



ASIA FIBER  
Public Company Limited

One Report  
**2022**



NEW CHALLENGE :  
**DIVERSITY**



Control Union Certifications B.V.  
Meeuwenlaan 4-6.8011 BZ,Zwolle ,Netherlands,NL  
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www.controlunion.com

## SCOPE CERTIFICATE

Scope Certificate Number: CU1063569GRS-2022-00125838

Control Union Certifications certifies that  
**ASIA FIBER PUBLIC COMPANY LIMITED**

License Number: CB-CUC-1063569  
33/133-136 Surawongse Road, Suriyawongse, Bangrak,  
10500 Bangkok,Thailand,TH

has been audited and found to be in conformity with the  
Global Recycled Standard (GRS)  
Version 4.0.

Product categories mentioned below (and further specified in the product appendix) conform with the standard(s):  
Product categories:Dyed yarns (PC0029), Greige yarns (PC0030), Undyed yarns (PC0031)

Process categories carried out under responsibility of the above mentioned company for the certified products cover:  
Trading (PR0030), Dyeing (PR0008), Extrusion (PR0010), Packing (PR0020), Spinning (PR0027), Warehousing,  
distribution (PR0031)

\*The processes marked with an asterisk may be carried out by subcontractors.

This certificate is valid until:  
2023-08-19

Place and date of issue:



2022-08-08,Zwolle

Name of authorised person:

On behalf of the Managing Director  
Pritam Pradhan|Certifier

Stamp of the issuing body



Logo of the accreditation body



Standard's Logo



This Scope Certificate provides no proof that any goods delivered by its holder are GRS certified. Proof of GRS certification of goods delivered is provided by a valid Transaction Certificate (TC) covering them.  
The issuing body may withdraw this certificate before it expires if the declared conformity is no longer guaranteed.  
Accredited by: Sri Lanka Accreditation Board (SLAB), Accreditation No: CP 004-01



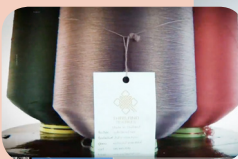
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## 2. Business Ethics

Asia Fiber Public Company Limited is committed to the principle of good governance with transparency and responsibility for society, community, and environment. Human rights, fairness in labor affairs including occupational health and safety for all employees are strictly observed and followed up in all our operations, in order to achieve a sustainable growth in accordance with our vision and quality policies, as follow:

### Vision

To create value today for a better tomorrow, by developing product excellence, and adhering to good governance.

### Core Value

We are committed to continuous improvement  
For complete customers' satisfaction  
With product variety and work precision  
Emphasizing quality, delivery, and pricing  
Together with environment preservation as our common goal

# NEW CHALLENGE : DIVERSITY







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## Message from the Chairman





Despite this year being a most challenging year in business, the Company managed to produce a remarkable growth in revenue. The corresponding net earnings, although less than last year, successfully offset the accumulated loss that beset the Company for more than 20 years.

The challenges include the Covid-19 pandemic which continued through countless mutations, causing worries and infections in major countries, especially China whose economy continued to reel due to lockdowns, the war in Ukraine that sent the price of energy soaring to record height, causing serious global inflation, followed by the increase in interest rates and the rise in wages. These incidents all served to push up the cost of businesses.

To counteract these challenges, the Company initiated many projects – the Factory-for-Rent project to increase revenue is now almost fully occupied, the introduction of recycled Nylon project to cater to sustainable growth market trend started last year results in increased sales price and margin, energy efficiency project continuing through the years results in better energy efficiency, Nylon chip contract-manufacturing project came to full production this year, and the new Solar Roof project which went through studies last year finally started this year and will result in reduced electricity cost, and increased green industry score for the Company. These projects help to increase the Company’s opportunities and sources of income while mitigate impact from risks and negative factors in accordance with the **“New Challenge: Diversity”** business theme.

The creation and mobilization of these projects to their fruitful results requires not only management’s business experience and creative ideas, but staunch support and cooperation from all levels through their respective expertise are also vital in carrying these projects to their targets and driving the Company toward success. Hence, I would like to express my sincere gratitude to all staff and employees for their strong contributions. I would also like to thank our customers and suppliers who gave us their unrelenting cooperation. Finally, I would like to thank our shareholders whose steadfast believe in our path and direction carries us to this day.



Mr. Mongkol Mangkornkanok  
Chairman of the Board

# Financial Highlights

Amount : Thousand Baht

	2022	2021	2020
Total net sales and service	1,031,017	755,065	573,214
Sales export	811,714	595,553	399,449
Percentage of Export	78.73	78.87	69.69
Selling Expenses	40,613	31,352	17,981
Administrative Expenses	18,920	16,381	16,649
Other Revenues	22,079	27,455	11,514
Finance Costs	1,401	359	229
Gain (Loss) on Foreign Exchange	4,640	3,977	1,179
Net Profit (Loss)	29,672	40,955	(42,729)
Net Profit (Loss) per Share	0.65	0.90	(0.94)
Accounts Receivable	151,756	149,890	90,159
Finished Goods and Work in Process	311,647	204,847	179,612
Total Assets	1,533,075	1,451,113	1,466,865
Gross Profit Margin (%)	7.08	8.86	(2.01)
<b>Productions</b>			
- Nylon Chip (Tons)	5,378	5,811	4,023
- Nylon Services (Tons)	3,184	-	-
- Nylon Filament Yarn (Tons)	3,240	2,867	2,979
- Nylon Textured Yarn (Tons)	990	783	693
- Fabrics ('000 Yards)	2,499	3,432	5,716
<b>Ratios</b>			
- Current Ratio	3.77	5.14	4.84
- Debt/Equity Ratio	0.25	0.22	0.26
- A/R Turnover (Days)	36	34	42
- Inventory Turnover (Days)	35	36	41
Return on Investment (ROI) (%)	1.99	2.81	(2.98)
Return on Equity (ROE) (%)	2.46	3.47	(3.62)



# Part 1

## Business Operation and Operating Results



# Part 1 Business Operation and Operating Results

## 1. Organizational structure and operation of the group of companies

### 1.1 Policy and business overview

Asia Fiber Public Company Limited was established in 1970 to produce nylon filament and nylon textured yarn with privileges as promoted by the Board of Investment (BOI). It was the first company to produce taffeta of nylon or other synthetic materials using water jet looms, the high speed, advanced technology equipment that uses water to propel the weft yarn. This product quickly gained acceptance from both domestic and overseas markets.

In 1975	The company was listed on the Stock Exchange of Thailand
In 1993	The company became a public company
In 1995	The company was certified with ISO 9002 standard
In 1993, 1994 and 1995	AFC was granted the Asian Management Awards for General Management, Information Technology, and Operations Management consecutively, in recognition of AFC's modernizing efforts and creative uses of information technology to enhance the competitive position of the company
In 1995	AFC was among the first few textile manufacturer to achieve ISO 9002 standards, certified by DNV
In 2002	The company was certified with ISO 9001:2000 from Det Norske Veritas Industry B.V., and its dyed textured yarn was certified international standard by Oeko-Tex Standard 100 from TESTEX Swiss Textile Testing Institute

The company successively was pioneer in this region to introduce Fully Drawn Yarn (FDY) and Pre-Oriented Yarn (POY) production processes to its nylon line which resulted in reduced production steps and much higher speed, thus enhancing efficiency. The company also received certificate from the Ministry of Industry for passing the primary Cleaner Technology assessment according to the Department of Industrial Works' Competitiveness Improvement through Cleaner Technology Program.

In 2006	The company was recognized as a "Lively Landscape and Environment-Friendly Factory", a Ministry of Industry program.
In 2007	The company received the EU Flower (European Union Eco-Label) certificate and developed anti-bacteria products.
In 2009	The company adopted the ISO 9001:2008 and ISO 14001:2004 standards, and on December 16, 2009, was approved carbon footprint of one of its products.
In 2015	The company adopted the ISO 50001 : 2011
In 2017	The company adopted the ISO 9001 : 2015 and 14001 : 2015



In 2019	The company was audited and certified the energy management report by certifying body approved by the Department of Alternative Energy Development and Efficiency.
In 2020	The company's waterproof nylon fabric was used for making PPE suits approved by Thailand Textile Institute (THTI)
In 2021-2022	<ul style="list-style-type: none"> <li>- The company was granted the use of Global Recycled Standard (GRS) from Control Union (Thailand) Co., Ltd.</li> <li>- The company was also granted the "Made in Thailand" (MiT) certificate from the Federation of Thai Industries (FTI)</li> <li>- Some portions of Thai athletes' sportswear in Olympic Game 2020 were made from the company's fabric.</li> </ul>

#### 1.1.1 Leadership and Vision

The company adopted the following mission statement for its development direction:

"To create value today for a better tomorrow, by developing product excellence, and adhering to good governance."

Over more than five decades, Asia Fiber Public Company Limited had maintained an important role in Thailand's textile industry. And with the commitment of our staff, the company is determined to develop continuously in order to maintain leadership in Thailand nylon industry.

##### Core Value

We are committed to continuous improvement  
 For complete customers' satisfaction  
 With product variety and work precision  
 Emphasizing quality, delivery, and pricing  
 Together with environment preservation as our common goal

#### 1.1.2 Material changes and developments

As a manufacturing company, Asia Fiber Company Limited has been constantly adapting, from a large-scale production to a smaller scale production, but focusing on quality and product diversity to better serve the needs of users and the market.

The company started to produce recycled dyed nylon yarns from recycled material, with Global Recycled Standard (GRS) certification from Control Union (Thailand) Co., Ltd., focusing on export markets based on customer demand trends, and received better than expected reception. As recycled products command better margin than virgin products, increase in orders resulted in higher export revenue.

In the production process, precision manufacturing is emphasized, especially on consumption of raw material, energy, water, etc., and to effectively reduce production waste through activities and trainings including 5S, TPM, energy and water conservation, Lean Manufacturing, etc. New production machinery was also introduced to increase speed and productivity while consuming less energy. On sales, quick response is emphasized while market survey is done regularly to explore new products in demand. Product development is jointly done with clients in order to come up with the exact product that meets the client's demand. In finance, risk management is the key. Foreign exchange risk is minimized through hedging instruments to lessen the impact of foreign exchange volatility. Debt and loans are also minimized to reduce interest burdens and strengthen the financial position.

Strict inspections are applied at each manufacturing stage to screen out non-complying materials before passing through to final product. The final product is also sampled to be inspected with modern equipment. In addition to product quality monitoring, the Product Quality Control and Development Department is tasked with developing new products to maintain the company's leadership in nylon production in Thailand.

SME Factory Project was undertaken because the company has some unutilized land space while the Bangpoo Industrial Estate area was almost full. Meanwhile, there is a lively market demand for small business manufacturing area. Accordingly, the company began a project to build eight buildings for lease in 2020 with its own funding of 180 million Baht. The project was completed in 2021 and as of now it is almost fully occupied.

**1.1.3 Specify whether or not the Company has already spent the raised fund to serve the objectives declared in the registration statement for securities offering.**

- None -

**1.1.4 Clarify the obligations to which the Company has committed in the registration statement for securities offering and/or the approval conditions of the SEC Office (if any) and/or the conditions for the Stock Exchange of Thailand's acceptance of securities (if any)**

- None -

**1.1.5 Company information**

Name	: Asia Fiber Public Company Limited
Head Office	: 33/133-136 Surawongse Road, Bangrak, Bangkok 10500 Tel : +66 (0) 2632 7071
Factory	: 406-7 Moo 7, Sukhumvit Road, K.M. 33.5 Tumbol Bangpoo-Mai, Amphur Muang, Samut Prakan Province 10280 Tel : +66 (0) 2323 9296
Products	1. Nylon Chip 2. Nylon Filament Yarn 3. Nylon Textured Yarn 4. Filament Woven Fabrics (Loom-State and Finished)
Homepage	: <a href="http://www.asiafiber.com">http://www.asiafiber.com</a>
E-mail	: <a href="mailto:sales@asiafiber.com">sales@asiafiber.com</a>
Registration	: 0107536001630

Type and number of shares already issued Total of 45,574,266 Ordinary Shares

**Other Reference Persons**

Investment In Companies With 10% Or More Of Registered Capital

Companies	: Cryothai Company Limited
Address	: 60/12 Moo 2, Phaholyothin Road, Klong Nueng, Klong Luang, Pathumthani 12120 : Tel : + 66 (0) 2901 3700-4 : Fax : + 66 (0) 2901 3705
Business Nature	: energy
Paid Capital	: 190,000,000.00 Baht
Share Holding	: 15%

## 1.2 Business Structure

Asia Fiber Public Company Limited is a major manufacture of Nylon products to be used as raw material in industries. There are 5 main product groups and services as follow :

1. Nylon Chip : to be used for filament spinning in textile and fishing net industries.
2. Filament Yarn : various types and sizes of filament are produced from nylon chip. It is used mainly for fabric weaving, or producing Nylon Textured Yarn.
3. Nylon Textured Yarn : is produced from Nylon filament through the process of drawing and false twisting. This stretchable, fluffy yarn is used in lingerie and sock knitting.
4. Taffeta Fabric : is the fabric woven from filament yarn. The fabric is also dyed and finished for enhanced look and quality, and used to produce garments.
5. Fabric Dyeing and Finishing Services : is performed on fabrics supplied by customers.

**1.2.1 Income Structure** as of accounting period 1 July 2021 - 30 June 2022 follow :

(Unit : Million Baht)

Product	2021/2022		2020/2021		2019/2020	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Local sale value</b>						
- Nylon Chip	3	0.29	4	0.53	5	0.87
- Filament Yarn	36	3.49	26	3.45	23	4.01
- Textured Yarn	63	6.11	46	6.10	50	8.71
- Fabric	75	7.28	69	9.13	75	13.06
- Nylon Services	32	3.10	-	-	-	-
- Services	11	1.07	15	1.99	21	3.66
<b>Total</b>	<b>220</b>	<b>21.34</b>	<b>160</b>	<b>21.20</b>	<b>174</b>	<b>30.31</b>
<b>Foreign sale value</b>						
- Nylon Chip	400	38.80	347	45.96	192	33.45
- Filament Yarn	239	23.18	165	21.85	130	22.65
- Textured Yarn	172	16.68	83	10.99	78	13.59
- Fabric	-	-	-	-	-	-
<b>Total</b>	<b>811</b>	<b>78.66</b>	<b>595</b>	<b>78.80</b>	<b>400</b>	<b>69.69</b>
<b>Total Local and Foreign sale value</b>						
- Nylon Chip	403	39.09	351	46.49	197	34.32
- Filament Yarn	275	26.67	191	25.36	153	26.66
- Textured Yarn	235	22.79	129	17.03	128	22.30
- Fabric	75	7.28	69	9.13	75	13.06
- Nylon Services	32	3.10	-	-	-	-
- Services	11	1.07	15	1.99	21	3.66
<b>Total</b>	<b>1,031</b>	<b>100.00</b>	<b>755</b>	<b>100.00</b>	<b>574</b>	<b>100.00</b>



## 1.2.2 Business composition of each product line

### (1) Product or service characteristics

The company's products include: Nylon chips, synthetic fibers, both white and dyed elastic fibers, dyed and finished fabrics. The company's products are used as raw materials for other raw materials, for example, nylon chips are used to produce filament, stretch yarn, woven fabrics, etc., stretch yarn is used to weave socks, knit fabrics, etc. Meanwhile, woven fabric from filament or taffeta is used to manufacture garments, umbrellas, bags, and car covers.

1. Nylon Chip is the raw material used in the manufacturing of nylon filament in the textile industry. It is also used in the injecting molding of machine parts. Currently, the primary raw material for nylon chips is caprolactam from domestic and international manufacturers in the Netherlands, Germany, Poland, Japan, etc. Main users of nylon chips are net manufacturers and plastic machine parts industry.

2. Filament Yarn is a product obtained from the process of converting nylon chips into filament through a spinnerette that determines the size and number of strand in the filament.. Nylon filament is classified into two categories: Nylon Full Drawn Yarn (FDY) and Pre-Oriented Yarn (POY) which are used for weaving nylon fabric. Customers include textile mills, lace knitting, net weaving, rope making, and flexible yarn manufacturing.

3. Textured Yarn is made by spinning and twisting the filament to make it fluffy and twisted. Then, two or more strands will be spun together to form a single yarn suitable for bleaching and dyeing. Customers of stretch yarns include stretch yarn knitting factories producing socks, sportswear, lace, women's stockings, etc.

4. Taffeta fabric is made filament. It varies according to the type and size of the woven filament, structure, and density. The fabric, or taffeta, is dyed and finished into different products suitable for different types of applications such as waterproof, lightweight, etc.

5. Dyeing and finishing service provides fabric dyeing and finishing to other factories by utilizing the remaining capacity, thus increasing revenue.

### (2) Marketing and competition

#### (a) The marketing policy of a product or service;

##### State of the Industry and Competition

The Covid-19 pandemic which exerted a strong grip on the world's economic landscape for the past 2 years started to loosen its hold this year due to the number of people who were fully vaccinated or had recovered from an infection increased significantly, and approached herd immunity stage. The virus itself also mutated from a contagious and severe Delta variant to an infectious but less severe Omicron variant. Worries abated and measures for containment gradually relaxed. Travelling, working, and people's activities started to return to normal. Tourism started to become active again. The ensuing economic recovery prompted the World Bank to report the 2021 growth rate of 5 percent, a record high for the past decade, a sure sign of economic revival from the Covid-19 pandemic. However, in early 2022, the war in Ukraine broke out and prompted western economic bloc, who are supporters of Ukraine, to sanction Russia's trading with the West, which sent the price of energy and agricultural staple crop soaring to a record level, blocking the road for the recovery of world economy once again. The resulting exorbitant inflation prompted the U.S. Federal Reserve to massively increase the Fed Fund rate which brought about a global trend of interest rate increases and hence the rising of universal financial cost, jeopardizing the fragile economic recovery post Covid-19 pandemic.

This 2022 scenario presents at least 4 aspects of threats to business. Firstly, the huge increase in energy price posts a significant, unavoidable rise in the cost of manufacturing and transport of goods. In normal situation, the increased cost can be passed on to customers, but in this business

recovering stage, only limited increase, if any, can be passed on. Secondly, the resulting inflation from energy and commodity price increase brought about weakened purchasing power. The business and household debt incurred during the downturn severely restricted the ability to absorb a higher cost during the start of a recovery. Thirdly, the increase in wages stemmed mainly from cost-push factor, not productivity, further hurting business margins. Fourthly, higher interest rates translated to higher financial cost. Business that relied on debt for survival during the pandemic period and hoped to start making money will be hit by a huge rise in financial cost. These 4 threats will push the fragile economic recovery back to recession again, prompting the World Bank to revise the world economic growth down from 5 percent to 3 percent. If these threats remains for a long time, those small and medium businesses without a strong financial base may be forced to finally wind down permanently.

Thailand economy is closely linked to the world, it is therefore subjected to the same threats, especially the energy price, as Thailand relies heavily on imported energy. Fortunately, having a strong food production base and an ample financial reserve, as well as a high-performance export sector, Thailand has been able to withstand the 4 threats rather well. However, after the burgeoning exports during the early recovery period, the increased in world demand quickly beckoned other exporting countries to join in. Under renewed international competition, Thai exports started to level-off, and the economic growth that relies heavily on exports started to slow consequentially.

Facing the 4 threats and obstacles, those Thai industries with potentials need to adjust their operations to respond objectively in order to continue on the path of recovery. They must reduce energy cost through energy conservation techniques or adoption of alternative energy. They must expedite new markets or new products that cater to customers' need at affordable price. They must push for better productivity through technology or automation, which may require investment initially but pays back through cost savings and improved productivity in the long run. Finally, they must reduce financial cost through various money market instruments which are still in demand by investors provided that they carry proper returns, a highly possible scheme in the current low interest rate situation.

These adjustment strategies also coincide with the Sustainable Development Goals adopted by the United Nations, and the Bio-Circular-Green Economic Model or BCG promoted by the Thai government as a new economic model for inclusive and sustainable growth. They also align with the mitigation effort against global warming committed by Thailand during the UN Climate Change Conference in Glasgow (COP26), which constitute the key performance index for corporate good governance and sustainable pathway toward the future.

The textile industry is considered capital intensive. Good marketing and competitive strategies are important factors to help the company succeed. The key strategies that help the company compete well with its competitors are as follows:

#### **The transit time of goods**

The company has a policy to implement a system to transport products to customers on time to meet customer demand. For domestic customers, it can deliver products directly within 15 - 30 days, while for overseas customers, it will take about 30 - 45 days after receiving the purchase order.

#### **Pricing policy**

The company has various product pricing policies as follows.

1. Nylon chips is determined by referring to prices in foreign markets.
2. Filament yarn price is determined by referring to world market price and domestic competitors' price.

3. Textured yarn price is determined by referring to filament yarn price and world market price.
4. Taffeta fabric price is determined by referring to world market price and domestic competitors' price.

#### Target Customer Group

The company has both domestic and overseas customers. Overseas customers include the United States, Sweden, Australia, New Zealand, China, India, ASEAN, and the Middle East., who deal in nylon chip, filament yarn, and texture yarn, mostly for their own use. Domestic customers are mostly long-term ones and include texturizing plants, knitting plants, and garment manufacturers who deal in filament, textured yarn, and fabrics.

#### (b) Conditions of competition within industry

##### Distribution and distribution channels

The company divides the market into two channels:

1. The domestic market is divided into two types:

- 1.1 Direct Sales. Most of the customers are fishing net factories, stretch yarn factories, weaving factories, textile mills, elastic thread plants and ready-made garment factories, etc. These customers made up approximately 100 retail customers.

- 1.2 Distribution through distributors, especially dyed and finished fabrics, distributors such as Rak Taffeta Co., Ltd., Kangwanpanich Co., Ltd., Leather Square Co., Ltd., etc. who serve as retail distributors. The company currently work with 15 distributors. The Company has no policy to appoint any authorized dealer.

Domestic distribution channels can be divided by product type as follows:

- Nylon chips, nylon filament and textured yarn will be distributed directly to customers.
- Fabrics, approximately 25% directly sold to customers and 75% through distributors.

2. Foreign markets, most products distributed through distributors.

Currently, there are approximately 30 agents who receive discounts and commissions according to agreements. The company's overseas markets are US, Europe, Australia, Netherlands, China, ASEAN, and South Asia. The company has no policy to appoint any authorized dealer.

#### Customer Characteristics and Relationships

The company maintains a good relationship with its customers due to its good quality and timely delivery. The company's customers are in the textile industry, where different types of textile products are needed, and in other industries such as loops, ropes, and plastic parts. Therefore, the company's chances of losing the top 10 major customers are very low. And in the past three years, the company has never sold to any of its customers more than 30% of its total sales.



### The proportion of the first 10 major customers to total revenue is three years backward

(Unit: Million Baht)

	2021/2022		2020/2021		2019/2020	
	Million Baht	%	Million Baht	%	Million Baht	%
The value of the sale of the top 10 major customers	609.18	59.09	427.08	56.57	312.20	54.45
Total income	1,031.02	100.00	755.06	100.00	573.21	100.00

### The proportion of domestic and international distribution

(Unit: Million Baht)

	2021/2022		2020/2021		2019/2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Local sale value	219.31	21.27	159.51	21.13	173.76	30.31
Foreign sale value	811.71	78.73	595.55	78.87	399.45	69.69
Total	1,031.02	100.00	755.06	100.00	573.21	100.00

### (3) Providing products or services

Capacity and throughput	2021/2022	2020/2021	2019/2020
<b>Full capacity</b>			
- Nylon Chip (Ton)	21,600	21,600	21,600
- Filament (Ton)	10,800	10,800	10,800
- Texture (Ton)	1,188	1,000	958
- Taffeta (million yards)	3.60	3.60	3.60
<b>Actual production volume</b>			
- Nylon Chip (Ton)	11,620	8,809	7,135
- Filament (Ton)	3,239	2,866	2,978
- Texture (Ton)	968	750	683
- Taffeta (million yards)	1.70	1.70	1.83
<b>Capacity utilization rate (%)</b>			
- Nylon Chip (Ton)	53.80	40.78	33.03
- Filament (Ton)	29.99	26.54	27.57
- Texture (Ton)	81.48	75.00	71.29
- Taffeta (million yards)	47.22	47.22	50.83
<b>The actual rate of increase in production (%)</b>			
- Nylon Chip (Ton)	31.93	23.46	-15.78
- Filament (Ton)	13.00	-3.74	-10.86
- Texture (Ton)	8.64	5.20	-4.58
- Taffeta (million yards)	0.00	-7.10	12.96

In 2021/2022 the proportion of products in each production stage used as raw materials to and sold to outsiders is as follows.

Product	Proportion (percent)	
	be used as a follow-up material	sell to outsiders
Nylon Chip	32.22	67.78
Filament Yarn	23.98	76.02
Texture Yarn	5.41	94.59
Fabric	-	-

#### Supplier and raw material (supplier)

- Caprolactam, in white flakes or clear liquid, is a petrochemical product made from raw materials such as cyclohexane, ammonia and sulfuric acid. Caprolactam's quality varies according to manufacturing technology and consistency of the product. The high-grade plant will have high production consistency and purity and is suitable for use as a raw material for producing ultra-fine fibers. The company uses medium quality caprolactam.

- Chemicals include Titanium Dioxide, chemical oil, dyestuff, and other chemicals

#### Source and distributor of raw materials

Caprolactam is the main raw material for the company's production, which accounts for more than 50% of total production cost. The company can purchase mainly from the Netherlands, Germany, Poland, and Japan. Currently, most raw material is supplied by Ube Chemicals (Asia) PLC (UBE) in Thailand.

#### Caprolactam material price in phase Five years ago.

Type	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018
Caprolactam (Baht/Kg)	69.08	46.24	38.65	59.05	61.41

**By :** Asia Fiber Public Company Limited.

Factors affecting the price movement of caprolactam in the global market are as follows:

- Caprolactam demand as the main raw material for primary and subsequent industries.
- Production capacity of raw materials used in producing caprolactam
- Oil prices in the world market and prices of raw materials used in producing caprolactam

Apart from caprolactam, the company obtains other raw materials such as Titanium Dioxide, chemical oil, and dyestuff from both international and domestic manufacturers for use in various manufacturing processes.

#### Problems with raw materials and the number of raw materials vendors.

Caprolactam is a commodity that is widely available in the world market. However, to control product quality, the company has tried to limit the number of raw material suppliers to three or four. Because of its sufficient capacity, the company has been able to plan and store them properly. Caprolactam from Ube Chemicals (Asia) Public Company Limited, a domestic manufacturer, can be delivered immediately. As a result, the company has reduced its raw material storage burden to only 2 weeks

Currently, the number of machines used in production is sufficient to generate economies of scale. However, due to technology development, some machines are becoming obsolete, and their production efficiency is less suitable for competitive conditions nowadays. Therefore, the company has begun upgrading its existing machines with technologies from around the world such as Germany, France, Italy, China, or Japan.

At present, the company also import good quality raw fabric from overseas to be dyed and finished at the company and sold in the domestic market or exported.

#### **(4) Assets used in business**

Land, buildings, and machinery as of June 30, 2022.

List	Location	Use Area	Purpose And Ownership	Average remaining period of use (Year)	Book value (Million Baht)	Mortgage on Assets
1. Land	Bangpoo Industrial Estate	105 rai + 120 sq.wah	Buy to build a factory	-	705.44	Free from any obligation
2. Building			Buy for be used to conduct business.			
2.1 Head Office	33/133-136 Surawong Rd., Bangrak, Bangkok	886 sg.m.		0.00	0.00	Free from any obligation
2.2 Factory	406-7 Sukhumvit Rd.,					Free from any obligation
- Factory Building	Bangpoomai Samut Prakan	32,458 sg.m.		0.00	0.00	
- Warehouse		5,128 sg.m.		0.00	0.00	
- Another Building		4,068 sg.m.		12.59	1.64	
3. Building Improvement Section			To use Business			
3.1 Head Office				0.00	0.00	Free from any obligation
3.2 Factory						Free from any obligation
- Factory Building				6.06	3.04	
- Warehouse				0.00	0.00	
- Another Building				0.00	0.00	

*\*\* The average remaining period of use is calculated based on the amount of the remaining book assets divided by their annual depreciation.*



Machinery and equipment as of June 30, 2022.

List	Machine life (Years)	Used Period (Years)	The capital price of an asset (Million Baht)	Book value (Million Baht)
1. Machine				
1.1 Filament Factory				
- Filament	5 - 15	1 - 50	692.63	27.57
- Filament (POY)	5 - 10	2 - 50	195.71	0.12
- Filament (FDY)	5 - 10	2 - 50	186.84	0.77
1.2 Texturing Factory				
- Texturing	5 - 15	18 - 50	208.26	0.40
- Yarn Dyeing	5 - 10	1 - 38	65.14	0.85
1.3 Taffeta Factory				
- Taffeta Weaving	5 - 10	31 - 38	267.62	0.29
- Taffeta Dyeing	5 - 10	2 - 38	323.25	0.08

Undelivered tasks

- None -

**The right of business**

The Board of Investment of Thailand (BOI)

- None -

Other Rights

- None -

### 1.3 Shareholding Structure

#### 1.3.1 Policy on operational organization within the group of companies.

The company has directors closely supervising the joint venture.

#### 1.3.2 Shareholding diagram of the group of companies that identifies the shareholding proportions and the voting rights.

##### Investment in companies with 10% of more of registered capital

Companies	:	Cryothai Company Limited.
Address	:	60/12 Moo 2 Phaholyothin Rd., Khlong Nueng, Khlong Luang, Pathum Thani
Telephone	:	0 2901 3700-4 Fax : 0 2901 3705
Registered as a limited company	:	0135546005105 Date 25 July 2003
Business Nature	:	Energy
Paid Capital	:	190,000,000 Baht
Issued and paid-in capital	:	as of 30 June 2022, 19,000,000 millions The value is 10 baht per share.
Total of shareholders	:	21 shareholders
Major shareholder	:	

Name	Shareholding	% Registered Capital
1) Lorkittivanich	10,712,857	56.38
2) Asia Fiber PCL.	2,850,000	15.00
3) Other	5,437,143	28.62

Directors	:	1. Mr. Sombhat Lorkittivanich 2. Mr. Terawat Techapongvorachai 3. Mr. Mongkol Mangkornkanok 4. Mr. Pira Sirikietsoong 5. Mr. Athtapol Lorkittivanich 6. Mr. Tira Sirikietsoong
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#### 1.3.3 Relationship with major shareholders' business.

- None -

### 1.3.4 Shareholders

Major Shareholders as of the latest closing date of share registered book September 30, 2021

No.	Name of Shareholders	No. of Shares Held	(%)
1.	Thailand Securities Depository Company Limited For Depositors	20,368,453	44.693
2.	Namchaisiri Holding Co., Ltd.	3,866,700	8.484
3.	Mr. Jul Namchaisiri	3,213,000	7.050
4.	Mrs. Ann Malakul-Na Ayuthaya	2,531,156	5.554
5.	Mr. Pipat Sirikietsoong	1,550,208	3.401
6.	Thai Industries Development Co., Ltd.	1,097,863	2.409
7.	Mr. Namchai Namchaisiri	997,456	2.189
8.	Thai Synthetic Textile Co., Ltd.	823,194	1.806
9.	Mr. Chen Namchaisiri	740,143	1.624
10.	Mr. Vira Sirikietsoong	672,111	1.475

### 1.4 Registered and paid-up capital

As of 30 June 2022, registered capital 1,000,000,000.00 Baht, paid-up capital 455,742,660 Baht, shares at par value of 10 Baht

### 1.5 Other Securities

- None -

## 2. Risk management

### 2.1 Risk management policies and plans

The Board of Directors recognizes the importance of Risk Management in the management and operational system, aiming to make risk management a culture of all workers, enabling the organization to achieve its core objectives and goals.

Therefore, in order to ensure that all organizations in the company have the same direction, the Board of Risk Management has decided to appoint a policy, qualifications, and responsibilities of the Board of Risk Management:

#### Policy of risk management

1. The company will operate its business under acceptable risk to ensure that the organization is able to drive and grow its business.
2. All executives and employees of the Company are responsible for risk management from the organization level, line of work, as determined by the Board of Risk Management.
3. Risk assessment that considers internal and external factors that may prevent the company from meeting its objectives, including financial risk, investment risk, product risk, raw material risk, sustainability risk, and new risks, etc.
4. The assessment of the impact and opportunities of the risks identified and the appropriate risk management means to maintain acceptable levels of risk.

#### Qualifications of the Risk Management Committee

1. The Risk Management Committee shall be appointed by the Board of Directors, consisting of at least three directors and/or executives of the Company. The Risk Management Committee shall appoint one of the Risk Management Directors as the Chairman of the Risk Management Committee.
2. The company has a strong understanding of the business and has direct experience in the business to establish risk management policies. In addition, the company will also be responsible for the implementation of risk management systems or procedures to minimize the impact to the proper business of a company.

#### Authority of the Risk Management Committee

1. Establish and review policies, frameworks for corporate risk management.
2. Supervising and supporting the implementation of corporate risk management in line with the strategy and goals a business warrant.
3. Creating a culture of awareness of risk management in an organization.
4. Consideration of corporate risk management results and comments on potential risks, including guidelines. In addition, the government has set measures to control or alleviate the situation and to develop a system for risk management. continuous performance.
5. Report the results of risk management to the Board of Audit and the Board of Directors, and In the event of any significant factors or events that may have a significant impact on the Company, it must be reported to the company faculty the directors of a company for the earliest notice and consideration.



6. Establish a framework and governance for risk management across the organization. If an organization-wide risk management policy is not appropriate, the Board of Directors must be presented to the Company's board of directors for approval to improve risk management across the organization.

## 2.2 Risk Factors

Aside from the financial risk factors included in the Notes to Financial Statements in the auditor's report, business risk factors can be described as followed:

1. **Product.** The company produces Nylon-6 material, which is relatively more expensive to produce than other synthetic yarns. Hence, there remains the risk of substitution by cheaper materials in some applications. However, with its special characteristics, Nylon-6 is still the principal material for certain applications such as socks, hosiery, tent, umbrella, fishing net, etc. This feature, combined with the rather limited production capacity and expansion, provides a relatively stable balance between demand and supply. The fact that new materials like recycled nylon and other materials like polyester were already utilized by the company, and developments on new products, including the investment on more flexible machinery to better respond to market requirement, helps mitigate this risk factor.
2. **Raw Material.** Raw material, Caprolactam, represents the largest portion in the cost structure. Hence, its price fluctuation and the timing of purchase is vital to the performance of synthetic yarn manufacturers. Recently the price of Caprolactam becomes highly volatile. The company's strategy remains to closely monitor the price movement, and to ascertain the price of each lot of raw material prior to delivery. Selling price would not be offered until the cost and quantity of the raw material is obtained. This way the company knows exactly the cost of each lot of product sold. It should also be noted that this risk factor was already mentioned by the company's external auditor in this year's auditor's report.
3. **Dumping of products from overseas due to reduced import duty.** Following government's policy to accelerate import duty reduction and restructuring, import duty of all company's product fell to 5%, in accordance with the product category. This rate is relatively low compared to competing countries, which encourages dumping from larger overseas manufacturers who are more capable and have cost advantages. Furthermore, trade conflict between the U.S.A. and China which led to the U.S. raising prohibitive tariff on Chinese products could prompt Chinese producers to divert their export from the U.S. toward other regions including ASEAN, raising supplies and competitions. Toward this risk, the company emphasizes production efficiency and reduction of resource consumption in order to be competitive on cost, while focusing on joint development with customers on new products that respond better to customers' need, and providing closer, quicker, and better services that are relatively hard to be matched by overseas competitors. At the same time, the company continues to seek, through this duty reduction, new sources of raw materials or semi-finished products that can be imported for finished goods production at lower cost.

- 4. Currency Risk.** The extreme volatility of the Baht recently had considerable impacts on many industries, e.g. apparel, shoes, furniture, food, etc., most of which had high proportion of their costs in Baht. The company's largest cost component is the raw material which is transacted in U.S. dollar for both the imported portion and the locally obtained portion, thus the risk level in this area is low. Furthermore, the export revenue each month closely matches the raw material purchase, further minimizing the outstanding risk. Nevertheless, the company exercises due care, and closely monitors the movement during high fluctuations, and executes forward transactions for the net exposure between revenue and expense in order to keep balance. This measure is effective and incurs minimal expenditure.
- 5. Personnel Risk.** During the past few years, many of the company's executive personnel had reached retirement age, posing a risk of loss in experience, knowledge, and work efficiency. This industry, meanwhile, cannot attract top level personnel from educational institute or other industries. Realizing this risk, the company has tried to build successors from within the organization. In cases where successors are not ready to take the helm, postponement of retirement was granted with agreement and cooperation from retiring personnel who remain healthy and are willing to work.
- 6. Business Risk.** Business risk includes risk of compliance to laws and regulations, product risk to consumers, risk of reputations, etc. The company has set up the Risk Management Committee to oversee this risk factor, and to ascertain that the Company follows the corporate risk abatement objective.
- 7. Health Risk related to Covid-19 and Emerging Disease.** The Covid-19 pandemic prompted the company to deploy measures preventing infected person/persons to enter the office or factory premise, i.e. mandatory face mask and temperature check for everyone at the entrances. Social distancing is naturally observed as the number of employees is greatly reduced. In order to effectively separate infected employee from non-infected employee, the company provide the Antigen Test Kits and Blood oxygen level meter for periodic testing. For those employees who are sick or symptomatic, a medical team is standing by around the clock for identifying and quarantining potentially infected person for further steps. Currently, Covid-19 is close to being declared an endemic, and the symptom of the current strain is not severe, the risk factor is therefore reduced. Moreover, annual health check-up by certified health service provider is arranged for every employee.

Risk	Type	Chance	Impact	Risk Factor before measures	Risk Mitigation Measures	Risk Factor after Measures
Product	Operation	3	4	$3 \times 4 = 12$	New material, product	$2 \times 2 = 4$
Raw Material	Finance	3	3	$3 \times 3 = 9$	Purchasing, quoting	$2 \times 2 = 4$
Dumping	Finance	2	3	$2 \times 3 = 6$	Constant monitoring, improve cost	$2 \times 2 = 4$
Currency	Finance	3	3	$3 \times 3 = 9$	Quoting, hedging	$2 \times 2 = 4$
Personnel	Operation	4	3	$4 \times 3 = 12$	New recruits, tenure extension	$2 \times 2 = 4$
Business	Compliance	2	3	$2 \times 3 = 6$	Risk management committee set up	$2 \times 2 = 4$
Health	Operation	4	3	$4 \times 3 = 12$	Detection, Protection, and Health Check-up	$3 \times 1 = 3$

### 3. Business Sustainability Development

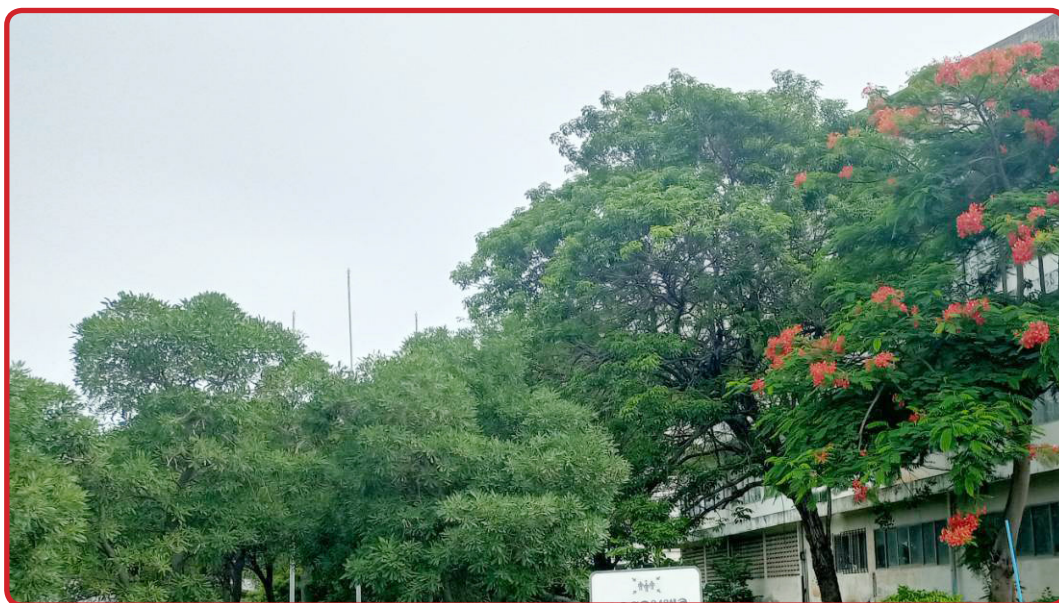
#### 3.1 Policy and objectives of sustainable management

The company realizes that, in order to continue business sustainability, framework and direction of cost reduction and production efficiency must be instilled through systematic management of raw material, energy, and water consumption, with regards to impact on environment and community. These are arranged into policies and concepts as follow:

1. Creation of product value and economic impact - Core Value.
2. Reduction of impact on environment and society - Environment Policy.
3. Creation of social value and reduction of impact on health in workplace - Safety, Health, and Environment in the Workplace Policy.
4. Reduction of global warming effect - Energy Policy.

Each policy is systematically and continuously deployed, benefiting customers, employees, community, and suppliers.

1. The Company implemented environmental management according to ISO 14001 standards and has always been certified by a Certification Body.
2. Wastewater has always been systematically controlled and treated according to the standards of Bang Poo Industrial Estate.
3. The Company set a goal to conserve groundwater, the main source of water for the factory, by recycling 9000 cu.m. per month.
4. The Company implemented energy management system according to ISO 50001 standards and sets a target of 3% reduction every year (compared to the SEC of base year).
5. The Company successfully controls air pollution to comply with the law by constantly fine-tuning the boilers to produce less exhaust gas than what is allowed by the law.
6. Reduce CO<sub>2</sub> emission by introducing environment-friendly products such as recycled nylon yarn, and environment-friendly production process such as producing dope-dyed yarn using color master batch instead of exhaustion dyeing.





### 3.2 Management of impacts on stakeholders in business value chain

#### 3.2.1 Business value chain

The managements of quality, energy, and environmental system are certified by ISO9001, ISO14001, and ISO50001, and serve as an important foundation toward a well-structured, responsible, and clearly targeted business process that is highly effective through continuous practice.

1. The execution is well structured and closely monitored by high-level executives, with section managers as committee members. Continuously for more than 25 years, implementations in marketing, cost control, administration, quality and environment, clean technology, and energy are steered and monitored in monthly or quarterly meetings as deemed appropriate, where corrections and improvements were discussed, summarized, and followed-up in the next meeting.

2. Each section is required to set objectives, with Key Performance Index to measure level of success in creating tangible impact on products, environment, and cost saving.

3. Target and results from implementations are evaluated according to objectives. Production refinements and other modifications have been made throughout the company's history, and organized as knowledge management that can be accessed by employees through the company's intranet.

4. Risk assessment and monitoring is an important mechanism for protection and inspection. The company provides risk assessment training for both operation and safety continuously. For fraudulent, financial, and accounting, the company appoints Re-Add Co., Ltd. to perform quarterly internal audit. Core product sections receive audits on quality and environment 3 times a year by well-trained personnel.

5. Compliance with product regulations and code of conduct that has impact on sustainability are:

- a. Oekotex Standard 100 by Swiss Testex
- b. Carbon Footprint by TGO (Thailand Greenhouse Gas Management Organization)
- c. Water effluent BOD by soil testing
- d. Safety and health in workplace
- e. Annual check-up for employees
- f. Safety audit and safety equipment readiness for accident prevention
- g. Drug tests

The management of production factors in a concise manner, such as land, labor, or capital for business, and the nature of relationships. Ref. Part 1, Section 1.2.2 No.(4)



### 3.2.2 Analysis of stakeholders in the business value chain

The company's stakeholders include customers, employees, suppliers, shareholders, environment, and community.

**Customers** The company values customers by delivering quality products from the ISO9001 certified production of international standard. Services are rendered equally to large or small customers. Pricing is fairly determined by market condition. Satisfaction surveys are performed annually. Complaints and suggestions were openly welcome and used to improve products and services in response to customers' demand. This practice is in compliance with fair business conduct and responsibility to consumers.

**Employees** The company provide lodgings for employees from up-country, as well as transportation's to and from work for local residents. Interest-free loan is provided for personal necessities. Trainings in work skill are provided regularly, including scholarships for employees wanting to further their education. Even during economic hardship and loss-making years, bonuses are still disbursed according to company's ability, and there has been no laying off. These practices adhere to human rights recognition and fair treatment to work force.

**Suppliers** Suppliers and service providers are treated well. The company is highly admired by its punctual payments. This practice complies with fair business conduct.

**Shareholders** The company was highly ranked in its openness in shareholders meetings. Factory tours are arranged regularly. The company also puts hard effort to create profits and to offset accumulated loss so that dividend can be resumed.

**Environment and Community** Having realized the impact on environment from its production activities, the company employs international standards to care for environment and mitigate the impact by continuously control and prevent pollution's:

1. Environment Management Standard (ISO 14001) assesses both resources utilization and environmental impact from every process of work. KPI for each department is set and protection plan is devised to minimize impact and prevent recurring. This process is continuously monitored and followed up every quarter.

2. Clean Technology is used to minimize resource consumption, such as recycling of used water, collection of rainwater to supplement water supply, RO process for de-mineralized water production. A committee is set up to monitor releases of waste and overuse of resources every month, to find the root causes, and preventive measures.

3. Energy conservation projects are done continuously, which include, so far, energy saving lightbulbs, high-efficiency motors, waste heat recovery, etc. New ideas are still forthcoming from small group activities.



4. Raw material recovery process from extraction wastewater boost material utilization rate as well as protect the environment.
5. Employee energy awareness campaign is done continuously which includes exhibitions and contests every year.
6. Paperless document system reduces paper consumption.
7. Introduction of Environment-friendly products, such as dope-dyed nylon yarn that does not require dyeing, lessen energy consumption and water treatment process.

### 3.3 Management of environmental sustainability

#### 3.3.1 Environmental Policy and guidelines

Realizing the importance of environment, energy conservation, and natural resources toward sustainable manufacturing, the company is determined to:

1. Comply to environmental laws and regulations of Thailand
2. Strive for pollution protection and continuous improvement to reduce production wastages
3. Strive to reduce energy and water consumption through cleaner technology
4. Communicate this policy to all employees and the general public
5. Set up objectives and goals to achieve this policy effectively, and provide for periodical reviews of such objectives and goals

#### Energy Policy

The company is committed to optimum energy conservation in every part of the organization, with the ISO 50001 Energy Management Standard as out target. The company introduces the following energy management systems to all units in order to minimize global warming effect, and to attain continuous and sustainable effectiveness in energy conservation.

1. Properly develop and execute energy conservation systems as a part of company's operation, in compliance with the relevant laws and regulations.
2. Improve energy efficiency continuously and appropriately according to the usage, technology, and best practice.
3. Set plan and target for energy conservation each year and communicate to all employees for understanding and correct execution.
4. Energy conservation is considered the responsibility of employees at all levels to cooperate, in compliance with the laws and relevant regulations, and all efforts are monitored and reported to management.
5. Procurement of machinery, tools, production equipment, and services will be made with consideration on their energy efficiency.
6. Support energy development initiatives with necessary human resource, budget, work hours, training, and participation.
7. Energy policy, plan, and targets are to be reviewed and improved each year whenever there is change in production process or revision of energy management system as appropriate.

#### Energy target

Energy is a significant resource in the production process. In addition, energy prices are increasing continuously. For the company to compete sustainably, the energy policy of effective energy conservation is key to cost reduction. The Company has set targets for energy conservation by reducing energy consumption by 3% per year compared to the base year average using the amount of energy per unit of production as index.

### 3.3.2 Environmental operating results

From a long experience with only Nylon as main material, the company realizes the risk of material, energy, and water shortages in the future. Therefore, joint research on other synthetic materials were conducted on Polyester, PBT (Poly Butyl Terephthalate) from recycled plastic bottles, PLA from corn starch to create variety and lessen environmental impact at the same time.

#### Environmental Impact

The company's environmental impact will be from water pollution caused by dyeing only. The company send its wastewater mainly to Bangpoo Industrial Estate's central wastewater treatment system, but the company also installed a Pre-treat system to filter the water before sending. The Industrial Estate samples the water every week. The samples are analyzed, and the treatment charge will be calculated according to the rate of level of contamination.

In addition, some of the used water is recycled through reverse osmosis and combined with rainwater collected to reduce cost and environmental impact.

#### Power Management Report

The company has set up an Energy Management Working Committee to look after the Energy Management annual report as required by the Ministry of Energy. They are also responsible for energy auditing every year, showing production capacity vs actual production of each product, electricity, fuel, natural gas, steam, and renewable energy consumption, water, waste, pollution control, and the result of greenhouse gas reduction, etc.

The Energy Management Working Committee has appointed an in-house energy management monitoring and evaluation team since 2013 to ensure that the work on energy management continues to be efficient and effective.

Every year, meetings and seminars are held to assess the achievement on energy management, and announced through Intranet, signage, booklets, pamphlets, etc. to ensure that all employees understand and comply with government's energy conservation policies for registered buildings and factories. The assessment of energy conservation capabilities are as follows:

1. Corporate level assessment
2. Product level assessment
3. Machinery level assessment

The Board of Directors recognizes the importance of the change in environment, especially regarding global warming, i.e. energy, water, garbage, waste, pollutants management, environment-friendly products, and clean technologies. Hence, policies, projects, activities that provide solutions to greenhouse gas reduction are devised. Data is being collected as basis for the implementation in the following years.

#### Power Management

The Company manages energy efficiently according to standards, through human resources, financial resources, enabling policies and orderly planned work procedures, resulting in the achievement of targets, evidenced by the ISO 50001 certification for more than 6 years. In 2021/2022 fiscal year, the Company was successful in reducing electricity and thermal energy in the production process by 204,240 kWh out of 16,880,000 kWh, representing a saving of 727,094 Baht or 1.21% compared to fiscal year 2020/2021.



### Water management

To enhance the water usage efficiency, the Company was able to decrease ground water consumption by focusing on maintenance of the water distribution network and using recycled water in the production process. Used water is recycled through reverse osmosis (R/O) process and demineralization process, and, in 2021/2022 fiscal year, accounted for 139,481 cu.m. of the total of 381,262 cu.m. total water used, or 36.58%, a saving of more than 200,000 cu.m. of ground water.

### Waste and pollution management

The Company handles waste and pollution in accordance with the 3R principle (Reduce, Reuse, Recycle). Effective sorting system is employed, along with an effort of raising awareness and participation with all parties involved, with the aim to reduce disposal by landfilling. In 2021/2022, the Company had 59,235 kilograms of waste, splitting into 52,000 kilograms of non-hazardous waste and 7,235 kilograms of hazardous waste. Moreover, the Company measures environmental quality index in and around the workplace at least once a year. In 2021/2022, air quality, smell, noise, and light were within the legal limit. Also, there was no case of chemical leaks from business operations.

### Greenhouse Gas Reduction Management

The Company helps promote environmental conservation by introducing recycled nylon yarn with certification from Global Recycle Standards (GRS), using dyestuff and chemicals certified by Zero Discharge of Hazardous Chemical. In the production process, the Company also emphasized minimal adding of dyestuff and chemical to further reduce consumption of chemical and energy in accordance with the recycling principle of Circular Economy. (Data on recycled raw materials is being obtained.)

In addition, the Company is implementing a Solar Rooftop project which will compliment power purchased from the power grid. This Solar Rooftop project produces 995 kWh during peak time, and will support business sustainability model adopted by the Company.



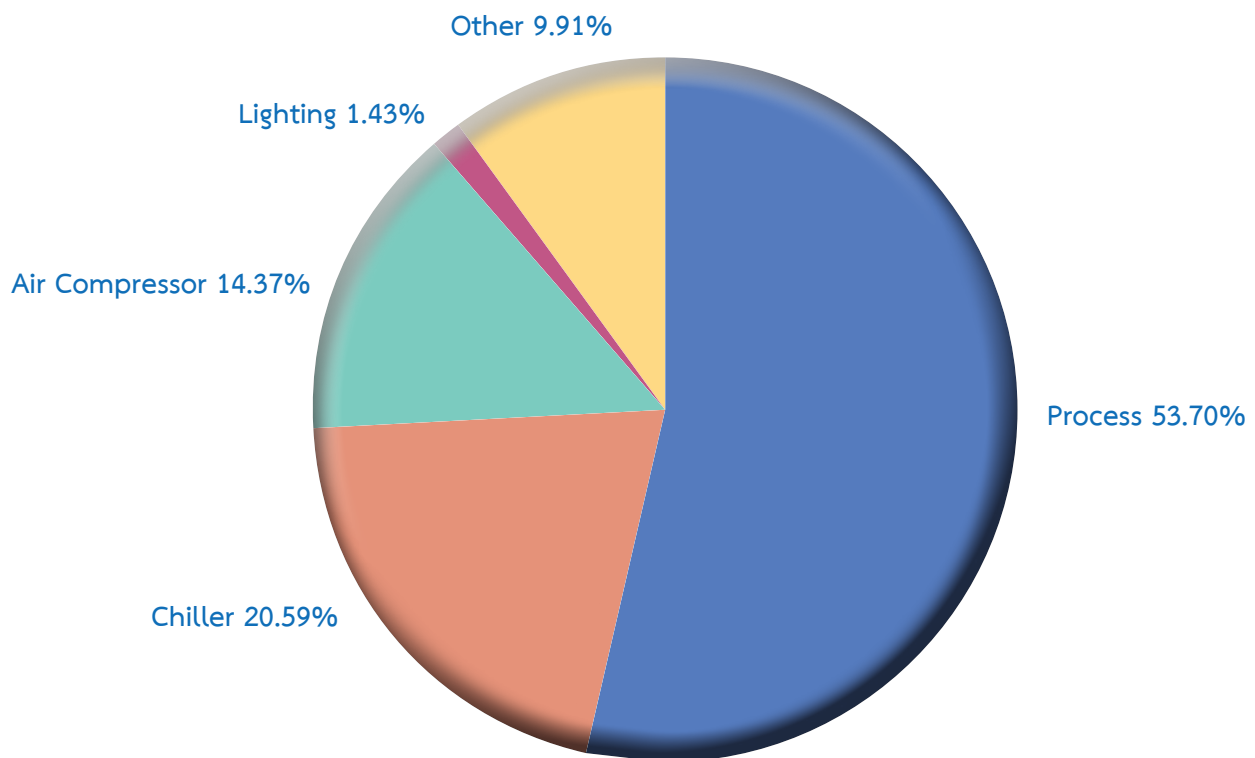
### The proportion of electric power consumption by system in 2021

System	The use of electricity	
	kW-hour/year	%
Manufacturing	9,065,312	53.70%
Cooling	3,475,880	20.59%
Compressed air	2,424,854	14.37%
Lighting	241,782	1.43%
Others	1,672,172	9.91%
Total	16,880,000	100.00%

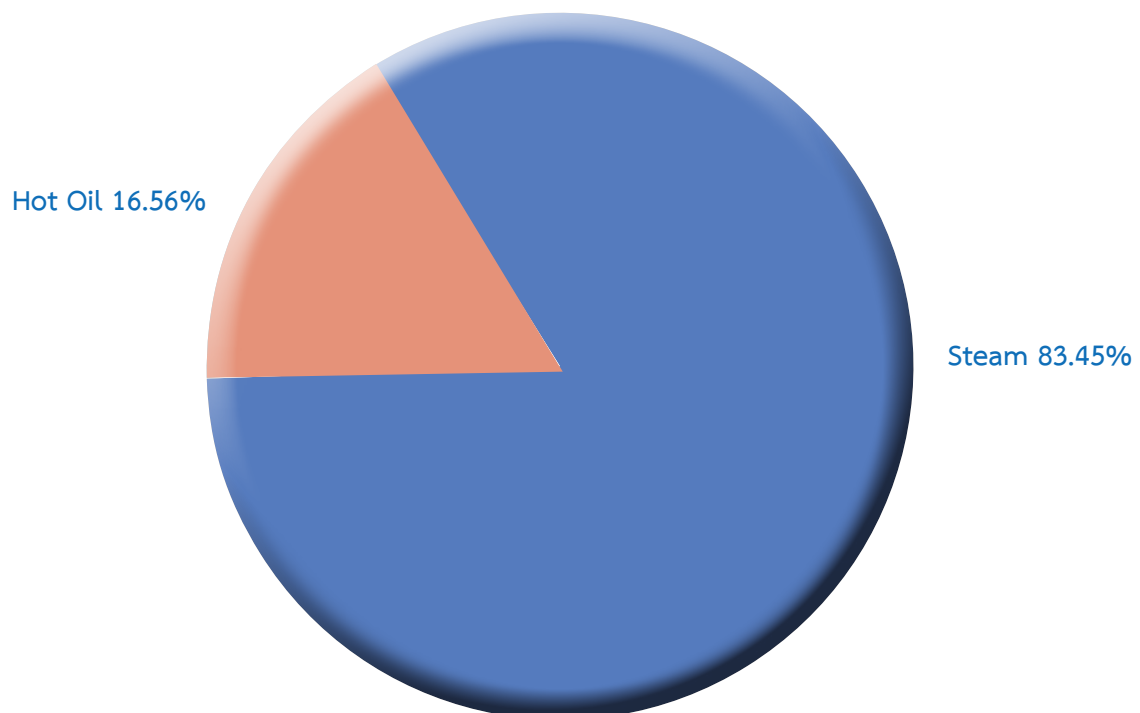
### The proportion of fuel consumption by system in 2021

System	Device	Fuel consumption		
		Fuel type	MJ / Year	%
Steam	Steam boiler	Natural gas	95,398,723	62.30%
Steam	Steam boiler	Coal	32,383,347	21.15%
Hot oil	Hot oil boiler	Natural gas	25,357,403	16.55%
Total			153,139,473	100.00%

The proportion of electricity consumption in 2021



Fuel consumption ratio in 2021



### Schedule of energy conservation training for the year 2021

No.	Course	Group Attendees Activity	Number of trainees	Months												Person in charge
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
1.	Review of operation procedure for water chiller, air compressor and steam generator	Employees in Utilities	10									/	/	/		อดิศักดิ์ มีแสง
2.	Energy conservation in electricity and steam generation	Employees in production line	40							/						นันทวัน เพ็ญศรี
3.	Review work instruction for conservation of energy in case of air, steam, and chilled water leakage	Employees in production	50					/		/		/	/	/		ฝ่ายในลอน เส้นด้าย ผ้าผืน

### Activities to promote the Department of Energy Conservation in 2021

No.	Activities	Group Attendees Activity	Number of trainees	Months											
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1.	Public relations disseminate information to employee	Staff of all levels	200			/			/			/			/
2.	Safety activities, energy conservation and ISO 9000, 14000, 50001 system	Staff of all levels	200												/



### Implementation plan for energy conservation measures in phase Three years from now.

No.	Measures	Purpose	Person in charge
1.	Installation of 1 MW Solar Rooftop	Saves electricity	Electrical section
2	Improve steam boiler blow-down	Saves steam usage	Utilities section
3	Replace damaged steam-pipe insulation	Reduces steam leakage	Utilities section
4	Maintenance of chiller's condenser	Saves electricity	Utilities section
5	Maximum condensate recovery	Saves water usage	Utilities section

### 3.4 Sustainability management in the social dimension

The company's policies and practices are in accordance with the laws and regulations concerning social management. The business process, with respect for human rights, is:

#### 3.4.1 Social Responsibility Policies

1. To conduct business without using labor by force, detention, or coercion.
2. No child labor.
3. Promote freedom and welfare by complying to the resolutions of the Company's Welfare Committee.
4. Abide by the Labor Protection Law, 1998.
5. Promote employees' safety and health according to the policy on safety.
6. Fair treatment for all employees without discrimination or violation of personal rights.
7. Wages, work hours, and work conditions are explicitly stated and invariably executed.

#### 3.4.2 Social performance

##### 1. Human rights and labor practices

The Company complies with the principles of human rights and labor, which are defined in social policy, from employment to employee care, so that all employees can feel connected and love the organization. In the fiscal year 2021/2022, following activities are conducted:

##### Employment

On June 30, 2022 the number of employees by type of employment as follows:

Employment Type	Number of Employees		
	Male	Female	Handicapped
Regular Employee	160	212	Male 2 Female 3
Daily worker	19	20	-
Total	179	232	5

Number of employees entering and leaving as of June 30, 2022

Department	In	Out	Retired
Office Management - Factory	3	3	1
Finance & Account department	1	-	2
Business department	-	-	-
Purchasing department	1	-	-
Information Technology department	-	-	-
QC – QD department	4	1	1
Engineering department	6	7	-
Nylon Production department	4	6	1
Texture Yarn department	3	6	7
Fabric department	-	-	-

### Information about employees

The Company has 377 employees as of June 30, 2022, with officers and employees at both the executive and operational levels in the main line as follows:

- Office Management – Factory	60	person
- Finance & Account department	9	"
- Business department	10	"
- Purchasing department	2	"
- Information technology department	6	"
- QC- QD department	22	"
- Engineering department	47	"
- Production department.	221	"

In addition, the Company has paid the annual salary, hard work reward and bonus. In the past year, the following remunerations have been paid.

- Salary, hard work bonus, total.	102,355.902.88	Baht
- Bonus	7,554,208.50	Baht

## 2. Safety, Health, and Environment in the Workplace Policy

The company is concerned about the safety for life and well-being of employees at work, and endeavors to promote better work environment, safe work procedures, and being free from work-related accidents and diseases by

1. Promoting safety activities, and improvement of workplace and environment
2. Providing appropriate tools and protection equipment for work
3. Having employees aware and mindful of the safety of their own, their co-workers, and company's assets while they perform their work
4. Stressing that all employees must cooperate in preventing accidents, and maintain order and cleanliness of their workplace
5. Stressing that all employees work safely according to the company's regulations on "Safety and Health", and have the right to suggest improvement for safer workplace and work procedure

Since the outbreak of the COVID-19, the company has announced guidelines and measures to prevent the spread of the virus. It has provided screening points for temperature, gel, alcohol, hand sanitizes, masks, non-food items, company vehicles, transportation vehicles, and Big Cleaning, Covid-19 disinfectants spray, were administered at both the headquarters and factories every week. In 2021/2022, a total of 2,207 ATK tests were performed.

The number of employees who suffered from work accidents during July 1, 2021 – June 30, 2022

Department	Number / person
Office Management - Factory	1
Finance & Account department	-
Business department	-
Purchasing department	-
Information Technology department	-
QC – QD department	-
Engineering department	-
Nylon Production department	1
Texture Yarn department	2
Fabric department	-

An insurance survey was conducted by the Insurance Company on April 1, 2022.

### 3. Participation and community development

The company participated in researching and developing waterproof nylon fabric to produce PPE kits for doctors and nurses. The developed fabric passed the test and the Company obtained certification from Thailand Textile Institute (THTI). The PPE kits made from these fabrics were donated to personnel in medical facilities throughout the country.

Every year, the company joins the Bangpoo Industrial Estate Office in the project to conserve mangrove forest restoration. A canal whose water flowed into the sea was also restored to its prime condition.

The company continues along the ISO14001 policy by carrying out “This Bin for Young People” activity that promotes waste collection in designated bins to be sold, and the proceed donated to the poor and underprivileged children at various institutions.



The Company also joins the campaign to reduce plastic bag by producing waterproof nylon bags for sales to employees at minimal price.

To continue Thai traditions and culture, the company makes annual merit at the factory and at a temple every year.

The company received a certificate and a plaque honoring the organization's cooperation in promoting moral, ethics, and discipline for students of the 6<sup>th</sup> class Dual Vocational Training in the special zone (to support the educational fund project) from the Development, Promotion, Coordination Center for student affairs, Office of Vocational Education Commission, Ministry of Education.

The staff regularly donate blood every three months.

The Company supports magazines advertising and participates in golf and bowling tournaments organized by trade institutions and associations such as the Federation of Thai Industries, Thailand Man-made Fiber Association, Thai Man-made Fiber Industries, Employers' Confederation of Thai Trade and Industry, etc.

The Company donates gifts for local activities and charity events such as the Children's Day, Bangpoo Police Station, Samutprakan Red Cross Fair, bowling and golf tournaments for various associations.

#### **4. Responsibilities to Customers, Business Partners, and Consumers**

**The company recognizes the right of every stakeholder as follow:**

**Employees** provide training for advancement with the company, provide a safe and secure work atmosphere, provide proper remuneration and welfare, and enhance good working relations.

**Business Partners and Competitors**

Fair treatment in contracts, no taking advantage through false representations or cover-ups, no unethical moves to destroy competitors.

**Customers** The company focuses on quality of products and services, fair prices, and maximizes customers' satisfaction.

**Auditors** The company cooperates with the CPA in the disclosure of information accurately and transparently.

**Government** The company is firm in abiding by the law and government's regulations, and cooperates fully with government sectors.

#### **5. How to operate objectively**

##### **Business Ethics**

The company instructed the directors to comply with good practices for listed company's directors, according to the Stock Exchange of Thailand. Directors are aware of their role, duty, and responsibility to use their ability and experience to the benefit and ethics of the company's business. They also must dispose their duty truthfully in compliance with the laws, objectives, company's regulations, and the resolutions of the shareholders' meeting within the company's and shareholders' best interest.

##### **Conflict of Interests**

The company has taken prudent care to prevent conflict of interests in its approval process involving associated or related parties by adhering to honesty, rationality, independence, and transparency for the overall benefit of the company, and in compliance with the principles laid down by the Stock Exchange of Thailand, the Securities and Exchange Commission, company's regulations, and related laws. Furthermore, the company takes care not to allow directors, management, employees, or related persons to disclose or use inside information to their own benefit. Trading of company shares by directors and employees are also disallowed within one month prior to the release of financial statements. In meeting deliberations, persons with conflict of interest in the subject will not be allowed to attend or vote.

## Shareholders' Right

The Board of Directors realize the duty to protect the interests of big or small shareholders fairly according to their rights. Shareholders are encouraged to exercise their rights to protect their interests by voicing their opinion, suggestions, and voting in the shareholders' meeting, and by taking part in major decisions and changes. They are all accorded with accurate, complete, and equitable information and disclosure.

The Annual General Shareholders' Meeting is held within 4 months after the fiscal account closing date. The notice for the meeting is both sent to each shareholder individually and displayed on the company's website prior to the meeting. ([www.asiafiber.com](http://www.asiafiber.com))

Furthermore, shareholders are given the opportunity to add meeting agenda, or propose candidates to be elected company directors, by requesting such agenda to be included in the Annual General Shareholders' Meeting.

## 6. Compliance with environmental standards

### Community, Society, and Environment

The company conduct business as a good citizen with duty and responsibility to the community, society, and environment, with emphasis on pollution control and continuous improvement of the environment.

### Employee training

In 2021/2022 the company arranged 25 training courses such as corporate carbon footprint, corporate resource management (ERP), automation and technology production efficiency activities, PDPA, Personal Information Protection Act, A Better World in the Nest Normal, etc. And online seminars by various organizations such as the Stock Exchange of Thailand, Federation of Thai Industries, Institute of Textile Industry Development, Industrial Estate Authority of Thailand, Office of the Board of Investment (BOI), Energy Conservation Center of Thailand, Department of Skill Development, etc.

The company aims to provide 100 percent Lean Manufacturing training to reduce production and operational losses and reduce the environmental impact on the health of employees and communities, which can reduce Waste from production and improve the working environment to a satisfactory level.

The company has a policy to encourage employees to learn new things and demonstrate their value through various training and improvement programs. The company will send employees to train, seminars, and visit factories to improve their knowledge and experience, as well as encourage employees to demonstrate their skills such as suggestion, ERP system and awarding of Walk Rally activities, exhibition week, and campaigns such as activities. 5 The campaign to reduce global warming, sorting out waste, training on energy conservation and energy consumption, etc.

### Education and field visit support

Support expenses for employees who wish to continue their studies in their respective fields in order to advance their career and benefit the company.

To visit factories that sell raw materials such as Ube Chemical Public Company Limited (Asia), Rayong Province, Asia Co., Ltd. Industrial in Nakhon Pathom Province and the National Safety and Occupational Health Fair at BITEC Bangna Exhibition Centre, etc.

In addition, the company also supports and encourages employees to study the production process at domestic and international textile industries.

Each year, there are at least 20 students from various educational institutions, both professional and university. The company supports lunch and free accommodation for all trainees.

Faculty members from institutes such as universities that have courses on synthetic fiber production will be able to see the production process or energy management system so that students can see the process of synthetic fiber production in real-world production sites



The company supports employees' potential development, exploring new things, and presenting their talents through training and work improvement projects, by providing a library, off-site seminars and factory visits. The company also provides opportunities for employees to present their ability and ideas through suggestion system, prize money, walk rally activities, exhibitions, and various campaigns.

The development of the mind and moral is also enhanced by providing sermons by priests on a regular basis.

As Asia Fiber Public Company Limited is recognized as a completely integrated textile processor, Thailand Textile Institute made a request to organize a study tour of the AFC factory on July 5, 2022, for Indian students from College of Community Science, Tura, Meghalaya, Central Agricultural University, Imphal, Manipur, India. The study tour included a presentation of the synthetic textile manufacturing process and a walk-through of the facility, which gave an eye-opening experience with knowledge and understanding of the real business to the students.

Aside from those set by laws, the company provides various additional welfares beyond basic salary, i.e., living allowance, retirement pension, yearly bonus, prize money for attendance, outstanding employee awards, and cost reduction efforts, uniforms, transportation to and from work, dormitories with free electricity and water, free rice 4 times a day, sports facility, clubhouse, cooperatives, etc.

The company also provides interest-free financial aids to employees twice a year, and stipends for social functions such as wedding, childbirth, school fee, sickness, accidents, ordainment, death, etc.

The company has a policy to hire handicapped and over 60-year-old persons in appropriate jobs in order to reduce burden to their family, and to help them live meaningfully and happily within the society.

As the company realizes around-the-clock safety for employees, group life and accident insurance is provided by the payroll trust system.

To enhance safety in workplace, fire drills are conducted regularly. Structures and workplace including infrastructures and safety equipment's are amply provided, and monitored for correct usage.

To enhance employees' health, annual check-up is provided to all employees. Medical fees for both in-patient and out-patient treatments are partial provided in addition to the infirmary with staff around the clock.

For physical fitness, the company supports intra-company sports activities regularly.

For religions and community support, the company is active in yearly merit making to nearby temples, community centers, orphans, disabled, and senior organizations, e.g., SOS Children's Village of Thailand, Samutprakarn, Siri Wattana Cheshire Foundation, Rangsit Babies Home, Poh Teck Tung Foundation, etc.



## 4. Management Discussion and Analysis : MD&A

Unit : Thousand Baht

	2022	2021	Diff. (%)
Net Sales	1,031,017	755,065	+36.55%
Export	811,714	595,553	+36.30%
Gross Profit	72,905	67,336	+8.27%
Selling Expense	40,613	31,352	+29.54%
Administrative Expense*	17,970	16,623	+8.10%
Other Income**	12,903	7,735	+66.82%
Interest Expense	1,401	359	+290.66%
Net Profit (Loss) After Tax	29,672	40,955	-27.55%
Net Profit (Loss)/Net Sales	2.88%	5.42%	
Account Receivable Trade	156,064	149,890	+4.12%
Inventory	289,015	183,196	+57.76%
Current Ratio	3.76	5.11	
Quick Ratio	1.65	2.95	
Debt/Equity Ratio	0.25	0.22	

\* Includes inventory write-downs and other expenses except interests

\*\* Excludes foreign exchange and sales of assets gain

Net sales this year surpass 1 billion Baht mark for the first time since 2014 as a result of the world economic recovery following the abatement of the Covid-19 pandemic from the beginning of 2021 until now. The significant increase in market demand together with the weakening of the Thai Baht are the main reasons for more than 30% increase in total sales this year with similar growth in both export and domestic sales. The ratio of export to domestic sales is 78.7% to 21.3%, very similar to last year's ratio. Nevertheless, the fighting in Ukraine which erupted in February this year sent the prices of natural gas and crude oil soaring, with similar effect on the price of Caprolactam, the main raw material for Nylon, resulting in a somewhat subdued gross profit despite the strong growth of sales. On expense side, the selling expense, consisting mostly of freight, commission, and export related expenses continues to grow following the increase in export sales, while administrative expense, mostly related to domestic factors, remains essentially the same as last year.

On other items, other income shows a significant increase of approximately 4 million Baht from last year due to the rent income from the factory-for-rent project which is almost fully occupied. Interest expense this year is significantly higher than last year due to the increase in the usage of trust receipt financing for the purchase of raw materials instead of cash per previous practice. The net profit is lower than last year despite higher sales and gross profit due to the fact that there was a 15 million Baht

gain from selling short-term investment units included in last year's net profit. These investment units were the instrument for managing excess liquidity which were sold to provide funding for the factory-for-rent project, resulting in the booking of investment gain as profit last year. For this year, there are only some gain from the disposal of old machinery which is significantly less in value.

On assets structure, account receivables show a slight increase from last year despite much higher sales as a result of credit policy and collection efficiency. Export sales are mostly on L/C at sight or payment before delivery term. Inventory, on the other hand, shows a significant increase from last year due to the rising trend of raw material price, hence the need to stock up, and the rise in finished goods in store for sales due to less flexibility that comes with the dedication of one production line for the chip tolling project.

On financial structure, liquidity is apparently less than last year. Current ratio and quick ratio are significantly lower due to the reduction in liquid assets such as bank deposits and short-term investment units while the current liabilities such as trust receipts and payables rise due to above-mentioned reasons. However, the ratios remain in the generally acceptable range, and still show a strong financial standing.

Asia Fiber Public Company Limited

## Statements of Comprehensive Income

For the year ended June 30, 2022

(Unit : Thousand Baht)

Description	2019/2020		2020/2021		2021/2022	
	12 Months		12 Months		12 Months	
	Amount	%	Amount	%	Amount	%
Revenue						
Revenue from sales	552,048	95.73	740,634	95.79	987,778	94.33
Revenue from services	21,166	3.66	14,430	1.86	43,239	4.12
Other income	10,335	1.80	23,478	3.05	17,619	1.69
Share of profit (loss) from investment	(6,883)	(1.19)	(5,383)	(0.70)	(1,494)	(0.14)
Total Revenue	576,666	100.00	773,159	100.00	1,047,142	100.00
Cost and Expenses						
Cost of sales and cost of services	584,733	101.40	688,188	89.01	958,027	91.49
Administrative expenses	34,631	6.01	47,733	6.17	59,533	5.69
Finance costs	229	0.04	359	0.05	1,401	0.13
Income tax expenses (revenue)	981	0.17	(99)	(0.01)	3,149	0.30
Loss (gain) on exchange	(1,179)	(0.20)	(3,977)	(0.51)	(4,640)	(0.44)
Cost and Expenses	619,395	107.42	732,204	94.71	1,017,470	97.17
Profit (loss) for the year	(42,729)	(7.42)	40,955	5.29	29,672	2.83
Basic earning (loss) per share	(0.94)		0.90		0.65	
Ordinary share par value (Baht)	10		10		10	
Issued and paid-up share capital	45,574,266		45,574,266		45,574,266	

# Statements of Financial Position

For the year ended June 30, 2022

(Unit : Thousand Baht)

Description	2019/2020		2020/2021		2021/2022	
	12 Months		12 Months		12 Months	
	Amount	%	Amount	%	Amount	%
Current assets						
Cash and cash equivalents	128,544	8.76	110,404	7.61	67,911	4.43
Investment in securities available-for sale	246,496	16.80	4,933	0.34	0	0.00
Note and trade receivables	104,114	7.10	160,436	11.05	171,902	11.21
Short-term loan	987	0.07	2,487	0.17	2,487	0.16
Net inventories	179,611	12.24	204,847	14.12	311,647	20.33
Total current assets	659,752	44.97	483,107	33.29	553,947	36.13
Non-current assets						
Investment in associates	24,184	1.65	18,802	1.30	17,308	1.13
Other long-term investment	500	0.03	500	0.03	500	0.03
Investment properties	42,462	2.89	301,855	20.80	302,125	19.71
Property, plant and equipment	738,616	50.35	644,841	44.44	657,274	42.87
-	-	-	-	-	-	-
Other non-current assets	1,351	0.09	2,008	0.14	1,921	0.13
Total non-current assets	807,113	55.01	968,006	66.71	979,128	63.87
Total assets	1,466,865	99.98	1,451,113	100.00	1,533,075	100.00
Current Liabilities						
"Bank overdrafts and short-term loans from financial instituions"	83,389	5.68	36,603	2.52	71,698	4.68
Trade and other current payables	52,882	3.61	57,454	3.96	75,181	4.90
Other current financial liabilities	136,271	9.29	94,057	6.48	146,879	9.58
Non-current Liabilities						
Deferred tax liabilities	111,561	7.61	108,440	7.47	108,537	7.08
Non-current provisions for employee benefit	53,267	3.63	53,989	3.72	53,620	3.50
Other non-current liabilities	910	0.06	910	0.06	910	0.06
Total non-current liabilities	165,738	11.30	163,339	11.25	163,067	10.64
Total liabilities	302,009	20.59	257,396	17.73	309,946	20.22

# Statements of Financial Position (Cont.)

For the year ended June 30, 2022

(Unit : Thousand Baht)

Description	2019/2020		2020/2021		2021/2022	
	12 Months		12 Months		12 Months	
	Amount	%	Amount	%	Amount	%
Shareholders' equity						
Share capital						
100,000,000 ordinary shares of Baht 10 each	1,000,000		1,000,000		1,000,000	
Issued and paid-up share capital	455,743	31.07	455,743	31.41	455,743	29.73
Premium on share capital	260,032	17.73	213,486	14.71	212,504	13.86
Retained earnings (deficits)						
Appropriated : Legal reserve	(117,030)	(7.98)	(29,528)	(2.03)	686	0.04
Unappropriated					1,848	0.12
Other components of shareholders' equity	566,111	38.59	554,016	38.18	552,348	36.03
Total shareholders' equity	1,164,856	79.41	1,193,717	82.27	1,223,129	79.78
Total liabilities and shareholders' equity	1,466,865	100.00	1,451,113	100.00	1,533,075	100.00



# Statements of Cash Flow

For the year ended June 30, 2022

(Unit : Thousand Baht)

Description	2019/2020	2020/2021	2021/2022
<b>Cash flows from operating activities</b>			
Profit (loss) before income tax expense	(41,748)	40,857	32,821
"Adjustments to reconcile net profit (loss) cash Provided by (used in) operating activities :"			
Depreciation and amortization expenses	2,113	2,452	11,370
(Gain) loss on disposal of fixed assets	(1,484)	(15,555)	(4,383)
(Gain) loss on sale of investments	(1,132)	(118)	(333)
"Allowance expected credit loss Receivable (reversal)"	-	61	(58)
"Allowance for decrease in value of inventories (reversal)"	(2,212)	(14)	(189)
"Allowance for slow-moving spare parts and factory supplies (reversal)"	(4)	(13)	(1)
"Allowance for impairment of spare parts for machinery (reversal)"	(45)	-	(6)
Share of (profit) loss from investment in associate	6,883	5,383	1,494
Unrealised (gain) loss on fair value of derivatives	695	(2,092)	(803)
Unrealised (gain) loss on exchange	883	(1,700)	(1,156)
Employee benefit obligations	3,357	3,622	3,195
Interest expenses	229	359	1,401
"Income (loss) from operating activities before Changes in operating assets and liabilities"	(32,465)	33,172	43,352
Operating assets (increase) decrease			
Trade and other current receivables	47,613	(54,949)	(10,879)
Inventories	(3,351)	(25,872)	(107,083)
Other non-current assets	-	(16)	-
Operating liabilities increase (decrease)			
Trade and other current payables	6,861	3,327	17,851
Other current financial liabilities	-	3,489	(486)
Cash receipt (paid) from operations	18,658	(40,849)	(57,245)
Cash paid for interest	(119)	(469)	(1,377)
Cash paid for employee benefit	(5,760)	(2,900)	(3,564)
Cash paid for income tax	(641)	(418)	(1,642)
Cash received from income tax	416	-	505
<b>Net cash flows from (used in) operating activities</b>	<b>12,554</b>	<b>(44,636)</b>	<b>(63,323)</b>

# Statements of Cash Flow (Cont.)

For the year ended June 30, 2022

(Unit : Thousand Baht)

Description	2019/2020	2020/2021	2021/2022
<b>Cash flows from investing activities</b>			
Cash paid for purchases of fixed assets	(1,818)	(20,801)	(16,331)
Cash receive for investment	20,000	242,000	4,940
Cash paid for short-term loans	(987)	(1,500)	-
Cash paid for investment properties	(41,018)	(146,607)	(7,278)
Cash received for sales of fixed assets	1,131	188	4,399
<b>Net cash flows from (used in) investing activities</b>	<b>(22,692)</b>	<b>73,280</b>	<b>(14,270)</b>
<b>Cash flows from financing activity</b>			
"Increase(decrease) in short-term loans from financial institutions "	83,389	(46,785)	35,095
"Cash paid for liabilities by contract of financial leased"	(172)	-	-
<b>Net cash flows from (used in) financing activities</b>	<b>83,217</b>	<b>(46,785)</b>	<b>(35,095)</b>
<b>"Effect from foreign exchange in cash and cash equivalents"</b>	<b>(684)</b>	<b>1</b>	<b>5</b>
Net increase (decrease) in cash and cash equivalents	72,395	(18,140)	(42,493)
Cash and cash equivalents at beginning of year	56,149	128,544	110,404
Cash and cash equivalents at end of year	128,544	110,404	67,911

# Financial Ratio

For the year ended June 30, 2022

Description		2019/2020	2020/2021	2021/2022
<b>LIQUIDITY RATIO</b>				
CURRENT RATIO	(TIMES)	4.84	5.14	3.77
QUICK RATIO	(TIMES)	3.52	2.93	1.63
CASH RATIO	(TIMES)	0.14	(0.39)	(0.53)
RECEIVABLE TURNOVER RATIO	(TIMES)	8.65	10.73	9.98
RECEIVABLE TURNOVER IN DAYS	(DAYS)	42	34	36
INVENTORY TURNOVER RATIO	(TIMES)	9.30	9.98	10.35
INVENTORY TURNOVER IN DAYS	(DAYS)	39	36	35
ACCOUNTS PAYABLE TURNOVER RATIO	(DAYS)	2.92	6.05	8.60
ACCOUNTS PAYABLE TURNOVER IN DAYS	(TIMES)	40	49	35
CASH CYCLE	(DAYS)	41	21	36
<b>(PROFITABILITY RATIO)</b>				
GROSS MARGIN RATIO	(%)	(2.01)	8.86	7.08
OPERATION MARGIN RATIO	(%)	(7.45)	5.42	2.88
RETURN ON EQUITY RATIO	(%)	(3.62)	3.47	2.46
<b>(EFFICIENCY RATIO)</b>				
RETURN ON ASSET RATIO	(%)	(2.98)	2.81	1.99
RETURN ON FIXED ASSET RATIO	(%)	(5.42)	6.09	6.30
ASSET TURNOVER RATIO	(TIMES)	0.41	0.54	0.71
<b>(FINANCIAL POLICY RATIO)</b>				
DEBT TO EQUITY RATIO	(TIMES)	0.26	0.22	0.25

## 5. General Information

### 5.1 General Information

Asia Fiber Public Company Limited

Public Company Registration No. 0107536001630  
Office 33/133-136 Surawongse Road, Bangrak, Bangkok 10500  
Tel. : +66 (0) 2632 7071  
Homepage : <http://www.asiafiber.com>  
E-mail : [sales@asiafiber.com](mailto:sales@asiafiber.com)

Factory 406-7 Moo 7, Sukhumvit Road, K.M.33.5  
Tumbol Bangpoo-Mai, Amphur Muang,  
Samut Prakan Province 10280  
Tel. : + 66 (0) 2323 9692

Products 1. Nylon Chip  
2. Nylon Filament Yarn  
3. Nylon Textured Yarn  
4. Filament Woven Fabrics (Loom-State and Finished)

No. of Employees 377 Persons

Type and number of shares already issued Total of 45,574,266 Ordinary Shares

#### Other Reference Persons

Registrar **Thailand Securities Depository (Thai) Co., Ltd.**  
93, 14<sup>th</sup> Floor, Rachadapisek Rd., Dindaeng, Dindaeng, Bangkok 10400  
Tel. : 0 2009 9000 Fax : 0 2009 9992

Auditor **C & A Audit Office Co., Ltd.**  
53 Narativatrachanakarin Road, Chongnonsee, Yannawa, Bangkok 10120  
Tel. : 0 2678 0750-4 Fax : 0 2678 0661  
Auditor : Miss Jintana Mahavanich or Mrs. Chintana Techamontrikul  
C.P.A. (Thailand) Registration No. 4687, 5131

Legal Advisor **Adviser Law & Detective Co., Ltd.**  
111/93 Rajdamnern Condominium, Nakhornsawan Rd., Pomprap Sattru Phai,  
Bangkok. 10100 Tel. : 0 2629 9917

### 5.2 Other Important Information

- None -

### 5.3 A Legal Dispute

- None -

### 5.4 Secondary Market

- None -

### 5.5 Fixed Contact Financial institutions (Only in case of issuance of bonds)

- None -

# Part 2

## Corporate Governance





## Part 2 Corporate Governance

### 6. Corporate Governance Policy

The Company was able to comply with guidelines for good practice of directors of listed companies, including rules and regulations according to the direction of the Stock Exchange of Thailand. There has never been any non-compliance or breach of the Stock Exchange of Thailand or the Security Exchange Commission rules and regulation by the company's directors. The Company operates in accordance with the Stock Exchange of Thailand's proposed good corporate governance rules, as follow:

#### 6.1 Overview of the Policy and Guidelines

##### 6.1.1 Corporate Governance Policy

The Board of Directors issues corporate governance policy to enhance transparency and investors' confidence. The Board of directors is determined to adhere to the following principals:

1. Fair treatment to shareholders and stakeholders.
2. Operate with transparency and accountability, and make sufficient disclosure to all parties concerned.
3. Encourage work ethics and fair play in business conduct by management and employees.

##### 6.1.2 The Company recognizes the right of every stakeholder as follow:

The Company emphasizes thorough and timely dissemination of information to shareholders and investors, through the following channels:

1. The Stock Exchange of Thailand ([www.set.or.th](http://www.set.or.th))
  - i. One Report 56-1
  - ii. Financial statements
  - iii. Resolutions of the Board of Directors, etc.
2. The Security Exchange Commission ([www.sec.or.th](http://www.sec.or.th))
3. The Ministry of Commerce
4. Newspaper
5. Company's website ([www.asiafiber.com](http://www.asiafiber.com))
6. By post

Furthermore, shareholders or investors with questions can also contact the company's secretary by phone at 0-263207071.

#### 6.2 Business code of conduct

The Company is committed to business in accordance with good corporate governance principles, transparency, social responsibility, community and environment, respect for human rights, fair labor practices, occupational health and safety, and strict ethical monitoring to ensure sustainable growth in line with the Company's vision and value as follows:

### Conflict of Interests

The Company has taken prudent care to prevent conflict of interests in its approval process involving associated or related parties by adhering to honesty, rationality, independence, and transparency for the overall benefit of the Company, and in compliance with the principles laid down by the Stock Exchange of Thailand, the Securities and Exchange Commission, Company's regulations, and related laws. Furthermore, the Company takes care not to allow directors, management, employees, or related persons to disclose or use inside information to their own benefit. Trading of Company shares by directors and employees are also disallowed within one month prior to the release of financial statements. In meeting deliberations, persons with conflict of interest in the subject will not be allowed to attend or vote.

### Shareholders' Right

The Board of Directors realizes the duty to protect the interests of big or small shareholders fairly according to their rights. Shareholders are encouraged to exercise their rights to protect their interests by voicing their opinion, suggestions, and voting in the shareholders' meeting, and by taking part in major decisions and changes. They are all accorded with accurate, complete, and equitable information and disclosure.

The Annual General Shareholders' Meeting is held within 4 months after the fiscal account closing date. The notice for the meeting is both sent to each shareholder individually and displayed on the company's website prior to the meeting. ([www.asiafiber.com](http://www.asiafiber.com))

Furthermore, shareholders are given the opportunity to add meeting agenda, or propose candidates to be elected company directors, by requesting such agenda to be included in the Annual General Shareholders' Meeting.

## 6.3 Material changes and developments regarding policy, guidelines and corporate governance system in the preceding year

In 2021/2022 the Company has continuously reviewed the good corporate governance policy and other related policies to suit the current situation. The key policies are as follows.

### 6.3.1 Anti-Corruption policy

AFC has a policy to operate with honesty, integrity, and transparency, and embraces all forms of Anti-Corruption campaign as the way to stable and sustainable growth.

Corruption adversely affects stability and obstructs sustainable growth. Left unchecked, it will greatly damage the Company's assets and the benefits of shareholders.

Corruption includes the wrongful action or inaction of duty stipulated in the law, Company's regulations, directive, command, or Company's convention for undue personal gain.

AFC established guidelines to director, manager, and staff for anti-corruption campaign as follow:

1. To discharge duty ethically, honestly, and transparently according to the law, company regulations, directive, command, and the company convention, and to refuse involvement in the act of corruption either directly or indirectly.
2. Shall not ignore the act of corruption or any actions that are seen as fraud, and report such act to the director or the person in charge whenever those actions are detected.
3. The company will be fair and protect employees who refuse to commit corruption or reveal corruption to the company.
4. The person who committed or abetted corruption must be disciplined according to the Company's regulations and prosecuted according to the law.
5. The director, manager, and supervisors at all levels must realize the importance of creating understanding for subordinates to work against corruption In accordance with this anti-corruption policy.

## Data Privacy Policies

The Company realizes that proper management and protection of personal data is an important responsibility and is necessary for retaining the data owners' trust. The Company, therefore, will abide by the Personal Data Protection Act, and will properly manage and protect personal data collected by the Company by following the policies mentioned below:

This announcement of Data Privacy Policies is put in force from May 27, 2020, with details as follow:

### 1. Collection, storage, purpose, usage, and disclosure of personal data

The owners of the personal data acknowledge, agree, and allow their data to be collected and stored for the Company to access, communicate, or other purposes explicitly stated, or as allowed by law. Disclosure or sending abroad of such personal data must only be by permission of the owners of the personal data.

### 2. Maintaining information security

The Company realizes the importance of security in the storage, usage, and disclosure of such personal data, and implements measures to secure such data according to international level of standards, to prevent loss, illegal access, deletion, usage, conversion, modification, or disclosure.

### 3. Quality of the personal data, and the owners' involvement

The Company will provide system and measure to regularly check and update such personal data so that they are up-to-date, correct, and not misleading. The owners can complain or report any problems regarding such personal data to the Company for corrections. They also retain the right to object the collection of data, or to stop the usage thereof.

### 4. Legal disclosure of personal data

The owners acknowledge and agree that the Company may collect, use or disclose their personal data, without prior consent, as necessary, or stipulated in the Company's objectives, or as allowed by the law.

### 5. The Company's responsibility in controlling users/processors of personal data

Only the Company has the right to process that data. In allowing each type of data to be processed, the Company agrees to keep such personal data strictly confidential, and will not allow any other person access to the data collected and stored by the Company. In case of the usage of such personal data by other persons under the Company's control, the Company agrees and certifies that such users act as representatives of the Company, and are similarly bound as if conducted by the Company.

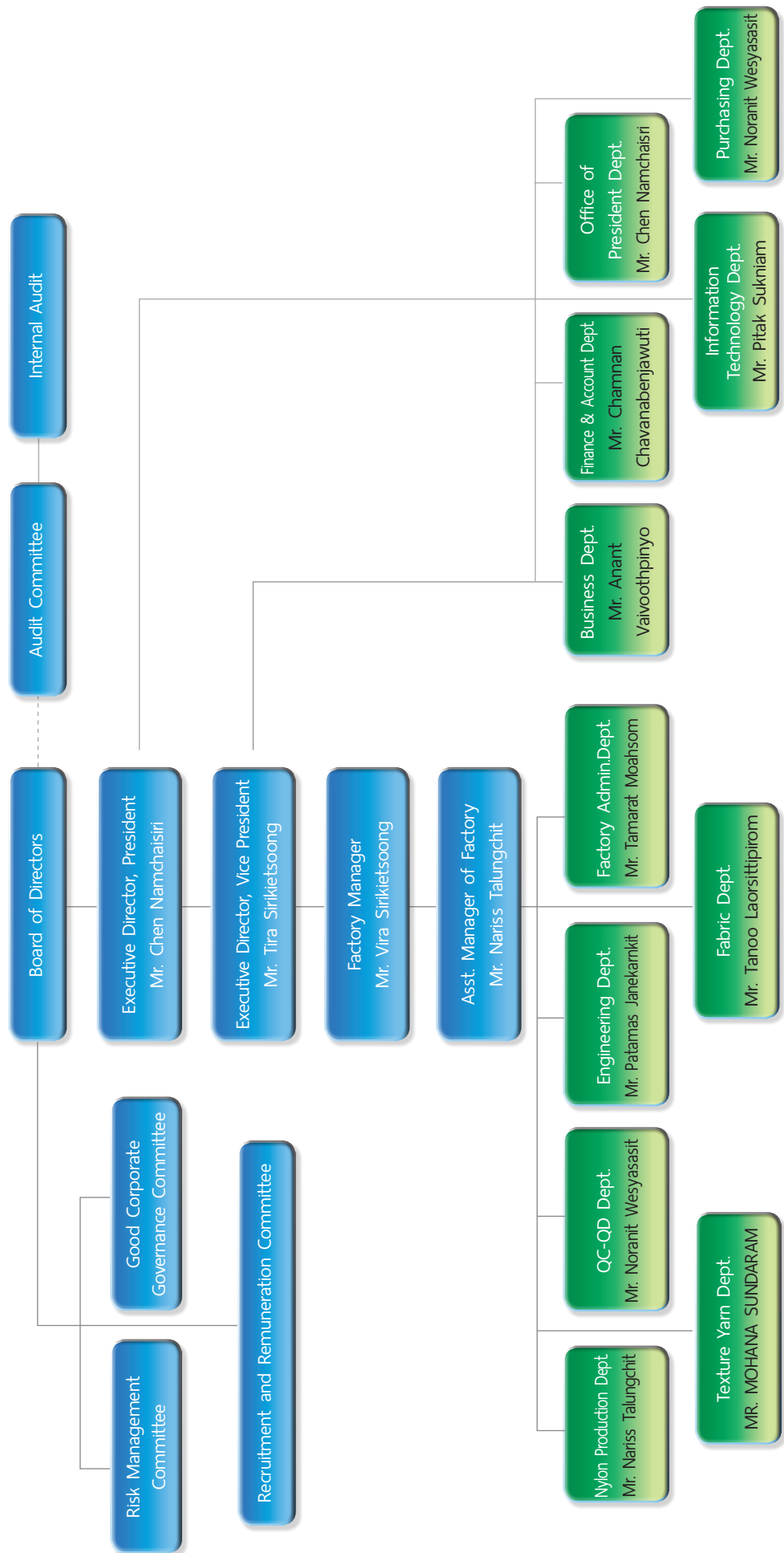
## Partner Code

The company is committed to promoting sustainable business operations with environmental, social and governance in mind. Therefore, it has developed a good corporate governance and business ethics manual to be used as a business practice in accordance with regulations, laws and business ethics with transparency, respect for human rights, and fair labor practices. And occupational health and safety of employees, as well as strictly monitoring the operation of the company's ethics.

**Note** The full guide to corporate governance policy and business ethics is available on the Company's Website [www.asiafiber.com](http://www.asiafiber.com) the subject of good corporate governance

## 7. Corporate governance structure and material facts related to the board, Subcommittees, Executives, Employees and Others

7.1 Organization Chart : - Asia Fiber Public Company Limited at June 30, 2022



The company structure consists of the following committees:

1. Board of Directors
2. Executive Directors
3. Audit Committee
4. Good Corporate Governance Committee
5. Recruitment and Remuneration Committee
6. Risk Management Committee

## 7.2 Board Directors

### 7.2.1 Board Directors / Sub-committees

The Board of Directors of Asia Fiber Public Company Limited. Details are as follows:

No.	Name	Position
1.	Mr. Mongkol Mangkornkanok *	Chairman / Executive Director
2.	Mr. Vitoon Sirikietsoong *	Vice Chairman / Executive Director / Risk Management Committee
3.	Mr. Chen Namchaisiri *	Executive Director / President / Risk Management Committee
4.	Mr. Tira Sirikietsoong *	Executive Director / Vice President / Good Corporate Governance Committee
5.	Mr. Pira Sirikietsoong *	Executive Director
6.	Mr. Vira Sirikietsoong	Executive Director / Risk Management Committee
7.	Mr. Nipon Leelasithorn *	Executive Director / Good Corporate Governance Committee
8.	Mrs. Jintana Thanatavee *	Executive Director / Secretary of Audit committee
9.	Mr. Tanace Kuvichkul	Director / Nomination and Remuneration Committee
10.	Mr. Montri Mangkornkanok	Director / Good Corporate Government Committee
11.	Mr. Yodjin Uahwatanasakul	Independent Director
12.	Mr. Chaeng Thongthai	Independent Director / Nomination and Remuneration Committee
13.	Mr. Terawat Techapongvorachai	Independent Director / Nomination and Remuneration Committee / Audit committee Director
14.	Mr. Somsak Puntanakasem	Independent Director / Audit committee Director
15.	Mr. Thirachart Viravan	Independent Director / Chairman of Audit committee Director

### 7.2.2 Executive Directors and Authorized Directors

\* Any seven directors of the Company are authorized to jointly sign and affix the Company's seal.

**Note** Information about Board of Directors, Executive Officers, Supervisory Officers, Company Secretary, Employees, & c. Please refer to Attachment 1.



## Audit Committee

The Audit Committee consists of independent directors with qualifications in accordance with the announcements of the Capital Market Supervisory Board and the regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Committee must consist of at least 3 independent directors, with at least one who is qualified in accounting or finance and has adequate experience to ascertain the integrity of the financial statements of the Company.

### Qualifications of Board of Directors

1. There is no prohibited nature as prescribed in the Act on Public Corporations and the Notification of the Securities and Exchange Commission.
2. Proper knowledge, skills, experience, and education are appropriate for the Board of Directors' composition and the purpose of the strategy is consistent with the company's direction.
3. Being able to work in accordance with the assigned duties and be able to attend the Board of Directors and shareholders' meetings.
4. Have moral, ethical, honest and other qualifications as required by laws and regulations
5. There are other qualifications that the Board deems appropriate and do not conflict with laws and regulations.

**Note** *That the Board of Directors of the Company must never be an executive, employee or auditor of the Company for at least two years. Before taking office as a board member,*

### Qualification of Independent Director

Members of the company's audit committee are directors who qualify as independent directors according to the good governance principles of the Stock Exchange of Thailand and the Security Exchange Commission, which include

1. Holds less than 5% of the voting shares in the company, affiliated companies, related companies, including shares held by related person(s).
2. Does not involve with management, not an employee or fixed income advisor, auditor, legal advisor, affiliated or related company, or person who may have conflict. This non-involvement condition must exist for at least one year prior to the appointment.
3. Does not have business relation, benefits or stakes, directly or indirectly, both financial or operating sides of the company, affiliated and related companies. Not a person with conflict which could impair his (her) independence.
4. Is not close relatives to management, major shareholders of the company, affiliated or related companies. Not a person with potential conflicts, or the protector of director's or major shareholders' interests.
5. Neither is nor has been an auditor of the Company\* and is not a significant shareholder, controlling authority or partner of the Office. Audit of accounting which has been audited by the Company's auditors\*, except that they have been excluded from such characteristics for at least two years.
6. It is not or has been a provider of any professional services, including services as a legal advisor or an official advisor. The amount of money received from the Company is more than Baht 2 million per year and is not a significant shareholder, controller or shareholder. get lost. That's the part of the professional services provider. Except as otherwise expressly provided for in this Act for not less than two years. .

7. Not a director appointed to represent the directors of the Company, major shareholders or shareholders who are a person affiliated with a major shareholder.
8. Does not operate a business with the same condition and is a significant competition with the business of the company or its subsidiaries. A significant partner in a partnership or a board member who is involved in the management of employees, employees, counselors who receive money here. Regular months or holding more than 1% of the total number of voting shares of other companies operating in the Company. The same conditions and a significant competition with the operations of the company or its subsidiaries.
9. There is no other feature that makes it impossible to freely comment on the operation of the Company.

*\* Including major companies, subsidiaries, joint companies, major shareholders or controlling authorities of the Company.*

### **Board of Directors' Meeting of the Board of Directors**

According to the Company's regulations, the Board of Directors meets once every three months and once a month. In the year 2021/2022 there were 5 Board of Directors and 8 Board of Directors of each Board of Directors, each meeting takes approximately 2 hours.

In 2021/2022, the Audit Committee met on the agenda four times and reported its performance to the Board of Directors and held an audit committee meeting with authorized auditors without management attending. One time.

### **Assessment of Board's Performance**

The Company's Board of Directors has not yet set up a system for assessing the Board member's performance.

### **Development of directors and executives**

The Company encourages and encourages the Board of Directors, Audit Committee, Executive Director, etc. to continuously enhance and improve operations.

The board of directors of 13 companies Participated in the Director Accreditation Program (DAP). a committee of two companies In addition, the Director Certification Program (DCP) of the Thai Board of Directors Association has been trained.

### **Corporate Governance of Associated Company**

The company assigns directors to sit on the board of the related company to closely manage its operation.

### **7.2.3 The Board of Directors has the following responsibilities**

- (1) To set up the organization and determine the duties in the Company.
- (2) To determine trading policies.
- (3) To consider and approve major regulations and contracts.
- (4) To appoint and dismiss high-level staff.
- (5) To consider and set various budgets.

- (6) To invest in other companies and to obtain loans from banks, financial institutions or other parties.
- (7) To propose allocations of profits.
- (8) To propose increase or decrease of capital.
- (9) To agree to purchase, sell, pledge, mortgage or lease movable and immovable property owned by the Company.
- (10) To make decisions regarding other important activities.

#### **The Board of Executive Directors has the following responsibility**

- (1) To run the business according to the policies and objectives of the company under the supervision of the Board of Directors.

### **7.3 Information about the Subcommittee**

#### **7.3.1 Audit committee Directors**

It consists of three independent directors, all of whom are independent and qualified according to the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The term of office is set for 3 years each. The Audit Committee, who has resigned from the term, may be reappointed as follows:

- |                                 |  |
|---------------------------------|--|
| 1. Mr. Thirachart Viravan       | Chairman of audit committee Director /<br>have experience financial statements |
| 2. Mr. Somsak Puntanakasem      | Audit committee Director /<br>have experience financial statements             |
| 3. Mr. Terawat Tejapongvorachai | Audit committee Director   |

#### **The 3 committee of recruitment and consideration consists of :**

1. Mr. Chaeng Thongthai
2. Mr. Tanace Kuvinichkul
3. Mr. Terawat Tejapongvorachai

#### **The 3 good corporate governance committees consisting of :**

1. Mr. Montri Mangkornkanok
2. Mr. Nipon Leelasithorn
3. Mr. Tira Sirikietsoong

#### **The 3 risk management committees are:**

1. Mr. Vitoon Sirikietsoong
2. Mr. Vira Sirikietsoong
3. Mr. Chen Namchaisiri

#### **7.3.2 The Audit Committee has the following responsibilities**

The audit committee's duties and responsibilities to the Board of Directors are as follows:

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;

2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business;
4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend meeting with the auditor without the presence of the executive directors at least once a year;
5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company;
6. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
  - 6.1 an opinion on the accuracy, completeness and creditability of the Company's financial report,
  - 6.2 an opinion on the adequacy of the Company's internal control system,
  - 6.3 an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
  - 6.4 an opinion on the suitability of an auditor,
  - 6.5 an opinion on the transactions that may lead to conflicts of interests,
  - 6.6 the number of the audit committee meetings, and the attendance of such meetings by each committee member,
  - 6.7 an opinion or overview comment received by the audit committee from its performance of duties in accordance with this charter, and
  - 6.8 other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors; and
7. To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

#### **The authority of the good corporate governance committee**

Authority of the Board of Directors: Present the Corporate Governance Policy to the Board of Directors for approval and implementation of best practices by the Board of Directors.

### **A good corporate governance policy**

The board of directors has established a policy. About corporate governance in order to increase transparency and confidence of shareholders, investors and related parties. The Board of Directors is committed to following the following principles.

1. Treat shareholders and possessors fair share
2. Work with transparency clear, verifiable, sufficient information to those involved.
3. Encourage executives and employees work ethically in the right and just way of doing business

### **Nomination and Remuneration Committee has the following responsibilities**

1. To establish criteria for Board membership;
2. To formulate a standard and transparent process for the selection of directors;
3. Set the directors' remuneration policies.
4. To carry out any other acts as assigned by the Board of Directors.

### **Information about the Risk Management Committee**

The board of directors recognized the importance of Risk Management in the management and operations system with the aim of making risk management a culture of all workers. This not only helps organizations achieve their core objectives and goals, but also supports sustainable business growth.

So, to make sure that the agencies in the company are stable, The direction of risk management is in the same direction. Therefore, the appointment of the Risk Management Committee and the authority of the Risk Management Committee are as follows.

### **Qualifications of the Risk Management Committee**

1. Have knowledge, expertise, and experience In managing the company's business risks.
2. Be mature. Honest and dare to make a different opinion.
3. be able to devote time to one's duties

### **Scope, authority and functions of the Risk Management Committee**

1. Establish risk management policies that cover important risks.
2. Establish a culture of awareness of risk management in the organization.
3. Report the results of the risk assessment and the results of the risk mitigation operations to the Board of Directors. Identify problems and obstacles in the operation that may cause the operation to fail to meet its objectives. The Board of Directors may provide additional opinions to improve the operations of the Risk Management Committee. become more efficient and achieve a given purpose.
4. The number of times of the meeting can be determined as appropriate in order to keep up with the event. not less than once a year.
5. At the meeting, the Risk Management Committee may invite executives or employees concerned or those who consider appropriate. Attend meetings, comment or submit relevant information.



### Risk management policy

1. The company will operate its business under acceptable risk to ensure that the organization is able to drive and grow its business.
2. All executives and employees of the Company are responsible for risk management from the organization level, line of work, as determined by the Board of Risk Management.
3. The assessment of the impact and opportunities of the risks identified and the appropriate risk management means to maintain acceptable levels of risk.

### Appointment of Board Directors

The Board of Directors consists of no fewer than five and no more than 28 persons to be elected at a general meeting of shareholders. Additionally, no fewer than one-half of the board of directors must have residence in Thailand. The election of Company directors at general meeting of shareholders is to be carried out in accordance with the following criteria and procedures:

1. The number of votes of each shareholder is equivalent to the number of shares held.
2. Each shareholder must cast all his/her votes, as determined in (1), to select one or several candidate (s) to be Board member(s), and may not divide his/her votes among candidates.
3. Depending upon the number of posts to be filled at that time, the person or persons receiving the highest number of votes are to become members of the Board. In the event that two or more persons receive an equal number of votes and the number of such persons exceeds the number of posts to be filled on the board, the Chairman of the Board of Directors shall cast the deciding vote.

At a meeting of shareholders, a member of the Board may be removed from his/her post prior to the scheduled end of term by a motion approved by three-fourths of the voting shareholders in attendance, representing not less than 50% of the shares held by voting shareholders attending the meeting.

**Note.** For more information, good corporate governance policies and business ethics, please visit the company website. [www.asiafiber.com](http://www.asiafiber.com)

## 7.4 Information about management

### 7.4.1 Management remuneration

Remuneration of the directors 633,600 baht, remuneration of audit committee 160,000 baht, total 793,600 baht. The directors' remuneration in meeting allowance and travel fee according to responsibility under the principles of good governance are as follow:

- |   |                |
|---|----------------|
| - Remuneration for 5 Management Executives (Salary & Bonus) | 8,247,744 Baht |
| - Other Remuneration  | - None -       |

Name	Position	Attendance / Arrangement			Remuneration (Meeting Allowance)
		Board of Directors	Executive Committee	Audit Committee	
1. Mr. Mongkol Mangkomkanok	Chairman / Executive Director	5/5	8/8	-	79,200
2. Mr. Vitoon Sirikietsoong	Vice Chairman / Executive Director	5/5	8/8	-	52,800
3. Mr. Chen Namchaisiri	Executive Director / President	5/5	8/8	3/4	52,800
4. Mr. Tira Sirikietsoong	Executive Director / Vice President	5/5	8/8	-	52,800
5. Mr. Vira Sirikietsoong	Executive Director / Factory Manager	5/5	8/8	-	52,800
6. Mr. Pira Sirikietsoong	Executive Director	5/5	8/8	-	52,800
7. Mr. Nipon Leelasithorn	Executive Director	5/5	8/8	-	52,800
8. Mrs. Jintana Thanatavee	Executive Director / Secretary of AFC & Audit Committee	5/5	8/8	4/4	52,800
9. Mr. Yodjin Uahwattanasakul	Independent director	0/5	-	-	26,400
10. Mr. Chaeng Thongthai	Independent Director / Nomination and Remuneration Committee	5/5	-	-	26,400
11. Mr. Montri Mangkornkanok	Director	5/5	-	-	26,400
12. Mr. Tanace Kuvnichkul	Director / Nomination and Remuneration Committee	5/5	-	-	26,400
13. Mr. Terawat Techapongvorachai	Audit Committee Director / Independent Director / Nomination And remuneration Committee	5/5	-	4/4	66,400
14. Mr. Somsak Puntanakasem	Audit Committee Director / Independent Director	5/5	-	4/4	66,400
15. Mr. Thirachart Viravan	Chairman of Audit Committee / Independent Director	5/5	-	4/4	106,400
<b>Total / Month / Year</b>					<b>793,600</b>

### Company's Secretary

Company's Board of Directors ruled to appoint Mrs. Jintana Thanatavee. She is qualified both in terms of qualification and seniority. She has been performing her duty as in Company's Secretary since August 20, 2008 with duties and responsibilities as being specified in Section 89/15 and Section 89/16 of Securities and Exchange Act (Issue4) B.E.2551 (2008). Duties of the Company's Secretary as being stipulated by laws, are as follow:

1. Provide and maintain following documents:
  - Directors' registration
  - Letter of Invitation for meeting of Board of Directors, Board of Directors' minutes of meeting and the Company's annual report.
  - Letter of invitation for meeting of shareholders and shareholders' minutes of meeting.
  - Keep report of stakeholding provided by Directors or Executives and submit copy of stakeholding report according to Section 89/14 to Chairman and Audit Committee Chairman within seven working days from the day that the Company receives the report.
2. Undertake other performances as being stipulated by Capital Market Supervision Committee.
3. Make suggestion for laws and related regulations and practices on supervision operation of the Board of Directors to be in line with laws.
4. Other duties as being assigned by the Company.

Schedule of meetings of the Board of Directors and of the Sub-Committee 2021/2022

No.	Name	Board of Directors 5 / Year	Executive Directors 8 / Year	Audit Committee 4 / Year	Nomination and Remuneration Committee 1 / Year	Good Corporate Governance Committees	Risk Management Committee 1 / Year
1.	Mr. Mongkol Mangkornchanok	5/5	8/8				
2.	Mr. Vitoon Sirikietsoong	5/5	8/8				1/1
3.	Mr. Chen Namchaisiri	5/5	8/8	3/4			1/1
4.	Mr. Tira Sirikietsoong	5/5	8/8			1/1	
5.	Mr. Vira Sirikietsoong	5/5	8/8				1/1
6.	Mr. Pira Sirikietsoong	5/5	8/8				
7.	Mr. Nipon Leelasithorn	5/5	8/8			1/1	
8.	Mrs. Jintana Thanatavee	5/5	8/8	4/4			
9.	Mr. Yod-jin Uahwatanasakul	0/5					
10.	Mr. Chaeng Thongthai	5/5			1/1		
11.	Mr. Montri Mangkornchanok	5/5				1/1	
12.	Mr. Tanace Kuvichkul	5/5			1/1		
13.	Mr. Terawat Tejapongvorachai	5/5		4/4	1/1		
14.	Mr. Somsak Puntanakasem	5/5		4/4			
15.	Mr. Thirachart Viravan	5/5		4/4			

## 7.5 Information about employees

The Company has 377 employees as of June 30, 2022 with officers and employees at both the command and operational levels in the main line as follows:

- Office Management - Factory	60	person
- Finance & Account department	9	"
- Business department	10	"
- Purchasing department	2	"
- Information technology department	6	"
- QC-QD department	22	"
- Engineering department	47	"
- Production department.	221	"

In addition, the Company has paid the annual salary, hard work and bonus. In the past year, the following returns have been paid.

- Salary, hard work, total	102,355,902.88	Baht
- Bonus	7,554,208.50	Baht

### Surveillance on use of inside information

The company's policy is to protect all levels of financial information from using internal information for personal gain, trading and disclosure of financial information to others for one month before reporting and disseminating information to investors.

## 7.6 Other Important Information

### 7.6.1 Company Secretary

The Board of Directors has decided to appoint Mrs. Jintana Thanatavee as the Company Secretary on August 20, 2008. The qualifications of the person who serves as the company secretary are shown in Attachment 1.

### The Internal Audit

The Company has hired Re-Ad Co., Ltd. as an internal auditor to supervise the compliance of the Company and report to the Audit Committee every three months. Details of the audit are as shown in Attachment 3.

### The Superintendent of Accounting

The Company has hired the Company's C & A Audit Office Ltd. as its accounting auditor. Mr. Chamnan Chavanabenjawut, Financial and Accounting Manager, is in charge of internal accounting.

### 7.6.2 Investor Relations and Contact Information Administrator

The Company has appointed the President's Office to oversee Investor Relations, with Mrs. Patchanee Chanpen as the director of Tel. 0 2632 7071.

### 7.6.3 Auditors' Remuneration 2020/2021

#### Audit fee

- Audit fee of the Company	800,000 Baht
- Audit fee of the associated companies	66,000 Baht
- Non-audit fee	- ไม่มี -

**Remark** *As the associated companies are not listed on the Stock Exchange of Thailand (SET), there is no requirement for their financial statements to be reviewed each quarter. The only reason why the quarterly reviews are carried out on the associated companies is to facilitate the quarterly reviews of the Company's financial statements. The quarterly reviews of the associated companies improves the Company's accuracy in the accounting for the share of results of these companies under the equity method.*



## 8. Report on key operating results related to corporate governance

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

#### Board of Directors' Meeting of the Board of Directors

According to the Company's regulations, the Board of Directors meets once every three months and once a month. In the year 2021/2022 there were 5 Board of Directors and 8 Board of Directors of each Board of Directors, each meeting takes approximately 2 hours.

In 2021/2022, the Audit Committee met on the agenda four times and reported its performance to the Board of Directors and held an audit committee meeting with authorized auditors without management attending. One time.

In 2021/2022, the Board of Directors appointed the Good Corporate Governance Committee and the Risk Management Committee. All sub-committees must be held at least once a year.

#### Board of Directors Report

The Board is responsible for the consolidated and company financial statements, including the financial information contained in the Annual Report. The financial statements are prepared in accordance with generally accepted accounting standards, consistent accounting policies, and sufficient disclosure of important information in the notes to benefit shareholders. stock and general investors transparently

The Board of Directors has established an effective internal control system to ensure that the accounting records are accurate, complete and sufficient to maintain the Company's assets and prevent fraud. or an unusual operation.

The Board of Directors has established an audit committee which includes Independent and non-executive directors to help supervise the quality of financial reports and internal control systems by monitoring, evaluating, reviewing, and reporting to the Board on audit results. The Board's opinion on this matter is contained in the Audit Committee's report, as presented in the Annual Report for 2021/2022 56-1 One report.

The consolidated and separate financial statements are audited by independent C&A Audit Office Co., Ltd. In the audit, the Board of Directors supports information and documents to enable auditors to audit and comment on audit standards. The auditor's opinion is shown in the auditor's report for the year 2021/2022 56-1 One Report

The Board of Directors agreed that the Company's internal control system was satisfactory, and that the Company's financial statements for the year 2021/2022 were reliable, complying with the certified accounting standards. General and practicable in accordance with other applicable laws and regulations.

#### Self Assessment

The Board of Directors of the Company has not yet arranged to conduct its self performance assessment.

#### Assessment of Board's Performance

The Company's Board of Directors has not yet set up a system for assessing the Board member's performance.

### Development of directors and executives

The Company encourages and encourages the Board of Directors, Audit Committee, Executive Director, etc. to continuously enhance and improve operations.

The board of directors of 13 companies Participated in the Director Accreditation Program (DAP). a committee of two companies In addition, the Director Certification Program (DCP) of the Thai Board of Directors Association has been trained.

#### 8.1.1 Selection, development and evaluation of duty performance of the Board of Directors

The Board of Directors consists of no fewer than five and no more than 28 persons to be elected at a general meeting of shareholders. Additionally, no fewer than one-half of the board of directors must have residence in Thailand. The election of Company directors at general meeting of shareholders is to be carried out in accordance with the following criteria and procedures:

1. The number of votes of each shareholder is equivalent to the number of shares held.
2. Each shareholder must cast all his/her votes, as determined in (1), to select one or several candidate (s) to be Board member(s), and may not divide his/her votes among candidates.
3. Depending upon the number of posts to be filled at that time, the person or persons receiving the highest number of votes are to become members of the Board. In the event that two or more persons receive an equal number of votes and the number of such persons exceeds the number of posts to be filled on the board, the Chairman of the Board of Directors shall cast the deciding vote.

At a meeting of shareholders, a member of the Board may be removed from his/her post prior to the scheduled end of term by a motion approved by three-fourths of the voting shareholders in attendance, representing not less than 50% of the shares held by voting shareholders attending the meeting.

#### Definition of independent directors of a company

Ref. Pat 2 Section 7.2.2

#### 8.1.2 Attendance and remuneration of individual committees

Ref. Part 2 Section 7.4.2

#### 8.1.3 Supervision of subsidiaries and associated companies

The Board of Directors closely supervises the signing of key documents of the associated company, determines appropriate and rigorous policies for the best interests of the associated company, and maintains the company's investment interests.

The Company will recognize the share of profit (loss) only in the shareholdings of the Company. The Company's financial statements for the year 2021/2022 have already been audited by the auditor.

Details with Part 3, Financial Statements and Attachment 2.

#### Risk factors and associated risk protection guidelines

Currently, the associated company has an LNG purchase and sale agreement with PTT PLC. For 10 years (2020 - 2029), LNG prices are tied to global oil prices. If high oil prices affect LNG sales prices, the associated committee will review the terms of the agreement to ensure fairness.

#### 8.1.4 Monitoring for compliance with corporate governance policies and practices

The company focuses on good corporate governance by establishing relevant policies and practices in the company's corporate governance manual and business ethics, as well as encouraging real action to build confidence in all stakeholders.

Over the past year, the company has been monitoring for good corporate governance compliance.

1. Employee care and non-discrimination.
2. Opposition to unfair competition.
3. Environmental care, health and safety in the organization.

4. Security of information in which follow-up resultsIt was found that the Company has fully implemented the guidelines for each issue.

##### (1) The prevention of conflicts of interest

The Company has established a policy that the Board of Directors, executives and employees act in the best interests of the Company. In the event of any person's involvement or involvement in the considered transaction, such persons shall notify the authorities in charge of such transactions and not participate in such transactions.

1. The tenure of a director in the same business
  - None -
2. To enhance corporate governance. In the past year, the Company has prepared a good corporate governance manual and business ethics to cover, prevent and mitigate risk of conflicts of interest, which the Board approved on August 23, 2022.

##### The balance of non-executive directors

The Board of Directors of the Company consists of 15 persons.

- Eight executive directors.
- Two non-executive directors.
- Five independent directors.

##### Merge or separation of positions

The chairman is not the same person as the managing director.

##### (2) Surveillance on use of inside information

The company's policy is to protect all levels of financial information from using internal information for personal gain, trading and disclosure of financial information to others for one month before reporting and disseminating information to investors.

##### (3) Anti-corruption (as in 6.3.1)

Ref. Part 2, Section 6.3.1

##### Guidelines for Disclosure of Information on Anti-Corruption Operations

The committee is responsible for ensuring that companies comply with the law. The laws include prohibiting bribery or supporting corruption and conducting a policy review every year.

##### Risk management

Ref. Part 2

##### Communication, training for employees to educate them on policies and practices against corruption.

The Company has established a policy to provide guidance to employees of all levels through its intranet system and public relations on its bulletin board.

### Tip-off of corruption

In 201/2022, there was no violation of corruption

## 8.2 Report on the results of duty performance of the Audit Committee in the past year

### 8.2.1 Specify the total number of the Audit Committee's meetings and the attendance of each member

Ref. Part 2 Section 7.4.1

### 8.2.2 Describe the results of duty performance of the Audit Committee

The Audit Committee reviewed the Company's operations and maintained compliance with the Securities and Exchange Act, the regulations and regulations on the Company's business, and recommended the implementation and compliance of good corporate governance.that's a meeting.

The Board of Audit has monitored the Company's management on issues found in the audit, both in the reports of the Company's auditors and internal auditors. The Board of Directors' resolutions and statements to the Company's Board of Directors' meeting are not inconsistent with the Securities and Exchange Act in order to maximize shareholder benefits and gain trust among all parties concerned.

## 8.3 Summary of the results of duty performance of subcommittee

### 8.3.1 Specify the total number of the subcommittee's meetings and the attendance of each subcommittee member

Ref. Part 2 Section 7.4.1

### 8.3.2 Describe the results of duty performance of the subcommittees assigned by the Board of Directors. Recruitment and Remuneration Committee

The Recruitment and Remuneration Committee has met once a year. In the past year, it has proposed to the committee. The Board of Directors has appointed 3 good corporate governance committees and the Risk Management Committee. There are three members of the Board of Directors. The Board of Directors has considered the directors who have expertise, knowledge and experience in various areas of business.

### Good Corporate Governance Committee

The Board of Directors of the Company appointed the Good Corporate Governance Committee at the 4<sup>th</sup> Board of Directors' Meeting held on 4/47 on the following day. On May 10, 2022 and to establish a policy manual for good corporate governance and business ethics in order to provide guidelines in operation.

In this regard, the company has released a full manual entitled Good Corporate Governance, [www.asiafiber.com](http://www.asiafiber.com)

### Risk Management Committee

The Board of Directors of the Company appointed the Risk Management Committee at the Board of Directors' Meeting No. 4/47 on the following day on May 10, 2022 and to prepare the Charter of the Risk Management Committee as a guideline for the operation of the Company.

In this regard, the company has released a full manual entitled Good Corporate Governance, [www.asiafiber.com](http://www.asiafiber.com).

## 9. Internal Control and Related Party Transactions

### 9.1 Internal Control

The fourth Audit Committee was appointed in 2021/2022 to oversee the company's operation. The concluded result of the internal audit was satisfactory. The Audit Committee also gave explanation and advice to the management to enhance the efficiency of the company's internal control.

Every meeting of the Board of Directors was attended by the Audit Committee. The Board of Directors approved the Audit Committee's conclusion that the company's internal control was sufficient and proper, with appropriate improvement, befitting changes in situation, to allow the company to meet its objective and comply with the law and relevant regulation.

The company engaged Re-Add Company Limited as internal auditor for the continuity of the internal audit process. Plans of audit were drawn up for every system in the business process. Reports from the internal auditor were directed to the Audit Committee and top executives. There have not been any reported significant shortcomings in the systems audited so far.

Furthermore, the audit of the company's accounts for the year 2021/2022 by C&A Audit Office Co., Ltd., the company's CPA, did not point to any significant weaknesses in the company's internal control which could lead to damages.

#### (1) Conclusion regarding Internal Control System

The company realizes the importance of risk management and believes that sufficient and appropriate internal control system can enhance efficiency, reduce or prevent risk and damages, and ensure compliance with all relevant laws and regulations. The important measures for internal control are listed below:

1. Clearly stated Corporate Governance Policy
2. Suitable organizational structure to the company's objective and operation. Responsibility and lines of command for each unit were well defined.
3. Work policy, work instructions, and operating manuals were well documented.
4. Authority for management and operators were clearly defined.
5. The Executive Board will consider and review the framework for risk management and risk analysis to ensure a proper level of risk exposure and a consistent compliance to the risk policy.
6. Continuously improve the information system to cover financial, operational, and compliance data.

**Note** Details of Risk Management

#### (2) Risk assessment

The Company has analyzed internal and external risks that may affect its business operations, taking into account opportunities and risks in areas such as strategy, implementation, compliance, and information technology. The Company has clearly defined risk management measures and operational plans.

#### (3) Operational control and monitoring

The Company has effective control and monitoring to minimize risks to acceptable levels such as financial transactions, procurement, engineering, manufacturing, warehouses, etc. by establishing guidelines and management's authorities and priorities.



#### (4) Information and Communication System

To support internal control and communicate information to stakeholders and stakeholders, the company provides customer satisfaction assessments, Intranet-based public relations channels, and a variety of communication channels to enable internal and external stakeholders to securely provide information or clues about dishonesty.

### 9.2 Related Party Transactions

The company has maintained, and will continue to maintain the policy that for all sales to Thai Far East Co., Ltd., Asia Garment Co., Ltd., Thai Industries Development Co., Ltd. And Thai Sewing Industrial Co., Ltd. or other mutual interest parties, regular term and conditions based on existing market conditions unequivocally apply.

Furthermore, as at June 30, 2021, there are longstanding debtors (more than 6 months), Thai Fareast Co., Ltd, and TFE Trading Co., Ltd. with combined outstanding balance of 124.32 million Baht. The debt was secured by land and building mortgage, valued by independent assessor, on May 11, 2021, at a market price of 110.99 million Baht and a forced-sale price of 66.59 million Baht. For conservative purpose, a reserve for bad debt was set at 74.67 million Baht to correspond for the previous, lower forced-sale price of 54.80 million Baht. The management believes that the reserve is sufficient to cover possible loss due to the difference between the assessed value of the collateral and the outstanding balance. The management maintains that the debtors sell the collateral to repay the debt in due course to minimize damage.

### 9.3 Mutual Interest Persons and Connected Transactions

Mutual Interest Persons	Connected Transactions	Description	Description	
			2021/2022	
			Unit	Baht
1. Thai Far East Co., Ltd. List of Directors 1. Mr. Mongkol Mangkornkanok 2. Mr. Montri Mangkornkanok	Customer	- Nylon Stretch Yarn Kgs. - Nylon Fabric Yards - Service (Nylon Fabric) Yards	- - -	- - -
2. Asia Garment Co., Ltd. List of Directors 1. Mr. Vitoon Sirikietsoong 2. Mr. Vira Sirikietsoong 3. Mr. Pira Sirikietsoong 4. Mr. Tira Sirikietsoong	Customer	- Nylon Stretch Yarn Kgs. - Nylon Fabric Yards	99.78 13,267	0.02 0.46
3. Thai Industries Development Co., Ltd. List of Directors 1. Mr. Vitoon Sirikietsoong 2. Mr. Vira Sirikietsoong 3. Mr. Pira Sirikietsoong 4. Mr. Tira Sirikietsoong	Customer	- Nylon Stretch Yarn Kgs. - Nylon Fabric Yards - Service (Nylon Fabric) Yards	5,312.64 - 39,963.00	1.05 - 1.90

## Part 3 Financial Statements

# Independent Auditor's Report

To the Shareholders of Asia Fiber Public Company Limited

### Opinion

I have audited the accompanying the financial statements in which the equity method is applied and the separate financial statements of Asia Fiber Public Company Limited, which comprise the statement of financial position in which the equity method is applied and the separate statement of financial position as at June 30, 2022, and the related statements of comprehensive income in which the equity method is applied and the separate statements of comprehensive income and the statement of changes in shareholders' equity in which the equity method is applied and the separate of statement of changes in shareholders' equity and the statement of cash flows in which the equity method is applied and the separate of statement of cash flows for the year then ended and a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Asia Fiber Public Company Limited as at June 30, 2022, their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

### Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing. 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 as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were 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 these matters.

Key audit matters and how audit procedures respond are described below.

### **Allowance for devaluation of inventory**

The Company operates as a manufacturer and distributor of both nylon and fiber products for spinning and weaving industry. Cost per unit of product has a Caprolactam as the main raw material. In addition, Caprolactam's price depends upon uncontrollable factors such as supply, demand, oil prices, exchange rates, and global economic conditions. This factor is a risk to the Company because of the volatility of raw material prices and sales prices. As at June 30, 2022, the Company had inventories amounted to Baht 319.96 million and allowance for devaluation inventories amounted to Baht 8.31 million according to the note to financial statements no. 2.3.5 regarding the accounting estimates and assumptions of devaluation, obsolescence, and deterioration of inventory and the note to financial statements 9 regarding inventory. The recognition of such transactions was material to the financial statements and was subject to inherent risk about valuation since it depends on judgment of the Company's management which used the assumptions or information to determine the adequacy and appropriateness. Management will consider the following:

- Historical data, future sales plans, or information about the price of the main raw material - Caprolactam
- Storing period of inventory and inventory life cycle
- Slow-moving inventory that exceeds the policy
- Inventory report by comparing cost and net realizable value and/or Slow-moving inventory report.

### **Audit procedures**

I specified audit procedures to provide a reasonable assurance to judgements of management regarding an adequacy and appropriateness of allowance for devaluation of inventory in financial statements of the Company as followed:

- Analyzing and evaluating the gross profit (loss) from sales transaction
- Understanding policies and evaluate assumptions of allowance for devaluation of inventory of the Company
- Observing the inventory count to ensure whether they are existent and the Company has a proper inventory process, especially, the separation of slow-moving or obsolete inventory
- Testing the accuracy of the report used to reserve allowance for devaluation of inventory
- Reviewing the policy of allowance for devaluation of inventory of the Company whether it complies with Financial Reporting Standard

### **Other information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company 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 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 of the Company, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.



## **Responsibilities of Management and Those Charged with Governance for the financial statements**

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

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

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

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing 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 Thai Standards on Auditing, I exercise professional judgment 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.

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

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

C&A Audit Office Co., Ltd.



(Mr. Niteepong Techamontrikul)

Certified auditor no. 10305

Bangkok : August 23, 2022

# Statement of Financial Position

As at June 30, 2022

(Unit : Baht)

	Note	Financial statements in			
		which equity method is applied		Separate financial statements	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	67,911,129.74	110,403,828.86	67,911,129.74	110,403,828.86
Trade and other current receivables	7	171,902,569.91	160,018,182.94	171,902,569.91	160,018,182.94
Short-term loans	5	2,487,000.00	2,487,000.00	2,487,000.00	2,487,000.00
Inventories	8	311,646,728.28	204,847,211.63	311,646,728.28	204,847,211.63
Other current financial assets	9	-	4,932,970.64	-	4,932,970.64
Other current assets		-	418,194.80	-	418,194.80
<b>Total current assets</b>		<b>553,947,427.93</b>	<b>483,107,388.87</b>	<b>553,947,427.93</b>	<b>483,107,388.87</b>
<b>Non-current assets</b>					
Other non-current financial assets	10	500,000.00	500,000.00	500,000.00	500,000.00
Investments in associates	11	17,307,417.60	18,801,683.97	28,500,000.00	28,500,000.00
Investment properties	12	302,125,245.44	301,855,112.40	302,125,245.44	301,855,112.40
Property, plant and equipment	13	657,273,552.10	644,841,123.39	657,273,552.10	644,841,123.39
Other non-current assets		1,921,394.69	2,008,063.15	1,921,394.69	2,008,063.15
<b>Total non-current assets</b>		<b>979,127,609.83</b>	<b>968,005,982.91</b>	<b>990,320,192.23</b>	<b>977,704,298.94</b>
<b>Total assets</b>		<b>1,533,075,037.76</b>	<b>1,451,113,371.78</b>	<b>1,544,267,620.16</b>	<b>1,460,811,687.81</b>

The accompanying notes are an integral part of the financial statements.



# Statement of Financial Position

As at June 30, 2022

(Unit : Baht)

		Financial statements in			
		which equity method is applied		Separate financial statements	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Note					
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	14	71,698,327.23	36,603,469.25	71,698,327.23	36,603,469.25
Trade and other current payables	15	73,033,205.74	55,361,961.65	73,033,205.74	55,361,961.65
Income tax payable		1,343,994.03	-	1,343,994.03	-
Other current financial liabilities		803,149.45	2,092,346.52	803,149.45	2,092,346.52
Total current liabilities		146,878,676.45	94,057,777.42	146,878,676.45	94,057,777.42
Non-current liabilities					
Deferred tax liabilities	16	108,537,425.71	108,439,523.53	108,537,425.71	108,439,523.53
Non-current provisions for employee benefit	17	53,619,953.17	53,989,045.85	53,619,953.17	53,989,045.85
Other non-current liabilities		909,901.26	909,901.26	909,901.26	909,901.26
Total non-current liabilities		163,067,280.14	163,338,470.64	163,067,280.14	163,338,470.64
Total liabilities		309,945,956.59	257,396,248.06	309,945,956.59	257,396,248.06
Shareholders' equity					
Share capital					
Authorized share capital					
100,000,000 ordinary shares of Baht 10 each		1,000,000,000.00	1,000,000,000.00	1,000,000,000.00	1,000,000,000.00
Issued and paid-up share capital					
45,574,266 ordinary shares of Baht 10 each		455,742,660.00	455,742,660.00	455,742,660.00	455,742,660.00
Premium on share capital		212,503,747.15	213,485,663.15	212,503,747.15	213,485,663.15
Retained earnings (deficits)					
Appropriated					
Legal reserve	20	685,654.91	-	685,654.91	-
Unappropriated		1,848,408.99	(29,527,702.69)	13,040,991.39	(18,421,786.66)
Other components of shareholders' equity		552,348,610.12	554,016,503.26	552,348,610.12	552,608,903.26
Total shareholders' equity		1,223,129,081.17	1,193,717,123.72	1,234,321,663.57	1,203,415,439.75
Total liabilities and shareholders' equity		1,533,075,037.76	1,451,113,371.78	1,544,267,620.16	1,460,811,687.81

The accompanying notes are an integral part of the financial statements.

# Statements of Comprehensive Income

For the year ended June 30, 2022

(Unit : Baht)

	Note	Financial statements in			
		which equity method is applied		Separate financial statements	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Revenue from sales or revenue from services		1,031,016,949.48	755,064,681.62	1,031,016,949.48	755,064,681.62
Cost of sales or cost of services		(958,027,031.65)	(688,187,968.99)	(958,027,031.65)	(688,187,968.99)
<b>Gross profit (loss)</b>		<b>72,989,917.83</b>	<b>66,876,712.63</b>	<b>72,989,917.83</b>	<b>66,876,712.63</b>
Other income		22,079,056.85	27,312,625.23	22,079,056.85	27,312,625.23
<b>Profit (loss) before operating activities</b>		<b>95,068,974.68</b>	<b>94,189,337.86</b>	<b>95,068,974.68</b>	<b>94,189,337.86</b>
Distribution costs		(40,612,930.92)	(31,352,333.02)	(40,612,930.92)	(31,352,333.02)
Administrative expenses		(18,920,085.16)	(16,380,839.52)	(18,920,085.16)	(16,380,839.52)
<b>Total expenses</b>		<b>(59,533,016.08)</b>	<b>(47,733,172.54)</b>	<b>(59,533,016.08)</b>	<b>(47,733,172.54)</b>
<b>Profit (loss) from operating activities</b>		<b>35,535,958.60</b>	<b>46,456,165.32</b>	<b>35,535,958.60</b>	<b>46,456,165.32</b>
Finance income		180,705.51	142,218.98	180,705.51	142,218.98
Finance costs		(1,401,339.34)	(358,713.02)	(1,401,339.34)	(358,713.02)
Share of profit (loss) from investment in associate	11	(1,494,266.37)	(5,382,761.94)	-	-
<b>Profit (loss) before income tax expense</b>		<b>32,821,058.40</b>	<b>40,856,909.34</b>	<b>34,315,324.77</b>	<b>46,239,671.28</b>
Income tax (expenses) revenue	16, 19	(3,148,807.80)	98,519.47	(3,148,807.80)	98,519.47
<b>Profit (loss) for the year</b>		<b>29,672,250.60</b>	<b>40,955,428.81</b>	<b>31,166,516.97</b>	<b>46,338,190.75</b>

The accompanying notes are an integral part of the financial statements.

# Statements of Comprehensive Income

For the year ended June 30, 2022

(Unit : Baht)

	Note	Financial statements in		Separate financial statements	
		which equity method is applied			
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<b>Other comprehensive income :</b>					
<b>Items that will be reclassified subsequently</b>					
<b>to profit or loss</b>					
Gains (losses) on remeasuring					
available-for-sale investments	9	7,674.96	437,129.82	7,674.96	437,129.82
Transferred to profit due to sale of investments					
in available for sales securities	9	(333,041.40)	(15,555,234.43)	(333,041.40)	(15,555,234.43)
Income tax relating to components of					
other comprehensive income	16,19	65,073.30	3,023,620.91	65,073.30	3,023,620.91
<b>Other comprehensive income (expense) for</b>					
<b>the year-net income tax</b>		(260,293.14)	(12,094,483.70)	(260,293.14)	(12,094,483.70)
<b>Total comprehensive income (expense) for the year</b>		<b>29,411,957.46</b>	<b>28,860,945.11</b>	<b>30,906,223.83</b>	<b>34,243,707.05</b>
<b>Earnings (loss) per share (Baht)</b>					
Basic earning (loss) per share		0.65	0.90	0.68	1.02

The accompanying notes are an integral part of the financial statements.

# Statements of Changes in Shareholders' Equity

For the year ended June 30, 2022

(Unit : Baht)

Financial statements in which equity method is applied

	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings	Revaluation surplus on land	Share of other investments in fair value of	Share of other comprehensive income of associates	Total other components of equity	Total shareholders' equity
Balance as at June 30, 2021		455,742,660.00	213,485,663.15	-	552,348,610.12	260,293.14	1,407,600.00	554,016,503.26	1,193,717,123.71
Transfer premium on shares capital to compensate the deficit	18	-	(981,916.00)	-	-	-	-	-	-
Legal reserve	20	-	-	685,654.91	-	-	-	-	-
Income tax relating to components of other comprehensive income	16,19	-	-	-	-	65,073.30	-	65,073.30	65,073.30
Comprehensive income (expense) for the year		-	-	-	-	(325,366.44)	-	(325,366.44)	29,346,884.16
Transferred surplus on revaluation of assets to retained earnings		-	-	-	-	-	(1,407,600.00)	(1,407,600.00)	-
<b>Balance as at June 30, 2022</b>		<b>455,742,660.00</b>	<b>212,503,747.15</b>	<b>685,654.91</b>	<b>552,348,610.12</b>	<b>-</b>	<b>-</b>	<b>552,348,610.12</b>	<b>1,223,129,081.17</b>

The accompanying notes are an integral part of the financial statements.

# Statements of Changes in Shareholders' Equity

For the year ended June 30, 2022

(Unit : Baht)

Financial statements in which equity method is applied

Other components of shareholders' equity									
Other comprehensive income (expense)									
Unrealized gain									
from changes in									
fair value of									
Share of other									
investments in									
comprehensive									
income of									
associates									
Total other									
components									
of equity									
Total									
shareholders'									
equity									
Note	Issued and paid-up share capital	Premium on share capital	Retained earnings	Revaluation surplus on land	Revaluation surplus on available for-sale securities	Share of other comprehensive income of associates	Total other components of equity	Total	
			Appropriated to legal reserve						
			Unappropriated						
Balance as at June 30, 2020	455,742,660.00	260,032,323.15	-	(117,029,791.50)	552,348,610.12	12,354,776.84	1,407,600.00	566,110,986.96	1,164,856,178.61
Transfer premium on shares capital to compensate the deficit	18	-	(46,546,660.00)	-	-	-	-	-	-
Income tax relating to components of other comprehensive income	16,19	-	-	-	-	3,023,620.91	-	3,023,620.91	3,023,620.91
Comprehensive income (expense) for the year	-	-	-	40,955,428.80	-	(15,118,104.61)	-	(15,118,104.61)	25,837,324.19
Balance as at June 30, 2021	455,742,660.00	213,485,663.15	-	(29,527,702.70)	552,348,610.12	260,293.14	1,407,600.00	554,016,503.26	1,193,717,123.71

The accompanying notes are an integral part of the financial statements.

# Statements of Changes in Shareholders' Equity

For the year ended June 30, 2022

(Unit : Baht)

## Separate financial statements

Other components of shareholders' equity									
Other comprehensive income (expense)									
Unrealized gain from changes in fair value of investments in available for-sale securities									
Issued and paid-up share capital		Premium on share capital	Retained earnings		Revaluation surplus on land	Total other components of equity		Total shareholders' equity	
Note	share capital		Appropriated to legal reserve	Unappropriated					
	455,742,660.00	213,485,663.15	-	(18,421,786.67)	552,348,610.12	260,293.14	552,608,903.26	1,203,415,439.74	
Transfer premium on shares capital to compensate the deficit	18	-	(981,916.00)	-	981,916.00	-	-	-	-
Legal reserve	20	-	-	685,654.91	(685,654.91)	-	-	-	-
Income tax relating to components of other comprehensive income	16,19	-	-	-	-	-	65,073.30	65,073.30	65,073.30
Comprehensive income (expense) for the year		-	-	-	31,166,516.97	-	(325,366.44)	(325,366.44)	30,841,150.53
Balance as at June 30, 2022		455,742,660.00	212,503,747.15	685,654.91	13,040,991.39	552,348,610.12	-	552,348,610.12	1,234,321,663.57

The accompanying notes are an integral part of the financial statements.



# Statements of Changes in Shareholders' Equity

For the year ended June 30, 2022

(Unit : Baht)

Separate financial statements									
Other components of shareholders' equity									
Other comprehensive income (expense)									
Unrealized gain from changes in fair value of investments in available for-sale securities									
Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Revaluation surplus on land	Total other components of equity	Total	Total other components of equity	Total shareholders' equity
			Appropriated to legal reserve	Unappropriated					
Balance as at June 30, 2020	455,742,660.00	260,032,323.15	-	(111,306,637.41)	552,348,610.12	12,354,776.84	564,703,386.96	1,169,171,732.70	
Transfer premium on shares capital to compensate the deficit	18	-	-	46,546,660.00	-	-	-	-	-
Income tax relating to components of other comprehensive income	16,19	-	-	-	-	3,023,620.91	3,023,620.91	3,023,620.91	3,023,620.91
Comprehensive income (expense) for the year	-	-	-	46,338,190.74	-	(15,118,104.61)	(15,118,104.61)	31,220,086.13	31,220,086.13
<b>Balance as at June 30, 2021</b>	<b>455,742,660.00</b>	<b>213,485,663.15</b>	<b>-</b>	<b>(18,421,786.67)</b>	<b>552,348,610.12</b>	<b>260,293.14</b>	<b>552,608,903.26</b>	<b>1,203,415,439.74</b>	

The accompanying notes are an integral part of the financial statements.

# Statements of Cash Flow

For the year ended June 30, 2022

(Unit : Baht)

	Financial statements in		Separate financial statements	
	which equity method is applied			
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax expense	32,821,058.40	40,856,909.34	34,315,324.77	46,239,671.28
Adjustments to reconcile net profit (loss) cash provided by (used in) operating activities :				
Depreciation and amortization expenses	11,369,339.44	2,452,602.14	11,369,339.44	2,452,602.14
Allowance expected credit loss receivable (reversal)	(58,155.16)	61,360.88	(58,155.16)	61,360.88
Allowance for decrease in value of inventories (reversal)	(188,733.94)	(13,981.70)	(188,733.94)	(13,981.70)
Allowance for slow-moving spare parts and factory supplies (reversal)	(684.00)	(12,947.46)	(684.00)	(12,947.46)
Allowance for impairment of spare parts for machinery (reversal)	(5,623.10)	-	(5,623.10)	-
Share of (profit) loss from investment in associate	1,494,266.37	5,382,761.94	-	-
Unrealised (gain) loss on fair value of derivatives	(803,149.45)	(2,092,346.54)	(803,149.45)	(2,092,346.54)
Unrealised (gain) loss on exchange	(1,155,743.31)	(1,700,348.76)	(1,155,743.31)	(1,700,348.76)
(Gain) loss on sale of investments	(333,041.40)	(15,555,234.43)	(333,041.40)	(15,555,234.43)
(Gain) loss on disposal of fixed assets	(4,383,223.76)	(188,052.39)	(4,383,223.76)	(188,052.39)
Employee benefit obligations	3,194,639.32	3,622,347.84	3,194,639.32	3,622,347.84
Interest expenses	1,401,339.34	358,713.02	1,401,339.34	358,713.02
Income (loss) from operating activities before changes in operating assets and liabilities	43,352,288.75	33,171,783.88	43,352,288.75	33,171,783.88
Operating assets (increase) decrease				
Trade and other current receivables	(10,878,785.33)	(54,948,984.08)	(10,878,785.33)	(54,948,984.08)
Inventories	(107,083,185.98)	(25,872,332.80)	(107,083,185.98)	(25,872,332.80)
Other non-current assets	6.00	(16,050.00)	6.00	(16,050.00)

The accompanying notes are an integral part of the financial statements.

# Statements of Cash Flow

For the year ended June 30, 2022

(Unit : Baht)

	Financial statements in			
	which equity method is applied		Separate financial statements	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<b>Cash flows from operating activities (continue)</b>				
Operating liabilities increase (decrease)				
Trade and other current payables	17,850,487.64	3,327,284.96	17,850,487.64	3,327,284.96
Other current financial liabilities	(486,047.62)	3,489,129.65	(486,047.62)	3,489,129.65
Cash receipt (paid) from operations	(57,245,236.54)	(40,849,168.39)	(57,245,236.54)	(40,849,168.39)
Cash paid for interest	(1,377,368.62)	(468,660.77)	(1,377,368.62)	(468,660.77)
Cash paid for employee benefit	(3,563,732.01)	(2,900,150.00)	(3,563,732.01)	(2,900,150.00)
Cash paid for income tax	(1,641,838.29)	(418,194.80)	(1,641,838.29)	(418,194.80)
Cash received from income tax	504,857.26	-	504,857.26	-
<b>Net cash flows from (used in) operating activities</b>	<b>(63,323,318.20)</b>	<b>(44,636,173.96)</b>	<b>(63,323,318.20)</b>	<b>(44,636,173.96)</b>
<b>Cash flows from investing activities</b>				
Cash receive for investment	4,940,645.60	242,000,000.00	4,940,645.60	242,000,000.00
Cash paid for short-term loans	-	(1,500,000.00)	-	(1,500,000.00)
Cash paid for investment properties	(7,278,334.13)	(146,606,960.22)	(7,278,334.13)	(146,606,960.22)
Cash paid for purchases of fixed assets	(16,331,276.29)	(20,800,608.40)	(16,331,276.29)	(20,800,608.40)
Cash received for sales of fixed assets	4,399,643.36	188,364.48	4,399,643.36	188,364.48
<b>Net cash flows from (used in) investing activities</b>	<b>(14,269,321.46)</b>	<b>73,280,795.86</b>	<b>(14,269,321.46)</b>	<b>73,280,795.86</b>
<b>Cash flows from financing activity</b>				
Increase(decrease) in bank overdrafts and short-term loans from financial institutions	35,094,857.98	(46,785,163.88)	35,094,857.98	(46,785,163.88)
<b>Net cash flows from (used in) financing activities</b>	<b>35,094,857.98</b>	<b>(46,785,163.88)</b>	<b>35,094,857.98</b>	<b>(46,785,163.88)</b>
Effect from foreign exchange in cash and cash equivalents	5,082.56	717.91	5,082.56	717.91
Net increase (decrease) in cash and cash equivalents	(42,492,699.12)	(18,139,824.07)	(42,492,699.12)	(18,139,824.07)
Cash and cash equivalents at beginning of year	110,403,828.86	128,543,652.93	110,403,828.86	128,543,652.93
<b>Cash and cash equivalents at end of year</b>	<b>67,911,129.74</b>	<b>110,403,828.86</b>	<b>67,911,129.74</b>	<b>110,403,828.86</b>

The accompanying notes are an integral part of the financial statements.

# Note to the Financial Statements

For the year ended June 30, 2022

## 1. General information

Asia Fiber Public Company Limited was incorporated in Thailand on March 10, 1970 and has been listed in the Stock Exchange of Thailand on September 22, 1975. The company is engaged in manufacturing of nylon products.

The company's office and factory addresses are as follows :

Office 27th Floor, Wall Street Tower, 33/133-136 Surawongse Road, Suriyawongse, Bangrak, Bangkok.

Factory 406-7 Moo 7, Sukhumvit Road Km. 33.5, Tambol Bangpoomai, Muang District, Samutprakarn, Thailand.

### Coronavirus Disease 2019 Pandemic

The Coronavirus disease 2019 ("COVID-19") pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the company operates. Nevertheless, the Company's management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

## 2. Basis of preparation

### 2.1 Statement of compliance

The financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRS) under the Accounting Act B.E. 2543 being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547 and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except some transactions are valued at fair price as disclosed in the accounting policies below.

An English version of the financial statements have been prepared from the statutory financial statements that are issued in 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.

### 2.2 Presentation currency

The financial statements are prepared and presented in Thai Baht.

### 2.3 Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the effect on the amount recognised in the financial statements is included in the following notes:

## 2. Basis of preparation (continue)

### 2.3 Use of estimates and judgements (continue)

#### 2.3.1 Leases

##### Determining the lease term with extension and termination options - The Company as a lessee

In determining the lease term, the management is required to exercise judgment in assessing whether the Company is reasonably certain to exercise the option to extend or terminate the lease, considering all relevant factors and circumstances that create an economic incentive for the Company to exercise either the extension or termination option. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

##### Classification of the lease - the Company is the lessor

In determining whether a lease is to be classified as an operating lease or finance lease, Management makes judgment in assessing the terms and details of the contract to determine whether the company has transferred the risks and rewards of ownership over the leased assets.

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

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

#### 2.3.3 Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

#### 2.3.4 Depreciation of property, plant and equipment and right-of-use assets and amortisation of intangible assets

In determining depreciation of plant and equipment and right-of-use assets and amortisation of intangible assets, the management is required to make estimates of the useful lives and residual values (if any) and to review useful lives and residual values when there are any changes.

#### 2.3.5 Allowance for obsolete, slow-moving and defective inventories

The company maintains an allowance for obsolete, slow-moving and defective inventories to reflect impairment of inventories. The allowance is based on consideration of inventory turnover and deterioration of each category.

## **2. Basis of preparation (continue)**

### **2.3 Use of estimates and judgements (continue)**

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

The obligation under defined benefit plan is determined based on actuarial valuations. Inherent within these calculations are assumptions as to discount rates, future salary incremental rate, mortality rates and other demographic factors. In determining the appropriate discount rate, management selects an interest rate that reflects the current economic situation. The mortality rate is based on publicly available mortality tables for the country. Actual post-retirement costs may ultimately differ from these estimates.

#### **2.3.7 Investment properties**

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

#### **2.3.8 Deferred tax assets**

Deferred tax assets are recognised for temporary difference arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the end of reporting period when it is highly probable that the Company will generate sufficient taxable profits from their future operations to utilise these deferred tax assets.

If management need to estimate the amounts of the deferred tax assets that the Company should recognise, they take into account the amount of taxable profit expected in each future period.

## **3. New financial reporting standards**

### **3.1 Financial reporting standards that became effective in the current year**

During the year, the Company has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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



### **3. New financial reporting standards (continue)**

#### **3.2 Financial reporting standard that will become effective for fiscal years beginning on or after 1 January 2022**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

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

### **4. Significant accounting policies**

#### **4.1 Revenue and expenses recognition**

Revenues from sales of goods and services net of output tax, rebates and discount. Revenues from sales of goods are recognized when significant risk and rewards of ownership of the goods are transferred to the buyer.

Revenues from services are recognized when the service is rendered.

Revenues from interest are recognized by timing and other income are recognized by accrual basis of accounting.

Cost of sales and expenses are recognized by accrual basis of accounting.

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

Cash and cash equivalents are carried in the statement of financial position at cost which comprise cash on hand, deposits held at call withbanks or other short-term highly liquid investments with original maturities of three months or less and free from restrictions.

#### **4.3 Trade accounts receivable and allowance expected credit loss-receivable**

Accounts receivables shown all total amount that customers need to pay as usual. Its subsidiaries record accounts receivable initially at the amount of consideration that is unconditional unless that is involved significantly financing factors, subsidiaries record it as present value.

The Company use Simplified under TFRS9 Approach for measuring expected credit losses all over the time and recognize losses since the first time that accounts receivables have been recorded. Accounts receivables would be grouped by due of payment. The rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Subsidiaries show impairment losses in profit/loss statement as a part of administrative expenses.

#### **4.4 Inventory valuation**

Inventories are valued at cost or net realizable value, whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of inventories purchased comprise the purchase price and other costs directly attributed to the acquisition of goods. Manufacturing cost of finished goods and work in process comprises from raw materials, labour and manufacturing overhead. Inventories are valued at moving average cost. Goods in transit are valued at cost price.

The company has policy to approximate the allowance for decline in value of inventories by the management's review.

#### 4. Significant accounting policies (Continue)

##### 4.5 Investments

Investment in associate is accounted for in the financial statements in which equity method is applied using the equity method.

Investment in associate is accounted for in the separate financial statements using the cost method.

##### 4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment.

Depreciation of buildings which are classified as investment properties are calculated by reference to their costs on the straight-line basis over the following estimated useful lives 20 years.

Depreciation of investment properties is recognized as expense for each accounting period.

No depreciation is provided on assets under construction which are classified as investment properties.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year when the asset is derecognised.

##### 4.7 Property, plant and equipment

Land is stated at appraised value. Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

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.

Depreciation is calculated on the straight line method to write off the cost of each asset, to their residual values over their estimated useful lives as follows.

Estimated useful lives are follower :

	Year
Buildings and improvements	10 - 20
Machinery and equipment	5 - 10
Furniture, fixtures and office equipment	5 - 10
Vehicles	5 - 8

Depreciation is recognized as expense for each accounting period.

There is no depreciation on land and land improvements.

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised within "other gains or losses, net" in profit or loss.

#### 4. Significant accounting policies (Continue)

##### 4.8 Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year, at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

##### Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

##### Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

##### 4.9 Leases

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

The Company assesses the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

#### 4. Significant accounting policies (Continue)

##### 4.9 Leases (continue)

###### Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying assets. If a lease transfers ownership of the underlying assets or the cost of the right-of-use assets reflects that the Company expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

###### Lease liability

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

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

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

##### 4.10 Employee benefits

###### Short term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognized as expenses when incurred.

###### Post-employment benefits (Defined benefit plans employee benefits)

The company has obligations in respect of the severance payments which paid to employees when their retirement have incurred under labor law. The company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, using the projected unit credit cost method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rates.

Actuarial gains and losses arising from post-employment benefits are recognised in other comprehensive income.

##### 4.11 Provision

Provision are recognized when the company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimation of the amount can be made. Where the company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

#### 4. Significant accounting policies (Continue)

##### 4.12 Financial instruments

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

###### Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Company’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

###### Financial assets at amortised cost

The Company measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

###### Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Company has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest. Dividends on listed equity investments are recognised as other income in profit or loss.

###### Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Company’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the company takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

###### Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the assets have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the assets.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### **4. Significant accounting policies (Continue)**

##### **4.12 Financial instruments (Continue)**

###### Impairment of financial assets

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

###### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

###### Derivatives

The Company uses derivatives such as forward foreign exchange contracts, to hedge against exchange rate fluctuations

Derivatives are initially recognized at fair value on the contract date and subsequently measured at fair value. The change in fair value is subsequently recognized in profit or loss. The Company presents derivatives as financial assets when their fair value is greater than zero, and presented as a financial liability when the fair value is less than zero.

The Company presents derivatives with remaining maturity not yet due within 12 months as other current assets, or other current liabilities

##### **4.13 Foreign currency translation**

###### Functional and presentation currency

Items included in the financial statements of company is measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Thai Baht, which is the Bank's functional and presentation currency.

###### Transactions and balances

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the statement of financial position date. Gains and losses resulting from the settlement of foreign currency transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the profit or loss.

##### **4.14 Earnings (loss) per share**

Earnings per share is determined by dividing the net earnings for the period by the weighted average number of issued and paid-up of common stock during the period.

##### **4.15 Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that the company shall allocate not less than 5 percent of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.



#### 4. Significant accounting policies (Continue)

##### 4.16 Income tax

###### Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

###### Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

###### Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period or highly probable to be effective at the end of the reporting period.

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

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

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

##### 4.17 Management benefit expenses

Management benefit expenses represents the benefits paid to the company's management such as salaries and related benefit including the benefit paid by other means. The company's management is the persons who are defined under the Securities and Exchange Act.

##### 4.18 Operating segments

Operating Segments is requires the presentation and disclosure of segment information based on the internal reports regularly reviewed by the company's chief operating decision maker in order to assess each segment's performance and to allocate resources to those segments.

## 5. Related party transactions

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

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

The company had significant business transactions with related party, balance of accounts and transaction between related party is presented in financial statement used for commercial price under market price or near market price or by contract price.

The followings are relationships with enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company as follows :

Company's name	Types of relation	Relationship
Thai Far East Co., Ltd.	Related company	Directorship
T.F.E. Trading Co., Ltd.	Related company	Directorship
Thai Sewing Industrial Co., Ltd.	Related company	Directorship
Asia Garment Co., Ltd.	Related company	Directorship
Thai Industries Development Co., Ltd.	Related company	Directorship
Cryothai Co., Ltd.	Associated company	Associated company and directorship

### 5.1 Asset with related entities as follows :

	(Unit : Baht)	
	As at	
	June 30, 2022	June 30, 2021
<u>Trade receivables</u>		
Thai Far East Co., Ltd.	105,390,648.44	105,390,648.44
T.F.E. Trading Co., Ltd.	18,929,488.96	18,929,488.96
Asia Garment Co., Ltd.	121,086.55	5,564.00
Thai Industries Development Co., Ltd.	579,248.78	-
<u>Penalty income on delay payment from customers receivable</u>		
Thai Far East Co., Ltd.	4,037,224.11	4,037,224.11
T.F.E. Trading Co., Ltd.	703,530.52	703,530.52
<u>Accrued interest income - related parties</u>		
Cryothai Co., Ltd.	215,537.20	104,368.31

## 5. Related party transactions (continue)

### 5.1 Asset with related entities as follows : (continue)

(Unit : Baht)

	As at	
	June 30, 2022	June 30, 2021
<u>Short-term loans to related parties</u>		
Cryothai Co., Ltd.	2,487,000.00	2,487,000.00

The Company has short-term loans to associated company to be used as working capital. The loans are subjected to interest based on contract price and will be repaid on demand.

During 2022, movements of loans from related parties are as follows :

(Unit : Baht)

#### Financial statements in which equity method is applied /

	Separate financial statements		
	Balance		Balance
	As at	During the year	As at
	June 30, 2021	Increase	June 30, 2022
<u>Short-term loans to related parties</u>			
Cryothai Co., Ltd.	2,487,000.00	-	2,487,000.00
<b>Total</b>	<b>2,487,000.00</b>	<b>-</b>	<b>2,487,000.00</b>

### 5.2 Revenue transactions as follows

(Unit : Baht)

	Policy of pricing	For the years ended	
		June 30, 2022	June 30, 2021
<u>Sales</u>	Market price		
Asia Garment Co., Ltd.		462,998.00	816,844.60
Thai Industries Development Co., Ltd.		1,948,666.15	1,925,054.35
<u>Interest income</u>	Based on contract		
Cryothai Co., Ltd.		111,168.89	91,696.85

### 5.3 Management benefit expenses

(Unit : Baht)

	For the years ended	
	June 30, 2022	June 30, 2021
Short term employee benefits	9,133,744.00	8,806,093.00
Post-employment benefits	286,926.44	230,608.39
<b>Total</b>	<b>9,420,670.44</b>	<b>9,036,701.39</b>

## 6. Cash and cash equivalents

(Unit : Baht)

As at

	June 30, 2022	June 30, 2021
Cash	339,000.00	192,463.35
Cash at banks - saving a/c	48,515,149.11	95,961,277.49
Cash at banks - current a/c	19,056,980.63	14,250,088.02
<b>Total</b>	<b>67,911,129.74</b>	<b>110,403,828.86</b>

Cash at banks has interest rate according to bank notification.

## 7. Trade and other current receivables

(Unit : Baht)

As at

	June 30, 2022	June 30, 2021
<b>Related party</b>		
Trade receivables	50,350,184.05	49,655,412.72
Other receivables	4,956,291.83	4,845,122.94
<b>Unrelated parties</b>		
Trade receivables	105,714,081.71	100,234,917.03
Other receivables	10,882,012.32	5,282,730.25
<b>Total</b>	<b>171,902,569.91</b>	<b>160,018,182.94</b>

### 7.1 Trade receivables

The aging analysis of the above trade receivables are as follows :

(Unit : Baht)

As at

	June 30, 2022	June 30, 2021
<u>Trade receivable - related party</u>		
Current to 3 months	700,335.33	5,564.00
Over 12 months	124,320,137.40	124,320,137.40
Total	125,020,472.73	124,325,701.40
<u>Less</u> Allowance expected credit loss-receivable	(74,670,288.68)	(74,670,288.68)
<b>Total trade receivables - related parties- net</b>	<b>50,350,184.05</b>	<b>49,655,412.72</b>

## 7. Trade and other current receivables (continue)

### 7.1 Trade receivables (continue)

As at June 30, 2022 and 2021, the company had long-outstanding (more than 6 months) trade accounts receivable from two related companies (Thai Far East Co., Ltd. and T.F.E. Trading Co., Ltd.) totalling Baht 124.32 Million and Baht 124.32 Million, respectively. The land and construction thereon of such companies are mortgaged as collateral for these receivables. The appraised value based on reports of an independent appraisal firm dated May 11, 2021, at market price Baht 110.99 Million and at force sale price Baht 66.59 Million.

The management believes that allowance expected credit loss-receivable enough and adequate because force sale price cover accounts receivable-net above and the management has a policy that a debtor has to sell its collaterals to repay such debt in a suitable time.

The aging analysis of the above trade receivables are as follows :

		(Unit : Baht)	
		As at	
		June 30, 2022	June 30, 2021
<u>Trade receivables - unrelated parties</u>			
Notes receivable			
Not over due		4,308,748.56	4,806,068.41
Over 12 months		1,301,813.74	1,301,813.74
Trade accounts receivable			
Current to 3 months		100,981,993.83	95,401,978.89
Over 3 month to 6 months		426,545.04	88,230.61
Total		107,019,101.17	101,598,091.65
<u>Less</u> Allowance expected credit loss-receivable		(1,305,019.46)	(1,363,174.62)
<b>Total trade receivables - unrelated parties- net</b>		<b>105,714,081.71</b>	<b>100,234,917.03</b>

As at June 30, 2022 and 2021, the allowance expected credit loss-receivable amounted to Baht 1.31 Million and Baht 1.36 Million. The management believes such allowance is adequate to absorb possible losses on doubtful accounts.

## 7. Trade and other current receivables (continue)

### 7.2 Other receivables

#### Other receivables - related party

(Unit : Baht)

	As at	
	June 30, 2022	June 30, 2021
Penalty income on delay payment from customers receivable		
Thai Far East Co., Ltd.	4,037,224.11	4,037,224.11
T.F.E. Trading Co., Ltd.	703,530.52	703,530.52
Interest income		
Cryothai Co., Ltd.	215,537.20	104,368.31
<b>Total</b>	<b>4,956,291.83</b>	<b>4,845,122.94</b>

#### Other receivables - unrelated parties

(Unit : Baht)

	As at	
	June 30, 2022	June 30, 2021
Tax coupon	57,926.15	222,826.88
Export incentive receivable	1,068,283.57	780,984.84
Advance payment for rawmaterials	1,011,869.37	672,996.97
Others	8,743,933.23	3,605,921.56
<b>Total</b>	<b>10,882,012.32</b>	<b>5,282,730.25</b>

## 8. Inventories

(Unit : Baht)

	As at	
	June 30, 2022	June 30, 2021
Finished goods	108,985,930.25	73,865,537.95
Work in process	114,453,073.22	92,433,911.05
Raw materials	61,415,543.83	19,008,342.07
Spare parts and factory supplies	28,805,961.23	27,825,737.06
Inventories in transit	6,300,530.50	217,412.19
<b>Total</b>	<b>319,961,039.03</b>	<b>213,350,940.32</b>
<u>Less</u> Allowance for decline in value of inventories	(2,140,022.35)	(2,328,756.29)
Allowance for slow-moving spare parts and factory supplies	(6,174,288.40)	(6,174,972.40)
<b>Net</b>	<b>311,646,728.28</b>	<b>204,847,211.63</b>



## 9. Other current financial assets

(Unit : Baht)

	As at	
	June 30, 2022	June 30, 2021
The cost of investment in securities available-for-sale beginning balance	4,607,604.20	231,052,369.77
<u>Less</u> Disposal of investment in securities available-for-sale	(4,607,604.20)	(226,444,765.57)
<b>The cost of investment in securities available-for-sale ending balance</b>	<b>-</b>	<b>4,607,604.20</b>
Allowance for investment in securities available-for-sale beginning balance	325,366.44	15,443,471.05
<u>Plus</u> Gain (loss) on measuring available for sale investments	7,674.96	437,129.82
<u>Less</u> Transferred to profit due to sales of investments in available-for-sale securities	(333,041.40)	(15,555,234.43)
<b>Allowance for investment in securities available-for-sale ending balance</b>	<b>-</b>	<b>325,366.44</b>
<b>Investments in securities available-for-sale-net</b>	<b>-</b>	<b>4,932,970.64</b>

The company has investment in unit trusts of mutual fund with 3 financial institution are as follows :

		Net asset value per unit (Unit : Baht)	
		(NAV : UNIT)	
		As at	
Fund name	Fund managers	June 30, 2022	June 30, 2021
1) UOB Income Daily Open-ended Fund	UOB Asset Management (Thai) Company Limited	-	11.8704
2) SCB Treasury Money Open End Fund	SCB Asset Management Company Limited	-	11.4843
3) T - Cash Open End Fund	Thanachart Fund Management Company Limited	-	13.6259

## 10. Other non-current financial assets - Investments in equity instruments of non-listed companies

(Unit : Baht)

Invested company (Type of business)	Paid-up Capital (Baht)	Proportion of share holding (%)	Investments			
			As at June 30, 2021	As at June 30, 2022		
			At cost	Share	Cost	Fair value through other comprehensive income or loss
UBE Chemicals (Asia) Public Company Limited						
(Type of business : Production and distribution of caprolactum and Chip)	10,739,250,230.00	0.005	500,000.00	41,267.00	12.12	500,000.00
<b>Total</b>	<b>10,739,250,230.00</b>		<b>500,000.00</b>		<b>12.48</b>	<b>500,000.00</b>

The fair value of investment in equity instruments of UBE Chemicals (Asia) Public Company Limited has been determined by analysis and considering by net asset value according on the financial statements of that company as at 31 March 2022 since the financial statements was the best current information, and concluded that the cost of those investments has appropriately represented the fair value of the investments. The Company used the referred price to be a fair value as at 30 June 2022. Due to the fact that there was no trading in liquid markets and valuation techniques could not be observed from the market information as mentioned above.

## 11. Investments in associates

### 11.1 Reconciles investments in associate

(Unit : Baht)

	Financial statements in which equity method is applied		Separate financial statements	
	As at		As at	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<b>Investments in associate-balance forward</b>	18,801,683.97	24,184,445.91	28,500,000.00	28,500,000.00
<u>Plus/(Less )</u> Share of profit (loss) from				
investment in associate	(1,494,266.37)	(5,382,761.94)	-	-
<b>Investments in associate-balance ending</b>	<b>17,307,417.60</b>	<b>18,801,683.97</b>	<b>28,500,000.00</b>	<b>28,500,000.00</b>

### 11.2 Detail of investments in associate, share of profit (loss) from investment in associate and share of other comprehensive income of associates

The associated company are founded in Thailand with the following details:

(Unit : Baht)

Company name	Type of business	Percentage of shareholdings		Paid-up capital	
		As at		As at	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Cryothai Company Limited	Manufacture of ventilate the heat for sell in the country, production to order, sell liquefied,natural gas and rent out transport vehicle	15%	15%	190,000,000.00	190,000,000.00
<b>Total</b>				<b>190,000,000.00</b>	<b>190,000,000.00</b>

**11.2 Detail of investments in associate, share of profit (loss) from investment in associate and share of other comprehensive income of associates (continue)**

(Unit : Baht)

Company name	Financial statements in		Separate financial statements	
	which equity method is applied			
	Carrying amounts based on equity method		Carrying amounts based on cost	
	As at		As at	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Cryothai Company Limited	17,307,417.60	18,801,683.97	28,500,000.00	28,500,000.00
	<b>17,307,417.60</b>	<b>18,801,683.97</b>	<b>28,500,000.00</b>	<b>28,500,000.00</b>

(Unit : Baht)

Company name	Financial statements in which equity method is applied			
	share of profit (loss) of associate		Share of other comprehensive income of associates	
	For the years ended		For the years ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Cryothai Company Limited	(1,494,266.37)	(5,382,761.94)	-	-
	<b>(1,494,266.37)</b>	<b>(5,382,761.94)</b>	<b>-</b>	<b>-</b>

None of the Company's associate are publicly listed and consequently do not have published price quotations.

The company has agent in committee who was designee from the committee of Cryothai Company Limited.

Production to order contract LNG as at September 3, 2007 was amended as of April 28, 2010 and June 30, 2016,

Cryothai Company Limited make an agreement with PTT Public Company Limited to produce LNG (liquefied natural gas), from source of production Nong Toom - A, Sukhothai province, for 10 years since accept LNG and HC.

The company has to recognize share of profit (loss) of associate for the years ended June 30, 2022 and 2021 at company's percentage of holdings only which the financial statements have been audited by their auditor.

### 11.3 Financial information under financial statements of the associated company as follows.

#### Detail of net assets

(Unit : Baht)

Company name	As at June 30, 2022				
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Net- assets
Cryothai Company Limited	161,116,323.95	167,707,897.53	223,537,446.49	188,062.76	105,098,712.23

(Unit : Baht)

Company name	As at June 30, 2021				
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Net- assets
Cryothai Company Limited	167,243,634.12	223,376,037.24	262,631,270.71	12,927,912.62	115,060,488.03

#### Detail of Statements of Comprehensive Income

(Unit : Baht)

	Cryothai Company Limited	
	For the years ended	
	June 30, 2022	June 30, 2021
Revenues	75,269,129.88	27,381,691.88
Profit (loss) from continuing operations	(9,961,775.80)	(35,885,079.57)
<b>Total comprehensive income (loss)</b>	<b>(9,961,775.80)</b>	<b>(35,885,079.57)</b>

#### Detail of Company's interest in net assets of investee

(Unit : Baht)

	Cryothai Company Limited	
	For the years ended	
	June 30, 2022	June 30, 2021
<b>Company's interest in net assets of investee at balance forward</b>	18,801,683.97	24,184,445.91
<u>Plus /Less</u> Total comprehensive income (Loss) attributable to the Company	(1,494,266.37)	(5,382,761.94)
<b>Company's interest in net assets of investee at balance ending</b>	<b>17,307,417.60</b>	<b>18,801,683.97</b>
<b>Carrying amount of interest in investee at balance ending</b>	<b>17,307,417.60</b>	<b>18,801,683.97</b>

## 12. Investment properties

The net book value of investment properties as at June 30, 2022 and 2021 is presented below.

	(Unit : Baht)			
	Land and improvements	Warehouse building for rent	Assets under construction	Total
<b>Cost :</b>				
June 30, 2021	112,786,125.00	22,858,909.44	189,068,977.40	324,714,011.84
Additions	-	609,900.00	6,668,434.13	7,278,334.13
Transfer in (out)	18,288,100.30	177,449,311.23	(195,737,411.53)	-
<b>June 30, 2022</b>	<b>131,074,225.30</b>	<b>200,918,120.67</b>	<b>-</b>	<b>331,992,345.97</b>
<b>Accumulated depreciation :</b>				
June 30, 2021	-	22,858,899.44	-	22,858,899.44
Depreciation for the year	-	7,008,201.09	-	7,008,201.09
<b>June 30, 2022</b>	<b>-</b>	<b>29,867,100.53</b>	<b>-</b>	<b>29,867,100.53</b>
<b>Net book value :</b>				
<b>June 30, 2022</b>	<b>131,074,225.30</b>	<b>171,051,020.14</b>	<b>-</b>	<b>302,125,245.44</b>
<b>June 30, 2021</b>	<b>112,786,125.00</b>	<b>10.00</b>	<b>189,068,977.40</b>	<b>301,855,112.40</b>

For the year ended June 30, 2022 and 2021 investment properties contributed rental income which recognised in profit and loss of Baht 12.43 million.

The fair value of investment properties as at June 30, 2022 and 2021 was amounting of Baht 38.28 million, was based on the appraisal report from the independent property appraisal company, dated May 15, 2020, which used the Market Method and Cost Method by considering replacement value and deduct with depreciation expenses according to its useful life including goodwill or market demand on that property.

13. Property, plant and equipment

(Unit : Baht)

	At appraised value	At cost					Total	
	Land and improvements	Buildings and improvements	Machinery and equipment	Spare parts for machinery	Furniture, fixtures and office equipment	Vehicles		Construction work
Cost / appraised value :								
June 30, 2021	592,656,875.00	363,454,839.26	1,957,577,416.10	32,587,303.28	16,149,164.91	3,608,025.44	16,168,034.60	2,982,201,658.59
Additions	-	1,210,725.00	6,555,813.84	-	153,259.55	-	8,411,477.90	16,331,276.29
Disposals	-	-	(42,621,797.03)	-	(97,000.00)	-	-	(42,718,797.03)
Transfer in (out)	-	-	17,817,373.12	327,748.75	-	-	(17,672,034.60)	473,087.27
June 30, 2022	592,656,875.00	364,665,564.26	1,939,328,806.03	32,915,052.03	16,205,424.46	3,608,025.44	6,907,477.90	2,956,287,225.12
Accumulated depreciation :								
June 30, 2021	-	359,406,839.26	1,948,013,549.25	-	15,837,558.56	3,164,861.77	-	2,326,422,808.84
Depreciation for the year	-	587,247.17	3,462,465.51	-	72,065.00	239,360.67	-	4,361,138.35
Depreciation on disposals	-	-	(42,621,716.70)	-	(80,660.73)	-	-	(42,702,377.43)
June 30, 2022	-	359,994,086.43	1,908,854,298.06	-	15,828,962.83	3,404,222.44	-	2,288,081,569.76
Allowance for impairment of spare parts for machinery :								
June 30, 2021	-	-	-	10,937,726.36	-	-	-	10,937,726.36
Addition (reversal of)	-	-	-	(5,623.10)	-	-	-	(5,623.10)
June 30, 2022	-	-	-	10,932,103.26	-	-	-	10,932,103.26
Net book value :								
June 30, 2022	592,656,875.00	4,671,477.83	30,474,507.97	21,982,948.77	376,461.63	203,803.00	6,907,477.90	657,273,552.10
June 30, 2021	592,656,875.00	4,048,000.00	9,563,866.85	21,649,576.92	311,606.35	443,163.67	16,168,034.60	644,841,123.39
Depreciation for the year :								
For the year ended June 30, 2022	4,361,138.35							
For the year ended June 30, 2021	2,452,602.14							



### 13. Property, plant and equipment (continue)

As at June 30, 2022 and 2021, the company's land is stated at the appraised value according to the appraisal report by independent appraisal company which using the market comparison approach on report of an independent appraisal firm dated May 15, 2020. The excess of appraised value Baht 705.44 Million, which overcost of which overcost of Baht 690.43 Million, is shown as "Revaluation surplus on land" under "shareholders' equity" in the statement of financial position. The revaluation surplus on land is not available for dividend distribution.

Land are reevaluated every 3 years. The fair value from an independent appraiser.

Under the cost model, land would have been carried at Baht 15.01 Million. The revaluation surplus was Baht 690.43 Million.

During the 2021, the Company transferred certain plots of land to investment properties with the carrying amount of Baht 112.79 million. (See Note 12)

As at June 30, 2022 and 2021, the Company's some machine are pledged against credit facility which received from financial institutions in accordance with the note 14.

The fair value measurement information in accordance with TFRS 13 are given below.

#### Fair value hierarchy

(Unit : Baht)

	Fair value measurements As at June 30, 2022 and 2021		
	Level 1	Level 2	Level 3
Land	-	592,656,875.00	-

#### Valuation techniques and inputs to Level 2.

Land is obtained from comparison of selling price of similar assets of similar location. The comparable prices are adjusted with difference in significant features such as location, environment, level of civilization, utility system, and etc. The significant information for valuation is price per square meter.

There were no changes in valuation techniques during the year.

### 14. Bank overdrafts and short-term loans from financial institutions

(Unit : Baht)

	Interest rate	As at	
	% per annum	June 30, 2022	June 30, 2021
Trust receipt	1.63 - 1.95	71,698,327.23	36,603,469.25
<b>Total</b>		<b>71,698,327.23</b>	<b>36,603,469.25</b>

Such short-term trade credit facilities are secured by pledging part of machineries of the Company for the liabilities from financial institutions (see note to financial statement no.13).

15. Trade and other current payables

(Unit : Baht)

		As at	
		June 30, 2022	June 30, 2021
Trade payables		45,640,419.55	27,893,369.41
Accrued expenses		19,538,587.56	18,467,770.98
Others		7,854,198.63	9,000,821.26
<b>Total</b>	<b>Total</b>	<b>73,033,205.74</b>	<b>55,361,961.65</b>

16. Deferred tax assets (deferred tax liabilities)

(Unit : Baht)

		As at	
		June 30, 2022	June 30, 2021
Deferred tax assets		29,768,335.08	29,892,792.85
Deferred tax liabilities		(138,305,760.79)	(138,332,316.38)
<b>Net</b>	<b>Net</b>	<b>(108,537,425.71)</b>	<b>(108,439,523.53)</b>

# 16. Deferred tax assets (deferred tax liabilities) (continue)

Movements in total deferred tax assets and liabilities during the year ended June 30, 2022 and 2021 were as follows :

(Unit : Baht)

	Financial statements in which equity method is applied /			
	Separate financial statements			
		Charging increase/(decrease)		
	As at	Other comprehensive		As at
	June 30, 2021	Profit or loss	income	June 30, 2022
Deferred tax assets				
Allowance expected credit loss-receivable	15,206,692.66	(11,631.03)	-	15,195,061.63
Allowance for diminution in value of inventories	3,888,291.01	(39,008.21)	-	3,849,282.80
Non-current provisions for employee benefit	10,797,809.18	(73,818.53)	-	10,723,990.65
<b>Total</b>	<b>29,892,792.85</b>	<b>(124,457.77)</b>	<b>-</b>	<b>29,768,335.08</b>
Deferred tax liabilities				
Revaluation surplus on land	138,087,152.53	-	-	138,087,152.53
Unrealized gain from changes infair value of investments in available-for-sale securities	65,073.30	-	(65,073.30)	-
Liabilities by contract of financial leased	23,893.59	(18,942.04)	-	4,951.55
Export incentive receivable	156,196.96	57,459.75	-	213,656.71
<b>Total</b>	<b>138,332,316.38</b>	<b>38,517.71</b>	<b>(65,073.30)</b>	<b>138,305,760.79</b>
Net	(108,439,523.53)	(162,975.48)	65,073.30	(108,537,425.71)

16. Deferred tax assets (deferred tax liabilities) (continue)

(Unit : Baht)

	Financial statements in which equity method is applied /			
	Separate financial statements			
		Charging increase/(decrease)		
	As at	Other comprehensive		As at
	June 30, 2020	Profit or loss	income	June 30, 2021
<b>Deferred tax assets</b>				
Allowance expected credit loss-receivable	15,194,420.49	12,272.17	-	15,206,692.66
Allowance for diminution in value of inventories	3,893,676.85	(5,385.84)	-	3,888,291.01
Non-current provisions for employee benefit	10,653,369.61	144,439.57	-	10,797,809.18
<b>Total</b>	<b>29,741,466.95</b>	<b>151,325.90</b>	<b>-</b>	<b>29,892,792.85</b>
<b>Deferred tax liabilities</b>				
Revaluation surplus on land	138,087,152.53	-	-	138,087,152.53
Unrealized gain from changes in fair value of investments in available-for-sale securities	3,088,694.21	-	(3,023,620.91)	65,073.30
Liabilities by contract of financial leased	44,557.59	(20,664.00)	-	23,893.59
Export incentive receivable	82,726.53	73,470.43	-	156,196.96
<b>Total</b>	<b>141,303,130.86</b>	<b>52,806.43</b>	<b>(3,023,620.91)</b>	<b>138,332,316.38</b>
<b>Net</b>	<b>(111,561,663.91)</b>	<b>98,519.47</b>	<b>3,023,620.91</b>	<b>(108,439,523.53)</b>

(Unit : Baht)

	As at June 30, 2021
Unrecognized tax loss	20,177,349.37

The company has not recognized tax loss as deferred tax assets since managements assessed that there was economic uncertainty. Therefore, the company cannot estimate certain future operating performance to determine future usage for such assets. Consequently, the company will recognise deferred tax assets when tax obligations occurred.

## 17. Non-current provisions for employee benefit

(Unit : Baht)

	As at	
	June 30, 2022	June 30, 2021
Employee benefit obligations at beginning of year	53,989,045.85	53,266,848.01
<u>Add</u> Employee benefit expenses during the year	2,720,309.06	3,138,879.15
Financial cost (interest) during the year	474,330.26	483,468.69
<u>Less</u> Payments employee benefit during the year	(3,563,732.00)	(2,900,150.00)
<b>Employee benefit obligations at end of year</b>	<b>53,619,953.17</b>	<b>53,989,045.85</b>

Employee benefit expenses the company recognized in the profit (loss) for the year ended June 30, 2022 and 2021 amounted to Baht 3.19 Million and Baht 3.62 Million, respectively.

The principal actuarial assumptions used were as follows :

(Unit : Percentage)

	As at	
	June 30, 2022	June 30, 2021
Discount rate	1.20	1.20
Future salary increases rate	3.00	3.00
Voluntarily resignation Rate	1.91 - 22.92	1.91 - 22.92

Amounts of defined benefit obligation for the current and previous four periods are as follows :

	Defined benefit obligation
Year 2022	53,619,953.17
Year 2021	53,989,045.85
Year 2020	53,266,848.01
Year 2019	51,421,814.99
Year 2018	39,908,118.64

## 17. Employee benefit obligations (continue)

### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	( Unit : Baht)	
	For the years ended June 30, 2022	
	Increase	Decrease
Discount rate (0.5% movement)	38,945,427.66	41,839,830.72
Future salary growth (1% movement)	44,177,682.95	36,911,130.39
Voluntarily resignation Rate (20% movement)	38,578,496.78	40,733,601.84

	( Unit : Baht)	
	For the years ended June 30, 2021	
	Increase	Decrease
Discount rate (0.5% movement)	39,667,394.07	42,774,510.56
Future salary growth (1% movement)	44,811,903.34	37,896,853.65
Voluntarily resignation Rate (20% movement)	39,504,685.24	42,979,528.15

## 18. Deficit deduction

In accordance with the minutes of the annual general shareholders' meeting for the year 2021, held on October 11, 2021, the shareholders approved the transfer of premium on share capital to reduce the deficit of the company amount Baht 0.98 Million.

In accordance with the minutes of the annual general shareholders' meeting for the year 2020, held on October 12, 2020, the shareholders approved the transfer of premium on share capital to reduce the deficit of the company amount Baht 46.55 Million.

## 19. Income tax (expenses) revenue

Corporate income tax was calculated on profit before income tax for the year, multiplied by the estimated effective tax rate for the year income (expense) tax are as follows :

(Unit : Baht)

	Financial statements in		Separate financial statements	
	which equity method is applied			
	For the year ended		For the year ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<b>Current income tax :</b>				
Corporate income tax charge	2,985,832.32	-	2,985,832.32	-
<b>Deferred tax :</b>				
Relating to origination and reversal of temporary differences	162,975.48	98,519.47	162,975.48	98,519.47
<b>Income (expense) tax expense reported in the statements of comprehensive income</b>	<b>3,148,807.80</b>	<b>98,519.47</b>	<b>3,148,807.80</b>	<b>98,519.47</b>

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates :

(Unit : Baht)

	Financial statements in		Separate financial statements	
	which equity method is applied			
	For the year ended		For the year ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Accounting profit (loss) before tax	32,821,058.40	40,856,909.34	34,315,324.77	46,239,671.28
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by applicable tax rate	6,564,211.68	8,171,381.87	6,863,064.95	9,247,934.26
Effects of :				
Tax exempted revenue and non-deductible expense	296,867.20	769,430.02	(1,986.07)	(307,122.37)
Increased of expenses are deductible	(221,587.32)	(241,995.43)	(221,587.32)	(241,995.43)
Tax loss	(3,490,683.76)	(8,797,335.93)	(3,490,683.76)	(8,797,335.93)
<b>Expense (Income) tax expense reported in the statements of comprehensive income</b>	<b>3,148,807.80</b>	<b>(98,519.47)</b>	<b>3,148,807.80</b>	<b>(98,519.47)</b>



**19. Income tax (expenses) revenue (continue)**

The amounts of income tax relating to each component of other comprehensive income :

(Unit : Baht)

	Financial statements in which equity method is applied/ Separate financial statements	
	For the year ended	
	June 30, 2022	June 30, 2021
Deferred tax relating to		
- Profit (loss) of investments in available for sales securities	65,073.30	3,023,620.91
<b>Total</b>	<b>65,073.30</b>	<b>3,023,620.91</b>

**20. Legal reserve**

In compliance with the Public Company Act, B.E. 2535 (1992), the Company set aside as a legal reserve at least 5% of its net profit until the reserve equal 10% of the authorized share capital. This reserve is not available for dividend distribution.

The company does not hold or issue derivative instruments for speculative or trading purposes.

Liquidity risk arises from the problem in raising funds adequately and in time to meet commitment as indicated in the financial statements. The management, based on the company's current financial position and results of operations and its forecasted financial information, believes that at present the company has no such risk.

Credit risk is the risk that a counterparty is unable or unwilling to meet a commitment that it entered into with the company. The risk is controlled by the application of credit approvals, limits and monitoring procedures.

The carrying amount of accounts receivable recorded in the statement of financial position, net of allowance for doubtful accounts represents the maximum exposure to credit risk.

Interest rate risk means the risk that the value of financial instruments will change because the changes of interest rate. The company is exposed to interest rate risk relating primarily to its deposits. So the company is exposed to the risk of the fluctuation in the future market rate.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below :

(Unit : Million Baht)									
Financial statements in which equity method is applied									
Floating interest rate		Fixed interest rate		Non-interest bearing		Total		Interest rate % per annum	
As at June 30,		As at June 30,		As at June 30,		As at June 30,		As at June 30,	
2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Financial assets</b>									
Cash and cash equivalents	48.52	95.96	-	19.40	14.44	67.92	110.40	0.05 - 0.375	0.05 - 0.125
Other current financial assets	-	-	-	-	4.93	-	4.93	-	-
Trade and other current receivables	-	-	-	171.90	160.02	171.90	160.02	-	-
<b>Financial liabilities</b>									
Trade and other current payables	-	-	-	73.03	55.36	73.03	55.36	-	-

## 21. Financial instruments (continue)

### 21.4 Fair value of financial instruments

Given that almost financial assets and financial liabilities are short-term include cash and bank which interest rate increase/decrease under market interest rates, the company's management believes that the fair value of financial assets and financial liabilities does not materially differ from their carrying value.

The company had the following financial assets that were measured at fair value using different levels of inputs as follows :

		(Unit : Baht)			
		Fair value			
		Level 1	Level 2	Level 3	Total
<b>As at June 30, 2022</b>					
Financial liabilities					
	Foreign exchange forward contracts	-	803,149.45	-	803,149.45
<b>As at June 30, 2021</b>					
Financial assets					
	Unit trust	-	4,932,970.64	-	4,932,970.64
Financial liabilities					
	Foreign exchange forward contracts	-	2,092,346.52	-	2,092,346.52

#### Valuation techniques and inputs to Level 2.

- The fair value of unit trusts is determined from their net asset value as at the end of the reporting period announced by each asset management company.
- Foreign exchange contracts which have been calculated using rates quoted by the Company's counterparties to terminate the contracts at the date of financial statements. The effects of discounting are generally insignificant for Level 2 derivatives.

During the period, there were no transfers between within the fair value hierarchy.

## 21. Financial instruments (continue)

### 21.4 Foreign currency risk

A summary of un-hedged foreign currency assets and liabilities, is set out below :

Transaction	Currency (Million)	As at	
		June 30, 2022	June 30, 2021
<b>Financial asset</b>			
Bank deposit	USD	0.002	0.002
Foreign trade accounts receivable	USD	2.06	2.41
<b>Financial liabilities</b>			
Foreign trade accounts payable	USD	0.42	0.14
Foreign other payables	USD	0.10	0.08

## 22. Obligation commitments

### 22.1 Guarantees

As at June 30, 2022 and 2021, the company had letter of guarantee issued by a local bank in favor of the customs department of Baht 1 Million (as at June 30, 2021 : Baht 1 Million), and The Metropolitan Electricity Authority (MEA) amounting to Baht 5.3 Million (as at June 30, 2021 : Baht 5 Million)

### 22.2 Letter of credit

As at June 30, 2022 and 2021, the company has letter of credits amounting to USD 0.32 Million and USD 0.43 Million, respectively.

### 22.3 Promises

As at June 30, 2022 The Company was obligated to pay remaining costs of equipment in the amount of 15.83 million baht .

## 23. Segment information

The chief operating decision-maker (CODM) has been identified as the Managing Director (MD) who regularly reviews the company's internal reporting in order to assess performance and allocate resources. Segmental profit is used as an assessment and allocation criteria. Segmental profit is derived on a basis consistent with the measurement of profit for the year in the financial statement.

The company has determined 4 reportable segments as follows :

- 1) Nylon Chip
- 2) Filament Yarn
- 3) Textured Yarn
- 4) Other : Sale Grey Fabric, Dyed & Finished Fabric, and other services

Information relating to business segments, in the company's financial statements for the year ended June 30, 2022 and 2021 are as follows :

(Unit : Baht)

	Financial statements in which equity method is applied				
	For the year ended June 30, 2022				
	Nylon Chip	Filament yan	Textured yan	Other	Total
Revenue from sales					
Local	2,608,411.00	36,250,918.47	62,683,320.57	74,520,922.41	176,063,572.45
Export	400,370,843.73	239,392,397.93	171,951,102.57	-	811,714,344.23
Services income	32,033,412.50	-	-	11,205,620.30	43,239,032.80
Total	435,012,667.23	275,643,316.40	234,634,423.14	85,726,542.71	1,031,016,949.48
Cost of sales					
Local	2,620,408.47	29,322,273.78	57,792,394.23	76,518,087.11	166,253,163.59
Export	375,774,976.18	224,141,088.03	147,083,511.34	-	746,999,575.55
Cost of services	29,682,238.17	-	-	15,092,054.34	44,774,292.51
Total	408,077,622.82	253,463,361.81	204,875,905.57	91,610,141.45	958,027,031.65
Gross profit (loss)	26,935,044.41	22,179,954.59	29,758,517.57	(5,883,598.74)	72,989,917.83
Depreciation	359,077.90	3,253,198.99	338,651.85	108,051.87	4,058,980.61
Unallocated income and expenses :					
Share of profit (loss) from investment in associate					(1,494,266.37)
Income (expense) tax					(3,148,807.80)

### 23. Segment information (continue)

(Unit : Baht)

Financial statements in which equity method is applied					
For the year ended June 30, 2021					
	Nylon Chip	Filament yan	Textured yan	Other	Total
Revenue from sales					
Local	4,088,969.00	26,253,547.32	45,960,414.03	68,778,443.52	145,081,373.87
Export	346,789,364.87	165,271,413.05	83,492,666.35	-	595,553,444.27
Services income	-	-	-	14,429,863.48	14,429,863.48
Total	350,878,333.87	191,524,960.37	129,453,080.38	83,208,307.00	755,064,681.62
Cost of sales					
Local	2,736,853.23	16,911,203.75	38,381,208.85	55,384,675.63	113,413,941.46
Export	313,769,556.83	155,233,429.33	78,203,201.43	-	547,206,187.59
Cost of services	-	-	-	27,567,839.94	27,567,839.94
Total	316,506,410.06	172,144,633.08	116,584,410.28	82,952,515.57	688,187,968.99
<b>Gross profit (loss)</b>	<b>34,371,923.81</b>	<b>19,380,327.29</b>	<b>12,868,670.10</b>	<b>255,791.43</b>	<b>66,876,712.63</b>
Depreciation	307,497.70	1,533,951.42	203,763.70	114,022.81	2,159,235.63
Unallocated income and expenses :					
Share of profit (loss) from investment in associate					(5,382,761.94)
Income (expense) tax					98,519.47

#### Reconcile total other significant items which disclose sperate segments with total of the group company

(Unit : Baht)

Financial statements in which equity method is applied						
For the year ended June 30,						
	2022			2021		
	Segmental balance	Non segmental balance	Total balance	Segmental balance	Non segmental balance	Total balance
Depreciation	4,058,980.61	302,157.74	4,361,138.35	2,159,235.63	293,366.51	2,452,602.14

## 23. Segment information (continue)

### Segmental assets

(Unit : Baht)

#### Financial statements in which equity method is applied

As at June 30, 2022					
	Nylon Chip	Filament yan	Textured yan	Other	Total
Segmental assets	85,665,671.46	44,450,251.92	10,419,438.06	7,014,948.43	147,550,309.87

(Unit : Baht)

#### Financial statements in which equity method is applied

As at June 30, 2021					
	Nylon Chip	Filament yan	Textured yan	Other	Total
Segmental assets	24,456,258.46	36,877,047.56	19,966,131.62	5,802,073.16	87,101,510.80

### Reconcile total of assets of segments which report with total assets

(Unit : Baht)

#### Financial statements in which equity method is applied

As at		
	June 30, 2022	June 30, 2021
<u>Assets</u>		
Segmental assets	147,550,309.87	87,101,510.80
Non segmental assets	1,385,524,727.89	1,364,011,860.98
<b>Total assets</b>	<b>1,533,075,037.76</b>	<b>1,451,113,371.78</b>



## 24. Additional information of expenses by nature

(Unit : Baht)

	Financial statements in which equity method is applied / Separate financial statements	
	For the years ended	
	June 30, 2022	June 30, 2021
Changes in inventories of finished goods and work in progress	(57,224,929.46)	(34,038,449.88)
Raw materials and consumables used	739,628,089.71	502,929,177.83
Depreciation and amortization expenses	4,358,402.49	2,457,809.68
Employee benefit expenses	112,891,337.06	107,831,231.51
Management benefit expenses	9,420,670.44	9,036,701.39
Other expenses	208,486,477.49	147,704,671.00
<b>Total</b>	<b>1,017,560,047.73</b>	<b>735,921,141.53</b>

### Information about main client

	Financial statements in which equity method is applied/ Separate financial statements			
	For the years ended			
	June 30, 2022		June 30, 2021	
	Amount (Million Baht)	Percentage of Net income (%)	Amount (Million Baht)	Percentage of Net income (%)
The company has revenue from main client				
Total revenue from sales	269.41	26.13	157.11	20.81

For the year ended June 30, 2022 and 2021, the company has clients from main client amount 2 and 2 key customers.

## 25. Supplemental cash flows information

The Company has material non-cash items in the statement of cash flows.

(Unit : MillionBaht)

	For the years ended	
	June 30, 2022	June 30, 2021
Transfer of land, buildings and building improvement to investment properties	-	112.79

## **26. Event after the reporting period**

### Dividend declaration of the Company

On 23 August 2022, the Company's Board of Directors passed a resolution to approve the dividend payment at Baht 0.14 per share, amounting to Baht 6.38 million. The Company will propose to the annual general shareholders' meeting for the year 2022 of the Company to approve afterward.

## **27. Approval of financial statements**

These financial statements have been approved by the company's director on August 23, 2022.

## Part 4

# Certification of Information for submission of 56-1 One Report

The Company has reviewed the information on this annual registration statement / annual report with care and hereby certifies that the information is accurate, complete, not false or misleading, and does not lack material information that should be notified. In addition, the Company certifies that:

- (1) The financial statements and financial information summarized in this annual registration statement / annual report show material information accurately and completely regarding the financial condition, the operating results and the cash flows of the Company and the subsidiaries;
- (2) The Company has provided an efficient disclosure system to ensure that the material information of the Company and the subsidiaries is disclosed accurately and completely, and has supervised compliance with such disclosure system;
- (3) The Company has provided an efficient internal control system, supervised compliance with the system, and submitted the information on the internal control assessment on the latest date available to the auditor and the Audit Committee, which covers deficiencies, significant changes to the internal control system, and wrongful acts that may affect the preparation of financial report of the Company and the subsidiaries.

In this regard, as proof that all the documents are identical to those certified by the Company, the Company has authorized Mr. Chen Namchaisiri to sign on every page of the documents, and the absence of the authorized signature of Mr. Chen Namchaisiri on any document shall be deemed that such unsigned document has not been certified by the Company.

(Mr. Chen Namchaisiri)  
Executive director and President

(Mrs. Jintana Thanatavee)  
Executive director and Secretary

## Attachment

- 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, the Company's secretary and the representative for contact and coordination in case of a foreign company
2. Details of the directors of subsidiaries
  3. Details of the Heads of the Internal Audit and Compliance Units
  4. Assets for business undertaking and details of asset appraisal
  5. Unabridged policy and guidelines on corporate governance And Unabridged Code of business conduct prepared by the Company
  6. Report of the Audit Committee

## 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, the Company's secretary and the representative for contact and coordination in case of a foreign company

Name / Position	Age	No of Share Held in (Sep 30,2021)*	Family Relationship Between Directors and Executives	Education Qualification	Work History
Mr. Mongkol Mangkonkanok** Chairman / Executive Director	84	374,519 (0.82%)	Mr. Montri Mangkonkanok's younger brother	Master of Mechanical Engineering, Purdue University, U.S.A.	2016-Present - Chairman of Asia Fiber PCL. 1969-Present - Executive Director of Asia Fiber PCL. - Managing Director of Thai Far East Co., Ltd. 1984-Present - Managing Director of Rama Textile (1988) Co., Ltd. 1991-Present - Managing Director of Thai Textile Industry Public Co., Ltd. Present - Managing Director of United Paper Public Co., Ltd.
Mr. Vitoon Sirikietsoong** Vice Chairman / Executive Director	72	3,340,150 (7.32%)	Mr. Vira, Mr. Pira and Mr. Tira Sirikietsoong's younger brother	Bachelor of Business Administration, New York University, U.S.A.	2016-Present - Vice Chairman of Asia Fiber PCL. 1987-Present - Executive Director of Asia Fiber PCL. 1971-Present - Managing Director of Asia Garment Co., Ltd. 1974-Present - Managing Director of Thai Industries Development Co., Ltd. 1995-Present - Managing Director of Fortune International & Computer Co., Ltd.
Mr. Chaeng Thongthai Independent Director / Nomination and Remuneration Committee	83	154,855 (0.34%)	None	Doctor of Medicine The University of Sydney, Faculty of Medicine, Australia	2017-Present - Independent Director of Asia Fiber PCL. 2006-Present - Nomination and Remuneration Committee 1978-2017 - Executive Director of Asia Fiber PCL. 1968-Present - Director of Thongthai (1956) Co., Ltd.
Mr. Chen Namchaisiri***, *** Executive Director / President	66	518,054 (1.14%)	None	Master of Mechanical & Industrial Engineering, Stanford University, California U.S.A.	1997-Present - Executive Director & President of Asia Fiber PCL. 1984-1997 - Executive Director & Vice President of Asia Fiber PCL.
Mr. Tira Sirikietsoong** Executive Director / Vice President	65	2,173,617 (4.77%)	Mr. Vitoon, Mr. Vira, Mr. Pira sirikietsoong's elder brother	Bachelor of Economics, Boston University, U.S.A.	2019-Present - Executive Director & Vice President of Asia Fiber PCL. 1980-Present - Executive Manager of Asia Garment Co., Ltd. 1999-Present - Director of Asia Fiber PCL.

Name / Position	Age	No of Share Held in (Sep 30,2021)*	Family Relationship Between Directors and Executives	Education Qualification	Work History
Mr. Vira Sirikietsoong** Executive Director / Factory Manager	68	2,058,011 (4.52%)	Mr. Vitoon's elder brother, Mr. Pira's, Mr. Tira's younger brother	Bachelor of Textile Technology, North Carolina State University, U.S.A.	- Executive Director, Factory Manager of Asia Fiber PCL. - Factory Director of Thai Industries Development Co., Ltd.
Mr. Pira Sirikietsoong** Executive Director	68	2,559,159 (5.62%)	Mr. Vitoon's, Mr. Vira's elder brother and Mr. Tira's younger brother	Master of Business Administration (Finance), New York University, U.S.A.	- Executive Director of Asia Fiber PCL. - Executive Director, Vice President of Asia Fiber PCL. - Director of Thai Industries Development Co., Ltd. - Director of Asia Garment Co., Ltd. - Director of Fortune International & Computer Co., Ltd.
Mr. Nipon Leelasithorn*** Executive Director	61	438,660 (0.96%)	None	Master of Business Administration (Management), Sasin Graduate Institute of Business administration Chulalongkorn University	- Executive Director of Asia Fiber PCL.
Mrs. Jintana Thanatavee** Executive Director / Secretary & Secretary of the Audit Committee	79	588,387 (1.29%)	Mr. Tanace Kuvnichkul's younger brother	Bachelor of Economics, National Taiwan University, Taiwan	- Executive Director of Asia Fiber Public Co., Ltd. - Secretary of the Audit Committee of Asia Fiber PCL. - Secretary of Asia Fiber PCL.
Mr. Yodjin Uahwatanasakul Independent Director	91	-	None	Doctor of Philosophy (Law), Babson College, U.S.A.	- Independent Director of Asia Fiber PCL. - Chairman of Asia Fiber PCL. - Executive Director of Asia Fiber PCL. - Chairman & Managing Director of Uahwatanasakul Co., Ltd.
Mr. Montri Mangkornkanok** Director	76	134,406 (0.29%)	Mr. Mongkol Mangkornkanok's younger brother	Master of Civil Engineering, University of Illinois, U.S.A.	- Director of Asia Fiber PCL. - Managing Director of Vongsechang Co., Ltd.
Mr. Tanace Kuvnichkul** Director / Nomination and Remuneration Committee	74	288,630 (0.63%)	Mrs. Jintana Thanatavee's elder sister	Master of Business Administration, The American University, Washington D.C. U.S.A.	- Director of Asia Fiber PCL. - Nomination and Remuneration Committee of Asia Fiber PCL. - Managing Director of Industries Aluminium Co., Ltd.

Name / Position	Age	No of Share Held in (Sep 30,2021)*	Family Relationship Between Directors and Executives	Education Qualification	Work History
Mr. Terawat Techapongvorachai** Independent Director / *** Audit Committee Director / Nomination and Remuneration Committee	71	403,930 (0.899%)	None	Bachelor of Textile Management, Pennsylvania, U.S.A.	<ul style="list-style-type: none"> <li>- Audit Committee Director of Asia Fiber PCL.</li> <li>- Nomination and Remuneration Committee of Asia Fiber PCL.</li> <li>- Independent Director of Asia Fiber Public Co.,Ltd.</li> <li>- Executive Manager of Liang Hong Co., Ltd.</li> <li>- Advisor of The Industrial Gas Club, The Federation of Thai Industries</li> </ul>
Mr. Somsak Puntanakasem** Independent Director / Audit Committee Director	73	181,800 (0.40%)	None	Secondary, Padding Technical College High School, London, England	<ul style="list-style-type: none"> <li>- Independent Director of Asia Fiber PCL.</li> <li>- Audit Committee Director of Asia Fiber PCL.</li> <li>- Managing Director of Jin Heng Shiang Partnership</li> <li>- Managing Director of Perasak Co., Ltd.</li> </ul>
Mr. Thirachart Viravan** Independent Director / Audit Committee Director	54	306,175 (0.67%)	None	Master of Finance, Fairleigh Dickinson University, U.S.A.	<ul style="list-style-type: none"> <li>- Independent Director of Asia Fiber PCL.</li> <li>- Audit Committee Director of Asia Fiber PCL.</li> <li>- Executive Manager of Viravan Co., Ltd.</li> <li>- Executive Manager of Valavee Co.,Ltd.</li> </ul>

\* As share transfer book was not closed on June 30, 2022, and there was no report of any subsequent change, we assume the figures from September 30, 2021, the previous book closing.

\*\* Completed training on Director Accreditation Program from (DAP) Thai Institute of Directors

\*\*\* Completed training on Director Certification Program (DCP) from Thai Institute of Directors

\*\*\*\* Completed training on Audit Committee Program (ACP) from Thai Institute of Directors



## 8.1 Other Management Staff

Name / Position	Age	No of Share Held in (Sep 30,2021)*	Education Qualification	Work History
Mr. Nariss Talungchit Assistant Manager of Factory Manager of Nylon Production Department	74	-	B.Sc. Chemistry Chulalongkorn University	Present - Assistant Manager of Factory - Manager of Nylon Production Department - Manager of Texture Yarn Department
Mr. Anant Vaivoothpinyo Manager of Business Department	74	2,240	B.Acc. Accounting Chulalongkorn University	1973 - Present - Manager of Business Department
Mr. Chamnan Chavanabenjawut Manager of Finance & Accounting Department	59	-	MBA B.Acc. Management Kasetsart University Accounting Thammasat University	2006 - 2009 Feb. 2009 - Present - Manager of Accounting Section - Manager of Finance & Accounting Department
Mr. Pitak Sukniam Manager of Information Technology Department	54	-	M.Cs. Computer Science Nation Institute of Development Administration	1995 - 2011 2011 - Present - Manager of System Development Section - Manager of Information Technology Department
Mr. Mohana Sundaram Eswaran Manager of Textile Yarn Department	41	-	B.A. Textile Processing Annamalal University, India	2019 - Present 2017 - 2019 - Manager of Textile Yarn Department - Assistant of Textile Yarn Department
Mr. Thanoo Laorsittiprom Manager of Fabrics Department	59	-	Bachelor's degree Industrial Technology (Product) Rajanakarin Rajabhat University	1986 - Present - Manager of Fabrics Department
Mr. Noranit Wesayasatit Manager of Quality Control & Development Department & Manager of Purchasing Dept.	74	1,000	M.B.A. Business Administration Chulalongkorn University	1971 - Present Jun 2009 - Present - Manager of Quality Control & Development Department - Manager of Purchasing Department
Mr. Patamas Janekamkit Manager of Engineering Department	50	-	Bachelor's degree Electrical Engineering Mahanakorn University of Technology	2005 - 2014 Present - Manager of Electrical Section - Assistant Manager of Engineering Dept.
Mr. Thammarat Moahsom Manager of Factory Administration Department	46	-	L.L.B. Law Chulalongkorn University	2008 - Present - Manager of Factory Administration Department.

\* As share transfer book was net closed on June 30, 2022, and there was no report of any subsequent change, we assume the figures from September 30, 2021, the previous book closing.

### Details of accounting and Finance, Auditor, Secretary

Name	Mr. Chamnan Chavanabenjawut	
Age	59 Years	
Position	Manager of Finance & Account Department	
Date of appointment	November 6, 2006	
Education	Bachelor's degree - Accounting :- Thammasat University, Bangkok Master's degree - BBA Kasetsart University, Bangkok	
No of Share Held in September 30, 2021	- None -	
Have / do not have Vested interest in	- None -	
Experience	1988 - 1994 Assistant manager of credit Industrial Finance Corporation of Thailand 1994 - 1997 Manager of credit Union Asia Finance PLC. 1997 - 2006 Manager of Accounting & Financial Thai Nippon Adhesive Co., Ltd. 2006 - Present Manager of Financial & Accounting of Asia Fiber PLC.	
Training	64 Crosse related to accounting and finance, such as - List of associated items, interest items, etc. of the Stock Exchange of Thailand - Accounting Standard Course of Thammasat Management Development Office, Limited - Accounting Standards Course, Council of Accounting Professions - Calculating employee benefits of Acureal Business Solutions Co., Ltd. - ERP Course, Federation of Thai Industries etc.	

### Auditor

Name	C & A Accounting Firm Co., Ltd.	
Auditor	1. Miss Jintana Mahavanich 2. Mrs. Chintana Techamontrikul 3. Mr. Niteepong Techamontrikul	C.P.A. Reg. No.4687 and/or Mrs. C.P.A. Reg. No. 5131 and/or and/or C.P.A.10305
No of Share Held in September 30, 2021	- None -	
Have / do not have Vested interest in	- None -	

### Company's Secretary

Company's Board of Directors ruled to appoint Mrs. Jintana Thanatavee. She is qualified both in terms of qualification and seniority. She has been performing her duty as in Company's Secretary since August 20, 2008 with duties and responsibilities as being specified in Section 89/15 and Section 89/16 of Securities and Exchange Act (Issue 4) B.E. 2551 (2008). Duties of the Company's Secretary as being stipulated by laws, are as follow:

1. Provide and maintain following documents:
  - Directors' registration
  - Letter of Invitation for meeting of Board of Directors, Board of Directors' minutes of meeting and the Company's annual report.
  - Letter of invitation for meeting of shareholders and shareholders' minutes of meeting.
  - Keep report of stakeholding provided by Directors or Executives and submit copy of stakeholding report according to Section 89/14 to Chairman and Audit Committee Chairman within seven working days from the day that the Company receives the report.
2. Undertake other performances as being stipulated by Capital Market Supervision Committee.
3. Make suggestion for laws and related regulations and practices on supervision operation of the Board of Directors to be in line with laws.
4. Other duties as being assigned by the Company.

## Attachment 2

### Details of the directors of subsidiaries

#### Cryothai Company Limited

List of Director	Chairman	Director	Executive Director	Control
Asia Fiber PLC.				
Mr. Mongkol Mangkornkanok		/		One of the two signatories.
Mr. Pira Sirikietsoong		/		One of the two signatories.
Mr. Terawat Tejapongvarachai		/		
Mr. Tira Sirikietsoong		/		

Name	Shareholding	% registered capital
1) Lorkittivanich	10,712,857	56.38
2) Asia Fiber PCL.	2,850,000	15.00
3) Other	5,437,143	28.62

**Directors :** As at June 30, 2022

1. Mr. Sombhat Lorkittivanich
2. Mr. Terawat Techapongvorachai
3. Mr. Mongkol Mangkornkanok
4. Mr. Pira Sirikietsoong
5. Mr. Athapol Lorkittivanich
6. Mr. Tira Sirikietsoong

### Attachment 3 Details of the Heads of the Internal Audit and Compliance Units

Name	Position	Education / Training	Duration	Position	Organization
Mr. Dhitwat Subhanabhong	Head of Internal Audit	<ul style="list-style-type: none"> <li>- 2002 Certified Public Accountant (CPA - Thailand)</li> <li>- 2014 To give approval to control the performance of the financial advisor, Securities and Exchange Commission</li> </ul>	2015 - Present	Director	Capital Link Advisory Limited
	Shareholding (%)		2014 - 2019	Managing Director	Chayot Company Limited
	- None -	<ul style="list-style-type: none"> <li>- 2012 Financial Advisor (FA), Thai Securities Companies Association</li> </ul>	2012 - 2013	Vice Managing Director (Finance and Accounting)	Asia Joint Panorama Public Company Limited
	Family relationship between executives	<ul style="list-style-type: none"> <li>- 2007 Director Certification Program (DCP) (93/2007) Thai Institute of Directors (IOD)</li> </ul>	2007 - 2008	Chairman of Audit Committee	Sun Wood Industries Public Company Limited
	- None -	<ul style="list-style-type: none"> <li>- 2007 Audit Committee Program (ACP) (20/2007), Thai Institute of Directors (IOD)</li> </ul>	2006 - Present	Lecturer in Tax plan	Thai Real Estate Business School
		<ul style="list-style-type: none"> <li>- 2002 Master of Accounting in Financial Accounting, Chulalongkorn University</li> </ul>	2004 - 2012	Managing Director	Chayot Company Limited
		<ul style="list-style-type: none"> <li>- 2000 Graduate Certificate in Auditing, Chulalongkorn University</li> </ul>	1999 - 2004	Senior Manager	Bank Thai Company Limited
		<ul style="list-style-type: none"> <li>- 1996 Certified Investment Securities Analyst (CISA-I), Securities Analysts Association</li> </ul>			
		<ul style="list-style-type: none"> <li>- 1990 Bachelor of Economics, Chiang Mai University</li> </ul>			
		<ul style="list-style-type: none"> <li>- 1990 Bachelor of Business Administration (Accounting), Ramkhamhaeng University</li> </ul>			

## Training

2017	Orientation Course - CFO focus on financial reporting (Class No. 2)
2017	TFRS (all editions) Year 2017 (Class No. 2/60) (Sub course 501)
2017	Understand important financial reporting standards and understand the auditor's report
2017	Understand the fair value measurement according to TFRS 13.
2017	Fundamentals of corporate IT governance for Internal Audit Training Program (Class No. 17) (Course No. 11)
2017	The New Auditor's Report in the First AGM by: Federation of Accounting Professions Under royal patronage
2017	Update rules for issuance and offering of debt securities and performance standards in the bond market
2017	Quality control of Financial Advisor under code of conduct by: Investment Banking Club Thai Securities Companies Association
2017	The role of the financial advisor and the company's preparation to submit an application for an IPO with new series of CG Code Organized by: The Securities and Exchange Commission
2018	Understand important financial reporting standards and understand the auditor's report (Class No. 1/61)
2018	Summary of Understanding and Main Points TFRS for NPAs (all) (Class No. 3/61)
2018	Preparation of operational consolidated financial statements (Workshop) for members and general persons (Class No. 4/61)
2018	TFRS 9 Workshop (Practical) for non-financial institute Course 3 (Accounting for risk prevention)
2018	TFRS 9 Workshop (Practical) for financial institute Course 1 (Classification and measurement)
	23 November 25TFRS 9
	Workshop (Practical) For the financial institution group course 1 (Categorization and Measurement)
2018	Corporate Finance (Class No. 3/61)
2019	TFRS (all editions) Year 2019 (Class No. 2/62) (sub course No. 402)
2019	To know the standards of financial reporting ... before listing on the stock exchange
2019	Case Study for Pack 5 & Fair Value (Class No. 2/62)
2019	Challenge and issue in financial reporting for going public companies
2019	Seminar on practical accounting issues with IPO
2019	Analysis and valuation of companies in technology and communications and renewable energy businesses.
2019	Issues related to financial reporting standards

## Attachment 4

### Assets for business undertaking and details of asset appraisal

#### Assets used in business

#### Land buildings and machinery as of June 30, 2022

List	Location	Use Area	Purpose And Ownership	Duration Usagelt's a Snitch. The Rest.** (Year)	Book Value (Million)	Mortgage on Assets
1. Land	Bangpoo Industrial Estate	105 ri, 1 job 20 sq.m.	buy to build a factory	-	705.44	free from any obligation
2. Buildings			buy for be used to conduct business.			
2.1 Head Office	33/133-136 Surawong Rd., Bangrak, Bangkok	886 sq.m.		0.00	0.00	free from any obligation
2.2 Factory	406-7 Moo 7, Sukhumvit Rd., Bangpoomai	32,458 sq.m.		0.00	0.00	free from any obligation
- factory building	Samutprakarn	5,128 sq.m.		0.00	0.00	
- warehouse		4,068 sq.m		12.59	1.64	
- another building.						
3. Building Improvement Section			To use Business			
3.1 Head Office				0.00	0.00	free from any obligation
3.2 Factory						free from any obligation
- factory building				6.06	3.04	
- warehouse				0.00	0.00	
- another building.				0.00	0.00	

\*\* The average remaining period of use is calculated based on the amount of the remaining book assets divided by their annual depreciation.



## Machinery and equipment as of June 30, 2022

List	Machine life (Years)	Used Period (Years)	The Capital Price of an Asset (Million Baht)	Book Value (Million Baht)
1. Machine				
1.1 Filament Factory				
- Filament	5 - 15	1 - 50	692.63	27.57
- Filament (POY)	5 - 10	2 - 50	195.71	0.12
- Filament (FDY)	5 - 10	2 - 50	186.84	0.77
1.2 Texturing Factory				
- Texturing	5 - 15	18 - 50	208.26	0.40
- Yarn Dyeing	5 - 10	1 - 38	65.14	0.85
1.3 Taffeta Factory				
- Taffeta Weaving	5 - 10	31 - 38	267.62	0.29
- Taffeta Dyeing	5 - 10	2 - 38	323.25	0.68

## Attachment 5

### Unabridged policy and guidelines on corporate governance And Unabridged Code of business conduct prepared by the Company

The company is disclosing information Unabridged policy and guidelines on corporate Governance and Unabridged Code of business conduct prepared by the Company on the website. [www.asiafiber.com](http://www.asiafiber.com) under the heading “Corporate Governance.”

## Attachment 6 Report of the Audit Committee

### Shareholders of Asia Fiber Public Company Limited

The audit committee comprises 3 qualified personnel who are also independent directors.

The Audit Committee's term of office is three year, A member of the Audit Committee who vacates his/her office by rotation may be re-appointed.

Each meeting was attended by the company's high-level executives, head of internal auditor unit, and the certified public auditors, except one meeting with the certified public auditors which was not attended by company's high-level executives.

The audit committee performed its duty as assigned by the company's board of directors, by reviewing the company's financial statements as audited and reported by the certified public auditors. Issues found from the auditing were also discussed to ascertain the correctness in substance and compliance to the generally accepted accounting principles. The internal auditor's report, with improvement measures in significant areas and follow-up on such measures, was also reviewed to achieve adequate and effective internal control. In addition, management was also present to offer opinions, analysis on performance, and answers to questions in each of the meeting.

The audit committee reviewed company's operation and its compliance with the Securities and Exchange Act, rules and regulations of the Stock Exchange of Thailand, and/or laws governing the business engaged by the company. Recommendations were made on good corporate governance, review of important risk aspects, and review of related transactions during each meeting.

The audit committee monitored the company's administration in important issues found during reviews of both the certified public auditor and the internal auditor. Corrective actions taken were summarized and reported regularly in the board meetings in order to improve the company's efficiency and to prevent breaches of the Securities and Exchange Act, rules and regulations of the Stock Exchange of Thailand, and/or laws governing the business engaged by the company, with an aim toward the highest benefit to shareholders and confidence of all parties concerned.

As part of its duty, the audit committee selected the certified public accountant to be proposed by the board of directors for the approval by the shareholders, with consideration on independence, performance, experience, together with the proposed audit fee. In conclusion, the audit committee selected Miss Jintana Mahavanich, c.p.a. 4687, and/or Mrs. Chitana Techamontrikul, c.p.a. 5131, and/or Mr. Niteepong Techamontrikul, c.p.a. 10305 represent C & A Audit Office Co., Ltd., to be certified public accountants for the company for another term, and concurred to an annual audit fee, including quarterly reviews, of not more than 800,000 Baht.

Furthermore, as at June 30, 2022, there are longstanding debtors (more than 6 months), Thai Fareast Co., Ltd., and TFE Trading Co., Ltd. with combined outstanding balance of 124.32 million Baht. The debt was secured by land and building mortgage, valued by independent assessor, on May 11 2021, at a market price of 110.99 million Baht and a forced-sale price of 68.47 million Baht. For conservative purpose, a reserve for bad debt was set at 74.67 million Baht to correspond for the previous, lower forced-sale price of 54.80 million Baht. The management believes that the reserve is sufficient to cover possible loss due to the difference between the assessed value of the collateral and the outstanding balance. The management maintains that the debtors sell the collateral to repay the debt in due course to minimize damage.

For and on behalf of the Audit Committee



(Mr. Thirachart Viravan)


Chairman of the Audit Committee



## Asia Fiber Public Company Limited

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 Fax : +66 2236 1982

### Factory

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