisor Ltd to be the one that evaluates an internal control system. The internal control system evaluation contract is once a year until the end of December 2023. The company has formulated a policy to continue to use the services of external assessors to assess the internal system continuously.

# Information of the Board of Directors

## Composition of the Board of Directors

The Board of Directors is composed of independent directors, executive directors and non-executive directors total 7 persons. According to Section 68 of the Listed Limited Companies Act B.E.2535 (1992) and the notice of the Capital Market Supervision Commission, they are qualified persons. Reply No. Tor Jor.39/2559 (2016) : The license and issuance of the newly issued shares issued on September 30, 2016, have been amended in all aspects

## Term of Position

One-third of the directors shall retire at each annual general meeting. The directors with the longest term of office shall retire, in case the retired directors cannot be divided into one-third, the latest number should be one-third. The retired directors can be reappointed. To comply with the principle of good corporate governance, the term of position of the independent director should not exceed 3 terms, or for 9 consecutive years or according to the opinion of the Board of Directors. The retirement by rotation, directors shall retire under the following circumstances:

- Dead
- Resignation
- Lack of qualification or characteristics prohibited by law
- The General Meeting of Shareholders shall adopt a resolution by not less than three-fourths of the number of shareholders who attend the meeting and have the right to vote. In addition, the total number of shares shall not be less than half of the total number of shares held by the shareholders who attend the meeting and have the right to vote
- The court issued a decision to dismiss

## Personal information of the company's board of directors and the controller

The list of 7 directors is as follows:

Name	Position
1. Mr. Chaiyaporn Nitaswarakul	Chairman of the Board of Directors / Chairman of the Audit Committee / Independent Director
2. Ms. Tyawadee Ngamwongwan	Director / Independent Director
3. Ms. Khemika Thiwong	Director / Independent Director
4. Mrs. Kanchana Laowrattana	Director
5. Mr. Srichai Laowrattana	Director
6. Mr. Therdsak Chalermwattananon	Director
7. Ms. Noppamas Fahchusawad	Director

Note: All directors are appointed by the 2022 annual general meeting held on March 15, 2022.

There are 3 non-executive directors, namely the 1-3 directors, accounting for 42.9% of the total number of directors who have authorization with the company.

The authorized directors are Mrs. Kanchana Laowrattana or Mr. Srichai Laowrattana. One of them signed an agreement with Mr. Therdsak Chalermwattananon or Noppamas Fahchusawad, totaling 2 people, and affixed the company seal.

## Roles and responsibilities of the Board of Directors

At the 2023 annual general meeting held on April 20, 2023, the terms of reference of the Board of Directors are as follows:

1. Perform duties in accordance with laws, objectives, articles of association and resolutions of the board of directors with responsibility, caution, and honesty.
2. Consider and approve the vision, mission, business strategy, business direction, business policies, objectives and guidelines, operating plans and budgets of the company and its subsidiaries, following the Executive Committee and the management preparation.
3. Supervise the management and performance of the Chairman of the Board of Directors, the Audit Committee, the Executive Committee and the Chief Executive Officer. The management or any person assigned to perform its duties to comply with its vision, mission, business strategy and business direction, business policies, objectives, guidelines, operation plans and budgets formulated by the Board of Directors
4. Continuously monitor the company's and its subsidiaries operating performance to meet the company's operating plan and budget.
5. Ensure that the company and its subsidiaries adopt appropriate and effective accounting systems. This includes providing an effective internal control system and internal audit system and providing a process for evaluating the applicability of the consolidated system. Under the recommendation of the Audit Committee, the company and its subsidiaries regularly conduct an internal audit.
6. Prepare the balance sheet of profit and loss statement at the end of the financial year of the company and its subsidiaries, and sign to certify the financial statements for presenting to the Annual General Meeting Accounting statements and submit to the Stock Exchange of Thailand within the time limit prescribed by law and prepare and submit quarterly financial statements reviewed by auditors within the time limit prescribed by law.
7. Consider and develop risk management policies covering the entire organization and supervise the risk management system or process to support the standards and control methods to reduce the impact on the company's business under the presentation of the audit committee
8. Consider and approve the selection and appointment of auditors, and consider the appropriate remuneration proposed by the Audit Committee before presenting to shareholders in Annual General Meeting for approval.
9. Formulate corporate governance policies based on written good governance principles and effectively implement such policies. Ensure that the company is fair and accountable to all stakeholders.
10. Consider and approve the appointment of personnel with legal qualifications and without prohibited characteristics Public Limited Company, B.E.2535 (including amendments), Securities Exchange Act, B/E.2535 (including amendments) Office of the Board of Directors and approve the appointment of directors to replace the retiring directors by rotation, and determine the remuneration of directors for submission to the General Meeting of Shareholders for approval
11. Consider and propose remuneration (monetary and non-monetary) and other benefits of the Board of Directors including fixed remuneration (such as regular remuneration, conference allowance) and remuneration based on the company's performance (such as bonus, and reward) according to the board of Directors creating for shareholders, but not too high, leading to focus on short-term performance. Also, consider from the size of the business of the board of the director and compare it with compensation information of other registered companies in the same type of business and companies that are almost the same kind to present in the meeting of shareholders for further approval
12. Appoint sub-committees, including the Audit Committee, the Executive Committee or any other sub-committee to determine the powers and responsibilities of the Board of Directors to assist and support the Board of Directors in performing its duties and consider determining appropriate remuneration (monetary and non-monetary) and other benefits, including fixed remuneration (such as regular remuneration, conference allowance) and performance remuneration (such as bonus and reward) of sub-committees (Not more than the total amount approved by shareholders).

13. Consider the remuneration of the CEO and company secretary. This includes authorizing the CEO to appoint executives according to the definition prescribed by the Securities and Exchange Commission and Capital Market Supervision Committee and consider compensation for the above director.

14. Consider and approve the expenditure of investment, operation, loan or any loan application from financial institutions and as guarantors for the normal business operation of the company, subsidiaries and affiliated companies, there are no restrictions under the company's restriction, including the restriction of Stock Exchange of Thailand and Capital Market Supervision Commission

15. Consider and approve related transactions and/or any transactions between subsidiaries. The Company cooperates with related parties as stipulated in the Securities Exchange Act B.E.2535 (1992) (including revision) Stock Exchange of Thailand and Capital Market Supervision Commission General terms of trade between the company and its subsidiaries and the executive director or related personnel. The executive framework gives the management the power to conduct such transactions within the framework and scope of relevant laws and regulations

16. Provide appropriate communication channels for each shareholder group and monitor information disclosure to ensure accuracy, clarity, reliability and the highest standards

17. Disclose appropriate information about persons in conflict of interest, stakeholders and interested parties. It shall be accurate, complete, and appropriate within the specified period, and comply with relevant laws, announcements, rules and regulations.

18. Consider and determine the management structure of subsidiaries and affiliated companies to be able to effectively control the management and responsibilities of subsidiaries and affiliated companies.

19. Appoint a person to be a director or officer of a subsidiary or associated company at least in proportion to the shareholding ratio of subsidiaries or affiliated companies. The powers, responsibilities and scope of responsibilities of the appointed directors and executives are specified. This includes determining the power framework for exercising clear discretion when voting on important matters at the board meeting of the subsidiary or affiliated company, including the disclosure of financial status, operating performance and related transactions and correctly acquiring or disposing of important assets.

20. Consider approving dividend payment

21. Review, determine and modify the names of the directors who have the right to sign the articles of association according to the restriction of the company.

22. If necessary, seek professional opinions from external organizations to make appropriate decisions.

23. Supervise the effective operation of the company and protect any interests related to all stakeholders

24. The annual general meeting of shareholders shall be held within four months after the end of the accounting period of the company. The board meeting shall be held at least once every three months.

25. Prepare the annual report of the Board of Directors, and be responsible for preparing and disclosing the financial statements of the company and its subsidiaries. Determine the financial status and operating performance of the company and its subsidiaries in the past year and submit them to the General Meeting of Shareholders for review and approval.

26. Evaluate the performance of the entire board of directors and evaluate the performance of each director to review problems and obstacles annually. Be able to apply the evaluation results to the development and improvement of various fields.

27. Be responsible for complying with the Personal Information Protection Law through the regulatory authority of the Board of Directors, including consideration of approval policy and internal detail duty, procedures for handling any matters related to the protection of personal information of the company, in particular.

28. Conduct and supervise the management and operation of the company and its subsidiaries in accordance with the provisions of the Securities Exchange Law related to the prohibition of bribery or corruption, and announcements of various rules and regulations correspondent to Capital Market Supervision Commission, Securities and Exchange Commission and Stock Exchange of Thailand. For example, make related party transactions and the acquisition or disposal of important assets without violating other laws. This includes providing adequate and appropriate internal control systems and internal audits.

29. The directors shall not use the company's internal information which does not disclose to the public for personal interests, including securities trading.

30. The directors shall not take any action that may lead to a conflict of interest and must notify the company to understand their relationship or interests in such transactions. They shall not participate in the review and have no right to approve the transaction or others.

31. The Board of Directors may authorize and/or designate other persons to perform specific tasks on its behalf to grant or grant such powers within the scope of authorization specified in the power of attorney and/or comply with the rules, regulations or orders prescribed by the Board of Directors and/or the company. The distribution of the powers, duties and responsibilities of the Board of Directors does not constitute a delegation to the Board of Directors or the person authorized by the Board of Directors who may approve the transaction of the person or persons who may have conflicts. (According to the notice of the Securities and Exchange Commission and/or the notice of the Capital Market Supervision Commission and/or the Stock Exchange of Thailand) and/or relevant institutions determine) may have a conflict of interest or conflict of interest with the company in any way or a subsidiary of the company unless the transaction is approved in accordance with the policies and rules approved and approved by the General Meeting of Shareholders or the Board of Directors. According to the notice of the Securities and Exchange Commission, transactions that meet normal business and normal trading conditions and/or the notice of the Capital Market Supervision Committee and/or the Stock Exchange of Thailand and/or relevant institutions.

32. Review the Articles of Association of the Board of Directors at least once a year.

## Information about the Subcommittee

The Board appointed two subcommittees, consist of Audit Committee and Executive Committee.

### Audit Committee

As of December 31, 2023, the Audit Committee consists of the following three independent directors:

Name	Position
Mr. Chaiyaporn Nitaswarakul	Chairman of the Audit Committee
Ms. Tyawadee Ngamwongwan	Member of the Audit Committee
Ms. Khemika Thiwong	Member of the Audit Committee

Note: The Audit Committee was appointed at the Board Meeting No. 1/2022 held on February 25, 2022.

Mr. Chaiyaporn Nitaswarakul, a member of the Audit Committee, has sufficient knowledge and experience in auditing and the credibility of the financial statements to review for the company and there is Ms. Wanvipa Jiravitidchai as a secretary of the Audit Committee, appointed at the Board Meeting No. 1/2023 held on February 24, 2023

The term of office of the members of the Audit Committee is three years, and the members of the Audit Committee retire by rotation and could return to the position again. The term of office of the Audit Committee shall not exceed 9 years. In the case of appointing members of the Audit Committee to hold such positions, the Board of Directors shall reasonably consider the necessity.



## Members of the Audit Committee have the following qualifications:

1. Holding no more than 1% of the total number of voting shares of the company, parent company, subsidiaries, and affiliated companies, the major shareholders or controlling persons of the company, including the shares of related parties.

2. Neither a director, employee, receiving fixed salary consultant or controller of the company's management, major company, subsidiary, an affiliated company, a subsidiary at the same level, major shareholder or controller of the company unless the above characteristics retire from those not less than 2 years before asking the allowance to the Office of the Securities and Exchange Commission or the date of appointment.

3. No blood relationship or legal registration with parents, spouses, siblings and children (including children's spouses). Other directors, officers, major shareholders, controllers or persons nominated as directors, officers or controllers of the company or subsidiary.

4. Never had any business relationship with the company, its major company, subsidiary, affiliated company, major shareholder or controlling person in a way that may hinder its independent judgment, including being neither having been a major shareholder nor the controller of a person who has business relations with the company, major company, subsidiary, affiliated company or major shareholder or the controlling person of the company unless the above characteristics retire from those not less than 2 years before asking the allowance to the Office of the Securities and Exchange Commission or the date of appointment by the business relationship, including the normal transactions conducted for the business, lease real estate, transactions related to assets or services, or provide or obtain financial assistance through acceptance or loan, guarantee and provide assets as debt collateral, including other similar situations that lead to the company, or the party is obliged to pay the other party 3% of the company's net tangible assets or 20 million Baht or more of the debt whichever is lower. Therefore, the calculation of the above debt burden shall be based on the capital market supervision committee's when carrying out connected transactions, but when considering such debts, the debt burden generated within 1 years before the establishment of a business relationship with the same person should be calculated.

5. He/she shall not or has served as the auditor of the company, its major company, subsidiary, an affiliated company, major shareholder or controller. It shall not be a major shareholder, controller or partner of the audit firm, which has auditors of the company, major company and subsidiary companies. The company's affiliates, major shareholders or controlling persons, unless the above relationship is terminated for at least two years.

6. Never or has been any professional service provider, including providing services as legal counsel or financial adviser which receives more than 2 million Baht per year of service fees from the company, its major shareholders or controlling persons and is not a major shareholder and director or partner of a professional service provider unless the above relationship is terminated for at least two years before handing the allowance to the Office of the Securities and Exchange Commission or the date of appointment

7. Never be appointed directors as representatives of major of the company, major shareholders, or shareholders associated with major shareholders.

8. He/She is not allowed to engage in business with the same conditions and significant competition as the business of the company or its subsidiaries or he/she is not an important partner of the partnership, or a director, employee, or consultant receiving a fixed salary or hold more than 1% of the total voting shares of other companies, engaged in businesses with the same conditions and significant competition with the company or its subsidiaries.

9. Shall not have any other characteristics that cannot express an independent opinion on the company's operation.

10. Shall not serve as directors appointed by the Board of Directors to determine the business operations of the company, subsidiaries, affiliated companies and subsidiaries at the same level, major shareholders or controlling persons of the company.

11. Shall not be a director of the major company, subsidiary or equivalent subsidiary of the listed company.

## Role of the Audit Committee

1. Review the accuracy and adequacy of the company's financial statements through coordination with the external auditors and executives responsible for preparing quarterly and annual financial reports to disclose relevant information about the company. The Audit Committee may recommend that the auditors review or review any transaction. This is considered important and necessary during the company's audit.

2. Review whether the company's internal control system and internal audit system are appropriate and effective. Consider the independence of the internal audit department and approve the appointment, transfer and dismissal of the head of the internal audit department and/or hire internal audit companies or other institutions responsible for internal audit.

3. Develop risk management policies covering the entire organization, including supervision of the company. Establish a risk management system or process to appropriately reduce the impact on the company's business. The scope is as follows:

- 1) Determine the risk management plan and risk management process of the whole organization, including risk appetite and the deviation of risk tolerance before submission to the Board of Directors for approval.
- 2) Supervise and support the success of the organization's risk management, propose methods to prevent and reduce the risk level and track the operation plan to continuously reduce risks and adapt to business conditions. Ensure that risks are adequately and appropriately managed.
- 3) Monitor and evaluate the compliance of the whole organization with the risk management policies and framework.
- 4) Supervise and support the review and review of risk management policies and frameworks at least annually. Ensure such risk management policies and frameworks that it is consistent and appropriate with the company's overall business conditions and risk management business.

4. Review the Company's compliance with the requirements of the Securities and Exchange Law and the Stock Exchange of Thailand and laws related to the company's business.

5. Consider, select and nominate independent persons as auditors of the company and present those persons to the board of directors for considering the reliability and adequacy of resources, the audit workload of the Audit Office and the experience of designated personnel. Audit the company and coordinate with auditors on audit objectives, scope, guidelines and plans and the problems found during the investigation and the problems that the auditor considers important. This includes attending at least one meeting with the auditor every year without the presence of the management.

6. Consider related party transactions, acquisition and disposal of company assets or transactions with a potential conflict of interest, including the disclosure of information in such transactions in an accurate and complete manner and comply with the laws and regulations of the Stock Exchange of Thailand to ensure that the transaction is reasonable and bring maximum benefits to the company and its shareholders.

7. Prepare the audit committee report and disclose it in the company's annual report. The report must be signed by the chairman of the audit committee. It must contain at least the following information:

- 1) Opinions on the accuracy, completeness and credibility of the company's financial report;
- 2) Opinions on the adequacy of the company's internal control system;
- 3) Opinions on compliance with the Securities Exchange Law and the Regulations of the Stock Exchange of Thailand or laws related to the company's business.
- 4) Opinions on the appropriateness of auditors
- 5) Opinions on transactions that may have conflicts of interest;
- 6) The number of meetings of the Audit Committee and the attendance of each member.
- 7) The general opinions or opinions received by the Audit Committee in performing its duties in accordance with the Articles of Association; and

- 8) Other transactions that shareholders and ordinary investors should know within the scope of responsibilities assigned by the Board of Directors.

8. In performing the duties of the audit committee, if the following transactions or behaviors are found or suspected which may have a significant impact on the company's financial condition and operating performance, the Audit Committee shall report the improvement to the Board of Directors within the time limit deemed appropriate by the Audit Committee.

- 1) Conflicts of Interest Transactions
- 2) Fraud, abnormality or major defect in the internal control system
- 3) Violation of the Securities Exchange Law, the Regulations of the Stock Exchange of Thailand or laws related to the company's business

If the Board of Directors or the management fails to take corrective measures within the above period without reasonable reasons, a member of the Audit Committee may report the above transactions or actions to the Securities and Exchange Commission and Stock Exchange of Thailand.

9. Report the operation of the Audit Committee to the Board of Directors regularly once a quarter, and review the rules and regulations and performance of the past year at least annually. The performance evaluation of the audit committee can adopt the self-assessment method as an individual and whole before reporting to the Board of Directors.

10. Ensure that the company has channels to receive clues and complaints about improper financial statements or other problems by ensuring that whistleblowers have independent review procedures and appropriate follow-up actions.

11. Appoint an independent person as the receiver of the complaint or lead. Audit Committee Office Manage, manage, collect, screen and review complaints or clues received, and consider the adequacy of preliminary evidence. If there is true information, an investigation will be conducted to collect evidence and report to the Audit Committee. The Audit Committee may appoint individuals or subcommittees to investigate persons related to corruption and consider the information and other evidence received from the complaint. If it is believed that the misconduct is intentional, the Audit Committee will consider taking appropriate measures for improving the situation suitably.

12. If necessary, the Audit Committee may seek the opinions of external consultants or professionals on the audit work. The company is responsible for the expenses according to the company's regulations.

13. Have the right to request or request information from all departments and subsidiaries of the company for further consideration.

14. Review the accuracy of reference documents and self-assessments related to anti-corruption measures according to the private sector collective action alliance plan in Thailand's anti-corruption

15. Consider the criteria and procedures for nominating and nominating suitable candidates to serve as directors and chief executives when it is the end of their term or another Board of Directors that the company provides. The Board of Directors shall consider and submit to the Board of Directors and/or the General Meeting of Shareholders (as the case may be).

16. Propose the list of directors who will serve on each committee of the company.

17. Consider and determine the criteria for evaluating the performance of each committee and submit.

18. Evaluate the performance of the executive director and subcommittees in order to review the problems and obstacles in each year's work, and to be able to use the results of the assessment for the development and improvement of work practices in various areas, and present them to the company's board of directors for further consideration.

19. Perform any other operations as assigned by the company's board of directors with the approval of the audit committee.

20. Review the audit committee charter at least once a year.

## Executive Committee

The Executive Committee consists of the following five members:

Name	Position
1. Mrs. Kanchana Laowrattana	Chief Executive Officer
2. Mr. Srichai Laowrattana	Chief Marketing Officer
3. Mr. Therdsak Chalermwattananon	Chief Product Officer
4. Ms. Noppamas Fahchusawad	Chief Operation Officer
5. Mr. Chanawut Kanaprasertkul	Chief Financial Officer

Note: The Executive Committee was appointed at the Board Meeting No. 1/2022 held on February 25, 2022.

## Roles and responsibilities of the Executive Committees

1. Operate and manage the business of the Company and its subsidiaries according to objectives, regulations, policies, regulations and orders and resolutions of the Board of Directors and General Meeting of Shareholders.

2. Review and screen policies, directions, business strategies, objectives and operational plans, financial objectives and budgets, and human resources management. The investment, expansion and public relations of the company and its subsidiaries shall comply with the framework approved by the Board of Directors and supervise the operation of the appointed working group through proper consideration of operational factors to achieve the objectives. The Executive Committee will review the use of the approved budget as appropriate.

3. Supervise, examine and follow the business operation of the company and its subsidiaries according to policies, business strategies, objectives and operation plans. The company's financial objectives and budget approved by the Board of Directors shall be effective and conducive to business conditions and report to the Board of Directors including giving advice and suggesting the method to manage to the Executive Directors.

4. Consider the profit and loss of the company, review and provide suggestions on the dividend payment of the company and its subsidiaries and report to the Board of Directors and the Shareholders' meeting for further approval, except for the interim dividend payment which the Board of Directors can approve.

5. Study the possibility of investment in new projects, and have the right to consider and approve the investment or joint venture between the company and individuals and legal persons in the case that the Board of Directors approve for operating under the company's objective and consider and approve the expenditure of such investment, sign legal contracts and/or take any action related to the above matters until the specified limit and/or relevant laws and regulations and/or the Articles of Association are reached.

6. Track the performance and progress of each enterprise investment project and report the results, problems or obstacles and improvement guidelines to the Board of Directors.

7. Review and put forward suggestions or opinions on any project, proposal or transaction to the Board of Directors. Any related to the company's business operation, including considering the option of raising funds when necessary, and exceeding the specified limit and/or relevant laws and regulations or the Articles of Association require the General Meeting of Shareholders and/or the Board of Directors to approve.

8. Consider and approve financial transactions with financial institutions to open accounts, loans, mortgages, mortgages, guarantees, etc. This includes the purchase and registration of any land ownership for the company's business interests and signing legal contracts, submitting requests, suggestions and contacts. Sign legal acts with the government agencies to obtain the rights of the company and/or take any action related to the above matters until the specified limit and/or relevant laws and regulations or the Articles of Association are reached.

9. Review and approve human resources, finance, general management and transaction management related to the company's business operation and/or subsidiaries within the limits prescribed by relevant laws and regulations and/or the Articles of Association.

10. Review and approve the company's rules and regulations, management policies and business operations or any action binding on the company, including consideration and review of risk management and systems and risk control of the company and its subsidiaries

11. Appoint and/or assign one or more executive directors or one or more of them to take any action within the terms of reference of the Executive Committee, or within such period as the Executive Committee deems appropriate. The Executive Committee may cancel, revoke or modify the authorized person or the authorized person as it thinks fit. Persons who may have conflicts of interest shall not be authorized to cooperate with the company in any other way unless the transaction is approved in accordance with the policies or rules set by the Board of Directors or normal business transactions with general terms of trade. Such transactions must comply with the rules and conditions and the prescribed methods related to related transactions and the acquisition or disposal of assets of listed companies in accordance with the notice of the Capital Market Supervision Committee and/or other relevant notices. In this regard, the above authorization shall be reported to the Board of Directors at the next meeting of the Board of Directors.

12. Arrange senior management, management or employees to attend the executive committee meeting or provide information related to the matters discussed at the Executive Committee meeting.

13. Arrange consultants or personnel who provide independent opinions shall provide opinions or suggestions as required.

14. Regularly report to the Board of Directors on the business carried out by the Executive Committee within the scope of the powers and responsibilities of the Executive Committee, including others that are necessary to report to the Board of Directors

15. Review and approve the operation of normal business transactions of the company according to the investment budget or budget approved by the Board of Directors. The limit of each transaction complies with the limit specified in the authorization form approved by the Board of Directors. However, it shall not exceed the annual budget approved by the Board of Directors, including the signing of contracts related to such matters.

16. Have any powers, duties and responsibilities assigned by the Board of Directors or in accordance with the policy.

17. Is obliged to report the performance results to the Board of Directors at least once a year; and review the Constitution of the Executive Committee at least once a year to ensure that its contents meet the objectives. The objectives and strategies are consistent with the changes required by the Board of Directors. Major amendments to the Articles of Association must be approved by the Board of Directors.

## Information relating to Executive

### List of executives and positions

As of December 31, 2023, the company has 5 executives, as follows:

Name	Position
1. Mrs. Kanchana Laowrattana	Chief Executive Officer
2. Mr. Srichai Laowrattana	Chief Marketing Officer
3. Mr. Therdsak Chalermwattananon	Chief Production Officer
4. Ms. Noppamas Fahchusawad	Chief Operation Officer
5. Mr. Chanawut Kanaprasertkul	Chief Financial Officer

## Terms of reference, duties and responsibilities of the Chief Executive Officer

1. Ensure to determine the company's vision, business direction, policy, business strategy, objectives, operation plan and annual budget plan to report to the Executive Committees and/or the Board of Directors for further approval.

2. Communicate the company's vision, business direction, policies, strategies and objectives that have been approved by the Board of Directors to be used by the company's CEO as a framework for planning and managing businesses in each department.

3. Manage the business and supervise the operation of the company according to the plan, strategy and budget approved by the board of directors. It includes compliance with the laws, regulations and requirements of relevant organizations, as well as the company's rules and regulations and the resolutions of the Board of Directors and/or the General Meeting of Shareholders of the company and bringing about the performance of setting targets in terms of financial and non-financial targets.

4. Formulate policies and sign any contracts and/or obligations related to the company's current and future operations within the scope of authorization. The above operations must comply with the relevant laws, policies and rules stipulated by the company.

5. Sign or terminate any contracts or obligation other than those specified in Article 4 within the scope of the authorization of the Executive Committee and the Board of Directors.

6. Review the company's report and business plan.

7. Consider and approve any costs, including any compensation according to the budget, plan or operational framework approved by the Executive Committee and/or the Board of Directors, and according to the assigned authority.

8. Ensure that the company has an appropriate internal control system according to the guidelines specified by the Audit Committee and/or the Board of Directors.

9. Ensure that the company has an appropriate risk management and control system according to the guidelines specified by the Audit Committee and/or the Board of Directors

10. Seek new business opportunities and investments related to the company's core businesses and subsidiaries to increase the company's revenue.

11. Supervise the company's human resources management.

12. Appoint executives according to the definition of the Securities and Exchange Commission or the Capital Market Supervision Commission and consider determining the remuneration of executives, including employment, appointment, dismissal, transfer, postponement, salary reduction or disciplinary action or dismiss employees on behalf of the company. This includes any other officer in the appointment and compensation management team and all subordinates with positions lower than the CEO. The management shall come down and delegate the powers and responsibilities assigned to the above officials to them as appropriate.

13. Approve the appointment of consultants in various fields necessary for the business operations and to be in line with requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand within the authority and financial limit as specified in the Approval Authority Guide and/or as determined by the Executive Committee and/or the Board of Directors.

14. The CEO has the right to publicize the organization to the public through a press conference on behalf of the company, disseminate information, answer questions from shareholders, investors or analysts, and have the right to answer questions or provide various important information that is not disclosed as far as possible, especially in terms of establishing a good image of networks and organizations at the national and international levels. Such actions must be supported by the Board of Directors to provide shareholders with appropriate and regular communication channels and provide information disclosure in a standard and transparent manner.

15. Have the power to sub-authorize and/or assign other persons to perform certain specific tasks on their behalf by such sub-authorization and/or delegation within the scope of a delegation under the power of attorney and/or in accordance with the rules, regulations, or orders given by the Board of Directors and/or sub-committees and/or specified by the company. In this regard, the assignment of authority and duties or the responsibilities of the CEO or the person authorized by the CEO will not be in the form of an authorization or sub-authorization that allows the CEO or the person authorized by the CEO to approve the transaction that he or a person who may have conflicts (According to the definition announced by the Supervisory Board Securities and Exchange Commission and/or the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies) may have a stake or may benefit in any way, or there may be any other conflicts of interest with the company or subsidiaries of the company, except for the approval of transactions in accordance with the policies and criteria approved by the shareholders' meeting or the Board of Directors and is the approval transactions that are in accordance with normal business and normal trading conditions in accordance with the announcement of the Securities and Exchange Commission and/or the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies.

16. Perform other tasks assigned by the Board of Directors and/or the Executive Committee and/or the Sub-Committee from time to time under the corporation and policy of the Securities Act Capital Market Supervision Commission, Securities and Exchange Commission and Stock Exchange of Thailand

## Remuneration policy for Executive Directors and Executives

The remuneration of the Board of Directors must be approved by the General Meeting of Shareholders. The Board of Directors will consider the remuneration based on the performance of the CEO. The CEO will consider the remuneration of executives and propose remuneration (monetary and non-monetary), including other benefits related to the company's responsibilities, performance and operations' results of the company. The consideration of remuneration must take into account long-term incentives rather than too high, which leads to the focus on short-term performance. In addition, the annual executive compensation will be paid within the annual budget framework reviewed and approved by the Board of Directors.

The remuneration of executives of the company includes salary, bonus, and other remuneration, such as social security contributions and provident fund contributions, fixed vehicles (only for the CEO, CMO and CPO), etc.

## Total remuneration of Executive Directors and Executives

### Monetary compensation

The Executive Director shall not receive any compensation, except for Executive compensation. The executive compensation is as follows:

Types of Executive compensation	2021		2022		2023	
	Quantity (Persons)	Value (THB Million)	Quantity (Persons)	Value (THB Million)	Quantity (Persons)	Value (THB Million)
Wages	5	11.0	5	11.6	5	12.2
Bonus	5	1.1	5	1.5	5	1.3
Social security fund contribution and Provident fund contribution	3	0.1	3	0.2	3	0.2
<b>Total</b>		<b>12.2</b>		<b>13.3</b>		<b>13.7</b>

### Non-monetary compensation

The official car of Mrs. Kanchana Laowrattana and Mr. Srichai Laowrattana and Mr. Therdsak Chalermwattananon

## Employees

As of December 31, 2023, the total number of employees (excluding executives) of the company was 568, which can be divided into the following categories:

Departments/ Number of employees as of December 31, 2023	December 31, 2021 (person)	December 31, 2022 (person)	December 31, 2023 (person)
Accounting and Finance Department	6	6	6
Sales Department	8	6	6
New model Development Department	4	4	3
R&D Department	2	1	1
Human Resources Department	12	13	15
HR Specialist	0	1	0
Purchasing Department	4	4	4
Information Department	2	2	2
Warehouse Department	31	35	35
Production Department	3	3	4
Quality Assurance Department	102	117	91
Maintenance Department	15	17	12
Mold Engineering Department	17	18	18
Mold set up Department	11	13	14
Production Department	401	399	325
Medical Device Specialist	1	1	1
Engineer Specialist	1	1	1
Compound Specialist	24	24	22
Document control Department	3	3	4
Safety Department	2	2	2
Secretary Department	1	4	2
<b>Total</b>	<b>650</b>	<b>674</b>	<b>568</b>

### Number of employees by nationality

Number of employees as of December 31 2023 (person)	2021	2022	2023
Thai employees	249	233	212
Foreign employees	401	441	356
<b>Total</b>	<b>650</b>	<b>674</b>	<b>568</b>

### Number of employees by employment

Number of employees as of December 31 2023 (person)	2021	2022	2023
Daily	301	345	253
Monthly	349	329	315
<b>Total</b>	<b>650</b>	<b>674</b>	<b>568</b>

The company employed 6 disabled persons or other vulnerable groups and contributed to the fund according to law.



## Significant changes in the number of employees have occurred over the past 3 years

In 2020, the number of employees of the company increased by 50, mainly due to the increase in the number of employees in the quality assurance, molding and mold engineering departments to support significantly increased production.

In 2021, the number of employees of the company increased by 141, mainly due to the increase of employees in the molding department, quality assurance department and maintenance department, warehouse and distribution, and sales department to support significantly increased production and more effective operational processes.

In 2022, the number of employees in the company increased by 24, mainly due to the increase of employees in the molding department and quality assurance department, department of warehouse and distribution, and secretary department to support significantly increased production and more effective operational processes.

In 2023, the company experienced a reduction in the number of employees by 106 individuals, primarily from the downsizing of the manufacturing department. This reduction was attributed to the company's adoption of new technologies and innovations that improved the efficiency of the manufacturing and production processes.

### Employee compensation

Employee compensation includes salary, bonus, overtime and other benefits.

Compensation type	2021 (Million Baht)	2022 (Million Baht)	2023 (Million Baht)
Number of employees	650	674	568
Salary	90.4	105.9	100.3
Bonus	11.6	13.3	13.9
Overtime pays	27.3	39.9	24.0
Social security fund contribution and Provident fund contribution	2.7	3.6	3.9
Other benefit*	9.4	9.3	8.8
Total	141.4	172.0	150.9

\* Other benefits include meal allowance, transportation , retirement compensation, dismissal compensation

### Provident fund

The company has set up a provident fund under the management of Thanachart Asset Management Co., Ltd. in the name of Thanachart Taweeka provident fund since July 15, 2018. The company has formulated a 3% payment policy for wages.

### Major labor disputes in the past three years

- None -

### Human resources policy

Human resource management policy focuses on cultivating competitive personnel to support business expansion, establish appropriate organizational structure and human resources, develop the potential of personnel at all levels and prepare for work to create a good performance, meet business objectives and be able to continue to grow in the field of work. In addition, it also includes training personnel associated with the organization and maintaining continuous cooperation between personnel and organizations

## Other important information

### Company Secretary

The 2023 annual general meeting held on February 24, 2023 decided to appoint Ms. Wanvipa Jiravitidchai as the company secretary.

Name: Ms. Wanvipa Jiravitidchai

Position: Company Secretary

Education: Bachelor of Business Administration, Major in Marketing

Rajamangala University of Technology Tawan-Ok, Chakrabongse Bhuvanarth Campus

### Responsibilities of company secretary

1. Provide the Board of Directors and management with preliminary information and suggestions related to legal compliance related to business, the company's rules and regulations, policies and rules and regulations, and regularly supervise and ensure compliance. This includes reporting significant changes in legal requirements to directors and executives, including suggesting the above to the Board of Directors.

2. Supervise and follow information disclosure and related information reporting according to regulations and announcements of the Stock Exchange of Thailand, Securities and Exchange Commission and Capital Market Supervision Commission

3. Summary of realty holdings and changes in realty holdings of directors, managers and executives of the company and their spouses or persons living together as husbands, wives and minor children, including the juristic person of directors, managers and executives, the spouse, or persons living together as husbands, wives and minor children of directors, managers and executives are told above holding 30% of the total voting rights of the juristic person to the meeting of the Board of Directors for acknowledge every 3 months.

4. Follow and supervise the general meeting of shareholders and the meeting of the board of directors in accordance with laws, the Articles of Association and relevant procedures, including following the practice according to the resolutions of the General Meeting of Shareholders and the Board of Directors

5. Prepare, maintain and keep the following important documents:

- a) Registration of directors
- b) Shareholder registration
- c) The invitation letter for the meeting of the board of directors and the invitation letter for the meeting of the subcommittee as well as the report of the meeting of the board of directors and the subcommittee.
- d) Invitation letter and report of shareholders' meeting
- e) Annual report of the company

6. To arrange for the directors, executives and other personnel deemed appropriate by the board of directors to keep the stakeholder report and the independent certificate of the report of the director or senior manager, and send a copy to the chairman and the chairman of the audit committee within 7 working days from the date of receiving the report.

7. Arrange the Shareholders' Meeting and the Board of Directors' Meeting which shall be held in accordance with the laws, the Articles of Association and relevant procedures, including the report of the meeting.

8. Ensure that information is disclosed and reported to the competent department of the company, following the Securities and Exchange Commission and Stock Exchange of Thailand. In addition, the preservation system of relevant documents and evidence must be established should be accurate and complete and can be checked within not less than 5 years from the date of preparation of documents or information.

9. Contact and communicate with ordinary shareholders to confirm their rights and the company's news.

10. Establish knowledge and understanding of the guidelines and encourage the company to have good corporate governance.

11. Supervise the activities of the Board of Directors and other activities in accordance with laws and/or the provisions of the Capital Market Supervision Committee and/or assigning from the Board of Directors.

## Chief Financial Officer

Name: Mr. Chanawut Kanaprasertkul  
Education: Bachelor's Degree of Accounting, Kasetsart University  
Work Experience: 2015-2017 as Senior Associate of Audit at PricewaterhouseCoopers ABAS Ltd.

## Personnel assigned to supervise accounting directly.

Name: Miss Chanyakorn Chayapornamornsuk  
Education: Bachelor's Degree of Accounting, Sukhothai Tummathirat University  
Bachelor's Degree of Business Administration, Suan Dusit Rajabhat College  
Work Experience: 2015-2017 Accounting Manager of Island Resort Hotel Co., Ltd  
2008-2015 Acting Accounting Manager of the Accounting and Finance Department of Andaman Club Co., Ltd.  
2001-2007 Assistant auditor of DIA Audit Firm

## Head of Investor Relations

Name: Mr. Chanawut Kanaprasertkul  
Address: Polynet Public Company Limited  
888 Moo 11, Bangsaotong, Samutprakan  
E-mail address: ir@polynet.co.th  
Website: www.polynet.co.th  
Telephone: 02-397-9094-6 #1111

## Head of Internal Audit

Company name: Unique Consulting Co., Ltd.  
Name of designated person: Mr. Koson Yamleemoon  
Education: Bachelor of Science in Business Information Technology,  
Chulalongkorn University  
Bachelor's degree in Accounting, Finance and Banking,  
Thammasat University

## Auditor's remuneration

The company's auditor is PricewaterhouseCoopers ABAS Ltd, and Ms. Sakuna Yamsakul is a certified public accountant. Registration No.: 4906

The Company paid the auditor an audit fee of THB 2.25 million in 2021, without any other fees. The 2022 annual general meeting held on March 15, 2022, approved the 2022 annual audit fee of THB 3.3 million.

# Corporate Governance Performance Report

## Summary of the performance of the Board of Directors in the past year. Nomination, development, and evaluation of the responsibilities of the Board of Directors

### Nomination of directors and sub-committee members

The Board of Directors is composed of three independent directors out of seven directors. Individuals have the responsibility to consider, select and determine qualified persons to serve as directors.

The company has formulated the following criteria and procedures for director nomination as followed:

1. minority shareholders are allowed to nominate qualified persons to be elected as directors and were nominated by major shareholders.
2. The qualification of candidates must comply with relevant laws and regulations, namely the Public Limited Company Law, and Securities Exchange Act, B.E.2535 (1992), Articles of Association and principles of appropriate corporate governance
3. To be reviewed according to the nomination criteria of directors of the Stock Exchange of Thailand.
4. Focus on skills, experience, specialties and qualifications in various fields which the Board of Directors are lack and necessary to the business and do not subject to gender and race restrictions or discrimination to make the component of the committees is complete and sufficient to the company.
5. Consider whether the knowledge, experience and ability are suitable for the main business or industry the company operates. Provide the Board of Directors with elements of business, strategy, law, finance, accounting, economics, international business and information technology. Integrate knowledge and capabilities that are conducive to the company's operation.
6. Consider the dedication time of the director. If the former director will be re-elected, his performance during the term of office can be considered. The company shall consider the number of companies that each director will hold to adapt to the nature or business conditions of the company to ensure that the performance will not be degraded.
7. In the case of the appointment of independent directors, considering the independence of the persons to be nominated as independent directors according to the standards set by the SEC Office. According to the definition, independent directors have the independent qualifications specified in the corporate governance manual and are disclosed on the company's website.
8. Performance in the past year (if any)
9. Provide useful feedback

Then, the list of nominated directors will be submitted to the shareholders' meeting for an appointment. The general meeting of shareholders shall appoint directors. The appointment of each director shall be approved by more than half of the total number of votes. Shareholders present at the meeting and entitled to vote by:

- 1) Each shareholder shall have one vote per share.
- 2) For the election of directors, the company provides the shareholders to use voting cards to elect directors individually. Each shareholder shall use all existing votes to elect one director, or many people can serve as directors, but they cannot share their votes with anyone.
- 3) The person who has obtained the highest or lower number of votes shall be elected as a director, and the number of directors shall be the same as the number of directors to be elected for the time being. If the next elected person has the same number of votes as the number of directors, the chairman of the meeting shall have a casting vote.

If the position of director is vacant for reasons other than rotation and retirement, the Board of Directors shall consider appointing qualified personnel without prohibited characteristics by laws at the next meeting of the Board of Directors unless the term of office of retired directors is less than 2 months. A person appointed as an alternate director will only serve as a director for the remainder of the term of the position of his alternate director. The resolution appointing a substitute director must obtain not less than three-quarters of the votes of the remaining directors.

### **Independent director qualification**

1. Holding no more than 1% of the total number of voting shares of the company, major company, subsidiary company and affiliated company, the major shareholders or controlling persons of the company, including the shares of relevant personnel of independent directors.

2. Never or used to be the executive director, employee, consultant with fixed salary or controller of the company, major company, subsidiary, affiliated company, subsidiary at the same level, major shareholder or controller unless the above characteristics are not less than 2 years, asking the allowance to Office of the Securities and Exchange Commission or appointment date.

3. No blood relationship or legal registration as parents, spouse, siblings and children, including the spouse of the children of other directors, executives, major shareholders, controlling persons or persons nominated as directors, executive or controlling person of the company or subsidiary

4. Naver had any business relationship with the company, its major company, subsidiary, an affiliated company, major shareholder or controller in a way that may hinder its independent judgment, including being neither nor having been a major shareholder or the controller of a person who has business relations with the company, major company, subsidiary, affiliated company or major shareholder or the controlling person of the company, unless the above characteristics are not less than 2 years, asking the allowance to Office of the Securities and Exchange Commission or appointment date. Business relationships, including business transactions for business operation, rent or lease of real estate, transactions related to assets or services, or providing or receiving financial assistance by accepting or providing loans, guarantees, the provision of assets as debt collateral, including other similar situations, led to the company, or the party is obliged to pay the other party 3% of the company's net tangible assets or 20 million Baht or more of the debt whichever is lower. The calculation of the above debt burden shall be based on the capital market supervision committee's when conducting connected transactions, but when considering such debt burden, the debt burden generated within 1 year before the establishment of a business relationship with the same person should be calculated.

5. Never or was the auditor of the company, its major company, subsidiary, an affiliated company, major shareholder or controller. It shall not be a major shareholder, controller or partner of the company, major company or subsidiary, the company's affiliates, major shareholders or controllers unless the above characteristics are terminated at least more than 2 years.

6. Never or has been any professional service provider, including legal counsel or financial adviser which receives more than 2 million Baht of service fees from the company, its major shareholders or controlling persons every year and is not a major shareholder, the controlling agency or partner of the professional service provider unless the above characteristics are terminated more than 2 years before presenting the allowance to the Office of the Securities and Exchange Commission or appointment date.

7. Never were directors who are appointed as representatives of the company's directors, major shareholders of the company or shareholders associated with major shareholders.

8. Not allowed to engage in business with the same conditions as the business of the company or its subsidiaries and with the significant competition or is not an important partner of the partnership, or a director, employee, or consultant receiving a fixed salary who participates in the management or hold more than 1% of the total voting shares of other companies engaged in businesses with the same conditions and significant competition with the company or its subsidiaries.

9. Shall not have any other characteristics that hinder independent opinions on the operation of the company.

10. Shall not serve as directors appointed by the Board of Directors to determine the business operations of the company, subsidiaries, affiliated companies and subsidiaries at the same level, as major shareholders or controlling persons of the company

11. Shall not be a director of the parent company, subsidiary company or subsidiary company at the same level as the listed company.

## **Executive recruitment**

The Board of Directors will nominate and develop the positions of Executive Committee and top management to equip them with the knowledge and skills, experience and functions required for driving the company's objectives which the Board of Directors will supervise and take care of the framework of appropriate compensation and evaluation at all levels, and supervision of the management and development of personnel so that they have appropriate knowledge, skills, experience and motivation.

In this regard, the company has specified the important positions for which succession plans must be formulated, namely, Chief Executive Officer, Chief Marketing Officer, Chief Production Officer, Chief Operation Officer, Chief Financial Officer. The above 5 positions must work with the management to determine the main characteristics and responsibilities of the position, including qualifications, behavioral and occupational characteristics.

The selection of personnel in the succession plan will use human resources management strategies, such as the development of potential personnel or an external recruitment plan and work with management to develop strategies for developing potential candidates to develop successors. The Board of Directors appoints the Chief Executive Officer.

## **Human resources development**

The company's goal is to continuously promote the development of personnel at all levels so that they have the knowledge and ability for career development. By providing the new directors with basic training and knowledge about the organization, they can understand their work, roles and responsibilities, and also encouraged to develop the knowledge to the Board of Directors by covering all aspects to effectively perform duties and adapt to changes in the external environment and the development of the company and sustainable development.

## Board performance evaluation

The Board of Directors requires that performance evaluation be conducted at least once a year in the form of group and individual evaluations. The results of the assessment will be used as a framework for reviewing the implementation of responsibilities, problems and obstacles and use the evaluation results to analyze the performance of directors and put forward suggestions for improving operations.

The evaluating the performance of the board of directors, there are 2 types of assessments as follows:

**1. Performance evaluation of group of board, assessing various aspects, including:**

- Structure and qualifications of the Board of Directors
- Roles, responsibilities, and duties of the Board of Directors
- Board of Directors meetings
- Duties of the directors
- Relationship with management
- Professional development of directors and management

**2. Performance evaluation of individual board member's, assessed in various aspects including:**

- Structure and qualifications of the Board of Directors
- Board of Directors meetings
- Roles, responsibilities, and duties of the Board of Directors

### Summary of self-assessment of the board of directors for the year 2023

Self-assessment	Average score (%)	Results
<b>Audit Committee</b>		
Group of board	89.72	excellent
Individual	91.67	excellent
<b>Executive Committee</b>		
Group of board	99.17	excellent
Individual	100.00	excellent
<b>Board of Directors</b>		
Group of board	95.12	excellent
Individual	96.43	excellent

Note:

1. A score equal to or greater than 85% means "excellent".
2. A score in the range of 75-84% means "good".
3. A score in the range of 65-74% means "fairly good".
4. A score in the range of 50-64% means "satisfactory".
5. A score below 50% means "needs improvement".

## Attendance and remuneration of individual directors

### Attend meetings

The attendance of the Board of Directors as of December 31, 2021, 2022 and 2023 is as follows:

Name	Attendance/total number of meetings		
	2021	2022	2023
1. Mr. Chaipayorn Nitaswarakul	3/3	8/8	5/5
2. Ms. Tyawadee Ngamwongwan	3/3	8/8	5/5
3. Ms. Khemika Thiwong	3/3	8/8	5/5
4. Mrs. Kanchana Laowrattana	3/3	8/8	5/5
5. Mr. Srichai Laowrattana	3/3	8/8	5/5
6. Mr. Therdsak Chalermwattananon	3/3	8/8	5/5
7. Ms. Noppamas Fahchusawad	3/3	8/8	5/5

### Remuneration

The remuneration of the Board of Directors includes expenses for each meeting. In this regard, the directors as executive directors will not receive the remuneration of directors.

Position	2021 (Per time)	2022 (Per time)	2023 (Per time)
Chairman of the Board of Director	12,000	12,000	40,000
Director	8,000	8,000	6,000

The remuneration of the Board of Directors in 2021, 2022 and 2023 is as follows:

Name	Position	Monetary remuneration (Baht)		
		2021	2022	2023
1. Mr. Chaipayorn Nitaswarakul	Chairman of the Board of Director	36,000	120,000	244,000
2. Ms. Tyawadee Ngamwongwan	Director	24,000	80,000	52,000
3. Ms. Khemika Thiwong	Director	24,000	80,000	52,000
4. Mrs. Kanchana Laowrattana	Director	-	-	-
5. Mr. Srichai Laowrattana	Director	-	-	-
6. Mr. Therdsak Chalermwattananon	Director	-	-	-
7. Ms. Noppamas Fahchusawad	Director	-	-	-
<b>Total</b>		<b>84,000</b>	<b>280,000</b>	<b>348,000</b>



## Supervise the operation of subsidiaries and associated companies

The company's policy is to invest in the company according to the company's goals, vision and growth strategy plan. This will enable the company to Increase business performance or profit or invest in the company's collaborative business to improve the company's competitiveness. To achieve the goal of becoming a leading entrepreneur in the company's core business, the company, subsidiaries and joint ventures and/or associated companies may consider investing in other businesses if these businesses have growth potential or business expansion or it is beneficial to the company's business. By considering the investment of the company, subsidiaries and joint ventures, it can generate a good return on investment and/or related companies, the company will analyze the investment feasibility and consider the investment potential and risk factors. An appropriate investment analysis procedures require the approval of the Executive Committee and/or the Board of Directors or the general meeting of shareholders of the company (as the case may be) to apply for investment approval of subsidiaries and joint ventures and/or related companies must comply with the notice of the Capital Market Supervision Committee and the announcement of the Board of Directors of Stock Exchange of Thailand.

The company has formulated governance and management policies for subsidiaries, joint ventures and affiliated companies. The objective is to develop direct and indirect measures and mechanisms so that the company can supervise and manage the business of its subsidiaries, joint ventures and associated companies, including monitoring subsidiaries, joint ventures and associated companies to comply with various measures and mechanisms that can be defined as if it were the company's department and in accordance with the company's policies and related laws. This is to maintain the benefit of investment of the company, in subsidiaries, joint ventures and such associated companies, the details are as follows:

1. The company will send personnel representing the company to serve as directors of subsidiaries, joint ventures and/or affiliated companies to supervise subsidiaries, joint ventures and/or associated companies according to the shareholding ratio of each company, complying with other laws and policies of the company. However, the company representative is appointed as the director of each subsidiary, joint venture and/or associated company must be considered and approved by the Board of Directors to consider the appropriateness of each company.

2. If any transaction or action of the subsidiary is deemed to be the acquisition or disposal of the assets specified in the relevant notice or related transactions in the relevant notice, which will result in the company's obligation to obtain the approval of the board of directors and/or the general meeting of shareholders of the company, or seek the approval of the relevant authorities before conducting the transaction according to law. The subsidiary can only conduct such transactions after the approval of the board meeting and/or the general meeting of shareholders of the company and/or relevant institutions (as the case may be) has been completed.

In addition, if the company and its subsidiaries and affiliated companies conduct connected transactions, the transaction must comply with business reasons according to the reasonable market price and clear support principle, including in the case of certain events in the subsidiary which make the company be obliged to disclose information to the Stock Exchange of Thailand in accordance with the rules specified in the relevant notice of the Board of Directors of the Stock Exchange of Thailand, directors, officers or controlling persons of subsidiaries once it is known that the subsidiary plans to trade or such event occurs.

3. The Board of Directors and executives of each subsidiary, joint venture and/or associated company According to relevant laws, it has important powers, duties and responsibilities, such as disclosing financial status and operating performance information to the company which uses the announcement relating to the Capital Market Supervision Commission and Stock Exchange of Thailand Board of Directors, including reporting own benefits and the related person with the Board of Directors know about the relationships and transactions conducting with the company, subsidiaries, joint ventures and/or associated companies in ways that may lead to conflicts of interest and avoid using items that may cause conflicts of interest.

4. The company will develop necessary plans and actions to ensure that subsidiaries and joint ventures and/or related companies disclose information about operating performance and financial status, and the company will take necessary actions and supervise its subsidiaries, joint ventures and/or associated companies to have adequate and appropriate information disclosure systems and internal control systems.

In addition, the company will closely monitor the business performance and operation of its subsidiaries, joint ventures and/or affiliated companies and present to the Board of Directors and its subsidiaries, joint ventures or affiliated companies to consider formulating policies or improving the business of subsidiaries and/or affiliates to gain sustainable development and growth

## **Supervise compliance with corporate governance policies and guidelines**

### **Compliance with laws, regulations and restrictions**

The company attaches great importance to comply with laws and regulations related to the local environment, occupational health and safety at the national and regional levels, including compliance with the International Business Ethics by conducting the directors, executives and employees are required to act within the framework of laws, regulations and restrictions, and must not participate in, assist or commit any violation of any laws and regulations of the company. The company does not support any infringement of intellectual property rights, and requires directors, executives and employees to act within the framework of laws, regulations and restrictions, and must not participate in, assist or commit any violation of any other laws and regulations related to intellectual property.

### **Preventing conflicts of interest**

The company has formulated the following policies to prevent conflicts of interest:

1. Directors, executives and employees should avoid engaging in the same business that competes with the company's business or subsidiaries, whether for personal benefit or with other persons who may directly or indirectly harm the company or become partners or shareholders or executives who have decision-making power in businesses that compete with the company or its subsidiaries or have the same characteristics unless it can be proved that there is a mechanism to ensure that such actions will not affect the company. The directors, executives and employees should report to the Chairman of the Audit Committee immediately.

2. Directors, executives and employees should avoid holding a large number of shares in the business of competitors if such actions lead to the directors, executives and employees cannot perform the responsibilities provided by the company promptly. If the director, executives and employees obtained the shares before they served as directors, officers and employees or before the company entered the business, the directors, executives and employees must immediately report to the company in accordance with the procedures prescribed by the Board of Directors.

3. All directors, executives and employees shall disclose their business or their families or relatives' business, or guardians which may have a conflict of business interests with the company or its subsidiaries and prepare direct and indirect interest disclosure documents every year or the disclosed details have been changed significantly, such as:

- Joint ventures or interests with suppliers or company customers who have business relations with the company
- Serve as a supplier or customer of the company who has business relations with the company, even as a consultant
- Trade goods or services directly with the company or its subsidiaries or through others

4. Directors, executives and employees shall not use the company's confidential information (such as the plan, revenue, meeting resolution, business forecast, or personal interest bidding,) to seek benefits for themselves or others regardless of whether it causes damage to the company or not, including following the company's internal information use policy strictly.

5. Directors, executives and employees involved in Shareholders with conflicts of interest in any agenda must abstain from voting or not attending the meeting on the agenda that they have conflicts of interest and those who are involved or have interests in the transaction may cause conflicts of interest. Report the cause of a conflict of interest with the company must notify the company of the relationship or interest of them in the list as well.

6. The company's directors, executives and employees must make decisions on the company's business operations in the best interests of the company.

7. The directors, executives and employees of the company shall do their best to work full-time and shall not engage in any personal business affecting the company's performance of duties and working hours.

8. The directors, executives and employees of the company shall not take any action that may harm the interests of the company or for the benefit of any individual or legal person, whether for the benefit of himself or others.

9. The directors, executives and employees of the company shall avoid participating in finance and/or relationships with other third parties. This will lead to a loss of interest or conflict of interest of the company or hinder its effective operation.

## **Supervise the use of internal information**

The company has formulated a policy and procedure to prevent directors, executives and employees from using internal information that has not been disclosed to the public to seek personal interests, including securities trading, to ensure that the company operates transparently in accordance with good corporate governance. Details are as follows.

1. The company shall provide the directors, executives and auditors with knowledge about their obligation to report their securities holdings, and the holding of their spouses or persons living together as husbands, wives and minor children, including directors and executives, the spouse of directors and executives or people living with, wife and minor children and those directors who hold the share more than 30% of the shareholders of the total number of corporate voting rights submitted to the Securities and Exchange Commission according to Article 59; and section 275 of the Securities Exchange Act B.E.2535 (1992) (as amended) (the "Securities Exchange Act"). This includes the acquisition or disposal of securities of the reporting company in accordance with the penalties outlined in sections 246 and 298 of the Securities Exchange Act.

2. The company requires the directors and executives of the company to prepare and submit a report on the securities held by their spouses or persons living together as husbands, wives and minor children, including directors and executives, the spouse or spouse and minor children of the above directors and executives who hold the share more than 30% of the total voting rights of the legal person specified in the securities holding report submitted to the company secretary. Shall prepare and submit within 30 days from the date of appointment as director and/or executive. In addition, whenever there is a change, prepare a report on the changes in ownership of securities according to the prescribed report form and submit it to the company secretary within 3 business days from the date of purchase, sale, transfer, or receipt of the securities in order to forward it to the Securities and Exchange Commission. Furthermore, the company secretary is required to summarize the report on the ownership of securities and changes in the ownership of securities for regular presentation at every quarterly meeting of the board of directors.

3. The company requires that directors and executives, including those holding executive positions in accounting or finance at the level of a department manager or equivalent, and related workers, including persons presumed to know or own inside information according to the Act Securities and Exchange who have been informed of material inside information that affects the change in price or value of securities must suspend trading, offer to buy or sell, or solicit other people to trade, or offer to buy or sell the company's securities either directly or indirectly in the period before the release of the financial statements or the disclosure of information about the financial position and status of the company until the company has disclosed the information to the public throughout the use of inside information that has not been disclosed to the public (Embargo Period), which means a period of 1 month before and until the date of announcing the financial results of the company quarterly and annually. The company secretary will notify the directors and executives including senior positions, management in accounting or finance who is the level of a department manager or equivalent and related personnel to refrain from trading in the company's securities in written form for at least 1 month before public disclosure and should wait at least 24 hours after the information has been disclosed to the public, including prohibiting the disclosure of material information to other people by any means. In addition, the audit committee will assign an internal control system assessor to review the written notification as follows in every quarter.

4. The company prohibits the directors, executives and employees of the company and its subsidiaries, including the use of the company's inside information by persons who are deemed to know or have inside information under the Securities and Exchange Act and subsidiaries that may affect the price changes of the company's securities, which have not been disclosed to the public for the users to purchase, sell, offer to buy, offer to sell or solicit others to buy, sell, offer to buy or offer to sell company securities whether directly or indirectly, and whether such behavior is for the benefit of oneself or others or disclose such facts so that others can do so without or with benefiting from them.

5. The company requires directors, executives and employees of the company and its subsidiaries, or former directors, officers and employees who resign to protect the confidential and/or internal information of the company and its subsidiaries as well as the confidential information of the company and its subsidiaries' partners, confidential and/or internal information of the company and its subsidiaries and confidential information of customers or business partners of the company and its subsidiaries for use by other companies and to be known to third parties although such disclosure will not cause damage to the company, subsidiaries, customers or partners.

6. The company requires the directors, executives and employees of the company and its subsidiaries not to disclose the internal information of the company and its subsidiaries. They shall not take advantage of their positions in the company and/or subsidiaries, nor use confirmed internal information or important information or confirm during the work of the company and/or its subsidiaries that these subsidiaries have not been disclosed to the public to obtain improper benefits or directly or indirectly disclose to a third party for their own or others' interests regardless of whether they obtain any benefits.

7. The company stipulates that the directors, executives and employees of the company and its subsidiaries are obliged to comply with the internal information use guidelines of the act of the Stock Exchange of Thailand, including other restrictions.

8. The company is limited to the top management and restricts access to non-public information and only discloses to employees of the company when necessary and informs employees that this is confidential information and there are restrictions on use.

9. The owner of the information that the company requires not to disclose to the public must instruct the relevant personnel to strictly follow the safety procedures.

10. The company will impose disciplinary sanctions on those who violate the inside information for personal gain, starting with a written warning, reduce the allowance, reduce wages, temporarily suspend or leave without pay, and compensate the company in case of financial losses. The punishment will be determined according to the intention of the act and the seriousness of the crime.

## Anti-corruption

The company is committed to properly conducting business and recognizes the importance of anti-corruption. Encourage employees to work with morality and good citizenship through legal business operations and benefit society. The company has formulated anti-corruption policies as guidelines to prevent and combat corporate corruption. By creating a corporate culture, we can make everyone aware of the danger of corruption, create correct values and make them clearer and improve the confidence of all stakeholders to effectively combat corruption. Details are as follows.

1. Directors, executives and employees at all levels of the company and its subsidiaries shall not directly or indirectly participate in any form of corruption or bribery and various forms of improper exploitation, such as soliciting, accepting, offering or providing property, including any other interests with government officials or any other person conducting business with the company for their own benefit or create business opportunities for the company, covering all business areas, whether domestic or foreign, including all relevant departments.

2. The company has formulated a policy of complying with the relevant laws and standards of anti-corruption in Thailand and in all countries where the company conducts business on behalf of the main company.

3. The company and its subsidiaries or business representatives of the company accept to follow these policies.

4. If directors, executives and employees take any action that violates or does not comply with this policy, whether directly or indirectly, they will be considered in accordance with the discipline set by the company and may also be punished according to the law if the action is illegal. In this regard, the company's personnel and its subsidiaries must understand and comply with the Anti-Corruption Policy at every step of the operation. If ones see an action that violates this policy, inform your supervisor or departments/persons in charge immediately

5. Supervisors who ignore the breach or fail to comply with this policy by their subordinates or are aware of such actions but fail to manage, correct or notify clues will be considered for disciplinary action according to the regulations set by the company

6. If an agent or contractor of the company violates this policy, the company will proceed to terminate the contract with the agent or the contracting party.

7. The company shall not punish, demote or adversely affect any director, executive or employee who denies corruption although refusal will cause the company to lose business opportunities.

## Whistleblowing and complaints

Prosecutors:	Chairman of the Audit Committee
Email	ac@polynet.co.th
Mail:	Polynet Public Company Limited 888 Moo 11, Bangsaotong, Bangsaotong, Samutprakan

During 2021, 2022, and 2023, the company has no complaints of corruption.

## Receiving complaints and reporting clues about the offensive act (Whistleblowing)

The company has formulated a policy of accepting complaints and reporting complaints related to corporate governance or supervising the operation of all stakeholders whether they come from internal personnel or not or from a third party, who requests to file a complaint in written files and send or follow up the complaint as follows:

### Whistleblowing and complaints

Prosecutors:	Chairman of the Audit Committee
Email	ac@polynet.co.th
Mail:	Polynet Public Company Limited 888 Moo 11, Bangsaotong, Bangsaotong, Samutprakan

During 2021, 2022 and 2023, the company did not find any complaints.

## Performance report of the Audit Committee

### Number of audit committee meetings

The attendance of the Audit Committee meetings as of December 31, 2021, 2022 and 2023 is as follows:

Name	Attendance/Total number of meetings		
	2021	2022	2023
Mr. Chaiyaporn Nitaswarakul	3/3	6/6	4/4
Ms. Tyawadee Ngamwongwan	3/3	6/6	4/4
Ms. Khemika Thiwong	3/3	6/6	4/4

The audit committee meetings since 2021 are joint meetings of the audit committee, auditors, and internal auditors. There are no executives every time.

### Results of the audit committee's performance of duties

(Appears in the report of the Board of Auditors.)

## Remuneration payment

The remuneration for the audit committee is as follows, meeting fees per session.

Position	Number of attendances / Total number of meetings		
	2021	2022	2023
1. Chairman of the Board of Director	12,000	12,000	10,000
2. Director	8,000	8,000	6,000

## Remuneration of the Audit Committee in 2021, 2022 and 2023

Name	Position	Monetary Remuneration		
		2021	2022	2023
1. Mr. Chaiyaporn Nitaswarakul	Chairman of the Audit Committee	-	-	10,000
2. Ms. Tyawadee Ngamwongwan	Audit Committee	-	-	6,000
3. Ms. Khemika Thiwong	Audit Committee	-	-	6,000
Total		-	-	22,000

Remark: In the case of two committees having meetings on the same day, the meeting fee should be paid only for one committee.

## Performance report of the Executive Committee

### Number of executive committee meetings

Attendance of the Executive Committee meetings as of December 31, 2021, 2022 and January to June 2023 is as follows:

Name	Number of attendances / Total number of meetings		
	2021	2022	2023
1. Mrs. Kanchana Laowrattana	12/12	12/12	12/12
2. Mr. Srichai Laowrattana	12/12	12/12	12/12
3. Mr. Therdsak Chalermwattananon	12/12	12/12	12/12
4. Ms. Noppamas Fahchusawad	12/12	12/12	12/12
5. Mr. Chanawut Kanaprasertkul	-	12/12	12/12

Note: Mr. Chanawut Kanaprasertkul was appointed at the Board Meeting No. 1/2022 on February 25. At the executive committee meetings in 2020 and 2021, Mr. Chanawut attended each meeting as Chief Financial Officer.

## Results of the Executive Committee's performance of duties

Executive Committee (According to the report of the Executive Committee)

### Remuneration Payment

The company does not pay remuneration to the executive committee because they are company personnel and are paid in the form of salary and bonuses and other benefits.

# Internal Control and Related Transaction

## Internal control

### Adequacy and appropriateness of internal control system

The Board of Directors recognizes the importance of a good internal control system and believes its responsibility is to ensure that POLY has an appropriate and adequate internal control system to ensure that its operations comply with goals, objectives and laws and related restrictions effectively. Also, prevent the risks and damage to POLY and stakeholders. This includes the preparation of accurate and reliable accounting and financial reports and full disclosure of information at the right time.

POLY has hired UA to evaluate all internal control systems in 2023, including monitoring all internal control systems. The appointment of the UA was considered at the Audit Committee Meeting No. 1/2023 on February 24, 2023, to supervise and evaluate the internal control in 2023. In the opinion of the Audit Committee, UA has the qualification and expertise of internal audit which UA will report the performance directly to the audit committee.

In addition, the Board of Directors corporates risk management framework through identification and evaluation, risks are effectively managed and managed at the organizational level and in each activity. Analyze the internal and external risk factors that affect the realization of the company's objectives. The risk management framework will guide managers and employees at all levels to systematically control and manage risks. The Board of Directors has appointed the Audit Committee to supervise the implementation of the risk management policy and framework, monitor the risk management process to ensure the adequacy of key risk management, and support and develop risk management at all levels of the organization.

The 3 audit committee members have evaluated the adequacy of the internal control system in accordance with the COSO (The Committee of Sponsoring Organizations of Treadway Commission) framework, which includes:

- 1) Control Environment
- 2) Risk Assessment
- 3) Control Activities
- 4) Information & Communication
- 5) Monitoring Activities

The Board of Directors believes that POLY's internal control system is adequate and appropriate for POLY's business operation which the company appoints an internal audit unit (hire a unique consultant limited company or "UA") to evaluate the adequacy of the internal control system and track the operation of POLY's internal control system quarterly to ensure that there is a procedure to supervise the operation according to the goals, objectives and laws effectively. Also, prevent asset fraud and avoid abuse by directors or executives, including providing the accounting and outstanding and no discriminated reports with the Audit Committee. Therefore, POLY considered and approved the 2022 internal control system adequacy assessment form.

### Auditor's opinion on POLY's internal control system

PricewaterhouseCoopers ABAS Limited (PwC) as an auditor allowed by POLY reported the opinions and suggestions on the internal control system in the audit of the financial statements for the year ended December 31, 2023 to the Audit Committee Meeting No. 1/2024 without any suggestions from the auditor relating to the internal system of POLY.



## Opinions of internal auditors on POLY's internal control system

POLY hired UA to review and evaluate the adequacy of POLY's internal control system to report the results to the Audit Committee. UA reviewed various systems covering key business processes and began to audit POLY's internal control system. All are as follows.

No.	Reporting Performance	Checked Item Scope	Objectives of Duties	Audit Work System
1	Internal Control Assessment Report for the fiscal year 2023, dated February 24, 2023	As at December 31, 2023	Internal Control System Assessment at Organizational Level (COSO Framework)	-
2	Internal Audit Report For the Quarter Ending March 31, 2023	January - March 2023	Assessment and Evaluation of Internal Control Systems at the Business Process Level (covering examination and evaluation of procurement/contracting control systems, expenses and payment, inventory management system, and financial management, investment, and cash management)	2,3,5
3	Internal Audit Report For the Quarter Ending June 30, 2023	January – June 2023	Audit and assess internal control systems at the business process level (covering examination and evaluation of specific control systems for production management and production costs, research and development of products, fixed asset management systems, and maintenance).	4,6,14
4	Internal Audit Report For the Quarter Ending September 30, 2023	January – September 2023	Audit and assess internal control systems at the business process level (covering examination and evaluation of specific control systems for revenue, revenue recognition and receipt, transaction processing, and operations related to environmental, social, and corporate governance).	1,15,16
5	Internal Audit Report For the Quarter Ending December 31, 2023	January – December 2023	Audit and evaluate internal control systems at the business process level (covering examination and assessment of specific controls for general information technology controls (ITGC), IT application controls, and human resource management (HRM) systems).	7,8,9

## Notes

1. Revenue system, revenue recognition and payment recognition
2. Procurement, cost and payment
3. Finance and cash management
4. Production management
5. Inventory management
6. Fix asset and maintenance management
7. Human resource management
8. IT management
9. System program control
10. Period-end closing and preparing financial statements
11. Enterprise risk management and corporate governance
12. PDPA
13. Business sustainability
14. Research and development of products
15. Related transaction
16. Environmental, Social, and Corporate Governance Operations

UA has reviewed an internal audit and follow-up of POLY's internal controls for the year 2022 and found that POLY has improved its internal controls at both the process design and implementation levels, in line with UA's recommendations. This includes improvements in the control environment, development of important policies and procedures, and process-level controls. During the 4 follow-up visits in 2023, UA identified medium and low-risk issues, which were reported and presented to the audit committee at a meeting.

- 1/2023 on February 24, 2023
- 2/2023 on May 11, 2023
- 3/2023 on August 10, 2023
- 4/2023 on November 09, 2023

For the quarter ending on June 30, 2023, UA underwent audits on:1)Production management and production costs systems.2)Research and development of products systems.3)Permanent asset management and maintenance systems.4)Follow-up on previously identified observations. From the audit, it was found that there are moderate and low-level risks. A report of the audit findings will be presented at the Audit Committee and Board of Directors meeting on August 10, 2023.

For the quarter ending on September 30, 2566, UA underwent audits on:1)Revenue systems, revenue recognition, and cash receipt.2)Transaction processing.3)Environmental, social, and corporate governance operations.4)Follow-up on previously identified observations.From the audit, it was found that there are moderate and low-level risks. A report of the audit findings will be presented at the Audit Committee and Board of Directors meeting on November 9, 2023.

For the quarter ending on December 31, 2023, UA underwent audits on:1)General IT Controls (ITGC) systems.2)IT Application Controls.3)Human Resource Management (HRM) systems.4)Follow-up on previously identified observations.From the audit, it was found that there are moderate and low-level risks. A report of the audit findings will be presented at the Audit Committee and Board of Directors meeting on February 23, 2024.

## **POLY Internal Audit Supervisor**

POLY employs Outsource as an internal auditor which hires Unique Advisor Co., Ltd. ("UA") as its internal auditor since 2021. Mr. Koson Yamleemoon served as the head of the internal audit and in the meeting of committees on February 24, 2023, No. 1/2023, UA was appointed as the internal auditor of POLY in 2023. UA has appointed Mr. Koson Yamleemool, the Managing Director, as the main responsibility of POLY's internal auditor.

The Audit Committee considered the qualifications of UA and Mr. Koson Yamleemool and considered them appropriate because of their independence and qualifications, education, work background as internal audit experience and receive training courses related to the proper implementation of internal audit, namely, internal auditors (CIA), Financial Services Internal Auditor (CFSA), Certified Public Accountant (CPA), including IT audit courses and internal audit courses through the Accounting Professional Association of Institute of Internal Auditors, etc.

Review and approve the appointment, dismissal and transfer of the head of POLY's internal audit department will be approved by the Audit Committees. See Appendix 2 for the qualification of the person in charge of the internal audit.

## Related transactions

### Transaction information with parties that may have conflicts

During the period from 2023, there are the following transactions between POLY and people who may conflict:

Individuals who may conflict	Relationship with POLY
Kemoplast Co., Ltd.	<ul style="list-style-type: none"> <li>Kemoplast is engaged in the import and distribution of solid silicon and liquid silicon chemical products. The chemical composition of silicone rubber is designated as the distributor of Dow Corning silicone rubber and chemicals from Dow Chemical Group (USA) officially.</li> <li>Kemoplast is a company founded by Mr. Srichai Laowrattana (Director and CEO, Chief Marketing Officer). In the past, Mr. Srichai and Mrs. Kanchana held 26,000 shares, accounting for 87% of the total shares. On November 20, 2016, sold the share to their relative and Mr. Srichai and Mrs. Kanchana resigned as directors of Kemoplast on November 21, 2016.</li> <li>Kemoplast has 3 shareholders of Mr. Srichai's siblings (not holding POLY shares), as follows:               <ol style="list-style-type: none"> <li>1) Mr. Pavijaya Vorathanakul (40% of the total shares)</li> <li>2) Ms. Suporn Vorathanakul (40% of the total shares)</li> <li>3) Mr. Chokchai Vorathanakul (20% of the total shares)</li> </ol> </li> <li>Kemoplast has two directors, Khun Pavijaya Worathanakul and Khun Suporn Worathanakul (POLY has no joint directors)</li> </ul>
Mrs. Kanchana Laowrattana	<ul style="list-style-type: none"> <li>Director and authorized director of POLY</li> <li>Served as CEO of POLY</li> <li>As of 28 September, 2023, major shareholders accounted for 27.06% of the total shares</li> </ul>
Mr. Srichai Laowrattana	<ul style="list-style-type: none"> <li>Director and authorized director of POLY</li> <li>Served as Chief Marketing Officer (CMO)</li> <li>As of 28 September, 2023, major shareholders accounted for 4.07% of the total shares</li> </ul>
HakoAndCo Co., Ltd.	<ul style="list-style-type: none"> <li>HakoAndCo Co., Ltd. operates a business distributing stoves, glassware, and kitchen appliances.</li> <li>Company Registration Number: 0105565148722</li> <li>Date of Registration: September 12, 2022</li> <li>Registered Capital: 1,000,000 baht</li> <li>Address: 233 Prapa Canal Road, Bang Sue Sub-district, Bang Sue District, Bangkok 10800</li> <li>HakoAndCo Co., Ltd. has 2 directors: Miss Janjira Laowrattana and Mr. Theethat Suprasert (not affiliated with POLY).</li> </ul>

In 2023, POLY entered into the following transactions with people who may have conflicts: (Please consider other related transactions in the notes to the financial statements.)

Companies may conflict	Types of transactions	Amount (THB)	Opinions of the Audit Committee
Kemoplast Co., Ltd.	Purchasing costs: Item value: outstanding balance	11,770,480 1,689,765.4	<p><b>Project source and necessity</b></p> <ul style="list-style-type: none"> <li>The main products purchased by POLY from Kemoplast are solid silicone resins used in the consumer industry, such as rubber seals for rice cookers and food box seals, and lamp sealing: liquid silicone resin used for medical equipment manufacturing, such as silicone sleeves that is part of the medical equipment used for intravenous infusion.</li> <li>POLY's customers have requested the brand or not requested the silicone brand, used in the production. The raw materials for the logo brand will be specified in written form. In the specification table of each part ordered, one of the brands designated by some customers is Dow Corning. Dow Silicone Company (Dow Silicone Company) is a highly reliable brand. When it is used in production, the product is beautiful and has less waste.</li> <li>Dow Corning will only sell silicone through its designated dealers. In Thailand, there are only two dealers, Kemoplast and the other Japanese company (Japanese dealer which Kemoplast's products do not overlap with Japanese dealers. Japanese dealers sell raw materials for auto parts while Kemoplast Sales of raw materials for consumer products and medical equipment.</li> <li>In addition, Japanese dealers will only sell products to their Japanese corporate customer network which POLY customers as a Japanese company will coordinate with the above-mentioned Japanese suppliers in advance to sell products to POLY. This will be the silicone raw material in the auto parts of those Japanese customers. If POLY contacts to purchase the silicone raw material brand, Dow Corning, is used for other customers. Japanese dealers cannot sell it. Due to the limited quantity, it must be reserved for its Japanese network customers. However, if POLY requires purchasing Dow Corning silicone raw materials, it is used for consumer products and medical equipment. Japanese dealers do not provide these products because it only imports the raw materials of auto parts.</li> <li>Therefore, POLY needs to order products from Kemoplast.</li> </ul> <p><b>Reasonable Price</b></p> <ul style="list-style-type: none"> <li>For raw materials with comparable prices, whether Dow Corning brand or not Dow Corning brand, the price of silicon raw materials Dow Corning purchased from Kemoplast is equivalent to the price Kemoplast sells to other Kemoplast customers.</li> <li>For 1 Dow Corning liquid silicone raw material, QP1-40, which is Medical Grade as specified by the customer, is used to produce Silicone Sleeve for intravenous infusion and Silicone Chest Tube, which is unmatched by other brands. Since there is no producer in Thailand to use this raw material, and Dow Corning only sells through its distributors, POLY must order it through Kemoplast. operation fee transportation costs and related expenses. POLY purchases QP1-40 from Kemoplast.</li> </ul>

Companies may conflict	Types of transactions	Amount (THB)	Opinions of the Audit Committee
			<p><b>Terms of trade</b></p> <ul style="list-style-type: none"> <li>Payment terms within 30 days are equivalent to those of other suppliers.</li> </ul> <p><b>Audit committee's opinion</b></p> <ul style="list-style-type: none"> <li>This project is necessary and a normal business project because POLY needs high-quality raw materials that meet customer requirements. The transaction price is equivalent to the price that Kemoplast sells to others. For unmatched items, Kemoplast's price is according to the price and conditions, it is sold at the cost price plus no more than 10% profit to pay the import and operating expenses. Therefore, the above items are considered appropriate.</li> </ul>
Hako and CO Co.,Ltd.	Sales of goods	681,800 68,480	<p><b>The rationale for pricing</b></p> <ul style="list-style-type: none"> <li>The cost of production is still a factor in determining the selling price, with a profit margin of 30%.</li> </ul> <p><b>Terms of trade</b></p> <ul style="list-style-type: none"> <li>Payment is required within 30 days from the date of billing.</li> </ul> <p><b>Audit committee's opinion</b></p> <ul style="list-style-type: none"> <li>The above transaction is a normal business transaction since the selling price is determined based on the seller's pricing structure, which is in line with pricing and conditions criteria. Therefore, it is considered appropriate.</li> </ul>

## Credit guarantee, pledges, and mortgage

A) Bank loan agreement as of December 31, 2023

Lender	Type of loan	Amount	Balance	Interest rate	Obligation
Bangkok Bank PCL	Overdraft (OD)	10	-	MOR	The registration of the commercial guarantee contracts, POLY's 8 machines are mortgage.
BSL Leasing Company Limited ("BSL")	Machinery leasing (4 contracts)	N/A	5.2	N/A	Assets under agreement.
	<b>Total Loan</b>	<b>10</b>	<b>5.2</b>		
Other funds from the bank					
Bangkok Bank PCL	Letter guarantee for electricity	5.0	5.0	N/A	

## Policies or trends of future connected transactions

### Measures or procedures for approving connected transactions

Board meeting 1/2023 on February 24, 2023, POLY's trading policy and conflict of interest policy recognize the importance of conducting business clearly, taking into account all stakeholders. POLY's business standardization policy about the related transactions conducted in accordance with the Securities Exchange Law, the details are as follows:

1. Carry out connected transactions in accordance with the Securities and Exchange Law and the notice of the Capital Market Supervision Commission Reply to Tor Jor.21/2551 (2008) Topic: Related transaction rules and the notice of the Board of Directors of Stock Exchange of Thailand (Bor.Jor.Por.22-01) Topic: Information disclosure and operation of listed companies in connected transactions, B.E.2546 (2003), including rules and regulations Securities and Exchange Commission (SEC) and relevant Stock Exchange of Thailand and comply with the disclosure requirements of mutual transactions in the notes to the financial statements audited by the auditors and the summary of the board meetings

2. If POLY is required by law, the approval of the board of directors or the general meeting of shareholders must be obtained before any connected transaction that is carried out and strictly comply with the approval authority of relevant laws and regulations. The report will be submitted at the Board of Directors or Shareholders' Meeting (as the case may be) to ensure that the proposed transaction is in the best interests of POLY.

3. The transaction is conducted according to the general trade terms between Poly and its related parties according to the notice of the Board of Directors of the Stock Exchange of Thailand (Bor.Jor.Por.22-01). The terms and conditions of the general trade agreement are the same as that of the general contracting parties under the same circumstances and conduct trade negotiations without affecting the status of its directors, executive or related personnel. By allowing the Executive Committee to approve the above transactions as usual, POLY will prepare a transaction summary report between each other. It shall be submitted to the Board of Directors for review at least once a year.

4. Non-general trade terms transaction before submitting to the Board of Directors and/or the General Meeting of Shareholders for further approval, the Audit Committee shall consider and make comments. Must follow the restriction of Securities and Exchange Law Capital Market Supervision Commission and Stock Exchange of Thailand related party transaction disclosure requirements

5. If the audit committee lacks professional knowledge in the consideration of possible connected transactions, POLY will appoint independent experts or auditors of POLY and expresses opinions on connected transactions for the decision of the Executive Committee and the Board of Directors and/or shareholders (as the case may be) to ensure that the transaction is necessary and reasonable, taking into account the following interests of POLY. In addition, POLY will disclose related transactions under the restriction of the Board of Directors and attach notes to the financial statements audited by the auditors.

6. In the future, POLY will comply with POLY's related party transaction policy following Securities and Exchange Law Capital Market Supervision Commission and Stock Exchange of Thailand and POLY related party transaction disclosure requirements according to the Thai Institute of Accountants and Certified Public Accountants

7. Directors shall not directly or indirectly participate in the approval of their conflicts of interest.

### Future trend of connected transactions

The mutual transaction that will continue in the future is the transaction in that POLY purchases raw materials from Kemoplast. POLY will comply with the provisions, regulations, notices, orders or requirements of the Securities and Exchange Law, the Capital Market Supervision Commission, the Securities and Exchange Commission and the Stock Exchange of Thailand. Such transactions will not transfer or transfer the interests of POLY or its shareholders, but POLY's transactions consider the best interests of POLY and all shareholders.

### The reason why people who may have conflicts hold more than 10% of the shares of subsidiaries and affiliated companies instead of directly holding the shares of the company.

No, because POLY has no subsidiaries or affiliates.



# PART 3

## FINANCIAL STATEMENTS

## **Independent Auditor's Report**

To the shareholders and the Board of Directors of Polynet Public Company Limited

### **My opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of Polynet Public Company Limited (the Company) as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

### **What I have audited**

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statements of comprehensive income for the year then ended;
- the statements of changes in equity for the year then ended;
- the statements of cash flows for the year then ended; and
- the notes to the 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 financial statements section of my report. I am independent of 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 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 financial statements of the current period. I determine revenue recognition as key audit matter. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

Key audit matter	How my audit addressed the key audit matter
<b>Revenue recognition</b>	
<p>Refer to Note 4.16 (Accounting policies) and Note 8 (Segment information).</p> <p>Revenue from sales is significant to the Company's financial statements. The Company has revenue from selling parts and mold both domestically and internationally, which trade terms are different for each sales contract and channel, and there is a large number of sales transactions. Revenue recognition is therefore complicated due to the types of transactions, the performance obligations and the timing of revenue recognition of each contract.</p> <p>I focused on the sales transactions' occurrence, accuracy and cut-offs, the contractual compliance of performance obligations and the correct timing of the revenue recognition for each revenue type according to TFRS 15 - Revenue from contracts with customers.</p>	<p>My key audit procedures in respect of the revenue recognition are:</p> <ul style="list-style-type: none"><li>• Gained comprehensive understanding of the different revenue types and internal controls relevant to the revenue and receivables cycle, which included understanding of accounting policy on revenue recognition and assessing whether it is in line with TFRS 15 - Revenue from contracts with customers</li><li>• Understood and evaluated general control environment relevant to any IT systems used in data processing and accounting records relevant to the revenue and receivables cycle</li><li>• Evaluated and tested the internal control design's effectiveness relevant to the revenue and receivables cycle by performing haphazard testing on sales transactions occurred during the year to evaluate whether the control activities align with the Company's designed controls</li><li>• Sent out accounts receivable confirmations as of 31 December 2023 and performed subsequent receipts of payments after the date in case any confirmations were not replied</li><li>• Inquired with management of key trading conditions and performed haphazard testing on sales transactions and related contracts to evaluate whether the revenue recognition was in line with the performance obligations and conditions specified in the contracts and the Company's accounting policy</li><li>• Performed haphazard testing on sales transactions issued before and after the end of the reporting period and credit notes issued after the end of the reporting period</li></ul> <p>From these audit procedures, I determined that the revenue recognition was reasonable and in line with the Company's accounting policy.</p>

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the 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 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 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 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 financial statements

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

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate 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 Company's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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.



**Sakuna Yamsakul**  
 Certified Public Accountant (Thailand) No. 4906  
 Bangkok  
 23 February 2024

**Polynet Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2023**

	<b>Notes</b>	<b>2023 Baht</b>	<b>2022 Baht</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	191,947,231	409,969,502
Short-term investments	10	100,000,000	-
Trade and other receivables - net	11	228,834,349	201,659,095
Inventories - net	12	51,262,838	63,756,070
Unbilled receivables - net	13.1	13,916,122	25,918,109
Other current assets		1,767,889	5,544,597
<b>Total current assets</b>		<b>587,728,429</b>	<b>706,847,373</b>
<b>Non-current assets</b>			
Property, plant and equipment - net	14	970,695,804	969,048,526
Intangible assets - net	15	4,916,002	4,515,464
Other non-current assets		2,554,880	12,448,100
<b>Total non-current assets</b>		<b>978,166,686</b>	<b>986,012,090</b>
<b>Total assets</b>		<b>1,565,895,115</b>	<b>1,692,859,463</b>

**Polynet Public Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 31 December 2023**

	<b>Notes</b>	<b>2023 Baht</b>	<b>2022 Baht</b>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Short-term loans	17	-	9,893,220
Trade and other payables	18	112,022,066	141,625,584
Current portion of			
- Long-term loans - net	19	1,871,440	63,580,312
- Lease liabilities - net	20	28,321,748	28,796,342
Income tax payable		24,500,741	3,230,549
Contract liabilities	13.2	391,500	1,111,514
Other current liabilities		2,631,562	3,959,223
<b>Total current liabilities</b>		<b>169,739,057</b>	<b>252,196,744</b>
<b>Non-current liabilities</b>			
Long-term loans - net	19	3,347,051	124,550,391
Lease liabilities - net	20	51,499,682	72,956,748
Deferred tax liabilities - net	16	28,584,230	30,461,864
Employee benefit obligations	21	10,848,371	9,410,860
<b>Total non-current liabilities</b>		<b>94,279,334</b>	<b>237,379,863</b>
<b>Total liabilities</b>		<b>264,018,391</b>	<b>489,576,607</b>

**Polynet Public Company Limited**  
**Statement of Financial Position**  
(Cont'd)  
**As at 31 December 2023**

	<b>Notes</b>	<b>2023 Baht</b>	<b>2022 Baht</b>
<b>Equity</b>			
Share capital			
Authorised share capital			
Ordinary shares, 450,000,000 shares at par value of Baht 1 each	22	450,000,000	450,000,000
Issued and fully paid-up share capital			
Ordinary shares, 450,000,000 shares paid-up of Baht 1 each	22	450,000,000	450,000,000
Share premium	22	679,911,012	679,911,012
Retained earnings			
Appropriated - legal reserve	23	33,750,000	22,550,000
Unappropriated		135,412,984	48,019,116
Other components of equity - net			
Surplus arising from business combination under common control		(3,900,000)	(3,900,000)
Remeasurements of post-employment benefit obligations		6,702,728	6,702,728
<b>Total equity</b>		<b>1,301,876,724</b>	<b>1,203,282,856</b>
<b>Total liabilities and equity</b>		<b>1,565,895,115</b>	<b>1,692,859,463</b>



**Polynet Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2023**

	<b>Notes</b>	<b>2023 Baht</b>	<b>2022 Baht</b>
Revenue from sales		961,333,837	1,082,258,493
Cost of goods sold	12	(729,283,723)	(813,014,324)
<b>Gross profit</b>		232,050,114	269,244,169
Other income	24	14,445,315	1,426,560
Selling expenses		(15,373,190)	(13,827,815)
Administrative expenses		(62,750,826)	(64,284,401)
Expected credit losses	11, 13.1	(3,546,479)	(118,132)
Other gains	25	49,401,558	24,280,577
Finance costs	27	(9,165,063)	(23,974,484)
<b>Profit before income tax</b>		205,061,429	192,746,474
Income tax expense	28	(30,015,256)	(31,064,604)
<b>Net profit for the year</b>		175,046,173	161,681,870
<b>Other comprehensive income:</b>			
<i>Item that will not be reclassified to profit or loss</i>			
Remeasurement of post-employment benefit obligations	28	-	558,091
Income tax on items that will not be reclassified subsequently to profit or loss	28	-	(111,618)
<b>Other comprehensive income for the year</b>		-	446,473
<b>Total comprehensive income for the year</b>		175,046,173	162,128,343
<b>Earnings per share</b>			
Basic earnings per share	29	0.39	0.47

Polynet Public Company Limited  
Statement of Changes in Equity  
For the year ended 31 December 2023

		Authorised, issued and fully paid-up share capital Baht	Share premium Baht	Retained earnings		Other components of equity - net		Total Baht
				Appropriated - legal reserve Baht	Unappropriated Baht	Other comprehensive income Remeasurements of post-employment benefit obligations Baht	Surplus arising from business combination under common control Baht	
Notes		Baht	Baht	Baht	Baht	Baht	Baht	Baht
		450,000,000	679,911,012	22,550,000	48,019,116	6,702,728	(3,900,000)	1,203,282,856
<b>Opening balance at 1 January 2023</b>								
<b>Changes in equity for the year 2023</b>								
Total comprehensive income for the year		-	-	-	175,046,173	-	-	175,046,173
Dividends paid	30	-	-	-	(76,452,305)	-	-	(76,452,305)
Appropriation to legal reserve	23	-	-	11,200,000	(11,200,000)	-	-	-
<b>Closing balance at 31 December 2023</b>		<u>450,000,000</u>	<u>679,911,012</u>	<u>33,750,000</u>	<u>135,412,984</u>	<u>6,702,728</u>	<u>(3,900,000)</u>	<u>1,301,876,724</u>
<b>Opening balance at 1 January 2022</b>		330,000,000	3,900,000	4,000,000	246,961,710	6,256,255	(3,900,000)	587,217,965
<b>Changes in equity for the year 2022</b>								
Total comprehensive income for the year		-	-	-	161,681,870	446,473	-	162,128,343
Ordinary shares issued	22	120,000,000	676,011,012	-	-	-	-	796,011,012
Dividends paid	30	-	-	-	(342,074,464)	-	-	(342,074,464)
Appropriation to legal reserve	23	-	-	18,550,000	(18,550,000)	-	-	-
<b>Closing balance at 31 December 2022</b>		<u>450,000,000</u>	<u>679,911,012</u>	<u>22,550,000</u>	<u>48,019,116</u>	<u>6,702,728</u>	<u>(3,900,000)</u>	<u>1,203,282,856</u>

**Polynet Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2023**

	Notes	2023 Baht	2022 Baht
<b>Cash flows from operating activities</b>			
Profit before income tax		205,061,429	192,746,474
Adjustments:			
Depreciation and amortisation charges	14, 15	103,733,786	95,185,056
Expected credit losses	11,13.1	3,546,479	118,132
Allowance for slow-moving and obsolete inventories (reversal)	12, 26	(1,155,763)	(2,082,395)
Allowance for inventory cost in excess of net realisable value (reversal)	12, 26	(607,687)	(403,691)
Unrealised losses (gains) from exchange rate		99,888	(596,045)
Net losses (gains) from disposals of equipment		(49,776,080)	101,597
Employee benefits obligations	21	1,437,511	1,617,959
Interest expense of long-term loans		4,349,599	11,225,499
Interest expense of lease liabilities	20	4,759,574	4,930,127
Interest expense of short-term loans		55,890	7,818,858
Interest income		(1,483,277)	(91,263)
Cash flows before changes in operating assets and liabilities		270,021,349	310,570,308
Changes in operating assets and liabilities:			
Trade and other receivables		45,349,098	(87,397,484)
Unbilled receivables		8,482,957	(271,551)
Inventories		14,256,681	(3,618,675)
Other current assets		3,776,708	194,876
Trade and other payables		(22,567,199)	(9,051,363)
Contract liabilities		(720,014)	(28,034,865)
Other current liabilities		(1,327,661)	1,752,761
Employee benefits paid	21	-	(3,508,723)
Cash generated from operating activities		317,271,919	180,635,284
Interest received		1,483,278	91,263
Income tax paid		(10,622,699)	(29,918,935)
Net cash flows provided by operating activities		308,132,498	150,807,612

**Polynet Public Company Limited**  
**Statement of Cash Flows (Cont'd)**  
**For the year ended 31 December 2023**

	Notes	2023 Baht	2022 Baht
<b>Cash flows from investing activities</b>			
Increase in short-term investments		(100,000,000)	-
Decrease in restricted bank deposits		-	600,000
Cash paid for purchases of equipment		(127,291,305)	(57,837,577)
Cash paid for purchases of intangible assets	15	(1,424,278)	(881,030)
Cash received from disposals of equipment		1,358,303	605,966
Net cash flows used in investing activities		(227,357,280)	(57,512,641)
<b>Cash flows from financing activities</b>			
Cash received from short-term loans		-	305,000,000
Cash paid for short-term loans		-	(316,000,000)
Cash received from long-term loans	19	-	8,900,000
Cash paid for long-term loans	19	(182,912,212)	(82,128,947)
Cash received from issue of ordinary shares	22	-	816,000,000
Cash paid for ordinary share issuing costs	28	-	(24,986,235)
Cash paid for principal elements of lease payments	20	(30,267,909)	(35,155,264)
Cash paid for interest expenses	27	(9,165,063)	(23,974,484)
Cash paid for dividends	30	(76,452,305)	(342,074,464)
Net cash flows used in financing activities		(298,797,489)	305,580,606
<b>Net increase (decrease) in cash and cash equivalents</b>		(218,022,271)	398,875,577
Opening balance of cash and cash equivalents		409,969,502	11,093,925
<b>Closing balance of cash and cash equivalents</b>	9	191,947,231	409,969,502
<b>Non-cash transactions</b>			
Purchases of assets during the year which have not been paid		35,940,100	42,726,811
Disposals of assets during the year which have not been received		72,565,047	-
Additions in right-of-use assets and lease liabilities	14	8,000,000	40,559,612
Changes in advance payments for equipment and loans to pay for equipment		9,893,220	9,893,220

## **1 General information**

Polynet Public Company Limited (“the Company”) is a public limited company which listed on the Stock Exchange of Thailand. The Company is incorporated and domiciled in Thailand. The address of the Company’s registered office is 888 Moo 11, Bangsaothong, Bangsaothong, Samutprakarn.

The Company registered to transform to a public limited company on 29 March 2022 with the Department of Business Development. As a result, the Company changed its name from Polynet Company Limited to Polynet Public Company Limited. The Company is listed on the Stock Exchange of Thailand which its ordinary shares were initially traded on 16 November 2022.

The principal business operations of the Company are forming, manufacturing and selling products related to rubber, plastic, silicone and molds.

These financial statements were authorised for issue by the Board of Directors of the Company on 23 February 2024.

## **2 Basis of preparation**

The 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 financial statements are prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai Generally Accepted Accounting Principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 7.

An English version of the 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 Amended financial reporting standards**

**Amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2024 and relevant to the Company.**

### **a) Amendment to TAS 1 - Presentation of financial statements**

Revision to the disclosure from ‘significant accounting policies’ to ‘material accounting policies’. The amendment also provides guidelines on identifying when the accounting policy information is material. Consequently, immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

### **b) Amendment to TAS 8 - Accounting policies, changes in accounting estimates and errors**

Revision 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**

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.

The amended TFRSs are not mandatory for the current reporting period and the Company has not early adopted them, which management is currently assessing impacts from the standards.

## **4 Accounting policies**

### **4.1 Foreign currency translation**

**(a) Functional and presentation currency**

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Baht, which is the Company's functional and the Company's 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 valuation where items are re-measured. 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.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

### **4.2 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less from acquisition date.

#### **4.3 Trade receivables**

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 60 days and therefore are all classified as current.

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

The impairment of trade receivables is disclosed in Note 4.5.

#### **4.4 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity. It excludes borrowing costs.

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

#### **4.5 Financial assets**

##### **a) Classification**

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

##### **b) Recognition and derecognition**

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Company 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 Company has transferred substantially all the risks and rewards of ownership.

##### **c) Initial recognition**

At initial recognition, the Company measures a financial asset at its fair value plus or deduct 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.

d) Subsequent measurement

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

- **Amortised cost:** Debt instruments 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.
- **Fair value through other comprehensive income (FVOCI):** Debt instruments 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 are 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 other income. Impairment expenses are presented separately in the statement of comprehensive income.
- **Fair value through profit or loss (FVPL):** Debt instruments 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.

e) Impairment

The Company applies the TFRS 9 simplified approach in measuring the impairment of trade receivables and unbilled receivables based on lifetime expected credit losses of the receivables since the initial recognition.

In measuring the expected credit losses, trade receivables and unbilled receivables are 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 payments.

The expected loss rates are based on the payment profiles of sales over a period of 3 years in the past and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors that may affect the customers's ability to pay.

Impairment and reversal of impairment losses are recognised in profit or loss as a separate line item.



#### **4.6 Property, plant and equipment**

Property, plant and equipment comprise land, building and building improvement, electric system, machinery, factory equipment, furniture and fixture, office equipment, vehicles and construction in progress.

Land is stated at cost less an allowance for impairment. All plant and equipment are stated at historical cost less accumulated depreciation and allowance for impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are 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; except for land which is considered to have an indefinite life.

Buildings	30 - 35 years
Building improvement	10 years
Machinery	10 - 20 years
Factory equipment	5 - 10 years
Furniture, fixture and office equipment	5 - 10 years
Electric and water system	10 - 15 years
Computers	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.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains/(losses)' in profit or loss.

Right-of-use assets is presented together with equipment. The related accounting policies are disclosed in Note 4.9.

#### **4.7 Intangible assets**

##### *Computer software*

Costs associated with maintaining computer software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available to use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised using straight-line method over their estimated useful lives, which does not exceed 10 years.

#### **4.8 Impairment of assets**

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

#### **4.9 Leases - where the Company 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 Company. 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.

The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices for contracts that consist of lease and non-lease components, except for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

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
- 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, presented together with equipment, 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 assets comprise IT-equipment and small items of office equipment.

#### **4.10 Financial liabilities**

##### **a) Classification**

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

- Where the Company 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 Company's own equity instruments.
- Where the Company 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 Company 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.

##### **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 Company 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.

#### **4.11 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 income 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.

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 substantially 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.

#### **4.12 Employee benefits**

##### **a) Short-term employee benefits**

Liabilities for short-term employee benefits such as wages, salaries, bonuses, paid annual leave and paid sick leave, and medical care 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**

A defined contribution plan is a plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions once the contributions have been paid even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Company pays contributions to a separate fund which is managed by an external fund manager in accordance with the Provident Fund Act. B.E. 2530. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**c) Retirement benefit plan**

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

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

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

**4.13 Provisions**

Provisions are recognised when the Company 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.

**4.14 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.

**4.15 Dividend distribution**

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders and the Board of Directors.

**4.16 Revenue recognition**

Revenue comprises the fair value of the consideration received for the sale of goods in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue from sales of goods and other income are recognised when the performance obligation is satisfied at a point in time since the control of goods is transferred to a customer once a customer has accepted a goods and the Company has no other obligation after that.

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 Company.

An unbilled receivable is recognised when the Company has recognised revenue for fulfilment of a contractual performance obligation before the customer pays consideration or a payment is due according to the contract.

A contract liability is recognised when the customer has paid consideration or a payment from the customer is due before the Company fulfills a contractual performance obligation.

Contract liabilities are set off against unbilled receivables for each contract with customer.

## 5 Financial risk management

### 5.1 Financial risk factors

The Company is exposed to normal business risks from changes in foreign exchange and interest rate, credit risk, and liquidity risk. The Company does not have a policy to enter into financial instrument transactions which are derivatives, whether for trading or speculative purposes.

#### 5.1.1 Foreign exchange risk

The Company has low foreign exchange risk. There are few transactions denominated in foreign currencies which occurred from lease liabilities in Euro currency. The Company considered that it is not necessary to use derivatives for purchasing goods to protect such risk due to short-period transaction. Management believes that the fluctuation in foreign exchange in the market in the future does not have significant impact to the Company's financial performance.

#### 5.1.2 Interest rate risk

The Company's main interest rate risk arises from long-term loans with variable and fixed rates, periodically contractually repriced, which the Company might be affected from the fluctuation in such interest rate. The Company protected such risk by planning to find capital that its interest rate is lower than market interest rate to use in the operation in advance.

The exposure of the Company's long-term loans to interest rate changes at the end of the reporting period is as follows:

	2023		2022	
	Baht	% of total loans	Baht	% of total loans
Variable rate long-term loans	-	-	176,194,618	93.7
Fixed rate long-term loans	5,218,491	100	11,936,085	6.3
Total long-term loans	5,218,491		188,130,703	

#### Sensitivity

The sensitivity of profit or loss to changes in interest rates, holding all other variables of financial assets and liabilities constant, at the end of the reporting period are as follows:

	Impact to net profit	
	2023	2022
	Thousand Baht	Thousand Baht
Interest rate - increase 1%	-	(483)
Interest rate - decrease 1%	-	470

### **5.1.3 Credit risk**

The Company's main credit risk arises from cash and cash equivalents as well as credit exposures to trade and other receivables which the counterparties cannot or are not willing to satisfy the agreement made with the Company. The exposure to credit risk of financial assets are considerably equal to the gross carrying amount as shown in the financial statement at the end of the reporting period.

#### *Risk management*

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'BBB' are accepted.

For customer credit risk, management controls such risk by setting policy to control credit sales by approving appropriate credit limit and considering the financial position of the counterparties. The Company regularly reviews the appropriateness of credit limit given to each customer.

#### *Impairment*

The Company has financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents
- Short-term investments
- Trade and other receivables
- Unbilled receivables

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

For trade receivables and unbilled receivables, the consideration and calculation of expected credit losses is disclosed in Note 4.5.

Details and reconciliation of the allowance for expected credit losses as at 31 December 2023 and 2022 are disclosed in Note 11 and 13.1.

### **5.1.4 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. The Company sets a policy to manage liquidity risk that might occur by arranging credit facilities adequate for business operations in advance which is disclosed in Note 17 and 19.

Management regularly considers the Company's cash flow projections based on a) working capital reserves (from unused credit facilities), and b) cash and cash equivalents. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies, considering highly liquid assets, monitoring liquidity ratios against regulatory requirements, and maintaining financing plans.



**a) Maturity of financial liabilities**

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	As at 31 December 2023					Book value liabilities Thousand Baht
	On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht	
Trade and other payables	-	112,022	-	-	112,022	112,022
Long-term loans	-	2,059	3,508	-	5,567	5,218
Lease liabilities	-	33,632	58,113	-	91,745	79,821
<b>Total financial liabilities</b>	<b>-</b>	<b>147,713</b>	<b>61,621</b>	<b>-</b>	<b>209,334</b>	<b>197,061</b>

	As at 31 December 2022					Book value liabilities Thousand Baht
	On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht	
Short-term loans	-	9,893	-	-	9,893	9,893
Trade and other payables	-	141,626	-	-	141,626	141,626
Long-term loans	-	71,635	131,730	-	203,365	188,131
Lease liabilities	-	35,217	83,560	-	118,777	101,753
<b>Total financial liabilities</b>	<b>-</b>	<b>258,371</b>	<b>215,290</b>	<b>-</b>	<b>473,661</b>	<b>441,403</b>

**5.2 Capital management**

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

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

Consistent with others in the industry, the Company regularly monitors capital based on the debt-to-equity ratio by limiting such ratio to not exceed 2 times.

**6 Fair value estimation**

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

- Level 1: The fair value of financial instruments is based on the closing price by reference to the Stock Exchange of Thailand.
- Level 2: The fair value of financial instruments is determined using 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.

The fair value measurement of financial assets and liabilities is according to the accounting policies disclosed in Note 4.5 and 4.10.

Financial assets that are not measured at fair value as at reporting date are cash and cash equivalents, short-term investments, trade and other receivables, and unbilled receivables, and financial liabilities that are not measured at fair value as at reporting date are trade and other payables, short-term loans. Fair value of such financial assets and financial liabilities is the balance shown in the statement of financial position which is approximately closed to book value due to short repayment term.



**(a) Financial instruments in level 1**

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

**(b) Financial instruments in level 2**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Fair value of long-term loans from financial institutions, both floating and fixed interest rate, is approximate to book value as the management has assessed that effective interest rate of such loans are comparable with the market effective interest rate.

**(c) Financial instruments in level 3**

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

*Transfer between fair value hierarchy*

The Company recognises transfers between fair value hierarchy as at the date of the event or change in circumstances that caused the transfer.

There are no transfers in fair value hierarchy and no changes in the valuation techniques during the year.

## **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) Allowance for diminution in value of inventories**

The Company sets up allowance for slow-moving and obsolete inventories and allowance for inventory cost in excess of net realisable value as disclosed in Note 12, which results from the past experience of sales of goods. The Company assesses the appropriateness of the assessment at the end of the reporting period.

**(b) Impairment of financial assets**

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

**(c) Useful life of property, plant and equipment**

The Company assesses useful life of property, plant and equipment at the end of reporting period in order to be in accordance with economic benefits of such assets. The useful life of property, plant and equipment is disclosed in Note 4.6.

**(d) Deferred taxes**

Deferred tax assets come from the estimation of some temporary difference effects which is probable to utilise tax benefit. Management's estimation comes from an assumption based on an available future income and any factors or external exposures which might affect the projected future performance. The Company also considered the utilisation of the past tax losses and assessed the estimation on a conservative basis.

**(e) Employee 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 21.

**(f) Determination of lease terms**

Critical judgement in determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on vehicles leases have not been included in the lease liability, because the Company considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Company.

**(g) Determination of discount rate applied to leases**

The Company determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

## 8 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer that makes strategic decisions.

Segment information is as follows:

	For the year ended 31 December							
	Automotive		Consumer products		Medical		Total	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Revenue from sales	630,858,392	559,200,909	200,078,491	394,564,386	130,396,954	128,493,198	961,333,837	1,082,258,493
Cost of goods sold	(531,625,453)	(458,851,777)	(147,260,320)	(300,668,999)	(50,397,950)	(53,493,548)	(729,283,723)	(813,014,324)
Gross profits by segment	99,232,939	100,349,132	52,818,171	93,895,387	79,999,004	74,999,650	232,050,114	269,244,169
Other income							14,445,315	1,426,560
Selling expenses							(15,373,190)	(13,827,815)
Administrative expenses							(62,750,826)	(64,284,401)
Expected credit losses							(3,546,479)	(118,132)
Other gains							49,401,558	24,280,577
Finance costs							(9,165,063)	(23,974,484)
Profit before income tax							205,061,429	192,746,474
Income tax expense							(30,015,256)	(31,064,604)
Net profit for the year							175,046,173	161,681,870
<b>Timing of revenue recognition</b>								
At a point in time	630,858,392	559,200,909	200,078,491	394,564,386	130,396,954	128,493,198	961,333,837	1,082,258,493
Revenue from sales	630,858,392	559,200,909	200,078,491	394,564,386	130,396,954	128,493,198	961,333,837	1,082,258,493

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	As at 31 December							
	Automotive		Consumer products		Medical		Total	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Inventories - net	29,810,466	30,553,448	14,159,442	23,859,036	4,741,688	4,252,638	48,711,596	58,665,122
Property, plant and equipment - net	192,145,004	158,524,954	62,303,249	93,587,011	65,341,192	35,027,124	319,789,445	287,139,089
Unallocated assets							1,197,394,074	1,347,055,252
Total assets							1,565,895,115	1,692,859,463
Segment liabilities	14,225,109	21,643,051	42,943,777	59,767,702	234,423	1,506,189	57,403,309	82,916,942
Unallocated liabilities							206,615,082	406,659,665
Total liabilities							264,018,391	489,576,607

For the year ended 31 December 2023, the Company had revenue from sales of goods to 3 major customers, which was 51% of the total revenue (2022: 54% of the total revenue).

## 9 Cash and cash equivalents

	2023 Baht	2022 Baht
Cash on hand	90,000	90,000
Deposits held at financial institutions		
- Current accounts	77,456,807	39,356,139
- Saving accounts	63,714,155	370,523,363
- Fixed accounts	50,686,269	-
Total	191,947,231	409,969,502

As at 31 December 2023, the interest rate on deposits held at call with bank was 0.50% - 1.50% per annum (2022: 0.25% - 0.30% per annum).

## 10 Short-term investments

As at 31 December 2023, the interest rate on short-term investments held financial institutions was 1.8 per annum.

## 11 Trade and other receivables - net

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

	2023 Baht	2022 Baht
Trade receivables - other companies	142,904,886	199,675,232
Trade receivables - related companies (Note 31)	68,480	15,408
<u>Less</u> Allowance for expected credit losses	(153,224)	(125,775)
	142,820,142	199,564,865
Prepaid expenses	1,857,509	2,084,129
Other receivables	77,644,600	-
Others	6,512,098	10,101
Total	228,834,349	201,659,095

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Trade receivables and allowance for expected credit losses as at 31 December 2023 and 2022 are classified by the aging as follows:

	Not yet due Baht	Up to 1 month Baht	1 - 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	More than 12 months Baht	Total Baht
<b>As at 31 December 2023</b>							
Gross carrying amount - Trade receivables	114,916,300	15,895,355	12,015,802	127,013	18,896	-	142,973,366
Allowance for expected credit losses	-	5,916	144,223	2,409	676	-	153,224
	Not yet due Baht	Up to 1 month Baht	1 - 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	More than 12 months Baht	Total Baht
<b>As at 31 December 2022</b>							
Gross carrying amount - Trade receivables	123,294,126	48,343,627	28,052,887	-	-	-	199,690,640
Allowance for expected credit losses	-	4,779	120,996	-	-	-	125,775

Reconciliation of allowance for expected credit losses of trade receivables is as follow:

	2023 Baht	2022 Baht
As at 1 January	125,775	7,643
Increase in allowance for expected credit losses during the year	27,449	118,132
As at 31 December	153,224	125,775

## 12 Inventories - net

	2023 Baht	2022 Baht
Raw materials	29,212,041	26,240,339
Work in process	1,774,719	10,840,143
Semi-finished goods	16,383,416	15,715,162
Finished goods	11,858,682	20,837,029
Spare parts	678,580	531,447
	59,907,438	74,164,120
<u>Less</u> Allowance for slow-moving and obsolete inventories		
- raw materials, finished goods and semi-finished goods	(7,703,614)	(8,859,377)
Allowance for inventory cost in excess of net realisable value		
- raw materials, finished goods and semi-finished goods	(940,986)	(1,548,673)
Total	51,262,838	63,756,070

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

	<b>2023 Baht</b>	<b>2022 Baht</b>
Cost of goods sold	731,047,173	815,500,410
Decrease in slow-moving and obsolete inventories	(1,155,763)	(2,082,395)
Decrease in inventory cost in excess of net realisable value	(607,687)	(403,691)
<b>Total</b>	<b>729,283,723</b>	<b>813,014,324</b>

As at 31 December 2023, raw materials, finished goods and semi-finished goods in the financial statement of Baht 5,525,631 is carried at net realisable value which is lower than cost (2022: Baht 7,294,557).

### 13 Unbilled receivables and contract liabilities

#### 13.1 Unbilled receivables - net

Unbilled receivables as at 31 December 2023 and 2022 are as follows:

	<b>2023 Baht</b>	<b>2022 Baht</b>
Unbilled receivables - other companies	17,435,152	25,918,109
<u>Less</u> Allowance for expected credit losses	(3,519,030)	-
<b>Total</b>	<b>13,916,122</b>	<b>25,918,109</b>

Balance of unbilled receivables as at 31 December 2023 and 2022 classified by the period expected to be billed from customers in the future are as follows:

	<b>2023 Baht</b>	<b>2022 Baht</b>
<b>Period to expected billing</b>		
Up to 1 month	670,439	785,254
In over 1 and up to 3 months	2,011,317	2,123,139
In over 3 and up to 6 months	2,065,314	2,241,911
In over 6 and up to 12 months	3,783,890	4,479,022
More than 12 months	8,904,192	16,288,783
<b>Total</b>	<b>17,435,152</b>	<b>25,918,109</b>

Reconciliation of allowance for expected credit losses of unbilled receivables for the years ended 31 December 2023 and 2022 are as follows:

	<b>2023 Baht</b>	<b>2022 Baht</b>
As at 1 January	-	-
Increase in allowance for expected credit losses during the year	3,519,030	-
<b>As at 31 December</b>	<b>3,519,030</b>	<b>-</b>

#### 13.2 Contract liabilities

Contract liabilities are cash received in advance from the Company's customers for producing products for customers.

#### 14 Property, plant and equipment - net

	Land Baht	Building and building improvement Baht	Machinery Baht	Machinery equipment Baht	Fixture and office equipment Baht	Computers Baht	Vehicle Baht	Construction in progress Baht	Total Baht
<b>As at 1 January 2022</b>									
Cost	123,283,895	538,930,927	852,887,454	93,164,894	45,177,950	4,275,413	28,696,649	29,946,963	1,716,364,145
<u>Less</u> Accumulated depreciation	-	(181,033,054)	(512,964,408)	(56,385,010)	(32,752,402)	(2,780,267)	(17,684,827)	-	(803,599,968)
Net book amount	123,283,895	357,897,873	339,923,046	36,779,884	12,425,548	1,495,146	11,011,822	29,946,963	912,764,177
<b>For the year ended 31 December 2022</b>									
Opening net book amount	123,283,895	357,897,873	339,923,046	36,779,884	12,425,548	1,495,146	11,011,822	29,946,963	912,764,177
Additions	-	2,013,457	81,957,487	20,507,462	760,455	1,117,013	2,635,514	42,334,390	151,325,778
Transfers in (out)	-	37,305,817	13,617,557	12,313,864	5,459,625	111,733	-	(68,808,596)	-
Disposals - cost	-	-	(19,015,030)	(72,714)	(186,840)	(23,475)	-	-	(19,298,059)
- accumulated depreciation	-	-	18,327,093	70,038	172,315	21,050	-	-	18,590,496
Depreciation charge (Note 26)	-	(22,669,708)	(48,215,982)	(15,854,644)	(4,969,718)	(809,752)	(1,814,062)	-	(94,333,866)
Closing net book amount	123,283,895	374,547,439	386,594,171	53,743,890	13,661,385	1,911,715	11,833,274	3,472,757	969,048,526
<b>As at 31 December 2022</b>									
Cost	123,283,895	578,250,201	929,447,468	125,913,506	51,211,190	5,480,684	31,332,163	3,472,757	1,848,391,864
<u>Less</u> Accumulated depreciation	-	(203,702,762)	(542,853,297)	(72,169,616)	(37,549,805)	(3,568,969)	(19,498,889)	-	(879,343,338)
Net book amount	123,283,895	374,547,439	386,594,171	53,743,890	13,661,385	1,911,715	11,833,274	3,472,757	969,048,526



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	Land Baht	Building and building improvement Baht	Machinery Baht	Machinery equipment Baht	Fixture and office equipment Baht	Computers Baht	Vehicle Baht	Construction in progress Baht	Total Baht
<b>For the year ended 31 December 2023</b>									
Opening net book amount	123,283,895	374,547,439	386,594,171	53,743,890	13,661,385	1,911,715	11,833,274	3,472,757	969,048,526
Additions	-	1,839,456	28,114,758	12,726,574	1,131,095	947,808	539,238	83,205,665	128,504,594
Transfers in (out)	-	56,239,470	14,396,292	2,175,123	1,437,622	-	-	(74,248,507)	-
Disposals - cost	-	(2,323,362)	(34,544,684)	(36,223)	(421,438)	(914,902)	(456,852)	-	(38,697,461)
- accumulated depreciation	-	2,241,706	10,610,805	29,170	381,106	830,554	456,850	-	14,550,191
Depreciation charge (Note 26)	-	(23,979,440)	(53,390,468)	(17,848,807)	(4,941,782)	(770,773)	(1,778,776)	-	(102,710,046)
Closing net book amount	123,283,895	408,565,269	351,780,874	50,789,727	11,247,988	2,004,402	10,593,734	12,429,915	970,695,804
<b>As at 31 December 2023</b>									
Cost	123,283,895	634,005,765	937,413,834	140,778,980	53,358,469	5,513,590	31,414,549	12,429,915	1,938,198,997
<u>Less</u> Accumulated depreciation	-	(225,440,496)	(585,632,960)	(89,989,253)	(42,110,481)	(3,509,188)	(20,820,815)	-	(967,503,193)
Net book amount	123,283,895	408,565,269	351,780,874	50,789,727	11,247,988	2,004,402	10,593,734	12,429,915	970,695,804

As at 31 December 2023, the Company pledged machinery with net book value of Baht 14,248,082 (2022: Baht 39,307,775) as collateral for long-term loans (Note 19), and machinery with net book value of Baht 7,093,623 (2022: Baht 9,575,453) as collateral for overdrafts from a financial institution (Note 19) and electricity guarantee (Note 32.1).

As at 31 December 2022, the Company pledged land including its premises with net book value of Baht 403,599,613 as collateral for short-term loans (Note 17) and long-term loans (Note 19).

Depreciation for the years ended 31 December 2023 and 2022 comprises the following:

	<b>2023 Baht</b>	<b>2022 Baht</b>
<b>Depreciation is presented under</b>		
Cost of production	94,385,355	86,122,304
Administrative expenses	8,324,691	8,211,562
<b>Total</b>	<b>102,710,046</b>	<b>94,333,866</b>

As at 31 December 2023 and 2022, book value of right-of-use assets included above is as follows:

	<b>2023 Baht</b>	<b>2022 Baht</b>
Machinery	121,331,896	130,519,483
<b>Total</b>	<b>121,331,896</b>	<b>130,519,483</b>

For the years ended 31 December 2023 and 2022, amounts charged to profit or loss relating to leases are as follows:

	<b>2023 Baht</b>	<b>2022 Baht</b>
Depreciation charge of right-of-use assets:		
Machinery	13,189,191	11,443,838
<b>Total</b>	<b>13,189,191</b>	<b>11,443,838</b>
Addition to the right-of-use assets during the year	8,000,000	40,559,612

For the years ended 31 December 2023 and 2022, the Company did not recognise the expense relating to short-term leases and leases of low-value assets.

## 15 Intangible assets - net

	<b>Computer programme Baht</b>
<b>As at 1 January 2022</b>	
Cost	8,229,809
<u>Less</u> Accumulated amortisation	<u>(3,744,185)</u>
Net book amount	<u>4,485,624</u>
<b>For the year ended 31 December 2022</b>	
Opening net book amount	4,485,624
Additions	881,030
Amortisation (Note 26)	<u>(851,190)</u>
Closing net book amount	<u>4,515,464</u>
<b>As at 31 December 2022</b>	
Cost	9,110,839
<u>Less</u> Accumulated amortisation	<u>(4,595,375)</u>
Net book amount	<u>4,515,464</u>
<b>For the year ended 31 December 2023</b>	
Opening net book amount	4,515,464
Additions	1,424,278
Amortisation (Note 26)	<u>(1,023,740)</u>
Closing net book amount	<u>4,916,002</u>
<b>As at 31 December 2023</b>	
Cost	10,535,117
<u>Less</u> Accumulated amortisation	<u>(5,619,115)</u>
Net book amount	<u>4,916,002</u>

Amortisation expense for the years ended 31 December 2023 and 2022 comprises the following:

	<b>2023 Baht</b>	<b>2022 Baht</b>
<b>Amortisation is presented under</b>		
Cost of production	483,428	359,629
Administrative expenses	540,312	491,561
Total	<u>1,023,740</u>	<u>851,190</u>

## 16 Deferred income taxes - net

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	2023 Baht	2022 Baht
Deferred tax assets	4,727,940	4,227,835
Deferred tax liabilities	(33,312,170)	(34,689,699)
<b>Deferred income tax - net</b>	<b>(28,584,230)</b>	<b>(30,461,864)</b>

The movements of deferred tax assets and liabilities during the years are as follows:

	2023 Baht	2022 Baht
Balance as at 1 January	(30,461,864)	(22,974,899)
Changes in profit or loss (Note 28)	1,877,634	(7,375,347)
Changes in other comprehensive income (Note 28)	-	(111,618)
Balance as at 31 December	(28,584,230)	(30,461,864)

	Changes in			
	1 January 2023 Baht	Profit or loss Baht	Other comprehensive income Baht	31 December 2023 Baht
<b>Deferred tax assets</b>				
Amortisation of intangible assets	16,595	-	-	16,595
Employee benefit obligations	1,882,172	287,502	-	2,169,674
Allowance for slow-moving and obsolete inventories and for inventory cost in excess of net realisable value	2,081,610	(352,690)	-	1,728,920
Allowance for expected credit losses	25,155	709,296	-	734,451
Contract liabilities	222,303	(144,003)	-	78,300
	4,227,835	500,105	-	4,727,940
<b>Deferred tax liabilities</b>				
Right-of-use assets and lease liabilities - net	(29,506,077)	(319,063)	-	(29,825,140)
Unbilled receivables	(5,183,622)	1,696,592	-	(3,487,030)
	(34,689,699)	1,377,529	-	(33,312,170)
Deferred tax liabilities - net	(30,461,864)	1,877,634	-	(28,584,230)

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	Changes in			
	1 January 2022 Baht	Profit or loss Baht	Other comprehensive income Baht	31 December 2022 Baht
<b>Deferred tax assets</b>				
Amortisation of intangible assets	16,595	-	-	16,595
Employee benefit obligations	2,371,943	(378,153)	(111,618)	1,882,172
Allowance for slow-moving and obsolete inventories and for inventory cost in excess of net realisable value	2,578,827	(497,217)	-	2,081,610
Allowance for expected credit losses	1,529	23,626	-	25,155
Contract liabilities	5,829,276	(5,606,973)	-	222,303
	10,798,170	(6,458,717)	(111,618)	4,227,835
<b>Deferred tax liabilities</b>				
Right-of-use assets and lease liabilities	(28,402,918)	(1,103,159)	-	(29,506,077)
Unbilled receivables	(5,370,151)	186,529	-	(5,183,622)
	(33,773,069)	(916,630)	-	(34,689,699)
Deferred tax liabilities - net	(22,974,899)	(7,375,347)	(111,618)	(30,461,864)

## 17 Short-term loans

	2023 Baht	2022 Baht
Promissory notes	-	9,893,220
Total	-	9,893,220

Movements of promissory notes for the years ended 31 December 2023 and 2022 are as follows:

	2023 Baht	2022 Baht
Balance as at 1 January	9,893,220	11,000,000
Additions during the year	-	325,430,561
Repayments during the year	(9,893,220)	(326,537,341)
Balance as at 31 December	-	9,893,220

As at 31 December 2022, the promissory notes are denominated in Thai Baht bearing interest rate at 5.87% per annum.

As at 31 December 2023, the Company has unused credit facilities for short-term loans in the amount of Baht 50 million (2022: Nil).

## 18 Trade and other payables

	2023 Baht	2022 Baht
Trade payables - other companies	64,749,912	92,879,889
Trade payables related companies (Note 31)	1,689,765	1,252,970
Other payables - other companies	42,724,774	45,635,931
Accrued expenses	2,857,615	1,856,794
<b>Total</b>	<b>112,022,066</b>	<b>141,625,584</b>

## 19 Long-term loans - net

	2023 Baht	2022 Baht
<b>Current</b>		
Current portion of long-term loans	1,871,440	63,580,312
<b>Total current loans</b>	<b>1,871,440</b>	<b>63,580,312</b>
<b>Non-current</b>		
Long-term loans	3,347,051	124,550,391
<b>Total non-current loans</b>	<b>3,347,051</b>	<b>124,550,391</b>
<b>Total long-term loans</b>	<b>5,218,491</b>	<b>188,130,703</b>

Movements of the long-term loans for the years ended 31 December 2023 and 2022 are as follows:

	2023 Baht	2022 Baht
Beginning book balance - net	188,130,703	261,359,650
<u>Add</u> - Loans	-	10,118,060
- Deferred interest expense	-	(1,218,060)
Repayments of loans	(191,588,634)	(93,354,446)
Amortisaion of deferred interest expense	8,676,422	11,225,499
<b>Total long-term loans</b>	<b>5,218,491</b>	<b>188,130,703</b>
<u>Less</u> Current portion of long-term loans - net	<u>(1,871,440)</u>	<u>(63,580,312)</u>
<b>Ending book balance - net</b>	<b>3,347,051</b>	<b>124,550,391</b>

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As at 31 December 2023 and 2022, details of long-term loans are as follows:

Start date	Maturity date	Amount (Baht)		Interest rate (%)	Principle and interest repayment
		2023	2022		
29/03/2017	28/02/2023	-	2,570,329	MLR - 0.50	Monthly basis
14/03/2018	14/02/2023	-	1,184,954	6.03	Monthly basis
18/05/2018	18/04/2023	-	381,713	6.04	Monthly basis
22/08/2018	22/07/2023	-	736,553	5.92	Monthly basis
08/08/2019	08/07/2024	-	6,823,520	MLR - 0.75	Monthly basis
09/12/2019	09/11/2024	-	3,274,105	MLR - 0.75	Monthly basis
10/01/2020	10/12/2024	-	6,392,166	MLR - 0.75	Monthly basis
02/03/2020	02/02/2024	210,314	1,313,734	5.75	Monthly basis
10/03/2020	10/02/2025	-	2,298,483	MLR - 0.75	Monthly basis
18/03/2020	18/02/2025	-	4,596,916	MLR - 0.75	Monthly basis
23/03/2020	23/02/2024	438,744	1,099,614	6.00	Monthly basis
08/04/2020	08/03/2025	-	5,716,873	MLR - 0.75	Monthly basis
27/04/2020	27/03/2024	759,522	2,306,120	6.00	Monthly basis
10/07/2020	10/06/2025	-	2,638,798	MLR - 0.50	Monthly basis
16/07/2020	16/06/2025	-	5,277,585	MLR - 0.50	Monthly basis
10/09/2020	10/08/2025	-	4,486,152	MLR - 0.50	Monthly basis
09/10/2020	09/09/2025	-	2,885,882	MLR - 0.50	Monthly basis
12/10/2020	12/09/2025	-	5,771,752	MLR - 0.50	Monthly basis
12/11/2020	12/10/2025	-	14,837,904	MLR - 0.50	Monthly basis
11/01/2021	11/12/2025	-	6,260,084	MLR - 0.50	Monthly basis
10/02/2021	10/01/2026	-	2,568,632	MLR - 0.50	Monthly basis
09/03/2021	09/02/2026	-	6,582,438	MLR - 0.50	Monthly basis
05/04/2021	05/03/2026	-	2,022,798	MLR - 0.50	Monthly basis
08/04/2021	08/03/2026	-	3,371,339	MLR - 0.50	Monthly basis
09/11/2021	09/10/2026	-	12,554,656	MLR - 0.50	Monthly basis
09/12/2021	09/11/2026	-	14,403,413	MLR - 0.50	Monthly basis
22/12/2021	22/11/2026	-	47,211,176	MLR - 0.50	Monthly basis
27/12/2021	27/11/2026	-	11,202,658	MLR - 0.50	Monthly basis
10/01/2022	10/12/2026	-	2,446,959	MLR - 0.50	Monthly basis
18/02/2022	18/06/2027	3,809,911	4,913,397	5.31	Monthly basis

As at 31 December 2023, the Company has unused credit facilities for bank overdrafts in the amount of Baht 10 million (2022: Baht 10 million).

## 20 Lease liabilities - net

	2023 Baht	2022 Baht
Current portion	28,321,748	28,796,342
Non-current portion	51,499,682	72,956,748
Total	79,821,430	101,753,090

Movements of lease liabilities for the year ended 31 December 2023 and 2022 are as follows:

	2023 Baht	2022 Baht
Balance as at 1 January	101,753,090	96,786,242
Add - Lease liabilities	9,126,900	45,494,875
- Deferred interest expense	(1,126,900)	(4,935,263)
Payments for lease liabilities	(35,027,483)	(40,085,391)
Amortisation of deferred interest expense	4,759,574	4,930,127
Foreign exchange adjustments	336,249	(437,500)
Balance as at 31 December	79,821,430	101,753,090

## 21 Employee benefit obligations

The movements of employee benefit obligations during the years are as follows:

	2023 Baht	2022 Baht
Balance as at 1 January	9,410,860	11,859,715
Increase during the year		
- Current service cost	1,255,027	1,445,250
- Interest cost	182,484	172,709
Remeasurements		
- Gain from change in demographic assumptions	-	(88,915)
- Gain from change in financial assumptions	-	(531,057)
- Gain from experience	-	61,881
Benefit payment due to retirement	-	(3,508,723)
Balance as at 31 December	10,848,371	9,410,860

The principal actuarial assumptions used are as follows:

	2023	2022
Discount rate (% per annum)	2.28	2.28
Salary increase rate (% per annum)	3 - 6	3 - 6
Turnover rate (% per annum)		
- Less than 30 years	27 - 50	27 - 50
- 30 - 50 years	5 - 30	5 - 30
- More than 50 years	0	0
Mortality rate (% per annum)	103 of Thai Mortality Ordinary Table 2017	103 of Thai Mortality Ordinary Table 2017
Retirement age (years)	55	55

Sensitivity analysis for significant actuarial assumptions are as follows:

31 December 2023			
Employee benefit obligations			
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease 8%	Increase 9%
Salary increase rate	1%	Increase 11%	Decrease 10%
Turnover rate	20%	Decrease 13%	Increase 17%
31 December 2022			
Employee benefit obligations			
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease 9%	Increase 10%
Salary increase rate	1%	Increase 11%	Decrease 10%
Turnover rate	20%	Decrease 12%	Increase 17%



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The above sensitivity analysis is 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 employee benefit obligations to significant actuarial assumptions use the projected unit credit method.

As at 31 December 2023, the weighted average duration of the defined benefit obligation is 11.7 years (2022: 12.7 years).

Expected maturity analysis of undiscounted employee benefit is as follows:

	2023 Baht	2022 Baht
<b>Maturity</b>		
Within 1 year	1,364,199	62,863
1 - 5 years	4,700,812	4,184,492
Over 5 years	23,696,101	25,576,620

## 22 Share capital and share premium

	Issued and paid-up share capital			
	Number of shares Shares	Ordinary shares Baht	Share premium Baht	Total Baht
As at 1 January 2022	3,300,000	330,000,000	3,900,000	333,900,000
Split of par	326,700,000	-	-	-
Issue of shares	120,000,000	120,000,000	696,000,000	816,000,000
<u>Less</u> Share issuance expense - net	-	-	(19,988,988)	(19,988,988)
As at 31 December 2022	450,000,000	450,000,000	679,911,012	1,129,911,012
Issue of shares	-	-	-	-
As at 31 December 2023	450,000,000	450,000,000	679,911,012	1,129,911,012

At the Annual General Meeting on 15 March 2022, the meeting approved the followings:

- the transformation from limited company to public limited company;
- the split of par of ordinary shares from 3,300,000 shares at Baht 100 par value to 330,000,000 shares at Baht 1 par value;
- the increase in authorised share capital of the Company by 120,000,000 shares at Baht 1 par value for initial public offering, from authorised share capital of 330,000,000 shares at Baht 1 par value to 450,000,000 shares at Baht 1 par value, with the registration of the increase of authorised share capital with the Ministry of Commerce on 29 March 2022.

On 14 November 2022, the Company received payments for the share capital increase of 120,000,000 shares at Baht 1 par value for initial public offering, at Baht 6.8 per share totalling to Baht 816,000,000 (before deducting expenses directly attributable to the issuance of shares). The Company recognised expenses directly attributable to the issuance of shares of Baht 19,988,988 (net of tax benefit) as a deduction of share premium, and has registered for payments of the share capital increase with the Ministry of Commerce.

## 23 Legal reserve

	<b>2023 Baht</b>	<b>2022 Baht</b>
As at 1 January	22,550,000	4,000,000
Appropriation during the year (Note 30)	11,200,000	18,550,000
As at 31 December	33,750,000	22,550,000

Under the Public Companies Act., B.E. 2535, the Company is required to set aside as statutory 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. This reserve is not available for dividend distribution.

## 24 Other income

	<b>For the years ended 31 December</b>	
	<b>2023 Baht</b>	<b>2022 Baht</b>
Scrap sales	674,970	993,718
Interest income	2,152,883	131,444
Other	11,617,462	301,398
Total	14,445,315	1,426,560

## 25 Other gains

	<b>For the years ended 31 December</b>	
	<b>2023 Baht</b>	<b>2022 Baht</b>
Net gains from disposals of assets	49,776,080	23,622,562
Gains (losses) from exchange rate	(374,522)	658,015
Total	49,401,558	24,280,577

## 26 Expenses by nature

	<b>For the years ended 31 December</b>	
	<b>2023 Baht</b>	<b>2022 Baht</b>
Purchase of raw materials	409,940,534	492,573,710
Change in raw material	2,971,702	(5,589,149)
Change in work in process	(9,065,424)	504,212
Change in semi-finished goods	668,254	3,977,840
Change in finished goods	(8,978,347)	4,687,077
Allowance for slow-moving and obsolete inventories (Note 12)	(1,155,763)	(2,082,395)
Allowance for inventory cost in excess of net realisable value (Note 12)	(607,687)	(403,691)
Factory and office supplies	19,580,395	22,225,113
Employee related expenses	173,712,788	195,858,336
Utility expenses	46,270,400	46,987,306
Depreciation (Note 14)	102,710,046	94,333,866
Amortisation (Note 15)	1,023,740	851,190

## 27 Finance costs

	For the years ended 31 December	
	2023 Baht	2022 Baht
Interest expense from		
- Loans	4,405,489	19,048,672
- Lease liabilities	4,759,574	4,925,812
Total	9,165,063	23,974,484

## 28 Income tax expense

Income tax for the years ended 31 December 2023 and 2022 comprise the following:

	For the years ended 31 December	
	2023 Baht	2022 Baht
<b>Current income tax:</b>		
Current income tax on taxable profit for the year	31,892,890	23,689,257
<b>Total current income tax</b>	31,892,890	23,689,257
<b>Deferred income tax:</b>		
Items arising from temporary differences (Note 16)	(1,877,634)	7,375,347
<b>Total deferred income tax</b>	(1,877,634)	7,375,347
<b>Total income tax expense</b>	30,015,256	31,064,604

Reconciliation of income tax for the years ended 31 December 2023 and 2022 comprise the following:

	For the years ended 31 December	
	2023 Baht	2022 Baht
Profit before tax	205,061,429	192,746,474
Tax calculated at the tax rate 20%	41,012,286	38,549,295
Tax effect of:		
Income not subject to tax	(10,825,311)	(7,295,280)
Expenses not deductible for tax purpose	344,155	336,695
Additional expenses deductible for tax purpose	(515,874)	(525,816)
Adjustment in respect of prior year	-	(290)
Tax charge	30,015,256	31,064,604

The tax relating to component of other comprehensive income is as follow:

	For the years ended 31 December					
	2023			2022		
	Before tax Baht	Tax Baht	After tax Baht	Before tax Baht	Tax Baht	After tax Baht
Remeasurement on retirement benefit obligations	-	-	-	558,091	(111,618)	446,473
Other comprehensive income	-	-	-	558,091	(111,618)	446,473

The tax recognised directly to equity is as follows:

	For the years ended 31 December					
	2023			2022		
	Before tax Baht	Tax Baht	After tax Baht	Before tax Baht	Tax Baht	After tax Baht
Expenses directly attributable to the issuance of shares	-	-	-	24,986,235	(4,997,247)	19,988,988
Equity	-	-	-	24,986,235	(4,997,247)	19,988,988

## 29 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	For the years ended 31 December	
	2023	2022
Net profit for the year (Baht)	175,046,173	161,681,870
Weighted average number of paid-up ordinary shares in issue (Shares)	450,000,000	345,780,822
Basic earnings per share (Baht per share)	0.39	0.47

The Company did not have dilutive ordinary shares during the years ended 31 December 2023 and 2022.

## 30 Dividends

At the Annual General Meeting of the Company on 15 March 2022, the meeting approved the dividend payment from retained earnings at Baht 70.95 per share to Company's shareholders, amounting to the total of Baht 234,135,000, and appropriated its retained earnings to legal reserve amounting to Baht 12,250,000. The dividend was paid on 22 March 2022.

At the Board of Directors Meeting of the Company on 15 June 2022, the meeting approved the interim dividend payment from net profit and retained earnings at Baht 0.138 per share to Company's shareholders, amounting to the total of Baht 45,540,000, and appropriated its retained earnings to legal reserve amounting to Baht 2,500,000. The dividend was paid on 23 June 2022.

At the Board of Directors Meeting of the Company on 11 August 2022, the meeting approved the interim dividend payment from net profit and retained earnings at Baht 0.08 per share to Company's shareholders, amounting to the total of Baht 26,400,000, and appropriated its retained earnings to legal reserve amounting to Baht 1,600,000. The dividend was paid on 31 August 2022.

At the Board of Directors Meeting of the Company on 14 November 2022, the meeting approved the interim dividend payment from net profit and retained earnings at Baht 0.08 per share to Company's shareholders, amounting to the total of Baht 35,999,464, and appropriated its retained earnings to legal reserve amounting to Baht 2,200,000. The dividend was paid on 13 December 2022.

At the Annual General Meeting of the Company on 20 April 2023, the meeting approved dividend payment from retained earnings at Baht 0.08 per share to Company's shareholders, amounting to the total of Baht 35,972,393, and appropriated its retained earnings to the legal reserve amounting to Baht 2,200,000. The dividend was paid on 19 May 2023.

At the Board of Directors Meeting of the Company on 10 August 2023, the meeting approved the interim dividend payment from net profit and retained earnings at Baht 0.09 per share to Company's shareholders, amounting to the total of Baht 40,479,912, and appropriated its retained earnings to the legal reserve amounting to Baht 2,200,000. The dividend was paid on 8 September 2023.

In addition, the Company additionally appropriated its retained earnings to the legal reserve amounting to Baht 6,800,000 in order to comply with the Public Companies Act., B.E. 2535.

### 31 Related party transactions

Enterprises and individuals that, directly or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

The relationship with related parties can be summarised below:

Company/Individual	Country/nationality	Relationship with the Company
Kemoplast Company Limited	Thailand	Related company as the person controlling the entity is the related person of shareholder and director
Hakoandco Company Limited	Thailand	Related company as the person controlling the entity is the related person of shareholder and director
Mr.Srichai Laowrattana	Thai	Shareholder and director
Mrs.Kanchana Laowrattana	Thai	Shareholder and director
Ms.Janjira Laowrattana	Thai	Shareholder
Mr.Woraphat Laowrattana	Thai	Shareholder
Mr.Therdsak Chalermwattananon	Thai	Shareholder and director
Ms.Noppamas Fahchusawad	Thai	Director
Ms.Weerawan Ngamphonpan	Thai	Related person of shareholder and director
Mr. Manachai Chivachatrikasem	Thai	Related person of shareholder and director
Ms.Plaithong Cheewachatrikasem	Thai	Related person of shareholder and director

### Transactions with related parties

	2023 Baht	2022 Baht
<b>Revenue from sales</b>		
Related companies	681,800	14,400
<b>Cost of purchase</b>		
Related companies	11,770,480	16,770,466

### Outstanding balances

	2023 Baht	2022 Baht
<b>Receivables</b>		
Related companies	68,480	15,408
<b>Payables</b>		
Related companies	1,689,765	1,252,970

### Key management compensation

	2023 Baht	2022 Baht
Short-term benefits	13,703,450	13,380,120
Post-employment benefits	230,420	306,956

The Company paid a post-employee benefit to management during the year ended 31 December 2022 amounting to Baht 3,397,333.

## 32 Commitments

### 32.1 Bank guarantee

As at 31 December 2023, the Company has letters of guarantee issued by banks for electricity usage for the amount of Baht 4,957,100 (2022: Baht 4,957,100).

### 32.2 Commitments from service contracts

The Company has entered into non-cancellable service contracts. The future payments are as follows:

	2023 Baht	2022 Baht
Not later than 1 year	3,071,328	3,071,328
Later than 1 year but not later than 5 years	-	-
<b>Total</b>	<b>3,071,328</b>	<b>3,071,328</b>

### 32.3 Commitments from capital expenses

As at 31 December 2023, the Company has commitments from capital expenses related to property, plant and equipment for the amount of Baht 163,168 (2022: Baht 1,202,500).

### 33 Promotional privileges

The Company received promotional privileges from the Board of Investment on 21 September 2020 for the manufacture of medical equipment or components thereof made from plastic or synthetic rubber. The main privileges include an exemption of import duty on machinery, a reduction of import duty for raw materials imported from oversea using in production for exportation for a period of one year, and an exemption of corporate income tax for net profit generated from the promoted activities for a period of five years starting on 2 November 2020. In addition, the Company must comply with other conditions and restrictions relating to the rights and privileges included in the promotional certificates.

The Company received promotional privileges from the Board of Investment on 21 June 2023 for the manufacture of plastic parts for vehicles and electrical appliances. The main privileges include an exemption of corporate income tax for net profit generated from the promoted activities for a period of five years starting on 2 October 2023. In addition, the Company must comply with other conditions and restrictions relating to the rights and privileges included in the promotional certificates.

For the years ended 31 December 2023 and 2022, the Company has domestic sales which are classified as BOI and Non-BOI promoted activities as follows:

	<b>2023 Baht</b>	<b>2022 Baht</b>
BOI	100,432,937	59,554,660
Non-BOI	860,900,900	1,022,703,833
<b>Total</b>	<b>961,333,837</b>	<b>1,082,258,493</b>

### 34 Event after the reporting period

The Board of Directors' meeting on 23 February 2024 resolved to propose to the 2024 Annual General Meeting of shareholders to consider approving the dividend payment to the Company's shareholders in cash at Baht 0.29 per share amounting to Baht 130,500,000. The Company has allocated retained earnings of Baht 6,800,000 as a legal reserve during the year (Note 30).

## **Attachment 1**

Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision



## Board of Directors and Management Team

Details of directors, executives, controlling persons, and designated persons responsible for the accounting and finance department and a person directly responsible for accounting supervision and company secretary

Name and position	Age (year)	Education and Training	Proportion holding stock in a company	Family relationship between directors and other executives	Work Experiences		
					Period	Position	/ Unit Name/Company/Business Type
<b>1. Mr. Chaiyaporn Nitaswarakul</b> - Chairman of the Board of Directors - Chairman of the Audit Committee (member of the Audit Committee with accounting and financial knowledge and experience)	56	<b>Education</b> - Master of MBA, Thammasat University - Bachelor of Accounting, Kasetsart University  <b>Training</b> - DAP 154/2018	-	-	2019 - Present	Director	Nitadfurniture Co., Ltd. / Interior decoration contractor
					2008 - Present	Consultant	Business Consultant / Financial Accounting Consultant
					2003 - 2008	Accounting and Finance Manager	Thai Coated Steel Sheet Co., Ltd. / Produce electro-galvanized steel sheet in coils
<b>2. Ms. Tyawadee Ngamwongwan</b> - Director - Independent Director - Audit Committee	56	<b>Education</b> - Bachelor of Public Administration, Ramkhamhaeng University  <b>Training</b> DAP 153/2018	0.0980%	-	2014 – Present	Director	DD Clean Services Ltd., Part. / Sanitation work
					2014 – Present	Sales Manager	Marketing / D Care Products and Service Co., Ltd. / Hygiene Services
					2003 – 2013	Sales	Marketing Manager / Pacific Health Co., Ltd. / Cosmopolitan Magazine

Name and position	Age (year)	Education and Training	Proportion holding stock in a company	Family relationship between directors and other executives	Work Experiences		
					Period	Position	/ Unit Name/Company/Business Type
3. Ms. Khemika Thiwong - Director - Independent Director - Audit Committee	45	Education - Bachelor of Accounting, Ramkhamhaeng University  Training - DAP 153/2018	0.0044%	-	2022 - Present	Sales Executive	Prosoft Comtech Co., Ltd. / IT Service
					2011 – 2022	Sales Manager	SOS Rubber and Mold Ltd., Part. / Trading
					2009 - 2011	Sales Manager	Polynet Public Co., Ltd. / Manufacturer and distributor of molded rubber, plastic and silicone
					2007 - 2009	Sales Manager	Chemoplast Co., Ltd. / Trading
Notes: - SOS Rubber Mold Co., Ltd. is a partnership of Mr. Srichai Loawrattana's siblings. - Prosoft Comtech Co., Ltd. has no relationship with the Loawrattana family.							
4. Mrs. Kanchana Laowrattana - Director (Authorized to sign) - Chairman of the Executive Committee - Chief Executive Officer	56	Education - Bachelor of Accounting, Ramkhamhaeng University  Training - DAP 147/2018	27.0604%	Spouse of Mr. Srichai Laowrattana	2018 - Present	Chief Executive Officer / Director	Polynet Public Co., Ltd. / Manufacturer and distributor of molded rubber, plastic and silicone
					1994 – 2016	Director	Chemoplast Co., Ltd. / Sale and import of chemical products
					1994 – 2017	Director	Director / Hi-Tech Elastomer Co., Ltd. / Manufacture, sell, import and export rubber and chemical products
					1994 – 2017	Accounting Manager	Thai Chuan Rubber Co., Ltd. / Rubber Rice Mill

Name and position	Age (year)	Education and Training	Proportion holding stock in a company	Family relationship between directors and other executives	Work Experiences		
					Period	Position	/ Unit Name/Company/Business Type
<b>5. Mr. Srichai Laowrattana</b> - Director (Authorized to sign) - Member of the Executive Committee - Chief Marketing Officer	58	<b>Education</b> - Bachelor of Science (Chemistry), Mahidol University  <b>Training</b> - DAP 147/2018	4.0682%	Spouse of Mrs. Kanchana Laowrattana	1999 - Present  1998 - 2017  1994 - 2006	Chief Marketing Officer  Director  Director, Managing Director	Polynet Public Co., Ltd. / Manufacturer and distributor of molded rubber, plastic and silicone  Hi-Tech Elastomers Co., Ltd. / Production, distribution, import and export rubber and chemical products  Chemoplast Co., Ltd. / Sales and import of chemical products
<b>6. Mr. Therdsak Chalermwattananon</b> - Director (Authorized to sign) - Member of the Executive Committee - Chief Product Officer	36	<b>Education</b> - Bachelor of Mechanical Engineering, King Mongkut's University of Technology North Bangkok  <b>Training</b> - DAP 147/2018	0.7116%	-	2017 - Present  2014 - 2016	Chief Product Officer  Production Manager	Polynet Public Co., Ltd. / Manufacturer and distributor of molded rubber, plastic and silicone  Polynet Public Co., Ltd. / Manufacturer and distributor of rubber, plastic and molded silicone
<b>7. Ms. Noppamas Fahchusawad</b> - Director (Authorized to sign) - Member of the Executive Committee - Chief Operations Officer	43	<b>Education</b> - Bachelor of Business Administration - Accounting, Ramkhamhaeng University  <b>Training</b> - DAP 147/2018	0.0543%	-	2017 – Present  2009 – 2017  2004 – 2009  2003 – 2004	Chief Operating Officer  Production Planning Office  Production Planning Officer  Customer Training Officer	Polynet Public Co., Ltd. / Manufacturing and distributing molded rubber, plastic and silicone  Polynet Public Co., Ltd. / Manufacturer and distributor of molded rubber, plastic and silicone  Hi-Tech Elastomers Co., Ltd. / Rubber Manufacturing  Prosoft Comtech Co., Ltd. / IT Service

Name and position	Age (year)	Education and Training	Proportion holding stock in a company	Family relationship between directors and other executives	Work Experiences		
					Period	Position	/ Unit Name/Company/Business Type
<b>8. Mr. Chanawut Kanaprasertkul</b> - Member of the Executive Committee - Chief Financial Officer	34	<b>Education</b> - Bachelor of Accounting, Kasetsart University  <b>Training</b> - CFO's Orientation Course (CFO 0282), Office of Insurance Commission and Federation of Accounting Professions - Thai Chartered of Management Accountants Course (TCMA) class 1/2022, Office of Insurance Commission and Federation of Accounting Professions - Corporate Finance Course class 2/64, Federation of Accounting Professions	0.0980%	-	2018 - Present	Chief Financial Officer	Polynet Public Co., Ltd. / Manufacturer and distributor of molded rubber, plastic and silicone
					2015 - 2017	Senior Associate	PricewaterhouseCoopers ABAS Co., Ltd. / Auditor
<b>9. Ms. Wanvipa Jiravitidchai</b> - Company secretary	35	<b>Education</b> - Bachelor's degree in Business Administration, Department of Marketing, Rajamangala University of Technology Tawan-Ok Chakrabongse Bhuvanarth Campus  <b>Training</b> - Company Secretary Program (CSP 132/2022)	0.1152%	-	2016 – Present	Company Secretary	Polynet Public Co., Ltd. / Manufacturer and distributor of molded rubber, plastic and silicone
					2009-2019	General Manager	Nissin Water Treats Co.,Ltd. / Manufacture and distribute anti-scaling liquids, boiler, cooling

Name and position	Age (year)	Education and Training	Proportion holding stock in a company	Family relationship between directors and other executives	Work Experiences		
					Period	Position	/ Unit Name/Company/Business Type
<b>10. Ms. Chanyakorn Chayapornamornsuk</b> - Persons assigned direct responsibility for supervision bookkeeping	45	<b>Education</b> - Bachelor of Accounting, Sukhothai Thammathirat Open University - Bachelor of Business Administration (Accounting), Suan Dusit Rajabhat University  <b>Training</b> - Account Recording Problems during the end of the year - the beginning of the year for accountants.	0.0008%	-	2017-present	Manager of Accounting and Finance Department	Polynet Public Co., Ltd. / Manufacturer and distributor of molded rubber, plastic and silicone
					2009 – 2016	Account Manager	Island Resort Hotel Co., Ltd./ Hotel
					2013-2015	Acting Manager of Accounting and Finance Department	Andaman Club/Hotel
					2009 – 2015	Internal Audit Manager	Andaman Club/Hotel
					2007-2007	Account Manager	Pacific Fruit Co., Ltd. / buy and sell

Notes:

A) Shareholding ratio as of September 28, 2023

B) Mr. Chanawut Kanaprasertkul was assigned to be high responsible for accounting and finance.

C) Ms. Chanyakorn Chayapornamornsuk was assigned to supervise accounting directly.

## Terms of powers, duties and responsibilities of the company secretary

At the 1/2023 board meeting held on February 24, 2023, it was decided to appoint Ms. Wanvipa Jiratidchai as the company secretary. The company secretary shall perform the duties specified in sections 89/15 and 89/16 of the Securities Exchange and Stock Exchange of Thailand in 1992 (including the revised version), and the powers, duties and responsibilities of the company secretary were as follows:

1. Provide the Board of Directors and executives with basic information and suggestions on compliance with business-related laws and regulations, the company's rules and regulations and policies and rules and regulations regularly monitor compliance. This includes reporting significant changes in legal requirements to directors and executives, including providing the above suggestions to the newly appointed directors.
2. Supervise information disclosure and related reports according to regulations and notices of the Stock Exchange of Thailand, Securities and Exchange Commission and Capital Market Supervision Commission
3. Summary report on securities holdings and changes in securities holdings of directors, managers, executives and their spouses or persons living together as husbands, wives and minor children, including juristic person of directors, managers and executives, spouse or persons living together as husbands, wives and minor children of directors, managers and executives that are shareholders held 30% of the total voting rights of the legal person to the board meeting every three months to confirm.
4. Supervise and ensure that the general meeting of shareholders and the meeting of the board of directors comply with laws, the articles of association and relevant practices, the resolutions of the General Meeting of Shareholders and the Board of Directors
5. Prepare, maintain and save the following important documents:
  - (a) Directors' registration
  - (B) Shareholder registration
  - (C) Invitation letter for the board meeting, invitation letter for subcommittee meeting and report of the board meeting
  - (D) Invitation letter and report of shareholders' meeting
  - (E) Annual report of the company
6. Ensure the directors, executives and other persons deemed appropriate by the board of directors, keep stakeholder reports, and the independence certificate of the report of the director or senior manager, and send a copy to the chairman of the board of directors and the chairman of the audit committee within 7 working days from the date of receiving the report.
7. The Shareholders' Meeting and the Board of Directors' Meeting shall be held in accordance with the laws, the Articles of Association and relevant practices, including the report of the meeting
8. Ensure disclosure of information and reports to regulators following the restriction of the Securities and Exchange Commission and Stock Exchange of Thailand according to the regulations and requirements of the above-mentioned institutions. The arrangement of a system for preserving the above-mentioned documents and relevant evidence must also be established accurately and completely and can be checked within not less than 5 years from the date of preparation of documents or information.
9. Contact and communicate with ordinary shareholders to confirm shareholders' rights and company news.
10. Establish knowledge and understanding of the practice and promote good corporate governance.
11. Supervise the activities of the Board of Directors and any other actions required by law and/or Capital Market Supervision Committee and /or by the Board of Directors

## Term of Position of Directors, Executives and Authorized persons

Directors/Executives	Company	Affiliates		
		Nitat Furniture Co., Ltd.	D D Cleaning Service Co., Ltd.	Muses Publishing Co., Ltd.
1. Mr. Chaiyaporn Nitaswarakul	X, Ax, ID	D		
2. Ms. Tyawadee Ngamwongwan	ID, A			
3. Ms. Khemika Thiwong	ID, A		D, M	
4. Mrs. Kanchana Laowrattana	D, Ex, M			
5. Mr. Srichai Laowrattana	D, E, M			
6. Mr. Therdsak Chalermwattananon	D, E, M			D
7. Ms. Noppamas Fahchusawad	D, E, M			
8. Mr. Chanawut Kanaprasertkul	E, M			

Notes:

X = Chairman of the Board of Directors

Ax = Chairman of the Audit Committee

A = Audit Committee

Ex = Chairman of the Executive Committee

D = Director

ID = Independent Director

E = Executive Director

M = Manager

## Punishment records of directors, executives and authorized persons in the past 5 years

- None -

## **Attachment 2**

### **Details of Directors of Subsidiaries**



**Details of Directors of Subsidiaries**

- None -

## **Attachment 3**

### **Details of the Heads of the Internal Audit and Compliance**

## Details of the Head of Internal Audit and Head of Company Operation

The company has hired a unique consulting limited company ("UA") before the first quarter of 2023, to review and evaluate the adequacy of the internal control system of each operation process. At present, UA has been the internal auditor employed by the company since 2018. It includes monitoring the improvement results and solving various problems. The persons appointed as the head of internal auditors are as follows:

Company	Unique Consultants Co., Ltd.
Name of the person assigned as a supervisor	Mr. Kosol Yamleemool
Position	General Manager
Education	<ul style="list-style-type: none"> <li>- Bachelor of Science in Business Information Technology, Chulalongkorn University</li> <li>- Bachelor's degree in accounting, finance and banking, Thammasat University</li> <li>- Certificate for Business Advisor, Kasetsart University</li> <li>- Certificate of real estate Entrepreneur, Kasetsart University</li> <li>- Certified Public Accountant Registration No. 4575 (Certified Public Accountant: CPA)</li> <li>- Certified Internal Auditor (CIA)</li> <li>- Certified Financial Services Auditor (CFSA)</li> </ul>
Training	<ul style="list-style-type: none"> <li>- Orientation Course – CFO Focus on Financial Reporting Class 4/2018</li> <li>- Participate in the SME reference document evaluation independent auditor course of the CAC SME certification program</li> <li>- Anti-Corruption Working Paper Course</li> <li>- COSO 2013 Theory and Practice</li> <li>- Accounting Federation IT Audit Course</li> <li>- Institute of Internal Auditors, Federation of Internal Audit Course</li> <li>- Tax and tax planning courses</li> <li>- Ongoing course in financial reporting standards and auditing standards</li> <li>- Improved accounting standards courses</li> <li>- Monitor and the use of software course</li> <li>- Advanced COSO ERM course</li> <li>- Financial Advisor Program of the Association of Thailand Securities Companies</li> </ul>
Work Experience	2013 - Present    Managing Director of Unique Advisor Co., Ltd 2002 - 2013      Partner and director of Grant Thornton Co., Ltd. 2001 - 2002      International Audit Manager Grant Thornton LLP Seattle, USA 2000 - 2001      Senior manager of Grant Thornton Co., Ltd. 1995 - 2000      Senior Manager of PricewaterhouseCoopers ABAS Co., Ltd.

## Head of Company Operation

The company has no position of head of the company operation, so to coordinate with internal auditors, the company secretary will act as the main coordinator, and the staff will assist in coordination.

The company secretary is assigned to perform the duties of the head of the company operation, supervise and coordinate all departments to comply with relevant laws, regulations, rules, resolutions of the Board of Directors and resolutions of the General Meeting of Shareholders, including good corporate governance policies and business ethics. (For details of directors, please refer to the education qualification and work experience of the company secretary in Appendix 1. Details of director, executive, controller and company secretary)

## Responsibilities of Internal Audit Supervisor

- Develop an annual audit plan according to the company's audit plan policies and major plans.
- Determine the specified inspection method and follow the inspection guidelines.
- Report the progress of work, report the investigation results in case of emergency, and summarize the findings.
- Discuss and exchange views with inspectors and relevant agencies on the problems found to summarize solutions.
- Submit audit summary report to the Audit Committee and senior management.

## **Attachment 4**

### Details of asset appraisal

# Assets for Conducting Business

For details, Assets for conducting business

# Details of the valuation list

- None -

## **Attachment 5**

### **Corporate Governance Policy and Code of Conduct**

## Corporate Governance

Complete corporate governance policies disclosed on the company's website:

<https://investor.polynet.co.th/en/esg/governance/corporate-governance-policy>

## Anti - corruption

The company focuses on conducting business honestly, clearly, and responsibly, and abides by good corporate governance principles. The company established an anti-corruption policy disclosed on the company website:

<https://investor.polynet.co.th/en/esg/governance/whistleblowing-channel>

## Code of Conduct

To ensure that the company's business operations are accurate, clear, fair, and auditable, including fair treatment of workers, the company has disclosed its complete business ethics on its website:

<https://investor.polynet.co.th/en/esg/governance/code-of-conduct>

## Articles of Association of the Board of Directors, the Audit Committee, and the Executive Committee

The company has disclosed on its website:

<https://investor.polynet.co.th/en/esg/governance/charter-board-and-subcommittee>



## **Attachment 6**

### Audit Committee Report

## Report of the Board of Auditors

The audit committee of Polynet Public Company Limited ("the Company") performs its duties independently and clearly to protect the interests of the company and perform its duties following the Articles of Association of the Audit Committee. In addition, the Audit Committee attaches importance to the review of financial reports, internal control systems, and related transactions. This is crucial to the company's business operation, good corporate governance and the trust of shareholders and the company's stakeholders.

The Board of Directors has appointed the Audit Committee to evaluate and review the effectiveness of the internal control system provided by the management. The Audit Committee reviews the audit results of the internal audit unit and the opinions of the external auditors on the company's internal control system, including attending the meeting of the Board of Directors, internal auditors, and auditors for receiving the information, discussing, exchanging opinion and setting an appropriate measurement. In 2022, the Audit Committee held a meeting, which concluded as follows:

1. The Board of Auditors has reviewed the annual financial statements as of December 31, 2021 which the external auditor audited the figures and important information in the financial statements, including important issues. The auditors and relevant management shall clarify and confirm the information used in the financial statements, and review the disclosure of notes to the financial statements to ensure the company's operation with legal requirements and financial reporting standards. The Audit Committee approved the financial statements audited by the external auditors.

2. The Audit Committee reviewed the internal control system to ensure that the company has an adequate, appropriate, and effective internal control system by evaluating the audit results of the external company's internal control system auditors, including monitoring the improvement of the company's problems to ensure that the management makes improvements according to the recommendations of the auditors of the internal control system within the specified time. Based on the above review, the Audit Committee believes that the company's overall internal control system is appropriate and adequate. In addition, no major defects affecting the Company's financial statements were found.

3. The Audit Committee considered and reviewed the scope of work, duties, and responsibilities, following the annual plan of the internal control system auditor, so the company has an appropriate, concise and efficient internal control and audit system without any mistakes that may affect the company's financial statements and business operations.

4. The Audit Committee considers, selects, nominates, appoints and proposes the auditor's remuneration for 2022 to be proposed to the Board of Directors and the shareholders' meeting for approval.

5. The Audit Committee reviewed and approved the company's relevant policies before making the following recommendations to the Board of Directors, such as mutual transaction policy and good corporate governance policy to effectively and clearly which cover operations and it is responsible for all stakeholders and interested parties and creates sustainable value for the enterprise and complies with relevant requirements and regulations.

6. The Audit Committee reviewed the integrity, accuracy, reasonableness, and fairness of related transactions. The Audit Committee believes that connected transactions are reasonable, and it is conducive to the company's business operation.

7. The Audit Committee reviewed the company's performance to comply with the regulations and laws related to the company's business operation. To ensure that the company conducts its business in a correct, clear and reasonable manner, to build shareholder confidence. The Audit Committee believes that the company has supervised and reviewed the performance of all departments to ensure the company's operation with relevant requirements and regulations

8. The Audit Committee reviewed the company's risk management process to ensure that the risk management method is consistent with the company's mission and business plan, considering from the risk management assessment of the Risk Management Committee. The Audit Committee believes that the company's risk management system is effective enough.

In conclusion, the Audit Committee has fulfilled its responsibilities as stipulated in the Articles of Association of the Audit Committee by carefully using its knowledge and freedom to do its duties by receiving knowledge and cooperation from the company's management. The Audit Committee suggests that the company should: The company

(1) provide accurate financial reports in accordance with generally accepted accounting standards.

(2) There should be an appropriate, concise, and effective internal control and internal audit system that is sufficient and free of any major errors that may affect the company's financial statements and business operations

(3) The related party transactions generated are reasonable enough

(4) There should be sufficient and effective enterprise risk management system

(5) Comply with the law, restrictions, and appropriate relevant terms and regulations



(Mr. Chaiporn Nitaswarakul)

Chairman of The Audit Committee



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