



บริษัท ไทยนามพลาสติกส์ จำกัด (มหาชน)  
Thai Nam Plastic Public Company Limited



Annual Report 2022 (56-10One Report)

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## Message from the Chairman

### To Shareholders

In the year 2022, the Thai economy faced some challenges due to tensions between Russia and Ukraine, which led to a hike in global oil prices. This, in turn, had a notable impact on the cost of energy and raw materials needed for production. However, things started to look up as the year progressed, and the economy saw a gradual recovery. This was thanks to a number of factors, such as the reopening of the country, increased government and private sector investment, and a boost in the tourism sector. Overall, the Thai economy grew by 2.6% in 2022. As the economy bounced back, the automotive industry in Thailand saw some positive results too. The total production volume of cars increased by 11.73% to 1.884 million units, compared to the previous year's production volume of 1.686 million units. The total car sales volume was 1.850 million, with 1.00 million units being exported, which is a 4.28% increase compared to the previous year's export sales of 0.959 million. Domestic car sales were 0.849 million, an increase of 11.89% compared to the previous year's sales of 0.759 million. These increases in sales had a positive impact on companies, especially those whose primary revenue source was the sale of synthetic leather products in the automotive industry. In 2022, the Company has sales according to the consolidated financial statements of 1,413.10 million baht, which is a 34.42% increase compared to the previous year's sales of 1,051.23 million baht and has a net loss of 6.23 million baht for the year, with the separate financial statements have sales revenue of 1,268.60 million baht, a 34.67% increase compared to the previous year's sales revenue of 941.98 million baht and a net profit of 27.65 million baht.

In 2023, after the COVID-19 situation had eased, it was expected that the Thai economy would expand at a rate of 2.7-3.7%. This was due to important supporting factors such as the return of foreign tourists, the expansion of investment by the government and private sector, and the easing of the semiconductor chip shortage. However, there were also risks from the fluctuation of the global economic and financial situation, as well as internal political issues. Therefore, the Thai Automotive Industry Association set a production target for cars at 1.95 million units, with 0.9 million units for domestic sales and 1.05 million units for exports. This was to align with the economic recovery trend in 2023 and to help the company achieve its goal of creating business opportunities for sustainable growth and long-term returns. As a manufacturer of synthetic leather used in the automotive industry, the company had a policy of conducting business with caution, improving production efficiency and reducing production costs, while controlling expenses in all aspects to mitigate the impact of fluctuations in energy and raw material prices. Additionally, the Company emphasized the importance of conducting business with a focus on sustainability, taking into account ESG principles in environmental, social, and governance aspects.

The Company continues to focus on research and development of new products using efficient production technologies to ensure the production of high-quality, internationally standardized products that meet the needs of customers in the automotive and related industries. Currently, the Company has added a new product, synthetic leather made from Polyurethane, which has been developed and accepted in the automotive industry.

We would like to assure everyone that the board of directors, management, and employees of this company will work together to continuously develop and improve the production of synthetic leather products, in order to maintain our customer base and expand our market share. By increasing our sales, we aim to create sustainable returns for our shareholders, employees, and society as a whole. The Company would like to express our gratitude to our shareholders, customers, business partners, and all those who have supported our company throughout the years with their trust and confidence.



Mrs. Siriphorn Mangkornkarn  
Chairman

**Summary of Financial Information (Consolidated Financial Statements)**

Thai Nam Plastic Public Company Limited and Its Subsidiaries

| <b>Statement of Income (Million Baht)</b>             | <b>2022</b> | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> |
|---|-------------|-------------|-------------|-------------|-------------|
| Revenue from sales                                    | 1,413.10    | 1,051.23    | 722.79      | 922.56      | 1,122.88    |
| Cost of sales   | 1,154.57    | 765.51      | 559.31      | 770.05      | 856.55      |
| Gross profit  | 258.53      | 285.72      | 163.48      | 152.51      | 266.33      |
| Gain from exchange rate                               | -           | 10.41       | -           | -           | -           |
| Other incomes   | 6.07        | 9.95        | 18.35       | 10.11       | 8.28        |
| Operating expenses                                    | 244.55      | 197.36      | 160.35      | 212.57      | 213.64      |
| Finance costs   | 16.74       | 15.48       | 15.80       | 13.22       | 14.90       |
| Income tax expense                                    | 9.54        | 6.89        | 3.36        | 22.30       | 26.46       |
| Profit (loss) for the year                            | (6.23)      | 86.35       | 2.32        | (85.47)     | 19.61       |
| Basic earnings (loss) per share (Baht)                | (0.02)      | 0.25        | 0.01        | (0.27)      | 0.06        |
| <b>Statement of Financial Position (Million Baht)</b> | <b>2022</b> | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> |
| Property, Plant and Equipment                         | 255.10      | 268.17      | 299.40      | 336.82      | 342.33      |
| Total assets  | 1,282.95    | 1,089.29    | 929.76      | 895.41      | 1,093.58    |
| Total liabilities                                     | 778.93      | 568.47      | 487.00      | 432.80      | 519.14      |
| Total shareholders' equity                            | 504.02      | 520.82      | 442.76      | 462.62      | 574.44      |
| Paid-up share capital                                 | 340.81      | 319.52      | 319.52      | 319.52      | 319.52      |
| Par value (Baht/share)                                | 1.00        | 1.00        | 1.00        | 1.00        | 1.00        |
| Book value (Baht/share)                               | 1.48        | 1.63        | 1.39        | 1.45        | 1.80        |
| <b>Financial Ratios</b>                               | <b>2022</b> | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> |
| Current Ratio (times)                                 | 1.83        | 1.85        | 1.71        | 1.64        | 1.52        |
| Accounts Receivable Turnover (times)                  | 4.67        | 5.00        | 4.64        | 4.45        | 4.36        |
| Day in Accounts Receivable (days)                     | 78.23       | 73.07       | 78.59       | 81.95       | 83.80       |
| Inventories Turnover (times)                          | 2.65        | 2.45        | 2.07        | 2.45        | 2.56        |
| Day in Inventories (days)                             | 137.50      | 148.80      | 176.75      | 149.16      | 142.65      |
| Accounts Payable Turnover (times)                     | 5.33        | 5.46        | 4.87        | 5.64        | 5.46        |
| Day in Accounts Payable (days)                        | 68.50       | 66.87       | 75.00       | 64.77       | 66.86       |
| Assets Turnover (times)                               | 1.10        | 0.97        | 0.78        | 1.03        | 1.03        |
| Gross Profit (%)                                      | 18.30       | 27.18       | 22.62       | 16.53       | 23.72       |
| Net Profit (%)  | (0.44)      | 8.21        | 0.32        | (9.26)      | 1.75        |
| Interest Payment Capability (times)                   | 1.20        | 7.02        | 1.36        | (3.78)      | 4.09        |
| Debt to Equity (times)                                | 1.55        | 1.09        | 1.10        | 0.94        | 0.90        |
| Debt to Total Assets (times)                          | 0.61        | 0.52        | 0.52        | 0.48        | 0.47        |

**Summary of Financial Information (Separate Financial Statements)**

Thai Nam Plastic Public Company Limited

| <b>Statement of Income (Million Baht)</b>             | <b>2022</b> | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> |
|---|-------------|-------------|-------------|-------------|-------------|
| Revenue from sales                                    | 1,268.60    | 941.98      | 644.25      | 867.24      | 1,103.93    |
| Cost of sales   | 1,034.04    | 729.35      | 523.83      | 712.30      | 816.63      |
| Gross profit  | 234.56      | 212.63      | 120.42      | 154.94      | 287.30      |
| Dividend income                                       | 5.50        | 5.00        | -           | -           | -           |
| Gain from exchange rate                               | 14.59       | 38.92       | -           | -           | -           |
| Other incomes   | 8.19        | 12.12       | 12.72       | 11.35       | 13.37       |
| Operating expenses                                    | 221.23      | 161.69      | 194.43      | 240.04      | 236.46      |
| Finance costs   | 7.61        | 5.17        | 8.47        | 13.14       | 12.67       |
| Income tax expense (tax income)                       | 6.35        | 10.95       | (0.68)      | 6.30        | 31.06       |
| Profit (loss) for the year                            | 27.65       | 90.86       | (69.08)     | (93.19)     | 20.48       |
| Basic earnings (loss) per share (Baht)                | 0.08        | 0.27        | (0.22)      | (0.29)      | 0.06        |
| <b>Statement of Financial Position (Million Baht)</b> | <b>2022</b> | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> |
| Property, Plant and Equipment                         | 416.30      | 387.10      | 440.03      | 468.48      | 470.87      |
| Total assets  | 1,293.24    | 1,088.65    | 933.20      | 1,053.73    | 1,246.28    |
| Total liabilities                                     | 655.81      | 458.89      | 393.97      | 430.98      | 513.22      |
| Total shareholders' equity                            | 637.42      | 629.76      | 539.23      | 622.75      | 733.06      |
| Paid-up share capital                                 | 340.81      | 319.52      | 319.52      | 319.52      | 319.52      |
| Par value (Baht/share)                                | 1.00        | 1.00        | 1.00        | 1.00        | 1.00        |
| Book value (Baht/share)                               | 1.87        | 1.97        | 1.69        | 1.95        | 2.29        |
| <b>Financial Ratios</b>                               | <b>2022</b> | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> |
| Current Ratio (times)                                 | 1.80        | 1.76        | 1.53        | 1.70        | 1.59        |
| Accounts Receivable Turnover (times)                  | 3.93        | 4.11        | 3.20        | 3.02        | 3.29        |
| Day in Accounts Receivable (days)                     | 92.93       | 88.77       | 113.91      | 120.76      | 111.00      |
| Inventories Turnover (times)                          | 2.89        | 2.80        | 2.23        | 2.61        | 2.72        |
| Day in Inventories (days)                             | 126.31      | 130.33      | 163.64      | 139.97      | 134.00      |
| Accounts Payable Turnover (times)                     | 5.49        | 5.75        | 4.66        | 5.20        | 5.22        |
| Day in Accounts Payable (days)                        | 66.47       | 63.53       | 78.36       | 70.16       | 69.94       |
| Assets Turnover (times)                               | 0.98        | 0.87        | 0.69        | 0.82        | 0.89        |
| Gross Profit (%)                                      | 18.49       | 22.57       | 18.69       | 17.87       | 26.03       |
| Net Profit (%)  | 2.18        | 9.65        | (10.72)     | (10.75)     | 1.86        |
| Interest Payment Capability (times)                   | 5.47        | 20.69       | (7.24)      | (5.61)      | 5.07        |
| Debt to Equity (times)                                | 1.03        | 0.73        | 0.73        | 0.69        | 0.70        |
| Debt to Total Assets (times)                          | 0.51        | 0.42        | 0.42        | 0.41        | 0.41        |

**Part 1****Business Operations and Performance****1. Structure and Business Operations****1.1 Policies and Overview of Business**

Thai Nam Plastic Public Company Limited is a leading manufacturer of plastic products in Thailand, which started its business on 22 May 1970, with the main products being artificial leather products and plastic sheets for the automotive industry for automotive interior trim. The Company also produces products for the footwear and sports equipment industry, furniture, and leather fashion industry, including household plastic sheets with the use in civil engineering and agriculture. For more than 52 years, the Company remains committed to conducting research and development of new products continuously, especially non-toxic products with international standard quality and environmentally friendly that the world attaches great importance to, both now and in the future, with constant on-time delivery as scheduled for the customers' satisfaction.

**Vision, Objectives, Goals, or Strategies for the Company's Operations****Vision**

To be the leader in synthetic leather and plastic sheet products of international quality used in the automotive industry around the world and related industries

**Mission**

1. Focus on the development of personnel to be well-equipped in terms of management and specific skills to support change as well as good welfare and compensation.
2. Prioritize and promote a safety culture as well as the environment throughout the organization.
3. Engage in product development in all car manufacturers and supply chains, including other industries in every region sustainably.
4. Support research works and develop production technology and new raw materials to enhance product quality and certify new product images.
5. Participate in activities to reduce costs and increase productivity throughout the organization.
6. Focus on measuring and inspection equipment usage in the production process and the implementation of automation in the production process.
7. Develop information systems in all sectors to support efficient work and decision making.

**Significant Changes and Developments**

The Company and its subsidiaries have had significant changes and developments as follows:

| Day Month Year   | Significant Change Events  |
|------------------|--|
| 22 May 1970      | Thai Nam Plastics Company Limited is established, with investment promotion received from the Board of Investment (BOI) in June 1970.  |
| 3 November 1983  | Established T.N.P. INDUSTRY COMPANY LIMITED (SUBSIDIARY).  |
| 27 February 1992 | Became a SET listed company with the initials “TNPC” securities.   |
| 10 March 1994    | Converted into a public company the name of Thai Nam Plastics Public Company Limited.  |
| 31 October 1994  | Established Sunprene (Thailand) Company Limited (associated company). The Company holds 45 percent of shares.  |
| 15 October 1999  | The Company and T.N.P. Industry Company Limited (subsidiary) jointly signed a contract revising the debt structure with financial institutions.  |
| 24 January 2002  | Established Thai Nam-Kyowa Company Limited (Subsidiary) The Company holds 50 percent of shares.  |
| 26 April 2002    | T.N.P. Industry Company Limited received a certificate for quality assurance and product standard (ISO9001:2000).  |
| 19 December 2002 | The Company received a certificate for quality and product standards ISO9001:2000).  |
| 20 June 2003     | Thai Nam-Kyowa Company Limited received a certificate for quality assurance and product standard (ISO9001:2000).   |
| 26 June 2006     | The Company and Thai Nam-Kyowa Company Limited received a certificate for quality and product standards (ISO/TS 16949:2002).   |
| 6 November 2007  | Established Taweewattana Logistics Company Limited (subsidiary)  |
| 28 April 2008    | The Company and T.N.P. Industry Company Limited refinance all debts from the former financial institution creditors to only one financial institution creditor.  |
| 4 December 2009  | Sold investment in Sunprene (Thailand) Company Limited which was a joint venture company.  |
| 24 November 2010 | Invested in South Africa by establishing TNV Plastics (Proprietary) Limited subsidiary, the Company holds 100 percent of shares.   |
| 7 April 2011     | T.N.P. Industry Company Limited received a certificate for quality assurance and product standard (ISO9001:2008).  |
| 28 April 2015    | The Company has registered a change in the par value from 5 baht per share to 1 baht per share accordingly to the resolution of the Annual General Meeting of Shareholders No. 46/2015 dated 24 April 2015                                   |
| 7 April 2016     | The Company bought 50 percent of shares of Thainam-Kyowa Company Limited from Kyowa Leather Cloth Company Limited and changed its name to Thainam Automotive Performance Company Limited, making the Company a shareholder of 99.99 percent. |
| 9 June 2016      | The Company issued warrants to purchase ordinary shares of the Company No. 1 (TNPC-W1) to the existing shareholders of 53,252,049 units and increased capital to support the exercise of such rights of TNPC-W1.                             |



| Day Month Year   | Significant Change Events   |
|------------------|---|
| 1 August 2016    | Thainam Automotive Performance Co., Ltd. reduced the size of the business by reducing the registered capital from 40 million baht to 10 million baht, divided into 1 million ordinary shares. However, it is still a major shareholder of 999,995 shares or 99.99 percent.  |
| 31 May 2017      | The Company gave the right to the holders of TNPC-W1 warrants to exercise the right to purchase ordinary shares No. 1   |
| 30 November 2017 | The Company gave the right to the holders of TNPC-W1 warrants to exercise the right to purchase ordinary shares No. 2   |
| 31 May 2018      | The Company gave the right to the holders of TNPC-W1 warrants to exercise the right to purchase ordinary shares No. 3   |
| 3 July 2018      | The Company and Thainam Automotive Performance Co., Ltd. have received certificates for quality and product standards (ISO/TS 16949:2016 and T.N.P. Industry Company Limited has received a certificate of quality assurance and the product standard (ISO9001:2015   |
| 30 November 2018 | The Company gave the right to the holders of TNPC-W1 warrants to exercise their rights to purchase ordinary shares No. 4  |
| 31 May 2019      | The Company gave the right to the holders of TNPC-W1 warrants to exercise the right to purchase ordinary shares No. 5   |
| 7 June 2019      | The company hereby grants the rights to the holders of TNPC-W1 warrants to exercise their final common stock purchase rights at a ratio of 1:1.03. Each unit of warrant entitles the holder to purchase 1.03 common shares at a price of 2.19 baht per share. These warrants will cease to be registered securities on the Stock Exchange of Thailand on 8 June 2019. |
| 24 June 2019     | The Stock Exchange of Thailand has accepted the registration of an increase in the company's paid-up capital from the conversion of 382 TNPC-W1 warrants into common shares for trading on the stock exchange.  |
| 6 November 2019  | The Company has been supported by the Board of Investment's investment promotion measures for machinery upgrades to improve production efficiency, which have been granted exemptions or reductions in import duties on new machinery until January 15, 2023 and corporate income tax exemptions for up to 72.23 million baht over a period of 3 accounting years.    |
| During 2020      | The Company has developed synthetic leather made from polyurethane plastic for use in car seats and interior decoration, replacing genuine leather. However, the Company's operations were affected by the COVID-19 pandemic from April to July 2020, lowering the performance.   |
| During 2021      | The Company was able to produce and sell synthetic leather products made from polyurethane plastic, which is a new product for use in the automotive and related industries.  |
| 18 May 2022      | The Company has issued common shares to support the distribution of dividends, totaling 21,297,107 shares with a par value of 1 baht per share and has registered the change in registered paid-up capital from 319,516,823 baht to 340,813,930 baht.   |
| 14 December 2022 | The Company has improved its business structure to reduce duplicate operating expenses by registering the dissolution of three subsidiaries: Thai Nam Automotive Performance Company Limited, Taweewattana Logistics Company Limited and T.N.P. Industry Company Limited.   |

## 1.2 Nature of business

### 1.2.1 Revenue structure of the Company

The Company's revenue structure for the past 3 years is classified by product lines as follows:

| Products  | 2022         |        | 2021         |        | 2020         |        |
|---|--------------|--------|--------------|--------|--------------|--------|
|   | Million Baht | %      | Million Baht | %      | Million Baht | %      |
| - Artificial leather for the automotive Industry, sports shoes and other industries | 957.57       | 75.48  | 640.31       | 67.98  | 417.79       | 64.85  |
| - Flexible film/sheet   | 271.23       | 21.38  | 243.24       | 25.82  | 212.54       | 32.99  |
| - Other   | 39.79        | 3.14   | 58.43        | 6.20   | 13.92        | 2.16   |
| Total   | 1,268.60     | 100.00 | 941.98       | 100.00 | 644.25       | 100.00 |

The subsidiary's revenue structure for the past 3 years is classified by product lines as follows:

■ Taweewattana Logistics Company Limited

| Products                                     | 2022         |        | 2021         |        | 2020         |        |
|--|--------------|--------|--------------|--------|--------------|--------|
|  | Million Baht | %      | Million Baht | %      | Million Baht | %      |
| - Artificial leather and Flexible film/sheet | 0.70         | 100.00 | 0.46         | 100.00 | 0.77         | 100.00 |

■ Thai Nam Automotive Performance Company Limited

| Products                                   | 2022         |        | 2021         |        | 2020         |        |
|--|--------------|--------|--------------|--------|--------------|--------|
|  | Million Baht | %      | Million Baht | %      | Million Baht | %      |
| - Sheet cutting and foam laminate services | 3.15         | 100.00 | 10.57        | 100.00 | 8.71         | 100.00 |

■ TNV Plastics (Proprietary) Limited

| Products   | 2022         |        | 2021         |        | 2020         |        |
|--|--------------|--------|--------------|--------|--------------|--------|
|  | Million Baht | %      | Million Baht | %      | Million Baht | %      |
| - Artificial leather for the automotive industry | 189.75       | 100.00 | 178.04       | 100.00 | 88.51        | 100.00 |

■ T.N.P. Industry Company Limited

| Products                  | 2022         |        | 2021         |        | 2020         |        |
|---------------------------|--------------|--------|--------------|--------|--------------|--------|
|                           | Million Baht | %      | Million Baht | %      | Million Baht | %      |
| - Rigid PVC (transparent) | -            | -      | 1.94         | 45.00  | 2.77         | 47.76  |
| - Rigid PVC (opaque)      | -            | -      | 0.19         | 4.44   | 1.80         | 31.03  |
| - Other                   | 0.38         | 100.00 | 2.18         | 50.56  | 1.23         | 21.21  |
| รวม                       | 0.38         | 100.00 | 4.31         | 100.00 | 5.80         | 100.00 |

### 1.2.2 Product Information

#### (1) Product Characteristics and Business Innovation Development

The Company engages in the business of producing artificial leather products and plastic sheets for the automotive industry that are used in making upholstery and car interiors. The products are non-toxic that meets international standards and are environmentally friendly. Beside, the Company also produces products for the footwear and sports equipment industry, as well as the furniture and leather fashion industry and products used in civil engineering and agriculture.

The Company has key factors affecting opportunities or limitations of business operations, which has been promoted by the Board of Investment (BOI) since 26 June 1970 to the present. On 6 November 2019, the Company received investment promotion under the measures to adjust machinery to increase the efficiency of synthetic leather and plastic sheet production in the type of plastic products manufacturing business for industry, which has the total production capacity is 28,900 tons per year. The Company has been granted the privileges and benefits from the investment promotion certificate until 29 April 2023 as follows:

1. Permission to bring a certain number of foreigners who are skilled workers or experts to enter the Kingdom for a period of time as the Board of Investment deems appropriate.
2. Permission to foreigners who are craftsmen or experts permitted to stay in the Kingdom to work only in the positions and duties approved by the Board of Investment.
3. Exemption of import duty on new machinery as approved by the Board of Investment, which must be imported by 15 January 2023.
4. Exemption of corporate income tax for net profits from business operations that has been promoted to invest in the proportion of 100 percent of the investment in automation in which the value does not exceed 72.23 million baht for a period of 3 years.
5. Exemption of bringing dividends from promoted businesses which is exempt from corporate income tax to include in the calculation of income tax throughout the period that the promoted person is exempt from corporate income tax.
6. Exemption of import duties on raw and essential materials that must be imported from abroad for use in production for export.
7. Exemption of import duties on goods imported by promoted persons for re-exportation.
8. Permission to bring or transfer money out of the Kingdom in foreign currencies.

The Company does not have a quota system as a limitation to its business operations.

The subsidiaries, such as Taweewattana Logistics Company Limited, Thainam Automotive Performance Company Limited, and TNV Plastics (Proprietary) Limited, did not apply for investment promotion and do not have quota system as a limitation to doing business.

T.N.P. Industry Company Limited, which is an indirect subsidiary, has received investment promotion in the production of PVC rigid film sheet for the production of plastic products or plastic coated products with rights and benefits from the investment promotion certificate since 29 October 1985 and extending the period of rights issued until 17 November 2022 as follows:

1. Exemption of import duty for raw materials and materials that need to be imported from abroad to use in production for export.
2. Exemption of import duty for those who are promoted to import for re-exportation

## (2) Marketing and Competition in 2022

In 2022, the Thai automotive industry produced a total of 1.884 million cars, an increase of 0.198 million cars or 11.73 percent compared to the previous year's production of 1.686 million cars, which exceeded the target of 1.80 million cars. The production was divided into 0.846 million cars for domestic sales and 1.037 million cars for exports, with domestic car sales reaching 0.849 million cars, an increase of 0.093 million cars or 11.89 percent, and exports of 1.00 million cars, an increase of 0.041 million cars or 4.28 percent.

The Company is a manufacturer and distributor of synthetic leather, with the main market still being the material for decorating the interiors of pickup trucks weighing 1 ton. In 2022, the overall outlook for the Thai automotive industry began to show signs of economic recovery both domestically and globally, after the impact of the COVID-19 pandemic caused a decrease in demand which was brought under control. With the start of the 4th quarter of 2022, countries began to open up for trade and travel, but due to the impact of the energy price hike resulting from the conflict between Russia and Ukraine, consumer confidence in the country and in many regions around the world has slowed the increase of exports of automobiles. Meanwhile, the problem of raw material shortages in the semiconductor group, which started to ease since the beginning of the year, allowed our customers' production to return to normalcy, leading to a significant increase in sales for our company. Moreover, during the middle of 2022, the Company also received additional purchase orders from new projects of our customers in the PVC synthetic leather group for Ford automobiles and the PU synthetic leather group for Isuzu automobiles, which resulted in a significant increase in sales for our company. At the same time, our company continues to operate in accordance with its cost reduction policy by adjusting and reducing various expenses, while increasing the efficiency of inventory and production management, as well as ensuring that our product deliveries are aligned with the improving economic situation. We also increase the efficiency of our workforce by adjusting the number of employees and their work hours to be suitable for our production needs.

The Company continues to be one of the producers of automotive interior parts for both domestic and international manufacturers. In 2022, the Company's sales of synthetic leather products to the automotive industry increased from the previous year. Synthetic leather products used for car seats remain the main product in the automotive group, accounting for 78% of total sales, and the total sales volume of all automotive products was 3.88 million meters, an increase of 1.08 million meters from the previous year. The increase in sales is due to the economic recovery from the pandemic and the government's reopening of the country, which has brought back normalcy to trade and business. However, there are still areas of concern, such as the higher prices of raw materials, energy, and transportation costs. The Company must adjust its production and pricing strategies to align with the cost of production.

In 2022, the Thai economy began to recover continuously, and the Thai automotive industry resumed production as normal. In addition to meeting the demand for orders that were delayed due to the COVID-19 pandemic, the economy started to pick up when the government began to reopen the country in the middle of 2022. As a result, there was an increase in economic activity, and the COVID-19 situation began to ease. This allowed car manufacturers to resume full production capacity, resulting in increased sales for the company. Moreover, the company also received new orders for PVC synthetic leather products from its customer Ford, who began producing new car models since mid-2022. However, the Company faced challenges due to the rising cost of energy prices caused by the conflict between Russia and Ukraine, which led to an increase in the prices of raw materials for all products. As a result, the Company had to negotiate prices with customers and suppliers, while adjusting its use of raw materials and production processes to meet the increased demand since the beginning of the year.

In 2023, the Thai automotive industry is expected to continue its recovery from the previous year, according to the estimated production targets set by the Federation of Thai Industries. The production target for car manufacturing is set at 1.95 million units, an increase of 0.07 million units, or 3.53 percent, from the previous year's production of 1.88 million units. Of the total production, 0.90 million units, or 46.15 percent, are intended for domestic sales, while 1.05 million units, or 53.84 percent, are for export. However, there are several factors that could impact Thai automotive parts manufacturers, such as the global economic slowdown and inflation that may lead to a decrease in production and investment. Additionally, abnormal fluctuations in energy prices could also negatively affect the economy both domestically and internationally. Despite these challenges, the increasing investment in electric car manufacturing in Thailand provides opportunities for the company to expand its market, particularly for products such as PVC and PU synthetic leather, which are suitable materials for manufacturing and assembling electric cars domestically. In response to customers' increasing production forecasts, the company has begun preparing and presenting its products to electric car manufacturers. This requires the company to be prepared in all areas, such as raw material preparation, product manufacturing, and product delivery during periods of high demand.

Target Customers and Distribution Channels

The Company continues its policy of marketing to the target group of large car seat manufacturers in the country to support the main car manufacturers with bases in the country and abroad. Additionally, the company has developed new products in the PU Leather group, specifically synthetic leather products used in the automotive industry as a substitute for real leather, as well as for electric vehicle manufacturers, in order to expand into new markets and increase revenue for the company. The Company is the first in the country to manufacture products in this group. In addition to this, there are also synthetic leather products used in the agricultural machinery industry that have a continuous growth trend in the CLMV market. Furthermore, the Company has started to develop new products in collaboration with new raw material suppliers for the PU synthetic leather group, which will have an impact on the company's ability to compete with its competitors in this product group.

In 2022, the Company whose main income is from selling artificial leather products has increased sales to 1,268.60 million baht, an increase of 326.62 million baht, an increase of 34.67 percent from the previous year with sales of 941.98 million baht, divided into domestic sales of 1,190.39 million baht and export sales of 78.20 million baht, equivalent to domestic-to-foreign proportion of 94 : 6, which is a direct sale to the manufacturer's customers (sewing factories), including agents and wholesalers in many countries, including China, Indonesia, Malaysia, and countries in Africa. and South America. The detail as follows:

| Products   | 2022         |        | 2021         |        | + / (-)      |         |
|--|--------------|--------|--------------|--------|--------------|---------|
|  | Million Baht | %      | Million Baht | %      | Million Baht | %       |
| Domestic Sales:  |              |        |              |        |              |         |
| 1. Artificial leather for the automotive industry, sports shoes and other industries | 948.79       | 74.79  | 628.52       | 66.72  | 320.27       | 50.96   |
| 2. Flexible film/sheet   | 239.56       | 18.88  | 197.50       | 20.97  | 42.06        | 21.30   |
| 3. Other   | 2.04         | 0.16   | -            | -      | 2.04         | 100.00  |
| Sub-total  | 1,190.39     | 93.83  | 826.02       | 87.69  | 364.37       | 44.11   |
| Export Sales:  |              |        |              |        |              |         |
| 1. Artificial leather for the automotive industry, sports shoes and other industries | 8.78         | 0.69   | 11.79        | 1.25   | (3.01)       | (25.53) |
| 2. Flexible film/sheet   | 31.67        | 2.50   | 45.74        | 4.86   | (14.07)      | (30.76) |
| 3. Other   | 37.76        | 2.98   | 58.43        | 6.20   | (20.67)      | (35.38) |
| Sub-total  | 78.21        | 6.17   | 115.96       | 12.31  | (37.75)      | (32.55) |
| Total Sales Revenue  | 1,268.60     | 100.00 | 941.98       | 100.00 | 326.62       | 34.67   |

### (3) Product Procurement

#### Production Capacity

In 2022, the Company's production volume is 5,129 metric tons, or 31.66 percent of the attainable capacity, which is 16,200 metric tons per year. The production volume has increased from the previous year by 1,219 metric tons, or an increase of 31.16 percent, which increased in proportion to sales.

#### Raw Material Procurement

The Company's main raw materials are PVC resin, PU, PP foam, plasticizer, stabilizer, pigment, yarns and fabrics used for bonding artificial leather. 80 percent of such main raw materials are procured locally from various suppliers. The remaining 20 percent of raw materials are procurement from overseas. Therefore, the Company does not face any problem in raw material procurement or raw material shortage.

#### Effects of Technology Changes on the Raw Material Usage

The change in current production technology is limited to just product themselves which are designed to meet the customers' needs in each type and application, such as thickness, durability, flexibility, colors, and patterns. The production process still uses PVC raw material as an important ingredient. The production changes only the ingredients of the raw materials, for example, using non-toxic substances that can be bought in general, so there is no material impact on the use of raw materials.

#### Environmental Impact

The Company has 2 production processes, namely calender process and casting process, which have very little impact on the environment because the Company has a standard pollution control system with the mist eliminator to filter evaporative smoke from a plasticizer that ensures the air in the surrounding area to be in better conditions. In addition, the Company also uses raw materials that do not contain substances that are toxic to the environment, making the products to have environmentally friendly features.

#### (4) Assets Used in Business Operations

The Company and its subsidiary's assets consist of land, buildings, and machinery as of 31 December 2022 as follows:

### Land and Buildings

| The Company   | Ownership Types  | Book value<br>(Million Baht)                                   | Encumbrance   |
|---|--|--|---|
| <p>❑ <u>Thai Nam Plastics Public Company Limited</u></p> <p><u>Property</u></p> <p>(1) Factory Land No. 1, Petchkasem Road,<br/>Om Noi Sub-district, Krathum Baen District,<br/>Samut Sakhon, Area of 15 rai, 2 ngan, 18 square wa</p> <p>(2) Factory Land 2, Bang Pla Road,<br/>Ban Ko Sub-district, Mueang Samut Sakhon<br/>District, Samut Sakhon, Area of 85 rai 1 ngan 47.3<br/>square wa</p> <p><u>Building</u></p> <p>(1) Factory Building and Factory Office 1<br/>No. 40, Moo 7, Petchkasem Road,<br/>Om Noi Sub-district, Krathum Baen District<br/>Samut Sakhon</p> <p>(2) Factory Building and Factory Office 2<br/>No. 89/1 - 2 Moo 4 Bangpla Road<br/>Ban Ko Sub-district, Mueang District,<br/>Samut-Sakhon</p> <p>(3) Factory and Office Building, No. 87/9 Moo 4<br/>Bang Pla Road, Ban Ko Sub-district<br/>Muang District, Samut Sakhon</p> | <p>Owner</p> <p>Owner</p> <p>Owner</p> <p>Owner</p> <p>Owner</p> | <p>2.17</p> <p>158.43</p> <p>2.61</p> <p>90.39</p> <p>9.04</p> | <p>Mortgages<br/>as collateral for<br/>credit limit<br/>at financial<br/>institutions.</p> <p>Mortgages<br/>as collateral for<br/>credit limit<br/>at financial<br/>institutions.</p> |
| <p>❑ <u>Subsidiary company</u></p> <p>■ Taweewattana Logistics Co., Ltd.</p> <p>■ Thai Nam Automotive Performamce Co., Ltd.</p> <p>■ TNV Plastics (Proprietary) Limited</p> <p>■ T.N.P. Industry Co., Ltd.</p>  | <p>-None-</p> <p>-None-</p> <p>-None-</p> <p>-None-</p>          | <p>-None-</p> <p>-None-</p> <p>-None-</p> <p>-None-</p>        | <p>-None-</p> <p>-None-</p> <p>-None-</p> <p>-None-</p>   |

Machinery

| <u>The Company</u>                          | <u>Machinery with Book Value</u><br>(More than 10 percent of total assets) |
|---|--|
| ❑ Thai Nam Plastic Public Co., Ltd.         | -None-   |
| ❑ Subsidiary companies                      |  |
| ■ Taweewattana Logistics Co., Ltd.          | -None-   |
| ■ Thai Nam Automotive Performamce Co., Ltd. | -None-   |
| ■ TNV Plastics (Proprietary) Co., Ltd.      | -None-   |
| ■ T.N.P. Industry Co., Ltd.                 | -None-   |



Net Asset Value

The net asset value of the Company and subsidiaries as of 31 December 2022 are as follows:

| The Company   | Net value (Million Baht) |
|---|--------------------------|
| <input type="checkbox"/> Thai Nam Plastic Public Company Limited  | 1,293.24                 |
| <input type="checkbox"/> Subsidiary company                       |                          |
| <input type="checkbox"/> Taweewattana Logistics Co.,Ltd.          | 1.75                     |
| <input type="checkbox"/> Thai Nam Automotive Performance Co.,Ltd. | 13.28                    |
| <input type="checkbox"/> TNV Plastics (Proprietary) Limited       | 221.57                   |
| <input type="checkbox"/> T.N.P. Industry Co., Ltd.                | -                        |

Remark Taweewattana Logistics Co.,Ltd., Thai Nam Automotive Performance Co.,Ltd. and T.N.P. Industry Co., Ltd. have been deregistered and dissolved as of 14 December 2022.

Long-term Property Lease

- ☐ The Company has leased its land and buildings to its subsidiary, Thai Nam Automotive Performance Co., Ltd. The lease agreement is for a period of 3 years, starting from 1 August 2019, to 31 July 2022, with an option to renew the contract for another 3 years, provided that the lessee does not breach the terms of the agreement. The lease rate may be subject to an increase of at least 5% upon each renewal or more, depending on the economic conditions. However, Thai Nam Automotive Performance Co., Ltd. has requested to terminate the lease agreement upon its expiration on 31 July 2022, due to restructuring of its business and discontinuation of operations.
- ☐ The Company has leased land and buildings to T.N.P. Industry Co., Ltd., a subsidiary, for a period of 3 years per contract. The lease agreement started from 1 January 2021, to 31 December 2023. Upon the expiration of the contract, the lease agreement will be renewed for another 3 years, provided that the lessee has not violated any terms of the agreement. There may be an increase in the minimum rental rate of 5% for each renewal period of 3 years or more, subject to the economic conditions. However, T.N.P. Industry Co., Ltd. has already terminated the lease agreement as of 31 July 2022, due to the restructuring of the business and cessation of operations.
- ☐ The Company has leased a vacant land to Mitsubishi Chemical (Thailand) Company Limited under a 15-year land lease agreement. The lease agreement of the said land is effective from 1 January 2010 to 31 December 2024, with an increase in rental rates of 5 percent every 3 years

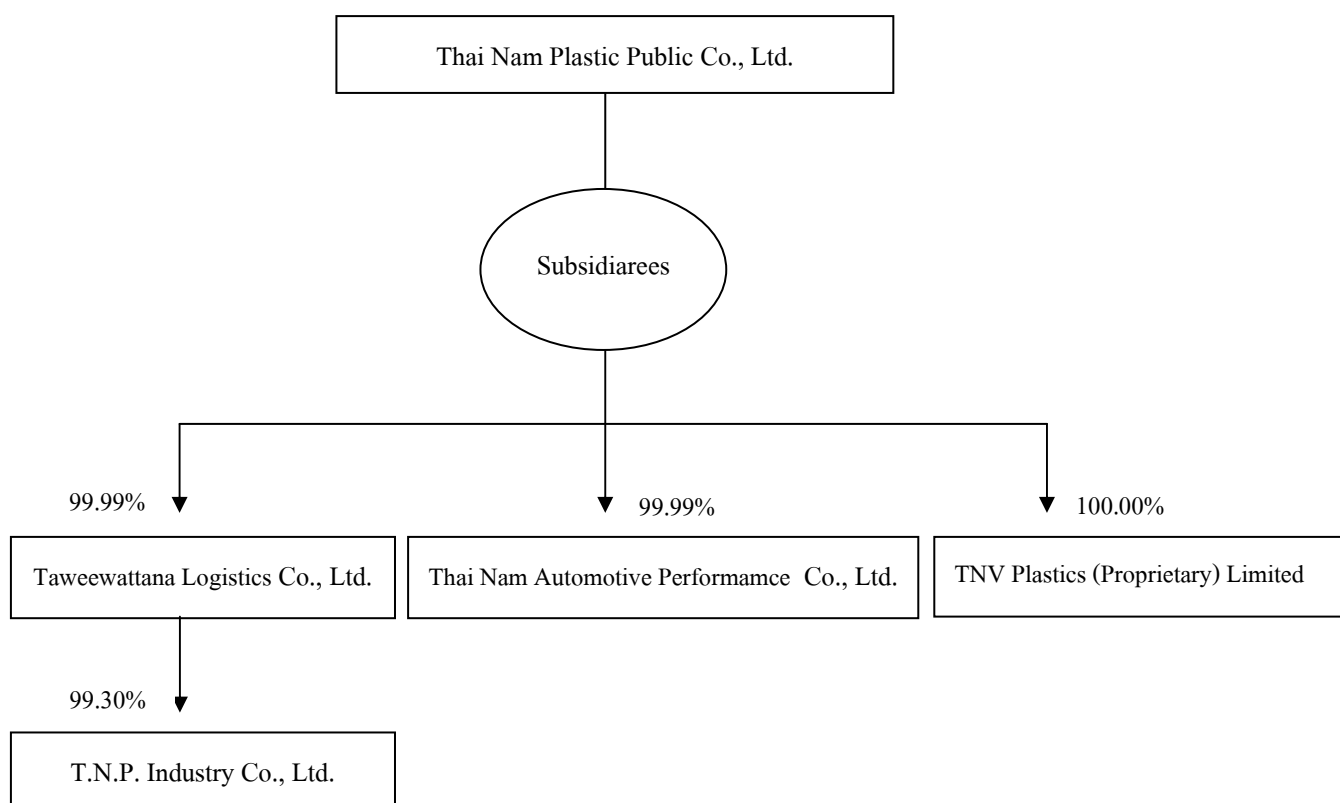
Investments in Subsidiaries as of 31 December 2022

| The Company                                | Type of business  | Paid-up capital<br>(Million Baht) | Percentage of holding (%) | Investment (Million Baht) | Investment value (Million Baht) |
|--|---|-----------------------------------|---------------------------|---------------------------|---------------------------------|
| ■ Taweewattana Logistics Co.,Ltd.          | Investment and sale of PVC product  | 3.00                              | 99.99                     | 2.99                      | 2.99                            |
| ■ Thai Nam Automotive Performance Co.,Ltd. | Sheet cutting and foam laminate services                                  | 10.00                             | 99.99                     | 9.99                      | 9.99                            |
| ■ TNV Plastic (Proprietary) Limited        | Manufacture and distribute Artificial leather for the automotive industry | 4.28                              | 100.00                    | 4.28                      | 4.28                            |

(5) Work that has not yet been Delivered

In 2022, the Company does not have any work that has not yet been delivered.

### 1.3 Shareholding Structure of the Company



#### **Investment Policy in Subsidiaries**

The investment policy in Taweewattana Logistics Company Limited and Thai Nam Automotive Performance Company Limited, which are subsidiaries that the Company holds 99.99 percent of shares to operate a business of selling artificial leather products and providing services to cut sheet/ laminate foam, is considered a long-term investment policy of the Company.

The investment in TNV Plastics (Proprietary) Limited, a subsidiary located in South Africa and in which the Company holds 100 percent of the shares, is a long-term investment policy to produce, sell, import, and export polyvinyl chloride products (PVC) for use in the automotive industry. The objective is to expand the automotive industry market and increase the competitiveness in foreign markets in the future.

**Major Shareholders**

The first 10 major shareholders of the company as of 31 December 2022 as follows:

| Names                                      | Number of Shares hold | Percent |
|--|-----------------------|---------|
| 1. Group “Mrs. Siriphorn Mangkornkarn” (2) | 49,612,079            | 14.56   |
| 2. Bangkok Bank Public Company Limited     | 33,442,126            | 9.81    |
| 3. Mrs. Siriwan Sriphahol                  | 16,629,577            | 4.88    |
| 6. Mr. Paisan Sumrangitdumrong             | 16,501,994            | 4.84    |
| 5. Mr. Makorn Suwanarpa                    | 15,882,813            | 4.66    |
| 6. Mr. Somsakul Asawacharoenthavorn        | 15,682,100            | 4.60    |
| 7. Miss Umaphorn Sawangwan                 | 15,651,565            | 4.59    |
| 8. Miss Noi Saetang                        | 15,510,150            | 4.55    |
| 9. Krung Thai Bank Public Company Limited  | 12,922,760            | 3.79    |
| 10. Mr. Larp Singtoroj                     | 7,009,600             | 2.06    |
| Sub-total                                  | 198,844,764           | 58.34   |
| Other                                      | 141,969,166           | 41.66   |
| Grand Total                                | 340,813,930           | 100.00  |

**Remark**

(1) Source: Thailand Securities Depository Co.,Ltd. (TSD)

(2) Group “Mrs. Siriphorn Mangkornkarn” including:

| Names                          | Number of Shares hold | Percent |
|--------------------------------|-----------------------|---------|
| 1. Mrs. Siriphorn Mangkornkarn | 9,210,714             | 2.70    |
| 2. Mr. Kong Mangkornkarn       | 12,943,882            | 3.80    |
| 3. Miss Piyatida Mangkornkan   | 13,089,536            | 3.84    |
| 4. Mr. Kritasorn Mangkornkarn  | 14,367,947            | 4.22    |
| Sub-total                      | 49,612,079            | 14.56   |

**1.4 Registered Capital and Paid-up capital**

As 31 December 2022, The Company has registered capital and paid-up capital registered capital of 340,817,945 baht divided into the ordinary share amount of 340,817,945 shares at par value of 1 baht per share. Paid-up registered capital of 340,813,930 baht divided into the ordinary share amount of 340,813,930 shares at par value of 1 baht per share

**1.5 Other Securities Issuance**

-None-

**1.6 Dividend Payment Policy**

According to the dividend pay-out policy of the Company, the annual dividend pay-out shall not exceed 50 percent of the net profit after corporate income tax. This policy may be revised depended on company operation, financial situation and future investment projects. When the Board of Directors has its resolution to pay the dividend, the resolution shall be put as an agenda and shall be approved by the shareholder's meeting. The Company's dividend payment ratio for the past 5 year are as follows:

| <u>Year</u> | <u>Dividend per share (Baht)</u> | <u>Total Amount (Million Baht)</u> |
|-------------|----------------------------------|------------------------------------|
| 2022        | 0.1167                           | 37.29                              |
| 2021        | 0.0125                           | 3.99                               |
| 2020        | -                                | -                                  |
| 2019        | 0.04                             | 12.78                              |
| 2018        | 0.03                             | 9.59                               |

The subsidiary company does not fix dividend payment policy to shareholders. It will consider year by year according to its yearly net profit after corporate income tax.

## 2. Risk Management

### 2.1 Risk Management Policy and Plans

The Company has recognized and given importance to the risk management of the business, which is a crucial part of driving the organization towards achieving its business goals and is an integral part of good corporate governance that has been accepted and considered as a guideline for assessing changes in both internal and external factors to reduce the impacts they will have on the business as well as impacts on stakeholders such as society, community, environment, and shareholders. The Company has established measures to prevent and manage acceptable risks for maximum benefit by allowing the executives of all departments to jointly assess the risks of the business that cover the entire organization. In addition, the Company also promotes a good risk management culture and instills awareness of risk management among all employees in the organization to lay the foundation for the Company's risk management both short term and long term.

### 2.2 Risk Factors for the Company's Business Operations

The Company operates a business of producing synthetic leather and plastic sheet for automotive interior decoration for the automotive industry market, as well as the industries of footwear/sports equipment, leather furniture, fashion leather goods, civil engineering, and agriculture. In 2022, the Company analyzed risk factors that might affect business operations from both internal and external factors, as well as trends of economic conditions and related industry conditions. The summary is as follows:

#### Production Risk

- Changes in raw material prices will affect production costs, especially in the production of PVC compounds and paste resin, which are the main raw materials used in the production of synthetic leather and plastic sheets. In addition, the raw materials used in the production of synthetic leather for sale to customers in the automotive and automotive parts industries are specified according to the characteristics and requirements of the customers. Therefore, it is necessary to use raw materials with specific properties, such as stabilizers and plasticizers, which both the company and other manufacturers in the same industry must use to produce products that meet the quality requirements of customers. Therefore, the sourcing of raw materials, sources, and price fluctuations have no significant difference between the company and other manufacturers. In 2022, the price of raw materials increased due to fluctuations in oil prices in the global market. The Company reviews the product prices with customers when there are significant changes in raw material prices. Therefore, in the 3rd quarter of 2022, the company adjusted the prices of its products to match the increased price of raw materials, thereby reducing the risk of price fluctuations in raw materials significantly.
- Regarding the change in production technology, the Company has 2 production processes for synthetic leather and plastic sheets, namely the calendering process and the casting process. At present, such technology has not changed significantly from these 2 systems. Although the production process of the calendering system is a production technology that has a long service life, the Company has continuously developed and improved the production process to increase the efficiency of production of modern machines and has sufficient production capacity to produce standard quality products in accordance with the customers' requirements. Therefore, there is no risk from the change in such production technology.

Market Risk

- Regarding price competition, the competition is not too high because the Company's products are artificial leather products that are mainly used in the domestic automotive manufacturing industry, in which the customers have the products' specific requirements as how they must be manufactured to meet their standards. In addition, only a few competitors are qualified to produce artificial leather products that are accepted by customers. While the general industrial product market, such as shoe, furniture, fashion leather goods, packaging, printed stationery industries which are characterized as commodities, the price competition is relatively high. Therefore, the Company does not prioritize to the competition in terms of price but the company will focus on product quality and service to be in accordance with the needs of customers at a reasonable selling price. At the same time, the Company are committed to researching and developing the quality of artificial leather products with partners continuously to increase the competitiveness in terms of quality in accordance with product prices.
- Regarding substitute products, there are relatively few risks because the Company's products, especially artificial leather products, which are the main products of the Company. can be substituted by genuine leather and fabric products. This depends on the objectives and market demands of the manufacturers of which they will use. Physical properties and price factors of the products determine the consumption demands. The genuine leather products are hard to find at present. They are also relatively difficult to maintain and expensive. As for fabric products, there are physical properties that can be designed and woven in a variety of patterns, which are cheaper. However, maintenance and durability are inferior. Meanwhile, artificial leather products can be developed to have properties similar to those of genuine leather yet more durable and easier to maintain. They are also priced in the mid-range between genuine leather and fabric products due to the distinct properties. This allows operators in the automotive industry to divide the use of automotive interior products, such as genuine leather, artificial leather, or fabric products, all of which have different qualities and prices that determine the needs of their target customers.
- Regarding income dependency, the Company's main income is from artificial leather products in the automotive industry as more than 70 percent of the sales revenue comes from the automotive industry. This could be considered a relatively high risk of relying on a single market. However, if the stability of the income is taken into consideration, the automotive industry market is one of Thailand's most important industries with many car production bases, including America, Europe, Japan, and China, where the government and private sectors have worked together to set clear goals and development plans to make Thailand an important vehicle manufacturing and export base of the world. They have also pledged support for Thailand to be an important alternative energy vehicle production base in the future. This is considered a strong point in doing business with the automotive industry continuously. Therefore, the Company has a low risk of dependence on income.



Financial Risks

- In terms of financial liquidity, in the fiscal year 2022, the Company's revenue increased due to the continued recovery of the economy and the overall automotive industry. At the same time, the Company also had to invest in improving machinery and production processes to increase manufacturing efficiency and develop PU synthetic leather products for car seats and interior decoration as a substitute for genuine leather, in order to expand into new markets. As a result, the financial situation remained relatively tight. However, the Company has a cash management policy and sufficient cash equivalents to support operations, as well as access to credit lines from financial institutions to use as reserves in case of necessity and to minimize the impact of fluctuations in cash flow, which may occur due to the uncertain economic and financial situation caused by the ongoing conflicts between Russia and Ukraine and global economic and financial fluctuations.
- Credit: The Company's trade credit has a relatively low risk because most customers are in the automotive industry, which are large companies with good reputation and stable financial status. They also have diverse and large customer base. There are also business dealings with long-standing good relationships. Therefore, there is no risk in this area, except in the case of new customers in the company. There are rules and procedures for considering credit on a case-by-case basis for credit risk to related parties. Management has established appropriate credit control policies and procedures and does not anticipate any material loss.
- Financial costs, the Company incurs financial costs from using loans from financial institutions such as overdrafts, commercial credit, short-term and long-term loans. The interest rate fluctuates according to the money market rate, and some have fixed interest rates that are lower than the market rate. The Company believes that future fluctuations in the money market interest rate will not significantly affect the operating results and cash flows of the business. The Company does not use any other financial derivatives to prevent such risks.
- Exchange Rate: Since the Company has some trade transactions in foreign currencies, it may be at risk of exchange rate fluctuations. However, to reduce foreign exchange risk, the Company will have measures to consider entering into forwarding foreign exchange contracts as appropriate in each case to prevent and reduce such foreign exchange risk's impact.
- Liquidity: The Company has control over the lack of liquidity risk by maintaining adequate levels of cash and cash equivalents for operations as well as procuring short-term credit lines from financial institutions to reserve in the case of necessity and to reduce the impact of cash flow volatility.

Investment Risks

The Company has investments in South Africa with TNV Plastics (Proprietary) Limited as a subsidiary that operates artificial leather products production, distribution, import, and export to use in the automotive industry to increase business opportunities and expand the market in the region. However, investments in the territory still involve risks in commercial and financial transactions. The exchange rate used is the South African ZAR currency. The Company is aware of the mentioned risks and has considered the tools and measures as needed and still be able to manage risks to an acceptable level.

Human Resources Risks

Human resource management risks are a risk that may affect the Company's business operations in the long term mainly due to the lack of successors in key areas, such as production and marketing, which the Company is aware of. The Company is well aware of the risks in this area and is therefore considering the recruitment and personnel development in each line of work, along with organizing training to transfer knowledge, competence, and experience from current executives. In addition, the Company has supported developing leadership potential to prepare replacements for important positions to reduce the risk in human resources. The Company renews the work for some retired employees, accelerates the personnel development within the organization, and recruits personnel from outside of the organization to work in such positions continually.

Economic Conditions Risks

The fluctuations in the economy are a significant risk factor that directly impacts the Company's business operations. In the beginning of 2022, the Company continued to be impacted by the COVID-19 pandemic, and started to recover in the middle of the year. Additionally, fluctuations in global oil prices have affected the cost of raw materials. Therefore, the Company negotiated with customers to adjust product prices to align with increased production costs. The Company has also set guidelines to mitigate the impact of these factors through cost control measures in raw materials, labor, and other expenses, while managing finances prudently.

Environmental and Social Risks

The Company has always given importance to society and the environment as a crucial factor that affects the Company's reputation and image by giving importance to controlling and supervising the production process to be the standard or better than required by various laws and regulations in order to not affect the environment. This includes strengthening relationships, supporting, and helping activities that are beneficial to society and the community in public health, education, and charities. In addition, the Company has given more importance to the use of environmentally friendly products, non-toxic materials usage, or using materials that can be recycled for the customer's needs. As a result, the mentioned risk factors have little impact on the Company.

Economic Conditions Risks

The automotive industry has a direct impact on the Company's business operations because the Company's main income is from selling artificial leather products to customers in the automotive manufacturing industry in Thailand, which is an automobile production base for domestic sales and export. Therefore, the industrial condition changes, specifically in the global automotive industry, will have a significant impact on the Company's performance. At the beginning of 2022, the automotive industry is still affected by the COVID-19 pandemic and the oil prices volatility in the world market. Therefore, the Company has improved production efficiency and improved product quality to expand the customer base and distribute more products to customers in other industries. The Company has also adapted to the events by keeping up with the news and the changing situations of the automotive industry and related industries constantly.

### **3. Driving Business for Sustainability**

#### **3.1 Sustainability management policies and goals**

The Company is in the process of considering making a sustainability management policy.

#### **3.2 Managing impact on stakeholders in the business value chain**

The Company is in the process of considering the preparation of the impact on stakeholders.

#### **3.3 Sustainability management in environmental dimensions**

The Company has set an environmental policy and promoted the resource's efficient usage to prevent pollution and reduce business operations' stress test by using environmentally friendly production processes. In addition, the Company has also organized activities to conserve energy and protect the community environment.

#### **3.4 Sustainability management in social dimensions**

The Company places importance on conducting business with social and environmental responsibility (Corporate Social Responsibility), continually focusing on activities within the organization and social activities, and has been aware of social responsibility throughout its business operation history by using the principles of good corporate governance to formulate the Company's management policy effectively, with transparency, and verifiable. The Company also always support activities that are beneficial to society and support stakeholders such as shareholders, employees, customers, communities, public, and the environment for sustainable development and growth, with details as follows:

##### **❑ Good Corporate Governance**

The Company has set up a corporate governance policy in writing, including the business ethics and code of conduct manual for the board of directors, executives, and employees to drive the business to operate under fair rules and protect all stakeholder groups' legal rights.

##### **❑ Human Rights and Labor Practices**

The Company has the policy to take care and treat employees like family members by treating all employees equally and fairly and determining compensation and welfare appropriately to improve the quality of life of employees.

##### **❑ Customer Responsibility**

The Company aims to create the highest satisfaction for customers by producing quality products that meet international standards that meet the customer's needs and on-time delivery services by realizing the consumers' benefit as a priority, adhering to honesty and fairness in quality and products price.

##### **❑ Participation in Community, Society, and Environment Development**

The Company places importance on the life quality and community environment by building good relationships with the community alongside community and social development, providing ongoing social activities in nearby societies. In 2022, the Company continues to support education to enhance youth's life quality by giving scholarships and arranging activities on National Children's Day to students in various schools in Om Noi Sub-district, Krathum Baen District, Samut Sakhon, and Ban Ko Sub-district, Mueang District, Samut Sakhon. In addition, religious activities were arranged to preserve religion. The Company and employees participated in Thod Kathin ceremony as well as religious activities in cooperation with Buddhist temples in communities every year.

The Company is aware of conducting sustainable business practices with consideration to the ESG principles, which include the environment, social responsibility, and corporate governance. The Company places great importance on environmental conservation and preservation by incorporating social and environmental responsibilities into its business operations. The Company has improved its production process by using non-toxic raw materials to ensure that its products are environmentally friendly and meet customer demand. In addition, the Company has invested in employee training to cultivate environmentally-friendly practices, including energy conservation projects to promote responsible use of energy and resources within the organization. These initiatives are aimed at promoting efficient and valuable use of resources to ensure sustainable growth of the business.

#### 4. Management Discussion and Analysis (MD&A)

##### 4.1 Analysis of the Company's Performance and its Subsidiaries in 2022

Overview of the Company's business operations and subsidiary in 2022 as of 31 December 2022 are as follows:

| Performance                              | 2022<br>(Million Baht) | 2021<br>(Million Baht) | Increase/(Decrease) |              |
|--|------------------------|------------------------|---------------------|--------------|
|  |                        |                        | (Million Baht)      | (Percentage) |
| <u>Consolidated Financial Statements</u> |                        |                        |                     |              |
| Revenues from sales                      | 1,413.10               | 1,051.23               | 361.87              | 34.42        |
| Net profit                               | (6.23)                 | 86.35                  | (92.58)             | (107.21)     |
| Earnings per share (Baht per share)      | (0.02)                 | 0.25                   | (0.27)              | (108.00)     |
| <u>Separate Financial Statements</u>     |                        |                        |                     |              |
| Revenues from sales                      | 1,268.60               | 941.98                 | 326.62              | 34.67        |
| Net profit                               | 27.65                  | 90.86                  | (63.21)             | (107.21)     |
| Earnings per share (Baht per share)      | 0.08                   | 0.27                   | (0.19)              | (70.37)      |

In 2022, the global economy was still affected by the conflict between Russia and Ukraine, while the situation of the COVID-19 pandemic has improved, resulting in Thailand's economy and automotive industry recovering continuously from the previous year. The economic expansion rate of Thailand was at 2.6 percent, which is lower than the expected 3.5 percent. Thailand's automotive industry produced a total of 1.884 million cars throughout the year, an increase of 11.73 percent compared to the previous year with 1.686 million produced. Total vehicle sales were at 1.85 million units, an increase of 7.64 percent from the previous year with total sales of 1.718 million units, divided into domestic car sales of 0.849 million units, an increase of 11.89 percent from the previous year with sales of 0.759 million units, and export car sales of 1.00 million units, an increase of 4.28 percent from the previous year with export sales of 0.959 million units, from the overview of the Thai automotive industry. As a result, the Company and its subsidiaries, which produce artificial leather products and plastic sheets used for car decoration, had increased sales revenue from the previous year. The performance summary for the Company in 2022 is as follows:

##### Sales Revenue

In the year 2022, the Company had revenue from sales according to the consolidated financial statements totaling 1,413.10 million baht, an increase of 361.87 million baht, or 34.42 percent compared to the previous year with sales of 1,051.23 million baht and the separate financial statements show that the revenue from sales was 1,268.60 million baht, an increase of 326.62 million baht, or 34.67 percent compared to the previous year with revenue from sales of 941.98 million baht. The main factor for this growth was due to the gradual recovery of the global economy, which resulted in the Thai automotive industry recovering continuously. Additionally, fluctuations in oil prices in the global market affected the prices of raw materials. As a result, the Company gradually adjusted its product prices to be in line with the increased production costs, leading to an increase in sales.

##### Dividend Income

In 2022, the Company had dividend income from subsidiaries according to the separate financial statements in the amount of 5.50 million baht, an increase of 0.50 million baht or 10.00 percent compared to the previous year with dividend income of 5.00 million baht.

##### Profit from Foreign Exchange

In 2022, the Company had foreign exchange gains according to the separate financial statements of 14.60 million baht, which decreased by 24.32 million baht, or 62.49 percent, compared to the previous year's amount of 38.92 million baht. This was due to the conversion of borrowing and trade payables denominated in foreign currencies.

### Other Incomes

In the year 2022, the Company had other incomes according to the consolidated financial statements totaling 6.07 million baht, a decrease of 3.88 million baht or 38.99 percent compared to the previous year with other incomes of 9.95 million baht and the separate financial statements also show that the other incomes was 8.20 million, a decrease of 3.92 million baht or 32.34 percent from the previous year with a total of 12.12 million baht. The majority of the other income came from land and building rentals.

### Cost of Sales

In 2022, the Company had a total cost of sales according to the consolidated financial statements of 1,154.57 million baht, representing 81.70 percent of sales revenue, an increase of 8.88 percent from the previous year, which was at 72.82 percent of sales revenue. This resulted in a decrease in the initial profit margin to 18.30 percent, compared to the previous year which was at 27.18 percent. The separate financial statements also show that the cost of goods sold was 1,034.04 million baht, representing 81.51 percent of sales revenue, an increase of 4.08 percent from the previous year, which was at 77.43 percent of sales revenue. This resulted in a decrease in the initial profit margin to 18.49 percent, compared to the previous year which was at 22.57 percent. The increased cost of sales is a result of higher global oil prices and increased costs of primary raw materials.

### Operating Expenses

In 2022, the Company's distribution costs according to the consolidated financial statements amounted to 54.55 million baht, which increased by 3.92 million baht or 7.74 percent compared to the previous year's figure of 50.63 million baht. The distribution costs in the separate financial statements was 46.62 million baht, which increased by 2.30 million baht or 5.19 percent compared to the previous year's figure of 44.32 million baht. This increase in distribution costs is due to the increase in sales revenue.

In 2022, the Company's total administrative expenses according to the consolidated financial statements amounted to 183.29 million baht, an increase of 38.71 million baht or 26.77 percent compared to the previous year's total of 144.58 million baht. The separate financial statements also show that administrative expenses amounted to 128.31 million baht, an increase of 33.59 million baht or 35.46 percent compared to the previous year's total of 94.72 million baht. The increased expenses are proportional to the increase in sales.

### Loss from Foreign Exchange

In 2022, the Company had a loss from exchange rates according to the consolidated financial statements of 8.79 million baht, compared to the previous year where there was a profit from exchange rates of 10.41 million baht, which was due to fluctuations in exchange rates for foreign currency borrowing and trade debts.

### Expected Credit Losses

In 2022, the Company had a reversal of credit loss expenses expected to occur according to the consolidated financial statements, amounting to 2.08 million baht, while in the previous year, it recognized credit loss expenses expected to occur in the amount of 2.16 million baht. The separate financial statements also showed a credit loss expense expected to occur in the amount of 46.30 million baht, which increased by 23.65 million baht, or 104.42 percent, compared to the previous year's amount of 22.65 million baht. This was due to the reserve for loan and trade receivables.

### Financial Cost

In 2022, the Company had financial costs according to the consolidated financial statements of 16.74 million baht, an increase of 1.26 million baht or 8.14 percent compared to the previous year, which had financial costs of 15.48 million baht. Additionally, the separate financial statements showed that the company had financial costs of 7.61 million baht, an increase of 2.44 million baht or 47.20 percent compared to the previous year, which had financial costs of 5.17 million baht. This increase in financial costs was due to an increase in borrowing and an increase in interest rates by financial institutions.

Income Tax

In 2022, the Company had income tax expenses according to the consolidated financial statements amounting to 9.54 million baht, an increase of 2.65 million baht or 38.46 percent compared to the previous year which had income tax expenses of 6.89 million baht. The company's income tax expenses in the separate financial statements amounted to 6.35 million baht, a decrease of 4.60 million baht or 42.01 percent compared to the previous year which had income tax expenses of 10.95 million baht.

Comprehensive Profit-Loss

In 2022, the Company's financial performance according to the consolidated financial statements showed a gross profit of 258.53 million baht, which is 18.30 percent of the revenue from sales, a decrease from the previous year which was at 27.18 percent. This resulted in a profit before income tax of 3.31 million baht, compared to 93.24 million baht in the previous year. However, with an income tax expense of 9.54 million baht, the company had a net loss of 6.23 million baht. This includes items that are not classified as new items in the profit or loss, amounting to 4.01 million baht, as well as the exchange rate difference from the financial statements translation of 9.41 million baht, resulting in a net loss for the year of 0.83 million baht.

Regarding the separate financial statements for the current fiscal year, the Company has recorded a gross profit of 234.56 million baht, which represents 18.49 percent of sales revenue. Although this is a decrease from the previous year's profit of 101.81 million baht, which was 22.57 percent of sales revenue, the Company still achieved a profit before tax of 34.00 million baht. The Company also paid 6.35 million baht in income tax, resulting in a net profit of 27.65 million baht. It should be noted that there are some items that have not been categorized as new items for profit or loss, amounting to 4.01 million baht. Taking this into consideration, the Company's total net profit for the year is 23.64 million baht.

Assets

In 2022, the Company had total assets according to the consolidated financial statements of 1,282.95 million baht, an increase of 193.66 million baht or 17.78 percent compared to the previous year's amount of 1,089.29 million baht. The significant increases came from trade receivables increasing by 108.25 million baht and inventory increasing by 122.24 million baht. The separate financial statements of the company's operations also had total assets of 1,293.24 million baht, an increase of 204.59 million baht or 18.79 percent compared to the previous year's amount of 1,088.65 million baht. The significant increases came from trade receivables increasing by 86.58 million baht and inventory increasing by 110.61 million baht. These increases in trade receivables and inventory were due to an increase in sales.

Liabilities

In 2022, the Company had total liabilities of 778.93 million baht according to the consolidated financial statements, which increased by 210.46 million baht, or 37.02 percent, compared to the previous year's total of 568.47 million baht. The significant increase was mainly due to an increase in trade payables of 118.07 million baht and borrowings from financial institutions of 108.00 million baht. In addition, the Company's current liabilities in the separate financial statements amounted to 655.81 million baht, which increased by 196.92 million baht, or 42.91 percent, compared to the previous year's total of 458.89 million baht. The significant increase was mainly due to an increase in trade payables of 96.51 million baht and borrowings from financial institutions of 108.00 million baht. These increases in liabilities were mainly due to the purchase of raw materials to support the growth of sales.

Shareholder's Equity

In 2022, the Company had total equity according to the consolidated financial statements of 504.02 million baht, consisting of issued and fully paid-up share capital of 340.81 million baht, surplus from change in the ownership interest in subsidiary of 0.93 million baht, appropriated retained earnings as legal reserve of 34.35 million baht, and unappropriated retained earnings of 128.12 million baht. The equity of the company in the separate financial statements of 637.42 million baht, consisting of issued and fully paid-up share capital of 340.81 million baht, appropriated retained earnings as legal reserve of 34.35 million baht, and unappropriated retained earnings of 262.26 million baht.

Cash Flow

In 2022, due to the overall improvement in the economy, the automotive industry in Thailand continued to grow from the previous year. As a result, the Company and its subsidiaries had a total revenue from sales of 1,413.10 million baht, an increase from the previous year's sales of 1,051.23 million baht. The Company also received short-term loans from financial institutions in the amount of 1.24 million baht and long-term loans from financial institutions in the amount of 117.00 million baht. At the same time, the Company had significant cash outflows, including investment expenses for upgrading machinery to increase production efficiency and support the production of new products in the amount of 34.91 million baht, repayment of loans from financial institutions in the amount of 9.00 million baht, lease liabilities in the amount of 3.09 million baht, dividend payments of 15.82 million baht, and interest payments of 16.69 million baht. These cash outflows resulted in a decrease in net cash and cash equivalents of 5.16 million baht from the beginning of the year's balance of cash and cash equivalents and cash equivalents equivalents of 27.81 million baht. As a result, the Company had a remaining balance of cash and cash equivalents and cash equivalents equivalents of 22.60 million baht at the end of the year 2022.

For the key financial ratios of the Company and its subsidiaries in 2022, the quick ratio was 0.79, the same as the previous year, while the current ratio for current assets to current liabilities was at a level of 1.83, a decrease from the previous year which was at a level of 1.85. The ability to collect and pay trade debts, as measured by the turnover ratio of trade receivables, was at 4.67 rounds, a decrease from the previous year which was at 5 rounds, with an average collection period of 78 days, an increase from the previous year's 73 days. The Company has a policy of allowing a payment period of 60 days to trade debtors, which does not yet conform to the aforementioned policy, due to the impact of the COVID-19 outbreak at the beginning of the year and the incomplete recovery of the economy resulting in slower trading transactions. The inventory turnover ratio was 2.65 rounds, an increase from the previous year which was at 2.45 rounds, with an average inventory holding period of 138 days, a decrease from the previous year which was at 149 days. As for the payment of trade debts, the Company has an average payment period of 5.33 rounds, a decrease from the previous year which was at 5.46 rounds, with an average payment period of 69 days, compared to the previous year's payment period of 67 days. However, the Company has received a payment period of 90 days for trade debts.



### Source of Capital

The sources of capital used in the normal course of business activities of the Company and its subsidiaries come mainly from cash flow generated by operations. The liquidity of the cash flow is mostly subject to the fluctuations in revenue from sales. In the year 2022, the Company's revenue from sales increased due to the improving economic conditions and the recovery of the automotive industry from the previous year, as well as gradually increasing selling prices. Meanwhile, the Company also increased investment in equipment for machine improvements to enhance production efficiency and reduce production costs, in order to improve its competitiveness in the automotive industry market. In addition, the Company also had a burden of repaying some loans to financial institutions, while managing its liquidity to support continuous business growth. The Company, therefore, utilized special interest rate loans from financial institutions in the amount of 117.00 million baht to strengthen its liquidity for purchasing raw materials to support the increased sales.

### **4.2 Factors that may Affect Performance or Financial Position in the Future**

There are factors that may impact significantly on the Company's operations and its subsidiaries, such as the necessity to stop production without prior planning which may be caused by internal and external factors. The reason for internal factors is controllable issues with measures to maintain the machines efficiently (preventive maintenance), knowledge training and skilled workers in production and machines maintenance, preventing accidents at work including the insurance preparation to prevent risks that are life-threatening and risks to the Company's assets. Meanwhile, external factors are natural disasters, which are beyond the Company's control and may not be able to forecast instantly. Therefore, as a guideline to reduce the impact of such incidents, the Company plans to prepare for caution and prevent incidents by closely following relevant information.

Additionally, there may be factors from the performance of the 2 subsidiary companies, which have been continuously operating at a loss. These factors indicate a significant level of uncertainty and raise doubts about the ability to operate continuously. Therefore, the company has set guidelines to address these issues in order to reduce operating costs. The foreign subsidiary companies are currently working to improve their production processes to control production costs and expand their markets to increase future profitability. Meanwhile, the subsidiary company in the country has registered for dissolution and is in the process of settling accounts. However, the closure of the subsidiary company does not affect the business operations of the parent company.

During the early part of 2022, the Company and its subsidiaries continued to be impacted by the COVID-19 pandemic. The Company evaluated risks and identified ways to mitigate the impact on its business during this period. It implemented policies to reduce production costs, including raw materials, labor rates, and energy costs, to ensure the Company had sufficient liquidity to continue operations. At the same time, the Company prioritized the safety and well-being of its employees, as well as the continuity of its business operations, and coordinated with customers, suppliers, and other stakeholders to plan production and delivery of goods and services with caution.

However, in the year 2022, the Company did not experience any impact on its business operations and employee health from the COVID-19 virus. The Company has implemented strict measures to prevent and control the spread of the virus as follows:

1. Employees and visitors must go through a screening point to check their temperature before entering the Company.
2. All employees must wear masks at all times.
3. Educating and encouraging all employees to wash their hands with soap or alcohol.
4. Arrange for employees to receive at least 2 vaccinations each. Currently, all employees have received 2 doses of vaccination.
5. Ensure that all employees receive regular ATK testing to prevent the spread of the pandemic in a limited and controllable range.
6. Provide benefits and medical supplies to support employees who have been infected the virus.

## 4.3 Summary of Statements of Financial Position, Statements of Income, Statements of Cash Flows and Financial Ratios in 2020-2022

## Statements of Financial Position

## Thai Nam Plastic Public Company Limited and Its Subsidiaries

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| Consolidated Financial Statements                               | 2022      | %      | 2021      | %      | 2020    | %      |
|---|-----------|--------|-----------|--------|---------|--------|
| Assets  |           |        |           |        |         |        |
| Current assets  |           |        |           |        |         |        |
| Cash and cash equivalents                                       | 22,604    | 1.76   | 27,814    | 2.55   | 41,795  | 4.50   |
| Trade and other current receivables                             | 357,013   | 27.83  | 248,757   | 22.84  | 172,121 | 18.51  |
| Inventories   | 496,071   | 38.67  | 373,831   | 34.32  | 250,340 | 26.93  |
| Total current assets  | 875,688   | 68.26  | 650,403   | 59.71  | 464,256 | 49.93  |
| Non-current assets  |           |        |           |        |         |        |
| Investment property   | 7,764     | 0.61   | 7,764     | 0.71   | 7,764   | 0.84   |
| Property, plant and equipment                                   | 255,104   | 19.88  | 268,171   | 24.62  | 299,395 | 32.20  |
| Right-of-use assets   | 65,270    | 5.09   | 76,058    | 6.98   | 75,701  | 8.14   |
| Deferred tax assets   | 72,160    | 5.62   | 79,852    | 7.33   | 77,698  | 8.36   |
| Other non-current assets  | 6,964     | 0.54   | 7,043     | 0.65   | 4,941   | 0.53   |
| Total non-current assets  | 407,262   | 31.74  | 438,888   | 40.29  | 465,499 | 50.07  |
| Total Assets  | 1,282,950 | 100.00 | 1,089,291 | 100.00 | 929,755 | 100.00 |
| Liabilities and Shareholders' Equity                            |           |        |           |        |         |        |
| Current liabilities   |           |        |           |        |         |        |
| Bank overdraft and short-term loans from financial institutions | 153,707   | 11.98  | 153,224   | 14.07  | 111,808 | 12.03  |
| Trade and other current payables                                | 275,726   | 21.49  | 157,655   | 14.47  | 122,819 | 13.21  |
| Current portion of long-term loans from financial institution   | 30,000    | 2.34   | 9,000     | 0.83   | 21,000  | 2.26   |
| Current portion of lease liabilities                            | 4,135     | 0.32   | 3,024     | 0.28   | 2,088   | 0.22   |
| Accrued income tax expenses                                     | -         | -      | 9,925     | 0.91   | -       | -      |
| Current provisions for employee benefit                         | 14,717    | 1.15   | 19,188    | 1.76   | 13,809  | 1.49   |
| Total current liabilities                                       | 478,285   | 37.28  | 352,017   | 32.32  | 271,525 | 29.20  |
| Non-current liabilities   |           |        |           |        |         |        |
| Long-term loans from financial institution                      | 125,000   | 9.74   | 38,000    | 3.49   | 29,000  | 3.12   |
| Lease liabilities   | 80,362    | 6.26   | 86,983    | 7.99   | 79,916  | 8.60   |
| Non-current provisions for employee benefit                     | 94,580    | 7.37   | 90,801    | 8.34   | 105,890 | 11.39  |
| Non-current liabilities   | 698       | 0.05   | 665       | 0.06   | 665     | 0.07   |
| Total non-current liabilities                                   | 300,641   | 23.43  | 216,450   | 19.87  | 215,471 | 23.18  |
| Total Liabilities   | 778,926   | 60.71  | 568,466   | 52.19  | 486,996 | 52.38  |
| Shareholders' Equity  |           |        |           |        |         |        |
| Share capital - Issued and paid-up share capital                |           |        |           |        |         |        |
| 340,813,930 ordinary shares, Baht 1.00 each                     | 340,814   | 26.56  | 319,517   | 29.33  | 319,517 | 34.37  |
| Share premium on ordinary shares                                | 0.45      | -      | 0.45      | -      | 0.45    | -      |
| Surplus from change in the ownership interest in subsidiary     | 928       | 0.07   | 928       | 0.09   | 928     | 0.10   |
| Retained earnings   |           |        |           |        |         |        |
| Appropriated legal reserve                                      | 34,348    | 2.68   | 34,348    | 3.15   | 29,348  | 3.16   |
| Unappropriated  | 128,117   | 9.99   | 175,626   | 16.12  | 94,215  | 10.13  |
| Other components of shareholders' equity                        | (184)     | (0.01) | (9,595)   | (0.88) | (1,250) | (0.13) |
| Total Shareholders' Equity                                      | 504,023   | 39.29  | 520,824   | 47.81  | 442,759 | 47.62  |
| Total Liabilities and Shareholders' Equity                      | 1,282,950 | 100.00 | 1,089,291 | 100.00 | 929,755 | 100.00 |

## Thai Nam Plastic Public Company Limited

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| Separate Financial Statements                                   | 2022             | %             | 2021             | %             | 2020           | %             |
|---|------------------|---------------|------------------|---------------|----------------|---------------|
| <b>Assets</b>   |                  |               |                  |               |                |               |
| <b>Current assets</b>   |                  |               |                  |               |                |               |
| Cash and cash equivalents                                       | 3,302            | 0.26          | 2,937            | 0.27          | 2,679          | 0.29          |
| Trade and other current receivables                             | 366,287          | 28.32         | 279,706          | 25.69         | 178,465        | 19.12         |
| Inventories   | 413,134          | 31.95         | 302,522          | 27.79         | 218,341        | 23.40         |
| <b>Total current assets</b>                                     | <b>782,723</b>   | <b>60.52</b>  | <b>585,166</b>   | <b>53.75</b>  | <b>399,484</b> | <b>42.81</b>  |
| <b>Non-current assets</b>                                       |                  |               |                  |               |                |               |
| Investment in subsidiaries                                      | 12,604           | 0.97          | 12,604           | 1.16          | 12,604         | 1.35          |
| Investment property   | 7,764            | 0.60          | 24,845           | 2.28          | 26,000         | 2.79          |
| Property, plant and equipment                                   | 416,302          | 32.19         | 387,099          | 35.56         | 414,025        | 44.37         |
| Right-of-use assets   | 511              | 0.04          | 1,047            | 0.10          | 1,597          | 0.17          |
| Deferred tax assets   | 73,258           | 5.66          | 77,812           | 7.15          | 79,418         | 8.51          |
| Other non-current assets  | 75               | 0.01          | 75               | 0.01          | 75             | 0.01          |
| <b>Total non-current assets</b>                                 | <b>510,513</b>   | <b>39.48</b>  | <b>503,483</b>   | <b>46.25</b>  | <b>533,719</b> | <b>57.19</b>  |
| <b>Total Assets</b>   | <b>1,293,236</b> | <b>100.00</b> | <b>1,088,649</b> | <b>100.00</b> | <b>933,202</b> | <b>100.00</b> |
| <b>Current liabilities</b>                                      |                  |               |                  |               |                |               |
| Bank overdraft and short-term loans from financial institutions | 153,707          | 11.89         | 153,224          | 14.07         | 111,808        | 11.98         |
| Trade and other current payables                                | 236,563          | 18.29         | 140,052          | 12.86         | 113,852        | 12.20         |
| Current portion of long-term loans from financial institution   | 30,000           | 2.32          | 9,000            | 0.83          | 21,000         | 2.25          |
| Current portion of lease liabilities                            | 232              | 0.02          | 224              | 0.02          | 530            | 0.06          |
| Accrued income tax expenses                                     | -                | -             | 9,925            | 0.91          | -              | -             |
| Current provisions for employee benefit                         | 14,717           | 1.14          | 19,188           | 1.76          | 13,809         | 1.48          |
| <b>Total current liabilities</b>                                | <b>435,220</b>   | <b>33.65</b>  | <b>331,613</b>   | <b>30.46</b>  | <b>260,999</b> | <b>27.97</b>  |
| <b>Non-current liabilities</b>                                  |                  |               |                  |               |                |               |
| Long-term loans from financial institution                      | 125,000          | 9.67          | 38,000           | 3.49          | 29,000         | 3.11          |
| Lease liabilities   | 313              | 0.02          | 546              | 0.05          | 729            | 0.08          |
| Non-current provisions for employee benefit                     | 94,580           | 7.31          | 88,068           | 8.09          | 102,578        | 10.99         |
| Non-current liabilities   | 698              | 0.05          | 665              | 0.06          | 665            | 0.07          |
| <b>Total non-current liabilities</b>                            | <b>220,592</b>   | <b>17.06</b>  | <b>127,279</b>   | <b>11.69</b>  | <b>132,972</b> | <b>14.25</b>  |
| <b>Total Liabilities</b>  | <b>655,811</b>   | <b>50.71</b>  | <b>458,892</b>   | <b>42.15</b>  | <b>393,972</b> | <b>42.22</b>  |
| <b>Shareholders' Equity</b>                                     |                  |               |                  |               |                |               |
| Share capital - Issued and paid-up share capital                |                  |               |                  |               |                |               |
| 340,813,930 ordinary shares, Baht 1.00 each                     | 340,814          | 26.35         | 319,517          | 29.35         | 319,517        | 34.24         |
| Share premium on ordinary shares                                | 0.45             | -             | 0.45             | -             | 0.45           | -             |
| Retained earnings   |                  |               |                  |               |                |               |
| Appropriated legal reserve                                      | 34,348           | 2.66          | 34,348           | 3.16          | 29,348         | 3.14          |
| Unappropriated  | 262,262          | 20.28         | 275,891          | 25.34         | 190,365        | 20.40         |
| <b>Total Shareholders' Equity</b>                               | <b>637,424</b>   | <b>49.29</b>  | <b>629,757</b>   | <b>57.85</b>  | <b>539,231</b> | <b>57.78</b>  |
| <b>Total Liabilities and Shareholders' Equity</b>               | <b>1,293,236</b> | <b>100.00</b> | <b>1,088,649</b> | <b>100.00</b> | <b>933,203</b> | <b>100.00</b> |

## statements of Income

## Thai Nam Plastic Public Company Limited and Its Subsidiaries

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| Consolidated Financial Statements     | 2022      | %      | 2021      | %      | 2020    | %      |
|---------------------------------------|-----------|--------|-----------|--------|---------|--------|
| Revenues                              |           |        |           |        |         |        |
| Revenue from sales                    | 1,413,099 | 100.00 | 1,051,229 | 100.00 | 722,787 | 100.00 |
| Gain from exchange rate               | -         | -      | 10,412    | 0.99   | 4,957   | 0.69   |
| Other incomes                         | 6,069     | 0.43   | 9,953     | 0.95   | 13,388  | 1.85   |
| Total Revenues                        | 1,419,168 | 100.43 | 1,071,594 | 101.94 | 741,133 | 102.54 |
| Expenses                              |           |        |           |        |         |        |
| Cost of sales                         | 1,154,566 | 81.70  | 765,507   | 72.82  | 559,312 | 77.38  |
| Distribution costs                    | 54,550    | 3.86   | 50,631    | 4.82   | 27,593  | 3.82   |
| Administrative expenses               | 183,289   | 12.97  | 144,583   | 13.75  | 135,430 | 18.74  |
| Loss from exchange rate               | 8,793     | 0.62   | -         | -      | -       | -      |
| Expected credit losses (reveral)      | (2,075)   | (0.15) | 2,158     | 0.21   | (2,683) | (0.37) |
| Total Expenses                        | 1,399,124 | 99.01  | 962,879   | 91.60  | 719,653 | 99.57  |
| Profit from operating activities      | 20,045    | 1.42   | 108,715   | 10.34  | 21,480  | 2.97   |
| Finance cost                          | 16,736    | 1.18   | 15,479    | 1.47   | 15,803  | 2.19   |
| Profit before income tax expense      | 3,308     | 0.23   | 93,235    | 8.87   | 5,676   | 0.79   |
| Tax expense                           | 9,538     | 0.67   | 6,888     | 0.66   | 3,357   | 0.46   |
| Profit (Loss) for the year            | (6,229)   | (0.44) | 86,348    | 8.21   | 2,319   | 0.32   |
| Basic earning (Loss) per share (Baht) | (0.02)    |        | 0.25      |        | 0.01    |        |

## Thai Nam Plastic Public Company Limited

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| Separate Financial Statements           | 2022      | %      | 2021    | %      | 2020     | %       |
|---|-----------|--------|---------|--------|----------|---------|
| Revenues                                |           |        |         |        |          |         |
| Revenue from sales                      | 1,268,599 | 100.00 | 941,983 | 100.00 | 644,250  | 100.00  |
| Dividend income                         | 5,500     | 0.43   | 5,000   | 0.53   | -        | -       |
| Gain from exchange rate                 | 14,595    | 1.15   | 38,922  | 4.13   | -        | -       |
| Other incomes                           | 8,195     | 0.65   | 12,120  | 1.29   | 12,721   | 1.97    |
| Total Revenues                          | 1,296,889 | 102.23 | 998,025 | 105.95 | 656,970  | 101.97  |
| Expenses                                |           |        |         |        |          |         |
| Cost of sales                           | 1,034,040 | 81.51  | 729,355 | 77.43  | 523,833  | 81.31   |
| Distribution costs                      | 46,624    | 3.68   | 44,320  | 4.71   | 27,470   | 4.26    |
| Administrative expenses                 | 128,307   | 10.11  | 94,719  | 10.06  | 101,092  | 15.69   |
| Loss from exchange rate                 | -         | -      | -       | -      | 11,601   | 1.80    |
| Expected credit losses (reveral)        | 46,303    | 3.65   | 22,649  | 2.40   | 54,270   | 8.42    |
| Total Expenses                          | 1,255,275 | 98.95  | 891,043 | 94.59  | 718,267  | 111.49  |
| Profit (Loss) from operating activities | 41,614    | 3.28   | 106,982 | 11.36  | (61,297) | (9.51)  |
| Finance cost                            | 7,613     | 0.60   | 5,171   | 0.55   | 8,467    | 1.31    |
| Profit (Loss) before income tax expense | 34,002    | 2.68   | 101,811 | 10.81  | (69,764) | (10.83) |
| Tax expense (tax income)                | 6,351     | 0.50   | 10,953  | 1.16   | (680)    | (0.11)  |
| Profit (Loss) for the year              | 27,651    | 2.18   | 90,858  | 9.65   | (69,084) | (10.72) |
| Basic earning (Loss) per share (Baht)   | 0.08      |        | 0.27    |        | (0.22)   |         |

## Statements of Cash Flows

## Thai Nam Plastic Public Company Limited and Its Subsidiaries

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| Consolidated Financial Statements  | 2022      | 2021      | 2020     |
|--|-----------|-----------|----------|
| Cash flows from investing activities   |           |           |          |
| Profit (loss) for the year   | (6,229)   | 86,348    | 2,319    |
| Adjustments to reconcile profit (loss) for the year to net cash provided by (used in) operating activities                         |           |           |          |
| Expected credit losses (reversal)  | -2,075    | 2,158     | (2,683)  |
| Loss on declining in value of inventories (reversal)   | (32,274)  | (1,972)   | 10,470   |
| Loss on impairment of equipment (reversal)   | (2,691)   | -         | -        |
| Depreciation and amortization expenses   | 54,210    | 54,182    | 52,023   |
| Loss on disposal of equipment  | 1,984     | 1,734     | 12       |
| Unrealized (gain) loss on exchange rate  | 9,957     | (7,467)   | (14,323) |
| Interest income  | (427)     | (421)     | (364)    |
| Withholding tax written-off  | 936       | 74        | 66       |
| Employee benefit expense   | 9,477     | 7,359     | 8,489    |
| Interest expenses  | 16,736    | 15,479    | 15,803   |
| Tax expense  | 9,538     | 6,888     | 3,357    |
| Profit provided by operating activities before changes in operating assets and liabilities (Increase) decrease in operating assets | 59,141    | 164,362   | 75,170   |
| Trade and other current receivables  | (101,393) | (77,790)  | (19,442) |
| Inventories  | (92,640)  | (123,183) | 29,528   |
| Other non-current assets   | (258)     | (2,235)   | 46       |
| Increase (decrease) in operating liabilities   |           |           |          |
| Trade and other current payables   | 119,626   | 35,068    | 12,497   |
| Provision for employee benefit   | (15,179)  | (11,997)  | (14,704) |
| Other non-current assets   | 33        | -         | -        |
| Cash received (paid) from operations   | (30,670)  | (15,775)  | 83,094   |
| Interest income received   | 427       | 421       | 364      |
| Income tax expense paid  | (16,346)  | (708)     | (710)    |
| Net cash used in operating activities  | (46,589)  | (16,061)  | 82,749   |
| Cash flows from investing activities   |           |           |          |
| Cash payment for purchase of equipments  | (34,906)  | (16,327)  | (17,533) |
| Cash receipts from disposal of equipments  | 2,691     | 583       | 1,016    |
| Net cash used in investing activities  | (32,215)  | (15,744)  | (16,517) |
| Cash flows from financing activities   |           |           |          |
| Increase (decrease) in bank overdraft and short-term loan from financial institutions  | 1,244     | 41,151    | (42,033) |
| Cash receipts from long-term loan from financial institutions  | 117,000   | -         | 10,000   |
| Cash payment for long-term loan from financial institutions  | (9,000)   | (3,000)   | -        |
| Cash payment for repayment of lease liabilities  | (3,087)   | (1,176)   | (1,147)  |
| Dividend paid  | (15,816)  | (3,807)   | (6)      |
| Interest expense paid  | (16,692)  | (15,479)  | (15,862) |
| Net cash provided by financing activities  | 73,649    | 17,689    | (49,048) |
| Net increase (decrease) in cash and cash equivalents   | (5,155)   | (14,116)  | 17,184   |
| Cash and cash equivalents-beginning of year  | 27,814    | 41,795    | 23,470   |
| Effect of translation adjustment on foreign currency financial statements  | (55)      | 135       | 1,142    |
| Cash and cash equivalents-ending of year   | 22,604    | 27,814    | 41,795   |

## Thai Nam Plastic Public Company Limited

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| Separate Financial Statements  | 2022      | 2021     | 2020     |
|--|-----------|----------|----------|
| Cash flows from investing activities   |           |          |          |
| Profit (loss) for the year   | 27,651    | 90,858   | (69,084) |
| Adjustments to reconcile profit (loss) for the year to net cash provided by (used in) operating activities                         |           |          |          |
| Expected credit losses (reversal)  | 46,303    | 22,649   | 54,270   |
| Loss on declining in value of inventories (reversal)   | (22,124)  | 1,088    | 9,865    |
| Loss on impairment of equipment (reversal)   | (2,691)   | -        | 4,281    |
| Depreciation and amortization expenses   | 42,257    | 40,894   | 41,948   |
| Loss on disposal of equipment  | 1,669     | 1,844    | 54       |
| Unrealized (gain) loss on exchange rate  | (14,885)  | (40,214) | 11,834   |
| Dividend income  | (5,500)   | (5,000)  | -        |
| Employee benefit expense   | 12,210    | 7,124    | 8,212    |
| Interest expenses  | 7,613     | 5,171    | 8,467    |
| Tax expense  | 6,351     | 10,953   | (680)    |
| Profit provided by operating activities before changes in operating assets and liabilities (Increase) decrease in operating assets | 98,855    | 135,367  | 69,167   |
| Trade and other current receivables  | (140,794) | (83,447) | (24,881) |
| Inventories  | (88,488)  | (85,269) | 23,151   |
| Other non-current assets   | -         | -        | 34       |
| Increase (decrease) in operating liabilities   |           |          |          |
| Trade and other current payables   | 96,401    | 26,048   | 2,789    |
| Provision for employee benefit   | (15,179)  | (11,679) | (14,693) |
| Other non-current assets   | 33        | -        | -        |
| Cash received (paid) from operations   | (49,173)  | (18,980) | 55,568   |
| Income tax expense paid  | (16,262)  | (338)    | (360)    |
| Net cash used in operating activities  | (65,435)  | (19,318) | 55,208   |
| Cash flows from investing activities   |           |          |          |
| Cash receipts from short-term loans to related parties   | 1,798     | -        | -        |
| Cash payment for purchase of equipments  | (29,823)  | (14,580) | (14,985) |
| Cash receipts from disposal of equipments  | 2,689     | 473      | 974      |
| Dividend received  | 5,500     | 5,000    | -        |
| Net cash used in investing activities  | (19,837)  | (9,107)  | (14,011) |
| Cash flows from financing activities   |           |          |          |
| Increase (decrease) in bank overdraft and short-term loan from financial institutions  | 1,244     | 41,151   | (42,033) |
| Cash receipts from long-term loan from financial institutions  | 117,000   | -        | 10,000   |
| Cash payment for long-term loans from financial institutions   | (9,000)   | (3,000)  | -        |
| Cash payment for repayment of lease liabilities  | (224)     | (490)    | (456)    |
| Dividend paid  | (15,816)  | (3,807)  | (6)      |
| Interest expense paid  | (7,568)   | (5,171)  | (8,526)  |
| Net cash provided by financing activities  | 85,636    | 28,684   | (41,021) |
| Net increase (decrease) in cash and cash equivalents   | 364       | 259      | 176      |
| Cash and cash equivalents-beginning of year  | 2,937     | 2,680    | 2,502    |
| Cash and cash equivalents-ending of year   | 3,302     | 2,938    | 2,679    |

**Financial Ratios****Thai Nam Plastic Public Company Limited and Its Subsidiaries**

| Financial Ratios                      | 2022 | 2021   | 2020   |
|---------------------------------------|------|--------|--------|
| <b>Liquidity Ratio</b>                |      |        |        |
| - Current Ratio (Times)               |      | 1.85   | 1.71   |
| - Quick Ratio (Times)                 |      | 0.79   | 0.79   |
| - Account Receivable Turnover (Times) |      | 5.00   | 4.64   |
| - Day in Accounts Receivable (Days)   |      | 73.07  | 78.59  |
| - Inventories Turnover (Times)        |      | 2.45   | 2.07   |
| - Day in Inventories (Days)           |      | 148.80 | 176.75 |
| - Account Payable Turnover (Times)    |      | 5.46   | 4.89   |
| - Day in Accounts Payable (Days)      |      | 66.87  | 75.00  |
| - Assets Turnover (Times)             |      | 0.97   | 0.78   |
| <b>Leverage Ratio</b>                 |      |        |        |
| - Debt to Total Assets (Times)        |      | 0.52   | 0.52   |
| - Debt to Equity (Times)              |      | 1.09   | 1.10   |
| - Interest Coverage (Times)           |      | 7.02   | 1.36   |
| <b>Profitability Ratios</b>           |      |        |        |
| - Gross Profit Margin (%)             |      | 27.18  | 22.62  |
| - Earning before Interest and Tax (%) |      | 9.69   | 2.51   |
| - Net Profit Margin (%)               |      | 8.21   | 0.32   |

**Thai Nam Plastic Public Company Limited**

| Financial Ratios                      | 2022 | 2021   | 2020    |
|---------------------------------------|------|--------|---------|
| <b>Liquidity Ratio</b>                |      |        |         |
| - Current Ratio (Times)               |      | 1.76   | 1.53    |
| - Quick Ratio (Times)                 |      | 0.85   | 0.69    |
| - Account Receivable Turnover (Times) |      | 4.11   | 3.20    |
| - Day in Accounts Receivable (Days)   |      | 88.77  | 113.91  |
| - Inventories Turnover (Times)        |      | 2.80   | 2.23    |
| - Day in Inventories (Days)           |      | 130.33 | 163.64  |
| - Account Payable Turnover (Times)    |      | 5.75   | 4.66    |
| - Day in Accounts Payable (Days)      |      | 63.53  | 78.36   |
| - Assets Turnover (Times)             |      | 0.87   | 0.69    |
| <b>Leverage Ratio</b>                 |      |        |         |
| - Debt to Total Assets (Times)        |      | 0.42   | 0.42    |
| - Debt to Equity (Times)              |      | 0.73   | 0.73    |
| - Interest Coverage (Times)           |      | 20.69  | (7.24)  |
| <b>Profitability Ratios</b>           |      |        |         |
| - Gross Profit Margin (%)             |      | 22.57  | 18.69   |
| - Earning before Interest and Tax (%) |      | 10.19  | (9.41)  |
| - Net Profit Margin (%)               |      | 9.65   | (10.72) |



**5. General Information and Other Key Information****5.1 General Information****□ Company Information**

|  |   |   |
|--|---|---|
| Listed Company                                       | : | Thai Nam Plastic Public Company Limited   |
| Securities Initial                                   | : | TNPC  |
| Company Registration Number                          | : | 0107537000769   |
| Registered Capital                                   | : | Amount of 340,817,945 baht divided into the ordinary share amount of 340,817,945 shares at par value of 1 baht per share  |
| Paid-up Capital                                      | : | The amount is 340,813,930 Baht, divided into ordinary shares 340,813,930 shares with a par value of 1 Baht per share.   |
| Business Type  | : | Production and distribution of artificial leather and plastic sheet for the automotive industry, sports shoes and equipment industry, furniture and leather fashion industry, including soft plastic sheet products used in the household, civil engineering and agriculture. |
| Head Office and the 1 <sup>st</sup> Factory Location | : | 40 Moo 7, Petchakasem Road, K.M. 23, Omnoi, Amphur Kratumban, Samutsakorn Province 74130  |
| Telephone  | : | (66 2) 119 3200, 420 9968-74  |
| Fax  | : | (66 2) 119 3233, 420 1827, 420 9967   |
| 2 <sup>nd</sup> Factory location                     | : | 89/1-2 Moo 4, Bangpla Road, K.M. 3, Bankoh, Amphur Muang, Samutsakorn Province 74000  |
| Telephone  | : | (66 34) 468 102-8, 830 325-8, (66 34) 830 712, 830 715-9  |
| Fax  | : | (66 34) 468 101, 468 109-10   |
| web site   | : | www.thainam.com   |
| e-mail address                                       | : | sales@thainam.com, custserv@thainam.com   |

- ❑ The subsidiaries information that the Company holds shares of 10 percent or more

■ Taweewattana Logistics Company Limited

It has a fully paid-up registered capital of 3,000,000 Baht, divided into 300,000 ordinary shares with a par value of 10 Baht per share, with the Company holding 299,970 shares or 99.99 percent. Its main business is investment, service and plastic products distribution and has an office location at:

Office

40 Moo 7, Petchakasem Road, Omnoi, Amphur Kratumban,  
Samutsakorn Province 74130

Tel : (66 2) 119 3200, 420 9968-74

Fax : (66 2) 119 3233, 420 1827, 420 9967

■ Thai Nam Automotive Performamce Company Limited

The Company has fully paid-up registered capital for 10,000,000 Baht, divided into 1,000,000 common shares with a par value of 10 Baht per share, whereby the Company holds 999,995 shares or 99.99 percent, providing Cut Sheet and Laminate Foam services to the Company's group of Thai Nam Plastics Public Company Limited. Thai Nam Automotive Performamce Company Limited has an office and factory location at:

1. Office

40 Moo 7, Petchakasem Road, Omnoi, Amphur Kratumban,  
Samutsakorn Province 74130

Tel : (66 2) 119 3200, 420 9968-74

Fax : (66 2) 119 3233, 420 1827, 420 9967

2. Factory

89/1 Moo 4, Bangpla Road, K.M. 3, Bankoh, Amphur Muang,  
Samutsakorn Province 74000

Tel : (66 34) 468 102-8, 830 325-8, 830 712, 830 715-9

Fax : (66 34) 468 101, 468 109-10

■ TNV Plastics (Proprietary) Limited

It is a subsidiary located in South Africa with a fully paid-up registered capital of 1,000,000 rands or 4.28 million Baht, divided into 1,000,000 ordinary shares. The Company holds 100.00 percent of the shares to import and export polyvinyl chloride (PVC) products for the automotive industry. has an office and factory location at:

No. 4 Olive Way, Olive Grove Industrial Park,  
Ou Paardevlei Road, Somerset West, 7130  
South Africa

■ T.N.P. Industry Company Limited

It is an indirect subsidiary with a fully paid-up registered capital of 214,196,650 Baht, divided into 21,419,665 common shares with a par value of 10 Baht per share, with Taweewattana Logistics Company Limited (a subsidiary) holding 21,269,665 shares or 99.30 percent. Their main business is production and distribution of Semi-Rigid PVC, both transparent and opaque rigid, which can be assembled to finished goods as follows:

Transparent Type Used for making various packaging such as food boxes, underwear boxes, toy boxes, and also used to create document folders and blister packs.

Opaque Type Used for making Christmas trees, protractors, file covers, cooling towers, etc.

T.N.P. Industry Company Limited has an office and factory location at:

1. Office

40 Moo 7, Petchakasem Road, Omnoi, Amphur Kratumban,  
Samutsakorn Province 74130

Tel : (66 2) 119 3200, 420 9968-74

Fax : (66 2) 119 3233, 420 1827, 420 9967

2. Factory

89/1 Moo 4, Bangpla Road, K.M. 3, Bankoh, Amphur Muang,  
Samutsakorn Province 74000

Tel : (66 34) 468 102-8, 830 325-8, 830 712, 830 715-9

Fax : (66 34) 468 101, 468 109-10

**Reference Persons****1. Securities Registrar of TNPC**

Thailand Securities Depository Co., Ltd.  
14<sup>th</sup> Floor, Stock Exchange of Thailand  
93 Rachadapisek Road, Dindaeng,  
Dindaeng, Bangkok 10400  
Tel : (66 2) 009 9000  
Fax : (66 2) 009 9992  
E-mail address : TSDCallCenter@set.or.th  
Website : www.tsd.co.th

**2. Auditor**

Miss Techinee Pornpenpob  
Certified Public Account No. 10769  
Dharmniti Auditing Co.,Ltd.  
267/1 Pracharaj Sai 1 Road, Bangsue, Bangkok 10800  
Tel : (66 2) 587 8080  
Fax : (66 2) 586 0301

**3. Lawyer**

Mr. Teerasak Ch.Rojprasert  
Chom Thong 47 Lawyer and Accounting Office  
43/55 Soi Wutakard 47 Railway side Road,  
Bangkaw, Khet Chom Thong, Bangkok  
Tel : (66 2) 875 6026-7  
Fax : (66 2) 875 6028

**4. Secretary Company**

Miss Somsuan Khondon  
Thai Nam Plastic Public Company Limited  
40 Moo 7, Petchakasem Road, K.M. 23, Omnoi,  
Amphur Kratumban, Samutsakorn Province 74130  
Tel : (66 2) 119 3235, 119 3200 #185  
Fax : (66 2) 119 3233, 420 5055, 420 1827  
E-mail address : somsuank@thainam.com  
Website : www.thainam.com

**5.2 Other Important Information**

-None-

**5.3 Legal Disputes**

In 2022, the Company and its subsidiaries do not have any negative impact cases or cases that affect the Company's business and subsidiaries' operation significantly.

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| <p style="text-align: center;"><b>Part 2</b><br/><b>Corporate Governance</b></p> |
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**6. Corporate Governance Policy****6.1 Corporate Governance Policy**

The Board of Directors realises the importance of corporate governance in order to ensure that the Company has good and sound management which consists of efficiency, transparency and traceability. This is also to ensure that the shareholders, investors and stakeholders are treated fairly and equally according to the guidelines for corporate governance (CG) of Stock Exchange of Thailand. The Company has followed this guideline strictly and continuously.

From this commitment in applying guidelines for corporate governance continuously in the business management and operation of the Company, in the year 2022 the Company was assessed on the quality of organizing the general shareholder holder meeting according to the AGM checklist. The Company was rated Very Good by Securities and Exchange Commission together with the Thai Investors Association and Listed Companies Association.

**Rights of Shareholders and Treatment of Shareholders**

The Company realises the importance of the right of shareholders as the owner of the Company. It follows all the regulations and basic rights of the shareholder strictly as prescribed. The Company follows strictly the AGM checklist which stipulate how the general shareholder meeting should be organized e.g. right of the shareholders, right to give opinion and make important decisions together with the Company and easy access to the location of the meeting for instance. The AGM checklist guidelines is prepared by Securities and Exchange Commission (SEC) together with Thai Investor Association and Thai Listed Companies Association.

Additionally, the Company also disclosure important information important on the Company website at [www.thainam.com](http://www.thainam.com) in Thai and in English in order that the shareholders all have access to the Company information and in the year 2022, the Board of Directors has set out the guidelines to promote the right of shareholders as follows:

- The Company has assigned Thailand Securities Depository Co., Ltd. Which is the registrar of the Company to circulate appointment for shareholder meeting with all the agenda, information and attachments 14 days prior the meeting day. The same information is also available both in Thai and in English on the Company website 30 days prior the meeting days in order to facilitate the shareholders for accessing the information.
- The Company will give chances for the minority shareholders to propose new agenda in the general shareholder meetings in advance and to nominate a suitable person to become director of the Company. The activities can be done through Stock Exchange of Thailand and through the Company website.
- In the announcement or invitation for the shareholder meeting, it must contain the following information e.g. agenda of the meeting, nomination of company directors, directors' compensation, appointment of the accounting auditor and remuneration and dividend payment where the Company shall give the appropriate reasons and facts to facilitate decision making of the shareholders.

- The Company shall follow the AGM checklist when organizing the general shareholder meeting. The Company shall announce the regulations and procedure for meeting including how to vote and procedure for proxy. The relevant documents and required form for proxy must be sent to shareholders along with the appointment for meeting prior the meeting
- The Company shall nominate at least one independent director to be a choice for shareholders for proxy.
- The Board of Directors shall allow any shareholder to exercise his right to nominate each company director individually as appeared in the proxy form sent to the shareholders.
- During the shareholder meeting, the Chairman of the Board shall introduce independent director(s) and directors including audit committee and accounting auditors. The Company executives shall be invited to join the meeting in case there is questions arised from the shareholders. The Chairman of the Board shall give shareholders chance to ask their question equally. All the questions and comments shall be recorded in the meeting report.
- The Company shall not have any policy to deprive the right of shareholders in accessing the Company information and participation in the shareholder meeting. These activities are for instance such as -not distributing additional important documents in the shareholder meeting abruptly, -not adding agenda of meeting, -not informing shareholders in advance when there is any change of information, –not depriving right of shareholders when he attends the meeting late.
- Board of Directors has set out preventive measures to prevent directors, executives and employees to use inside information of the Company for their own advantages or relevant persons.
- The Company secretary and his/her team is responsible to prepare shareholder meeting report which is complete both content and format. The report has to be sent to the Stock Exchange of Thailand and to be published in the Company website within 14 days from the date of shareholder meeting.
- The Board of Directors has set out the guidelines for disclosure of information for internal stakeholders e.g. directors, managing director etc. and set out the regulation to prevent these stakeholders to join the decision making process on the relevant agenda.
- In the shareholder meeting, the Company has to distribute the document for voting for the shareholder prior meeting session for voting in important agenda. These agenda are relevant transactions, any transaction related to acquiring or disposing of assets for instance. This is to give transparency and traceability in the meeting in case there is any dispute afterwards.

### **Roles of Stakeholders**

The Company gives importance and fully preserves stakeholders' rights. Because of different expectations by each group of stakeholders e.g. internal which are employees both in the Company and its subsidiary companies and external which are customers, competitors, creditors, governmental bodies and other institutions. The Company has focused on their rights and benefits fairly and paid prudent attention to the satisfaction of stakeholders and ensured that its treatment do not cause others trouble or unfair actions. This will increase stability and for the Company in long run.

**■ Shareholders**

The Company is committed to serving as a good representative of the shareholders by conducting transparent business, taking into account long-term growth in its value, providing good returns, and treating all shareholders fairly; The Company listens to shareholders' views and recommendations.

**■ Employees**

The Company realises the importance of human resources as invaluable resources to drive the Company to the bright future, therefore the Company supports competency development for professional job performance, treats them fairly, provides welfare together with safe and sound workplaces, and compensation compatible with similar businesses. The Company makes sure that all the basic benefits are available for all levels of employees e.g. buses, canteen, uniforms, annual physical check-up etc.

Additionally, the employees may participate in setting the Company objectives together with management so that they realise their own importance and know which direction the Company is aiming to.

**■ Customers**

The Company satisfies its customers by keeping its promises and delivering quality and punctual services under fair pricing; The Company shares views with their customers to foster maximum mutual interests and does not collude with competitors on prices.

**■ Competitors**

The Company observes free-market business competition, promotes free trade, observe rules in line with its code of conduct, and observes the law; The Company refrains from inappropriate behavior that could lead to the detriment of competitors.

**■ Communities and Environment**

The Company takes prudent business conduct most seriously while avoiding causing impacts on communities, society, and the environment through taking efficient measures - apart from strict observance of laws and regulations e.g. Department of Industrial Works, Ministry of Industry, pollution Control Department, Ministry of Natural Resources and Environment.

The Company also supports surrounding communities' activities e.g. giving scholarship for good students but financially handicapped, joining children day activities at the school within the community.

The Company has never been involved in such disputes in the year 2022.

**Disclosure on Information and Transparency**

The Company give importance to the disclosure of information and company information including financial information and news on the basis of correctness, completeness, consistency, and transparency of information. This is according to regulations set by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Anybody can access to the information easily and equally. Details are as follows:

- The Company information is disclosed in annual report 2022 (form 56-1 one report) according to the regulation from by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).
- The Board of Directors is responsible for the validity and correctness of the financial statement and financial reports of the Company which is prepared according to the generally accepted accounting standard. The accounting policy is selected suitably to the business of the Company with consistency and due diligence. The financial statements must disclose sufficient important information in the annexes to the financial statements. The financial statements have to be certified by accounting auditor where the audit committee is responsible for the quality of the financial statements.
- The Company has to disclose any important information both in Thai and in English on the Company web site. The information has to be updated periodically.
- The Company has assigned the following persons to be responsible for communication with shareholders, investors including analysts and other concerning government institutions:  
Miss Somsuan Khondon  
Secretary Company  
Tel : (66 2) 119 3235, 119 3200 #185  
Fax : (66 2) 119 3233, 420 1827  
E-mail : somsuank@thainam.com, somsuank@hotmail.com

#### **Responsibilities of the Board of Directors**

##### **□ Structure of the Board of Director**

- The Board of Directors consists of 9 persons. There are 4 directors who are executives and there are 2 directors who are not executives. Additionally, there are 3 independent directors and 3 appointed independent directors to be audit committee. The names are listed on page 52-53 of this annual report 2022 (form 56-1 one report ).
- The selection process for the directors of the Company does not go through the selection committee because the selection committee has not been set up. However, the Board of Directors gives opportunity for any minority shareholder to nominate any suitable person according to become director as prescribed by regulations and guidelines from the Stock Exchange of Thailand. This information shall be informed to the shareholders through the information channel of the Stock Exchange of Thailand and on the Company web site.
- Each member of the Board of Directors is qualified and eligible to become the Company director as required by the Company, the Stock Exchange of Thailand and the law. The Board of Directors consists of group of people who have good education background, experience and abilities where they come from different backgrounds and occupations. This multi-disciplinary team of director is beneficial to the business of the Company.
- There are 3 independent directors in the Company or one-third of the total number of directors in the board as the set out by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).



- The definition of independent director(s) as defined by the Company has met the minimum requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) in term of the number of shares hold by the independent director within the company. An Independent director shall not have more than 5 per cent of the number of shares that can be voted.
  - Any high-ranking executive who is going to be elected to be a director in the subsidiary company has to be approved from the Board of Director.
  - This position provides advice on laws and regulations that the Board needs to be aware of, supervises Board activities, coordinates compliance with Board resolutions, and performs other responsibilities under the principles defined by securities and exchange laws. Additionally, the company secretary is a full-time employee.
- ❑ **The Sub-Committee**
- The Company Board of Directors has appointed a sub-committee to work on examination and scrutiny in some assignments as necessary in certain situation. Currently, there is only Audit Committee who is all independent directors.
- ❑ **Roles of the Board of Directors**
- The Board endorses and approves significant matters dealing with Company business, including vision, missions, strategy, financial goals and budget as well as the corporate governance apart from efficiently and effectively supervising the management's operation against plans.
  - The Board also ensures sound internal control system, internal audit system including efficient risk management and always follows up in the Board's meeting.
- ❑ **Corporate Governance Policy and Business Ethics**
- The Company performs its duty following the defined business ethics in order to communicate every employee to understand its standard performance of the Company as expected by its shareholders. The Board declares the business ethics among the shareholders, clients, employees, suppliers, competitors, society and the environment including the declaration of ethics to its employees so that the employees should follow and practice among themselves, the related persons, the organization and its society.
- ❑ **Items that may have conflict of interest**
- The Board, the management and it shareholders have considered and thoroughly organized system to get rid of the conflict of interest with trust and independency in the frame of good ethics as well as to completely disclose the information.
- ❑ **Internal Control and Risk Management**
- The Company has established, revise and develop the internal control system continuously. This includes financial control and monitoring process including the assessment of internal control system.
  - The board gives the importance on risk management. Each executive from each departmental function has to assess risk of each function and scope of work in order to make sure that all the risk assessments are all well covered. The organization has preventive measures and mechanism to handle risks.

**❑ Board Meeting**

- Each director may express their view and opinion independently. When the number of votes are equal, chairman of the board may exercise his right to vote arbitrarily.
- Chairman of the board will consider the agenda for the board meeting and each board member may add new agenda to the board meeting.
- The Company secretary will make an appointment for the board meeting where the agenda and meeting paper is enclosed 7 days prior the meeting date so that the directors have enough time to study.
- The board meeting reports which are approved by the board meeting are kept by the Company secretary and are readily investigated by any board member. The reports cannot be modified without the approval from the board meeting.
- In the year 2022, the Company scheduled the board meeting of 8 times. The number of meetings held in advance of the date time and place each year to each director can arrange their schedules to attend simultaneously.

**❑ Directors' Remuneration**

- Directors' remuneration is defined clear and transparent at the suitable rate with the resolution of the Annual Ordinary Shareholders' Meeting. Directors who are assigned as audit committee members also has additional remuneration at proportional rate.
- In the year 2022, the Company paid director's remuneration as declared in the annual report (form 56-1 one report).
- The Company has no remuneration committee. So, the performance assessment of Chief Executive Officer (CEO) or Managing Director each year is depended on the Board of Directors' duty to make the decision under the condition that CEO or Managing Director is not present in the meeting.

**❑ Training and Development for Directors and Executives**

- The Company has policy to promote and support the Directors to develop knowledge by attending the Directors training course at the Thailand Institute of Directors (IOD) and other training courses to increase awareness of their roles and to give knowledge about the business of the Company.
- Additionally, the Company also promote its executives and related person to develop their knowledge such as the Company secretary, the internal audit officer etc by always supporting them to attain the related courses in order to increase their knowledge and other new technology.

**❑ Succession Plan**

- The company has planned for the succession of work by appointing the personnel who have knowledge, competency and experience to take a position of the top executive that can succeed to the company's management appropriately in the future.

## 6.2 Business Ethics

The board of directors have determined the following business ethics as a practice guideline for executives and employees to allow the appropriate implementations of the Company.

### To Shareholders

1. Perform duties with honesty, transparency, and impartiality towards shareholders for the Company's greatest benefits.
2. Manage with skills, expertise, and the determination to develop the Company's business with stability and generate appropriate returns to shareholders.
3. Protect the Company's interests and assets by avoiding unjustified exploitation, whether direct or indirect.
4. Report on the Company's performance accurately, truthfully, and constantly.
5. Avoid disclosing Company secrets or exploiting such information for the benefit of oneself or of other persons, as well as avoid seeking out any benefits from one's position and duties.
6. Eliminate conflicts of interest and disclose information in its entirety.
7. Respect ownership rights and treat shareholders equally.

### To Customers

1. Treat customers with honesty and fairness, as well as disclose information regarding products and services to customers.
2. Adhere to binding covenants with customers and treat customers with kindness.
3. Respond to customer complaints quickly, attentively, and impartially.
4. Safeguard customer's trade secrets.
5. Provide standardized goods and services, as well as develop and devise innovations to continuously enhance goods and services value.

### To Employees

1. Treat all employees with courteousness and regards to human dignity and rights.
2. Maintain a working environment that is safe for the lives, health, and properties of employees.
3. Encourage and support the skill and knowledge development of all employees through trainings as well as create a stable work environment and opportunities for progress based on each employee's potential.
4. Provide fair and appropriate compensation based on knowledge, ability, and the performance of each employee.
5. Strictly comply with laws and regulations related to the labor law.

### To Partners and/or Creditors

1. Avoid soliciting, accepting, or giving unlawful benefits to partners and/or creditors.
2. Adhere to agreements and covenants with partners and/or creditors with vigil. In the event of the inability to adhere to agreements and covenants, partners and/or creditors must be informed promptly so as to jointly consider solutions.
3. Create mutual relations and understanding.
4. Exchange information and knowledge to co-develop goods and services with added value.

To Competitors

1. Act and operate within the laws and encourage fair competition.
2. Avoid seeking competitor secrets through unethical or illegal means.
3. Avoid unfair actions or tainting the reputation of competitors through untruthful accusations or slander.

To the Society and the Environment

1. Avoid actions that damages the country's reputation, natural resources, environment, and society.
2. Encourage and support community and social activities that benefits the society.
3. Cultivate a continuous and serious sense of duty toward the community and society among employees at all levels.

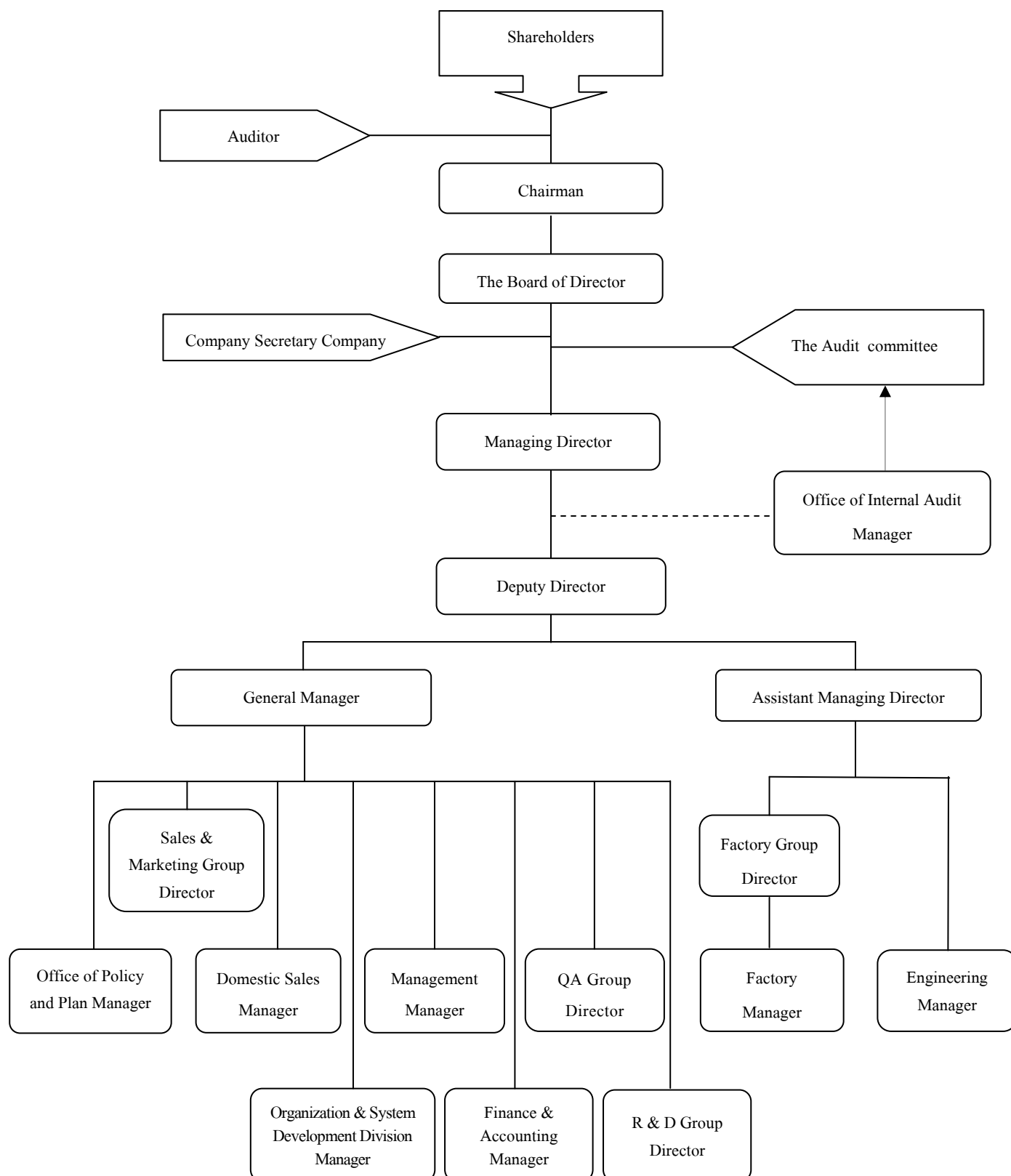
**6.3 Significant Changes and Developments in Policies, Practices and Corporate Governance Systems in the Past Year**

In the past year of 2022, the Company has employed good corporate governance practices as a guideline for work management and operations. The board of directors is responsible for considering the good corporate governance policy and supervising operations in accordance to set policies. The act of monitoring and ensuring that business operations comply with policies are the duties and responsibilities of the board of directors. In 2022, it is found that all employees within the organization strictly complies with the good corporate governance policy and business ethics.

## 7. Governance Structure and key Information about the Boards, Sub-committees, management, Employees and Others

### 7.1 Management Structure

Management structure of the Company as of 31<sup>st</sup> December 2022 as follows:



## 7.2 Board of Directors

The board of directors shall determine the Company's vision, important policies, and strategies as well as the direction of the Company's operations, supervise the management to perform effectively in accordance with the established policies and report the performance to the board of directors for acknowledgment in order to maximize the benefits of the Company and shareholders. As of 31 December 2022, the board of directors has a total of 9 members, consisting of

- ☐ Executive Directors 4 persons
- ☐ Non- Executive Directors 5 persons, which are as follows:
  - Independent Directors 3 persons (account for one-third of Board members)
  - Non-managing Directors 2 persons

| Name               |               | Position   |
|--------------------|---------------|--|
| 1. Mrs. Siriphorn  | Mangkornkarn  | Chairman and Managing Director                           |
| 2. Mr. Kong        | Mangkornkarn  | Executive Director                                       |
| 3. Miss Piyatida   | Mangkornkarn  | Executive Director                                       |
| 4. Mr. Kritasorn   | Mangkornkarn  | Executive Director                                       |
| 5. Mr. Thawat      | Treewanakul   | Director   |
| 6. Mr. Chaiyanandh | Lapitananuvut | Director   |
| 7. Mr. Vorathep    | Vithayaviroj  | Chairman of the Audit Committee and Independent Director |
| 8. Mr. Peesak      | Prapaiporn    | Independent Director and Member of the Audit Committee   |
| 9. Mr. Wutipong    | Vechayanon    | Independent Director and Member of the Audit Committee   |

Remark The committee's profile appears in Attachment 1.

### Definition of Board of Directors

|                          |         |   |
|--------------------------|---------|---|
| Executive Directors      | Means : | The directors who had a position in the management and are involved in day-to-day operations of the organization.   |
| Non- Executive Directors | Means : | The directors who do not hold a position in the management, may or may not be an independent director, and are not involved in day-to-day operations of the organization.   |
| Independent Directors    | Means : | Independent directors or outside directors who are not engaged in day-to-day management of the organization and are not major shareholders, Furthermore, Independent directors must have no such connection with a major shareholder, group of major shareholders, or other stakeholders. |

The Company's Board of Directors consists of 9 persons:



Mrs. Siriphorn Mangkornkarn  
Chairman and Managing Director



Mr. Kong Mangkornkarn  
Executive Director



Miss Piyatida Mangkornkan  
Executive Director



Mr. Kritasorn Mangkornkarn  
Executive Director



Mr. Thawat Treewannakul  
Director



Mr. Chaiyanandh Lapitananuvat  
Director



Mr. Vorathep Vithayaviroj  
Chairman of the Audit Committee  
And Independent Director



Mr. Peesak Prapaiporn  
Independent Director and  
Member of the Audit Committee



Mr. Wutipong Vechayanon  
Independent Director and  
Member of the Audit Committee

**Scope of Duties & Responsibilities of the Board of Directors**

1. Responsible for supervising all activities of the Company within the scope of the law.
2. Appoint one or more directors or any person to be the manager, managing director, and director of operations. They shall be under the control of the board of directors, who shall delegate any authority of the board of directors to the managing director, manager, director, and/or other persons in exercising their assigned authorities.
3. Authorized to remove, revoke, or change a manager, managing director, managing director of the Company's employees, or authorized persons to leave the position and/or amend that power after it is considered that such individual is not suitable to manage the business of the Company.
4. Authorized to sell or mortgage any immovable property of the Company or lease any real estate of the Company for more than three years or fewer, and/or to give for the benefit of the Company's business.
5. Determine salary, pension or bonuses, and other benefits for employees of the Company.
6. Appoint a lawyer or be a party in civil and criminal cases, and/or bankruptcy cases in relation to the business or the interests of the Company.
7. Establish rules regarding employees and operations of the Company.
8. Determine interim dividends to shareholders.
9. Select a person who has qualifications and does not have any prohibited characteristics according to the law on public limited companies to serve as a director and replace directorship vacancy due to reasons other than retirement by rotation.
10. Elect a number of directors as deemed appropriate to be members of the executive committee.

**Appointment of Directors**

To appoint the Company's directors, it shall be followed by the resolution of the shareholders' meeting according to the following principles and methods:

- (1) One shareholder shall have one vote for each share.
- (2) By electing the director, each shareholder shall vote all his votes (According to Item 1.) by voting for one or more director(s). This is according to resolution from the shareholders' meeting. However, by each voting, each shareholder shall vote all his votes and shall not give or separate his vote to certain person unequally.
- (3) By voting to appoint the directors, the persons who will be voted to be director shall have majority votes. The person who receive highest votes respectively shall be elected to be directors of which the number of the directors shall be equal to the number of directors available in that election. In case that the next elected persons, having the same number of votes, are more than the number of available directors in that election, the arbitration will be given by the Chairman of the meeting.

Additionally, in case that the position of director is vacant because of other reasons with the exception of periodical resignation, the appointment of the director can be resolved by the resolution from Company directors with votes not less than  $\frac{3}{4}$  from the number of available directors. Directors shall elect appropriate persons to be replaceable directors in the next meeting with the exception that the period of directors is less than 2 months. Besides, the persons who are entitled to be the replaceable directors shall be entitled to be the directors only within the remaining period of the previous directors.



### 7.3 Audit Committee

The board of directors has appointed members of the audit committee of the Company. Such members are non-executive directors and are independent directors. The term of office is 3 years. As of 31 December 2022, the audit committee is consisting of:

| Names           |                | Position                         |
|-----------------|----------------|----------------------------------|
| 1. Mr. Vorathep | Vithayaviroj   | Chairman of the Audit Committee  |
| 2. Mr. Peesak   | Prapaiporn     | Member of the Audit Committee    |
| 3. Mr. Wutipong | Vechayanon     | Member of the Audit Committee    |
| 4. Mr. Chairroj | Kongsiripanich | Secretary to the Audit Committee |

#### Scope of Duties and Responsibilities of Audit Committee

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 the Company's independent auditors and set their fee giving consideration to reliability and adequacy of resources, and amount of audit work by such independent auditors, including experiences of personnel assigned to audit the Company's accounts as well as to attend a non-management meeting with an auditor 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 annual report 2022 (56-1 one report form), an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
  - (1) an opinion on the accuracy, completeness and creditability of the Company's financial report;
  - (2) an opinion on the adequacy, of the Company's internal control system;
  - (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;
  - (4) an opinion on the suitability of a auditor;
  - (5) an opinion on the transactions that may lead to conflicts of interests;
  - (6) the number of the audit committee meetings, and the attendance of such meetings by each committee member
  - (7) an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter;
  - (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.

7. To perform any other act as assigned by the Company's Board of Directors, with the approval of the audit committee.
8. To report its performance of the audit committee to the Board of Directors at least once a quarter.
9. In its performance of duties, if it is found or suspected that there is a transaction or any of the following acts which may materially effect the Company's financial condition and operating results, the audit committee shall report it to the Board of Directors for rectification within the period of time that the audit committee thinks fit:
  - (a) a transaction which causes a conflict of interest;
  - (b) any fraud, irregularity, or material defect in an internal control system ; or
  - (c) an infringement of the law on securities and exchange, the Exchange's regulations, or any law relating to the Company's business.

If the Board of Directors or its management does not rectify within the determined period, any member of the audit committee may report the transaction or any of the above-mentioned acts to the Securities Exchange Commission or the Stock Exchange of Thailand.

10. In order to let the audit committee act its duties through its objectives, the audit committee shall have the following powers:
  - (a) The power relating to the management;

The audit committee shall have its power to invite the management, chief of the unit or concerned employees for any meetings, declaration, giving an opinion or delivery the related and necessary documents.
  - (b) The power relating to the internal auditor;
    1. to co-ordinate and set the good understandings between the external auditors, the Board of Directors and the internal audit unit.
    2. to give an opinion to appoint, transfer, dismiss and propose the remuneration of chief of the internal audit unit.
    3. to guarantee the independence of the internal auditor.
    4. to determine the acts of internal audit unit under the governance and direct control of the audit committee.
  - (c) The power relating to the external auditor;
    1. to review and appraise the performance of the external auditor.
    2. to recommend the names of the external auditors as well as the annually auditing remuneration for the annual general shareholders' meeting's consideration.
    3. to determine other service fees and advisory fees of the external auditors.
    4. whenever receiving the facts from the external auditors regarding doubtful behavior of Managing Director or concerned persons in doing faults, the audit committee shall report the initial investigation to the Securities Exchange Commission and the external auditors within 30 (thirty) days since the information date.

If the audit committee does not perform as the external auditors indicate, the external auditors shall inform to the Securities Exchange Commission.

- (d) Powers in other area;

The audit committee has the power to investigate concerned persons in the scope of its duties and responsibilities as well as to employ independent professional advisors when necessary. In this regard, various departments are required to perform their relation to the audit committee.

#### 7.4 Top Management

The management as of 31 December 2022 as follows:

| Names |                |                 | Position                         | Number of Shares Hold (Share) |            |         |
|-------|----------------|-----------------|----------------------------------|-------------------------------|------------|---------|
|       |                |                 |                                  | 31 Dec 21                     | 31 Dec 22  | Percent |
| 1     | Mrs. Siriphorn | Mangkornkarn    | Managing Director                | 8,635,045                     | 9,210,714  | 2.70    |
| 2     | Mr. Kong       | Mangkornkarn    | Executive Director               | 12,134,890                    | 12,943,882 | 3.80    |
| 3     | Miss. Piyatida | Mangkornkarn    | Executive Director               | 12,271,440                    | 13,089,536 | 3.84    |
| 4     | Mr. Kritasorn  | Mangkornkarn    | Executive Director               | 13,469,951                    | 14,367,947 | 4.22    |
| 5     | Mr. Viroat     | Anantachotkakul | Assistant Managing Director      | -                             | -          | -       |
| 6     | Mr. Pranot     | Kotchabhakdi    | Sales & Marketing Group Director | -                             | -          | -       |
| 7     | Mr. Suriya     | Ruangsamret     | QA Group Director                | -                             | -          | -       |
| 8     | Mr. Hemsuwan   | Padcha          | Factory Group Director           | -                             | -          | -       |
| 9     | Miss Kanjana   | Boonyuenvitaya  | R&D Group Director               | -                             | -          | -       |
| 10    | Mr. Somchai    | Phaophongthai   | Manager Finance and Accounting   | -                             | -          | -       |

#### Remark

1. The management profile appears in Attachment 1.
2. In 2022, the number of share hold by the top management in the Company has stock dividend increased from stock dividend payment at rate of 15 existing shares per 1 stock dividend.

#### Remuneration of the Management

In 2022, the remuneration for the Management consists of 10 executive directors and top managements totaling of 32.60 million baht, divided into the following forms of compensation:

- ☐ Forms of remuneration : Salary and Bonus total of 31.14 million baht.
- ☐ Other form of remuneration : Insurance, Health Insurance, Contribution to provident fund and Social security fund and Employee Benefits total of 1.46 million baht.

## 7.5 The Company Personnel

The number of employees and their compensation as of 31 December 2022 are as follows:

- The Company has a total of 533 employees, grouped by main line of work as follows:

| <u>Main Line</u>                             | <u>Number of Employees</u> | <u>Compensation</u> |
|--|----------------------------|---------------------|
| Production Department                        | 329 People                 | 103.42 Million Baht |
| Sales Department                             | 21 People                  | 17.69 Million Baht  |
| Technical Research/Development Group         | 18 People                  | 8.52 Million Baht   |
| Quality Assurance Group                      | 18 People                  | 10.02 Million Baht  |
| Logistics Coordinator                        | 9 People                   | 2.58 Million Baht   |
| Production Planning Department               | 9 People                   | 4.01 Million Baht   |
| Administrative Department                    | 70 People                  | 23.29 Million Baht  |
| Organization & System Development Department | 20 People                  | 10.31 Million Baht  |
| Administrative Office                        | 20 People                  | 31.39 Million Baht  |
| Accounting and Finance                       | 19 People                  | 10.57 Million Baht  |

- Total employee compensation is 221.82 million baht, divided into
- Total salary, wages, and bonuses, with the amount of 203.67 million baht.
  - Other compensation includes insurance and health insurance, provident fund contributions, contributions to the Compensation Fund and Social Security, and employee welfare in the total amount of 18.15 million baht.

### The Company's Employee Development Policy and Subsidiary

The Company and its subsidiaries place importance on the development of employees, which is considered a valuable resource of the Company, in order to develop the potential and ability of employees and to increase operational efficiency leading to the stability and sustainability of the organization as follows:

1. Provide employees with on-site and off-site training to develop skills and enhance their knowledge, as well as various technical developments in operation.
2. Encourage employees to be loyal to the organization for the sake of the common good, as well as enhance unity among employees at all levels.
3. Support employees to receive appropriate compensation and benefits for a better quality of life.
4. Provide a hygienic working environment for employees to have good physical and mental health.

## 7.6 Other Important Information

### Secretary Company

The board of directors has resolved to appoint Miss Somchuan Khondon to serve as the Company's secretary as of 11 May 2010. The Company's secretary must perform duties as prescribed in Section 89/15 and 89/16 of the Securities Act (No. 4) B.E. 2551 which came into effect on 31 August 2008 with responsibility, caution, and honesty, as well as complying with the law, objectives, and the Company's regulations, the board of directors' resolutions, as well as the resolutions of the shareholders' meeting.

In this regard, the Company secretary has passed the Company Secretary Program (CSP), Effective Minute Taking (EMT) and Anti-Corruption: The Practical Guide (ACPG) training courses from the Thai Institute of Directors Association (IOD). The Company secretary has legal responsibilities as follows:

1. Formulate and archive directors' registers.
2. Formulate and archive notices for the board of directors' meetings, board of directors' meeting minutes, and the Company's annual reports.
3. Formulate and archive invitations for shareholders' meetings and shareholders' meeting minutes.
4. Archive reports on interests of directors/executives and submit a copy of the reports of interests under Section 89/14 to the Chairman/Chairman of the Audit Committee within 7 working days from the date of receiving the reports.
5. Other actions in accordance with the Capital Market Supervisory Board's announcements.

Biography and qualifications of the Company secretary are described in Attachment 1.

### Accounting Supervisor

The Company has assigned Mr. Somchai Paopongthai, the accounting and finance manager, to be directly responsible for the supervision of the Company's accounting. The history and qualifications of the accounting supervisor are described in Attachment 1.

### Investor Relations

The Company has assigned the Company Secretary to be responsible for investor relations to communicate and provide information of the Company to shareholders, investors, analysts, and related persons to receive accurate and complete information. Contact information is as follows:

Miss Somsuan Khondon

Secretary Company

Tel: (66 2) 119 3235, (66 2) 119 3200

Fax: (66 2) 119 3235, (66 2) 119 3200

E-mail: somsuank@thainam.com, somsuank@hotmail.com

Auditors and Remuneration of Auditors☐ Remuneration of Auditor

In the year 2022, auditing fee provided by the Company and its subsidiary companies was as follows:

| The Company  | Auditors  | 2022<br>(Baht) | 2021<br>(Baht) |
|--|---|----------------|----------------|
| <input type="checkbox"/> Thai Nam Plastic Public Company Limited | Miss Techinee Pornpenpob<br>Dharmniti Auditing Co.,Ltd. | 1,170,000.-    | 965,000.-      |
| <input type="checkbox"/> Subsidiary Companies:                   |   |                |                |
| - Taweewattana Logistics Company Limited                         | Miss Techinee Pornpenpob<br>Dharmniti Auditing Co.,Ltd. | 85,000.-       | 85,000.-       |
| - Thai Nam Automotive Performance Company Limited                | Miss Techinee Pornpenpob<br>Dharmniti Auditing Co.,Ltd. | 255,000.-      | 255,000.-      |
| - TNV Plastics (Proprietary) Limited                             | Miss Techinee Pornpenpob<br>Dharmniti Auditing Co.,Ltd. | 210,000.-      | 143,000.-      |
| - T.N.P. Industry Company Limited                                | Miss Techinee Pornpenpob<br>Dharmniti Auditing Co.,Ltd. | 100,000.-      | 310,000.-      |
| Total  |   | 1,820,000.-    | 1,758,000.-    |

The Auditor had no relationship or conflict of interest with the company/affiliated companies/executives/major shareholders or any persons related to such persons. Thus, they were independent in auditing and commenting on the company's financial statements.

☐ Other Fee - None -

## 8. Report on Key Performance in Corporate Governance

### 8.1 The board of director's performance summary in the past year

In 2022, the board of directors has established important policies and strategies, the direction of operations, and supervising the management to perform effectively in accordance with the established policies under the economic conditions that have not fully recovered due to the impact of the COVID-19 virus pandemic which spread continuously. This includes the impact of oil prices in the world market, the increasing prices of raw materials and shipping costs which in turn caused higher production costs. The Company has effectively operate its business with prudence through the crisis.

#### 8.1.1 Nomination, development, and evaluation of the board of directors' performance

##### Nomination of the Board of Directors

The board of directors will consider and nominate a qualified person who should be elected as a director to the board of directors. They shall consider and propose them to the shareholders' meeting for consideration. Directors will be elected by holding the majority vote of the shareholders attending the meeting. In the event that a director's position becomes vacant for reasons other than the expiration of the term, the board of directors will select a qualified person to be a replacement director at the next board of directors meeting, unless the remaining term of the board of directors is less than 2 months, in which case the person replacing such director will be able to hold office only for as long as the remaining term of the replaced director.

##### Nomination of Independent Directors

The board of directors will consider and nominate a qualified person who should be elected as an independent director, as well as consider and propose to the shareholders' meeting to consider and elect independent directors. The independent directors shall have qualifications related to their independence as announced by the Capital Market Supervisory Board and the Securities and Exchange Commission. They shall be capable of taking care of the interests of all shareholders equally and not causing conflicts of interest. They shall be independent from management and allowed to attend the board of directors' meetings to provide independent opinions. The qualifications of independent directors are as follows:

- (a) Holding no more than 1 percent of the total number of shares with voting rights of the company, parent company, subsidiary company, associated company, or juristic person that may have conflicts of interest. This shall include the shareholding of those related to that independent director as well.
- (b) Not being or used to be a director who is a member of the management, employee, staff, advisor who receives a regular salary, or controlling person of a company, parent company, subsidiary company, associated company, subsidiary of the same level, or juristic persons that may have conflicts, unless they have been discharged from the foregoing examples for no less than two years prior to the date of appointment.
- (c) Not being a person who has a blood relation or has a legal registration in the form of father, mother, spouse, siblings and children, and spouses of the children of the executives, major shareholders, controlling persons of the Company, persons nominated to be executives or controlling persons of the Company or subsidiaries.

- (d) Not having or used to have a business relationship with the Company, parent company, subsidiary company, associated company or juristic person that may have conflicts of interest in a manner that may impede the exercise of one's independent judgment. They shall also not be or having been a major shareholder, directors who are not independent directors, or executive of persons having business relationship with the Company, parent company, subsidiary company, associated company or juristic person who may have conflicts of interest, unless they have been discharged from the foregoing examples for no less than two years prior to the date of appointment.

Business relationships as per clause one includes ordinary transactions for business operations; renting or leasing out real estates; making transactions related to securities or services, giving or receiving financial assistance by accepting, lending, guaranteeing, or providing securities as collateral for liabilities; and other similar actions which result in the Company or the contracting party having a debt obligation towards the other party of at least 3 percent of the Company's net tangible securities or at least 20 million Baht, whichever of the lower value. The calculation of such debts shall be in accordance with the connected transactions' value calculation as announced by the Office of the Securities and Exchange Commission's regarding the disclosure and operations of listed companies in connected transactions with mutatis mutandis. Nevertheless, such debts shall include debt obligations incurred during 1 year prior to the date of business relationship with the same persons.

- (e) Not being or used to be an auditor of the Company, parent company, subsidiary company, associated company, juristic persons with possible conflicts of interest; and must not be major shareholders, non-independent directors, executives, or managing partners of an audit firm with an affiliated auditor of the Company, parent company, subsidiary company, associated company, or juristic persons with possible conflicts of interest unless such characteristics have been vacated for no less than 2 years prior to being appointed.
- (f) Not being or used to be a provider of professional services, including serving as a legal or financial advisor receiving an annual salary of more than 20 million Baht from the Company, parent company, subsidiary company, associated company, or juristic persons with possible conflicts of interest. In case such professional services provider is a juristic person, the prohibition shall also encompass being major shareholders, non-independent directors, executives, or managing partners of such professional services providers unless such characteristics have been vacated for no less than 2 years prior to being appointed.
- (g) Not being a director who has been appointed to represent the Company's directors, major shareholders, or shareholders who are related to major shareholders.
- (h) Not having any other characteristics that cause the inability to express independent opinions regarding the Company's operations.

After being appointed as an independent director with the qualifications in accordance with clause 1 (a) to (h), the independent director may be assigned by the board of directors to make judgments on business operations of the Company, parent company, subsidiary company, associated company, subsidiary companies of the same tier, or juristic persons with possible conflicts of interest; where the decision may be made in the form of a collective decision.

“Executive Directors” refer to directors serving as executives, directors with responsibilities akin to executives, and directors with signatory authority; except for signatories that can be proven as signatories of the list as approved by the board and joint signatories with other directors.



Nomination of the Company's Top Executives

The nomination of the Company's top executives will be considered by the executives where candidates will be nominated in accordance to their qualifications and experiences adequate to serve as a top executive of the Company. Persons considered as qualified will be further considered by the board of directors for appointment. The board of directors will consider persons with complete qualifications, having expertise, skills, experience, and understanding in the Company's business operations in order to effectively and successfully achieve objectives as per policies and goals as set by the board of directors.

## 8.1.2 Meeting Attendance and Remuneration of Individual Committees

Board Meeting Attendance

In 2022, the Company held 8 board of directors' meetings and 1 shareholders' meeting. Details of the board directors' attendance in each meeting are as follows:

| Name                             | Position   | Meeting and attending meeting |                                 |
|----------------------------------|--|-------------------------------|---------------------------------|
|                                  |  | Board of Directors' Meeting   | General Meeting of Shareholders |
| 1. Mrs. Siriphorn Mangkornkarn   | Chairman and Managing Director                           | 8/8                           | 1/1                             |
| 2. Mr. Kong Mangkornkarn         | Executive Director                                       | 8/8                           | 1/1                             |
| 3. Miss Piyatida Mangkornkarn    | Executive Director                                       | 8/8                           | 1/1                             |
| 4. Mr. Kritasorn Mangkornkarn    | Executive Director                                       | 8/8                           | 1/1                             |
| 5. Mr. Thawat Treewannakul       | Director   | 8/8                           | 1/1                             |
| 6. Mr. Chaiyanandh Lapitananuvat | Director   | 8/8                           | 1/1                             |
| 7. Mr. Vorathep Vithayaviroj     | Independent Director and Chairman of the Audit Committee | 8/8                           | 1/1                             |
| 8. Mr. Peesak Prapaiporn         | Independent Director and Member of the Audit Committee   | 7/8                           | 1/1                             |
| 9. Mr. Wutipong Vechayanon       | Independent Director and Member of the Audit Committee   | 7/8                           | 1/1                             |

Directors' Remuneration

The Company has fairly and logically set the remuneration of Company directors. The rate is set appropriately with the responsibilities of directors. The General Meeting of Shareholders in 2022 on 22 April 2022 has resolved to approve the remuneration of directors as follows:

| <u>Director</u>               | <u>Remuneration Rate</u> |
|-------------------------------|--------------------------|
| - Non-Executive Director      | 20,000 Baht/person/month |
| - Chairman of Audit Committee | 20,000 Baht/month        |
| - Member of Audit Committee   | 10,000 Baht/person/month |

The individual remuneration of the board of directors in 2022 are as follows:

| Name                              | Position   | Remuneration (Baht) |                 |           |
|-----------------------------------|--|---------------------|-----------------|-----------|
|                                   |  | Directors           | Audit Committee | Total     |
| 1. Mrs. Siriphorn Mangkornkarn    | Chairman   | -                   | -               | -         |
| 2. Mr. Kong Mangkornkarn          | Executive Director                                       | -                   | -               | -         |
| 3. Miss Piyatida Mangkornkarn     | Executive Director                                       | -                   | -               | -         |
| 4. Mr. Kritasorn Mangkornkarn     | Executive Director                                       | -                   | -               | -         |
| 5. Mr. Thawat Treewannakul        | Director   | 240,000             | -               | 240,000   |
| 6. Mr. Chaiyanandh Lapitananuvatt | Director   | 240,000             | -               | 240,000   |
| 7. Mr. Vorathep Vithayaviraj      | Chairman of the Audit Committee and Independent Director | 240,000             | 240,000         | 480,000   |
| 8. Mr. Peesak Prapaiporn          | Independent Director and Member of the Audit Committee   | 240,000             | 120,000         | 360,000   |
| 9. Mr. Wutipong Vechayanon        | Independent Director and Member of the Audit Committee   | 240,000             | 120,000         | 360,000   |
| Total                             |  | 1,200,000           | 480,000         | 1,680,000 |

In this regard, Mrs. Siriphorn Mangkornkarn, Mr. Kong Mangkornkarn, Ms. Piyatida Mangkornkarn, and Mr. Kritasorn Mangkornkarn are executive directors receiving remuneration as top executives of the Company.

#### 8.1.3 Subsidiary Supervision

The Company has policies to supervise subsidiaries in the same way as the Company, with the executive committee being the same as subsidiaries' board of directors.

##### ☐ Taweewattana Logistics Company Limited

| <u>Name</u>                    | <u>Position</u>    |
|--------------------------------|--------------------|
| 1. Mrs. Siriphorn Mangkornkarn | Managing Director  |
| 2. Miss Piyatida Mangkornkarn  | Executive Director |

##### ☐ Thai Nam Automotive Performance Company Limited

| <u>Name</u>                    | <u>Position</u>    |
|--------------------------------|--------------------|
| 1. Mrs. Siriphorn Mangkornkarn | Managing Director  |
| 2. Mr. Kong Mangkornkarn       | Executive Director |
| 3. Mr. Kritasorn Mangkornkarn  | Executive Director |

##### ☐ TNV Plastics (Proprietary) Limited

| <u>Name</u>                   | <u>Position</u>    |
|-------------------------------|--------------------|
| 1. Mr. Kong Mangkornkarn      | Managing Director  |
| 2. Miss Piyatida Mangkornkarn | Executive Director |

##### ☐ T.N.P. Industry Company Limited

| <u>Name</u>                    | <u>Position</u>   |
|--------------------------------|-------------------|
| Mr. Teerasak Chor. Rochprasert | Managing Director |

#### 8.1.4 Monitoring to Ensure Compliance with Corporate Governance Policies and Guidelines

The Company prioritizes good corporate governance practices, by setting Corporate Governance, Business Ethics, and Employee Code of Conduct. Furthermore, the Company encourages the actual practice of such principles to instill confidence for all groups of stakeholders. In 2022, the Company has monitored good corporate governance practices to cover all relevant aspects, as well as monitoring to encourage the practice of good corporate governance as follows:

##### Prevention of Conflicts of Interest

The Company has set up policies for a transparent and auditable business operation. In 2022, the Company has audited transactions of possible conflicts of interest and found none related to directors, executives, and employees of the Company.

##### Exploitation of Internal Information

The Company has set up policies to supervise the exploitation of internal information by prohibiting directors and executives from exploiting undisclosed important information for personal benefit or for the benefit of other persons, as well as trading Company securities. In 2022, the Company has supervised the use of internal information to be in accordance with good corporate governance practices and found no directors and executives trading Company securities during periods set by the Company. The Company has set up policies regarding the use of internal information among directors and executives as follows:

1. Inform directors and executives regarding disclosing changes in Company securities of oneself, spouse, and underaged children to the SEC Office in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 within 3 days from change. Such matter shall be reported to the Company's secretary for acknowledgement and for the summarization of individual securities holdings among directors and executives as to enable the Company to audit the trade of securities of all directors and executives. Furthermore, directors and executives have been informed of penalties under Section 275 of the Securities and Exchange Act B.E. 2535
2. The Company has regulations prohibiting directors, executives, and employees from disclosing financial or other information that affects the Company's securities price to third parties. The Company also prohibits trading in the Company's securities during 1 month before the disclosure of financial statements or inside information are disclosed to investors. Failure to comply with such requirements is considered a violation of the Company's discipline and with subject to disciplinary action.

The Company has facilitated the accurate, complete, and timely disclosure of financial and other information in accordance with the disclosure criteria of the SEC and the Stock Exchange of Thailand. Such measure is to build confidence for shareholders and investors as well as all groups of the Company's stakeholders through communication channels of the Stock Exchange of Thailand and the Company's website.

Anti-corruption

The board of directors realizes and prioritizes good corporate governance practices. The Company has set a policy to conduct business with responsibility, transparency, equality and fairness to stakeholders. Anti-corruption policies have been determined as an important topic in the Business Ethics and Work Practices Manual as a practice guideline for directors, executives, and employees of the Company. The Company, additionally, has promoted tangible anti-corruption acts where directors, executives, and employees of the Company are required to strictly comply with anti-corruption policies, not be affiliated with all forms of corrupt acts, not privately accepting money or rewards from customers, business partners/creditors, or third parties in transactions related to the Company's operations. Moreover, directors, executives, and employees of the Company are to refrain from accepting gifts from customers, business partners/creditors or third parties except for the case of traditional givings, where the value of such items must not exceed appropriate thresholds. If employees are unsure, advice may be sought from the next superior.

The Company has, additionally, researched and received training for the consideration of attending the Private Sector Collective Action Coalition Against Corruption.

Whistleblowing and Complaints

The Company has arranged for measures to handle whistleblowing and complaints regarding behaviors in violation of the law and business ethics acts of corruption conducted by directors, executives, and employees of the Company. The channels available for employees and stakeholders for filing complaints and whistleblowing to the Company are as follows:

1. Chairman of the Audit Committee

Contact Address

Thai Nam Plastic Public Company Limited

40 Moo 7, Petchakasem Road, K.M. 23, Omnoi, Amphur Kratumban, Samutsakorn Province 74130

Tel: (66 2) 119 3230

Fax: (66 2) 119 3233, 420 5055, 420 1827

2. Secretary Company

Contact Address

40 Moo 7, Petchakasem Road, K.M. 23, Omnoi, Amphur Kratumban, Samutsakorn Province 74130

Tel : (66 2) 119 3235, 119 3200 # 185

Fax : (66 2) 119 3233, 420 5055, 420 1827

E-mail address : somsuank@thainam.com

The Company has measures of maintaining confidentiality to protect the rights of complainants and whistleblowers. Names, address, and any identifying information of the complainants and whistleblowers will be kept confidential. Access to such information are limited to persons responsible for investigating. In the year 2022, the Company has not received complaints or whistleblowing regarding behaviors in violation of the law and business ethics or acts of corruption.

**8.2 Report of the Performance of the Audit Committee in the Past Year**

The Company's audit committee comprises of 3 independent directors with characteristics as per the Securities and Exchange Commission's (SEC) regulations. Members of the audit committee must additionally be qualified, proficient, and experienced in management, accounting and finance, as well as legal matters. In the year 2022, the audit committee has performed duties within the authority and responsibilities as assigned by the board of directors in accordance to the Audit Committee Charter.

In the year 2022, the Company's audit committee has held 5 meetings of the audit committee and has provided regular quarterly reports on the performance and financial status of the Company and subsidiaries to the board of directors. The consideration for quarterly budget approvals are held in joint meetings with the certified public accountant and internal auditor for acknowledgement of operation results, observations, and operation hindrances. The audit committee are independently allowed to report on, express opinions, and provide suggestions to the board of directors.

In the year 2022, the audit committee's holding and attendance of meetings of the audit committee are as follows:

| Names                         | Position                         | Meeting of the Audit Committee |                         |
|-------------------------------|----------------------------------|--------------------------------|-------------------------|
|                               |                                  | Number of meetings attended    | Number of meetings held |
| 1. Mr. Vorathep Vithayaviroj  | Chairman of the Audit Committee  | 5                              | 5                       |
| 2. Mr. Peesak Prapaiporn      | Member of the Audit Committee    | 4                              | 5                       |
| 3. Mr. Wutipong Vechayanon    | Member of the Audit Committee    | 4                              | 5                       |
| 4. Mr. Chairaj Kongsiripanich | Secretary to the Audit Committee | 5                              | 5                       |

## 9. Internal Control and Connected Transactions

### 9.1 Internal Control and the Internal Audit

The Board of Directors have given the importance for the internal control continuously by this has made to review and develop the internal control system for both the financial controlling system, the operation and the supervision of working including the evaluation of the efficiency of the internal controlling system of the company and subsidiary companies in order to have the confidence that the internal controlling system that has determined to have the evaluation of the sufficiency and the suitability of the internal controlling system by this will hold the principle of the good internal controlling of the Company with 5 main components as follows:

1. The control environment

The Company will contribute and support to create the environment to facilitate for the internal controlling system to operate according to the intention for both the setting of the organizational structure, the determination of the duty and the responsibility, the determination of the policy and the regulation as the written document.

2. The risk assessment

The Company has set to have the risk management system, the evaluation of the risk from external factors and the risk from internal factors that is the period for reviewing and adjusting the strategy in the business operation.

3. Control activities

The Company has set to have the activity for the internal control that has the clearness and the suitability for having the confidence of the accounting information, the information technology and the report of the company correctly and completely. This has the determination of the authority for the approval and this has the level of the approval for the suitable transaction by this has the determination of the method to protect and search for the lost of the property. And this has the practice according to the law and related regulations correctly and completely.

4. The information technology system and the communication

The company has given the importance for the information technology system and the communication of the information by this has set to have the information technology system and the system of the communication of the information that has developed the information technology system and has adjusted to keep pace with the situation all the time.

5. The monitoring system of following up an evaluating (Monitoring)

The Company has the following up of the operating result continuously. By this has set to have the process of following up and evaluating the target according to the company has placed in order to have the confidence that the system of the internal controlling has operated continuously and this has adjusted to solve to conform with the changing situation including this has reviewed the report related to the system of the internal controlling from the auditor and the internal auditor periodically.

In the year 2022, the Company had the system of the internal controlling that was enough and suitable for the business operation. This had the practice according to the procedure and the placing regulation. This hadn't found the mistake related to the system of the internal controlling that was the important content.

Chief of Internal Audit

The Audit Committee had appointed Mr. Chairaj Kongsiripanich to take the position of the Office of Internal Audit Manager of the Company due to he had the degree in accounting and he was the auditor who had been permitted to have experiences in auditing of accounting for a long time and he had understood the business operation of the Company well. This should be agreed that he had the capacity to operate this mentioned role suitably. He had the efficiency suitably and completely.

In order that, The consideration to approve to appoint, demote and remove of the person who was in the position of the Office of Internal Audit Manager of the company. This might have received the resolution from the audit committee. The Qualifications of Mr. Chairaj Kongsiripanich Office of Internal Audit Manager appears in Attachment 3.

**9.2 Related Parties Transactions**

Details of transactions between the Company and subsidiary companies would be appeared in notes of financial statements, No. 5, The subject of business transactions with persons or related businesses. And the Company had transactions with related companies by mentioned transactions would be normal business operations of the Company by holding of market prices or according to the agreeable contract.

**Part 3****Financial Statements in 2022****INDEPENDENT AUDITOR'S REPORT**

To The Shareholders and Board of Directors of  
Thai Nam Plastic Public Company Limited

**Opinion**

I have audited the consolidated financial statements of Thai Nam Plastic Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of Thai Nam Plastic Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2022, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Thai Nam Plastic Public Company Limited and its subsidiaries as at December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of Thai Nam Plastic Public Company Limited as at December 31, 2022, and its financial performance and its 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 describe in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Material Uncertainty Related to Going Concern**

I draw attention to Note 1.3 the subsidiary had current liabilities higher than current assets and capital deficiency loss in significant amount. The main reason is from consecutive operating loss. Such factor casts significant uncertainties and doubts on the ability to continue as a going concern of such subsidiary. I have not expressed a qualified opinion on this matter.



**Key Audit Matters**

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

- Allowance for the decline in value of inventory

As at December 31, 2022, the Group and Company had inventories in the statement of financial position of 496.07 Baht million and 413.13 Baht million, respectively, or 38.67% of the total assets of the Group and 31.95% of the total assets of the Company. Such inventory includes the obsolete stock which was produced as excess and old raw material, packaging and factory supplies may no longer be used in the production and may have declining value in the present. The accounting policy for inventory and detail of inventory were disclosed in Note 3.4 and 8, respectively. Inventory is stated at cost or net realizable value, whichever is lower. The management has to apply considerable judgment in considering the allowance for the decline in value of obsolete inventory by determining the allowance from the percentage of the carrying value of slow-moving or obsolete inventory. The management will set higher percentage according to the aging of inventory and analyze the individual obsolete stock. Therefore, I have identified that the measurement of inventory is a significant risk which requires special attention in the audit.

According to my audit approach on such matter, I have tested the internal control with respect to the calculation of inventory cost, observed the inventory physical count and verified the inventory aging report, inquired the management and considered the reasonableness of the assumption and approach used by the management to determine the net realizable value. This is by verifying the supporting evidence that represents the management's best estimate, especially determining the percentage used in calculating the allowance for the decline in value of inventory at different ages and testing the calculation of the allowance for the decline in value of inventory. Additionally, I have paid attention to the adequacy of the information disclosure on the accounting policy and amount with respect to the recognition of the allowance for the decline in value of inventory.

**Other Information**

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct 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 consolidated financial statements and separate 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 consolidated financial statements and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the consolidated financial statements and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level

of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated financial statements and separate financial statements.

As part of an audit in accordance with Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Miss Techinee Pornpenpob.



(Miss Techinee Pornpenpob)

Certified Public Accountant

Registration No. 10769

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 27, 2023

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2022**

|                                     |        | <u>ASSETS</u>                     |                         |                               |                         |
|-------------------------------------|--------|-----------------------------------|-------------------------|-------------------------------|-------------------------|
|                                     |        | Baht                              |                         |                               |                         |
|                                     |        | Consolidated financial statements |                         | Separate financial statements |                         |
| Note                                |        | 2022                              | 2021                    | 2022                          | 2021                    |
| <b>Current assets</b>               |        |                                   |                         |                               |                         |
| Cash and cash equivalents           | 6      | 22,603,655.70                     | 27,814,281.08           | 3,301,834.65                  | 2,937,497.21            |
| Trade and other current receivables | 5.3, 7 | 357,012,653.60                    | 248,757,359.51          | 366,287,155.88                | 279,706,366.74          |
| Short-term loans to related parties | 5.3    | -                                 | -                       | -                             | -                       |
| Inventories                         | 8      | 496,071,216.45                    | 373,830,913.28          | 413,133,527.67                | 302,521,730.34          |
| Total current assets                |        | 875,687,525.75                    | 650,402,553.87          | 782,722,518.20                | 585,165,594.29          |
| <b>Non-current assets</b>           |        |                                   |                         |                               |                         |
| Investments in subsidiaries         | 9      | -                                 | -                       | 12,603,800.02                 | 12,603,800.02           |
| Investment property                 | 10     | 7,763,896.67                      | 7,763,896.67            | 7,763,896.67                  | 24,845,395.85           |
| Property, plant and equipment       | 11     | 255,103,930.24                    | 268,170,959.57          | 416,301,620.51                | 387,099,406.94          |
| Right-of-use assets                 | 12     | 65,269,815.32                     | 76,058,214.57           | 510,804.36                    | 1,047,362.64            |
| Deferred tax assets                 | 13     | 72,160,392.04                     | 79,852,143.26           | 73,258,177.41                 | 77,812,231.54           |
| Other non-current assets            |        | 6,964,065.44                      | 7,042,977.91            | 74,781.05                     | 74,781.05               |
| Total non-current assets            |        | 407,262,099.71                    | 438,888,191.98          | 510,513,080.02                | 503,482,978.04          |
| <b>TOTAL ASSETS</b>                 |        | <b>1,282,949,625.46</b>           | <b>1,089,290,745.85</b> | <b>1,293,235,598.22</b>       | <b>1,088,648,572.33</b> |

Notes to financial statements form an integral part of these statements.

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION (CONT.)**  
**AS AT DECEMBER 31, 2022**

**LIABILITIES AND SHAREHOLDERS' EQUITY**

|   |         | Baht                              |                       |                               |                       |
|---|---------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
|   |         | Consolidated financial statements |                       | Separate financial statements |                       |
|   | Note    | 2022                              | 2021                  | 2022                          | 2021                  |
| <b>Current liabilities</b>                      |         |                                   |                       |                               |                       |
| Bank overdraft and short-term loans from        |         |                                   |                       |                               |                       |
| financial institutions                          | 14      | 153,707,200.23                    | 153,224,360.64        | 153,707,200.23                | 153,224,360.64        |
| Trade and other current payables                | 5.3, 15 | 275,725,743.68                    | 157,655,164.92        | 236,562,839.28                | 140,052,362.43        |
| Current portion of long-term borrowings from    |         |                                   |                       |                               |                       |
| financial institution                           | 16      | 30,000,000.00                     | 9,000,000.00          | 30,000,000.00                 | 9,000,000.00          |
| Current portion of lease liabilities            | 17      | 4,135,373.50                      | 3,024,155.70          | 232,376.04                    | 223,608.52            |
| Accrued income tax expenses                     |         | -                                 | 9,924,868.61          | -                             | 9,924,868.61          |
| Current provisions for employee benefit         | 18      | 14,717,095.19                     | 19,188,046.25         | 14,717,095.19                 | 19,188,046.25         |
| <b>Total current liabilities</b>                |         | <b>478,285,412.60</b>             | <b>352,016,596.12</b> | <b>435,219,510.74</b>         | <b>331,613,246.45</b> |
| <b>Non-current liabilities</b>                  |         |                                   |                       |                               |                       |
| Long-term borrowings from financial institution | 16      | 125,000,000.00                    | 38,000,000.00         | 125,000,000.00                | 38,000,000.00         |
| Lease liabilities                               | 17      | 80,362,497.70                     | 86,983,416.19         | 313,376.98                    | 545,753.01            |
| Non-current provisions for employee benefit     | 18      | 94,580,024.52                     | 90,801,282.60         | 94,580,024.52                 | 88,067,752.96         |
| Non-current liabilities                         |         | 698,297.24                        | 665,045.00            | 698,297.24                    | 665,045.00            |
| <b>Total non-current liabilities</b>            |         | <b>300,640,819.46</b>             | <b>216,449,743.79</b> | <b>220,591,698.74</b>         | <b>127,278,550.97</b> |
| <b>TOTAL LIABILITIES</b>                        |         | <b>778,926,232.06</b>             | <b>568,466,339.91</b> | <b>655,811,209.48</b>         | <b>458,891,797.42</b> |

Notes to financial statements form an integral part of these statements.

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION (CONT.)**  
**AS AT DECEMBER 31, 2022**

**LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)**

|   | Note | Baht                              |                  |                               |                  |
|---|------|-----------------------------------|------------------|-------------------------------|------------------|
|   |      | Consolidated financial statements |                  | Separate financial statements |                  |
|   |      | 2022                              | 2021             | 2022                          | 2021             |
| Shareholders' equity                          |      |                                   |                  |                               |                  |
| Share capital                                 | 19   |                                   |                  |                               |                  |
| Authorized share capital                      |      |                                   |                  |                               |                  |
| 340,817,945 ordinary shares, Baht 1.00 each   |      | 340,817,945.00                    |                  | 340,817,945.00                |                  |
| 372,768,490 ordinary shares, Baht 1.00 each   |      |                                   | 372,768,490.00   |                               | 372,768,490.00   |
| Issued and paid-up share capital              |      |                                   |                  |                               |                  |
| 340,817,945 ordinary shares, Baht 1.00 each   |      | 340,813,930.00                    |                  | 340,813,930.00                |                  |
| 319,516,823 ordinary shares, Baht 1.00 each   |      |                                   | 319,516,823.00   |                               | 319,516,823.00   |
| Share premium on ordinary shares              |      | 454.58                            | 454.58           | 454.58                        | 454.58           |
| Surplus from change in the ownership interest |      |                                   |                  |                               |                  |
| in subsidiary                                 |      | 927,963.25                        | 927,963.25       | -                             | -                |
| Retained earnings                             |      |                                   |                  |                               |                  |
| Appropriated                                  | 20   |                                   |                  |                               |                  |
| Legal reserve                                 |      | 34,348,291.08                     | 34,348,291.08    | 34,348,291.08                 | 34,348,291.08    |
| Unappropriated                                |      | 128,116,809.22                    | 175,626,296.73   | 262,261,713.08                | 275,891,206.25   |
| Other components of shareholders' equity      |      | (184,054.73)                      | (9,595,422.70)   | -                             | -                |
| TOTAL SHAREHOLDERS' EQUITY                    |      | 504,023,393.40                    | 520,824,405.94   | 637,424,388.74                | 629,756,774.91   |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY    |      | 1,282,949,625.46                  | 1,089,290,745.85 | 1,293,235,598.22              | 1,088,648,572.33 |

Notes to financial statements form an integral part of these statements.

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|   |         | Baht                              |                  |                               |                |
|---|---------|-----------------------------------|------------------|-------------------------------|----------------|
|   |         | Consolidated financial statements |                  | Separate financial statements |                |
| Note  |         | 2022                              | 2021             | 2022                          | 2021           |
| venues  |         |                                   |                  |                               |                |
| Revenue from sales  | 5.4, 25 | 1,413,099,227.99                  | 1,051,229,109.88 | 1,268,598,789.70              | 941,983,115.97 |
| Dividend income   | 5.4     | -                                 | -                | 5,499,972.50                  | 4,999,975.00   |
| Gain from exchange rate   |         | -                                 | 10,411,724.42    | 14,595,357.60                 | 38,921,741.42  |
| Other incomes   | 5.4     | 6,069,014.45                      | 9,952,744.59     | 8,195,188.25                  | 12,120,419.69  |
| Total revenues  |         | 1,419,168,242.44                  | 1,071,593,578.89 | 1,296,889,308.05              | 998,025,252.08 |
| penses  |         |                                   |                  |                               |                |
| Cost of sales   | 5.4     | 1,154,566,497.29                  | 765,506,602.35   | 1,034,040,472.02              | 729,354,939.94 |
| Distribution costs  |         | 54,549,848.42                     | 50,630,659.95    | 46,624,097.89                 | 44,320,321.69  |
| Administrative expenses   | 5.4     | 183,289,259.56                    | 144,583,205.86   | 128,307,126.05                | 94,718,870.94  |
| Loss from exchange rate   |         | 8,793,235.28                      | -                | -                             | -              |
| Expected credit losses (reveral)  |         | (2,075,135.02)                    | 2,157,744.99     | 46,303,453.70                 | 22,648,682.19  |
| Total expenses  |         | 1,399,123,705.53                  | 962,878,213.15   | 1,255,275,149.66              | 891,042,814.76 |
| Profit from operating activities  |         | 20,044,536.91                     | 108,715,365.74   | 41,614,158.39                 | 106,982,437.32 |
| Finance costs   |         | 16,736,408.10                     | 15,479,466.35    | 7,612,577.51                  | 5,171,090.26   |
| Profit before income tax expense  |         | 3,308,128.81                      | 93,235,899.39    | 34,001,580.88                 | 101,811,347.06 |
| Tax expense   | 24      | 9,537,558.80                      | 6,887,593.00     | 6,351,016.53                  | 10,953,065.76  |
| Profit (loss) for the year  |         | (6,229,429.99)                    | 86,348,306.39    | 27,650,564.35                 | 90,858,281.30  |
| Other comprehensive income (expense)  |         |                                   |                  |                               |                |
| Components of other comprehensive income that will not be classified to profit or loss :      |         |                                   |                  |                               |                |
| Gain on re-measurements of defined benefit plans  | 18      | (5,010,357.77)                    | 5,070,993.35     | (5,010,357.77)                | 4,577,079.51   |
| Income tax relating to components of other comprehensive income that will not be reclassified | 24      | 1,002,071.55                      | (1,014,198.67)   | 1,002,071.55                  | (915,415.90)   |
|   |         | (4,008,286.22)                    | 4,056,794.68     | (4,008,286.22)                | 3,661,663.61   |
| Components of other comprehensive income that will be reclassified to profit or loss:         |         |                                   |                  |                               |                |
| Exchange differences on translating financial statement                                       |         |                                   |                  |                               |                |
|   |         | 9,411,367.97                      | (8,345,839.61)   | -                             | -              |
|   |         | 9,411,367.97                      | (8,345,839.61)   | -                             | -              |
| Other comprehensive income (expense) for the year   |         | 5,403,081.75                      | (4,289,044.93)   | (4,008,286.22)                | 3,661,663.61   |
| Total comprehensive income (expense) for the year   |         | (826,348.24)                      | 82,059,261.46    | 23,642,278.13                 | 94,519,944.91  |
| Basic earning (loss) per share  |         |                                   |                  |                               |                |
| Basic earning (loss) per share  | 26      | (0.02)                            | 0.25             | 0.08                          | 0.27           |

Notes to financial statements form an integral part of these statements.

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|  |      | Baht                                   |                                     |  |                               |   |                                  |
|--|------|--|-------------------------------------|--|-------------------------------|---|----------------------------------|
|  |      | Consolidated financial statements      |                                     |  |                               |   |                                  |
|  | Note | Issued and<br>paid-up share<br>capital | Share premium<br>on ordinary shares | Surplus from<br>change in the<br>ownership interest<br>in subsidiary | Retained earnings             |   | Total<br>Shareholders'<br>equity |
|  |      |  |                                     |  | Appropriated<br>legal reserve | Unappropriated  |                                  |
|  |      |  |                                     |  |                               | Other components<br>of equity<br>Exchange differences<br>on translating<br>financial statements |                                  |
| Beginning balance as at January 1, 2021                      |      | 319,516,823.00                         | 454.58                              | 927,963.25   | 29,348,291.08                 | 94,215,147.76   | 442,759,096.58                   |
| Legal reserve  | 20   |  |                                     |  | 5,000,000.00                  | (5,000,000.00)  | -                                |
| Dividend paid  | 20   | -                                      | -                                   | -  | -                             | (3,993,952.10)  | (3,993,952.10)                   |
| Total comprehensive income (expense) for the year            |      |  |                                     |  |                               |   |                                  |
| Profit (loss) for the year                                   |      | -                                      | -                                   | -  | -                             | 86,348,306.39   | 86,348,306.39                    |
| Other comprehensive income (expense) for the year            |      |  |                                     |  |                               |   |                                  |
| Gain on re-measurements of defined benefit plans, net of tax |      | -                                      | -                                   | -  | -                             | 4,056,794.68  | 4,056,794.68                     |
| Exchange difference on translating financial statements      |      | -                                      | -                                   | -  | -                             | (8,345,839.61)  | (8,345,839.61)                   |
| Ending balance as at December 31, 2021                       |      | 319,516,823.00                         | 454.58                              | 927,963.25   | 34,348,291.08                 | 175,626,296.73  | 520,824,405.94                   |
| Increase in share capital                                    | 19   | 21,297,107.00                          | -                                   | -  | -                             | -   | 21,297,107.00                    |
| Dividend paid  | 20   | -                                      | -                                   | -  | -                             | (37,271,771.30)   | (37,271,771.30)                  |
| Total comprehensive income (expense) for the year            |      |  |                                     |  |                               |   |                                  |
| Profit (loss) for the year                                   |      | -                                      | -                                   | -  | -                             | (6,229,429.99)  | (6,229,429.99)                   |
| Other comprehensive income (expense) for the year            |      |  |                                     |  |                               |   |                                  |
| Gain on re-measurements of defined benefit plans, net of tax |      | -                                      | -                                   | -  | -                             | (4,008,286.22)  | (4,008,286.22)                   |
| Exchange difference on translating financial statements      |      | -                                      | -                                   | -  | -                             | 9,411,367.97  | 9,411,367.97                     |
| Ending balance as at December 31, 2022                       |      | 340,813,930.00                         | 454.58                              | 927,963.25   | 34,348,291.08                 | 128,116,809.22  | 504,023,393.40                   |

Notes to financial statements form an integral part of these statements.



**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|   |      | Baht                                   |  |                               |                 |                         |
|---|------|--|--|-------------------------------|-----------------|-------------------------|
|   |      | Separate financial statements          |  |                               |                 |                         |
|   | Note | Issued and<br>paid-up share<br>capital | Share premium<br>on ordinary<br>shares | Retained earnings             |                 | Total                   |
|   |      |  |  | Appropriated<br>legal reserve | Unappropriated  | Shareholders'<br>equity |
| Beginning balance as at January 1, 2021                         |      | 319,516,823.00                         | 454.58                                 | 29,348,291.08                 | 190,365,213.44  | 539,230,782.10          |
| Legal reserve   | 20   | -                                      | -                                      | 5,000,000.00                  | (5,000,000.00)  | -                       |
| Dividend paid   | 20   | -                                      | -                                      | -                             | (3,993,952.10)  | (3,993,952.10)          |
| Total comprehensive income (expense)<br>for the year            |      |  |  |                               |                 |                         |
| Profit (loss) for the year                                      |      | -                                      | -                                      | -                             | 90,858,281.30   | 90,858,281.30           |
| Other comprehensive income (expense)<br>for the year            |      |  |  |                               |                 |                         |
| Gain on re-measurements of defined<br>benefit plans, net of tax |      | -                                      | -                                      | -                             | 3,661,663.61    | 3,661,663.61            |
| Ending balance as at December 31, 2021                          |      | 319,516,823.00                         | 454.58                                 | 34,348,291.08                 | 275,891,206.25  | 629,756,774.91          |
| Increase in share capital                                       | 19   | 21,297,107.00                          | -                                      | -                             | -               | 21,297,107.00           |
| Dividend paid   | 20   | -                                      | -                                      | -                             | (37,271,771.30) | (37,271,771.30)         |
| Total comprehensive income (expense)<br>for the year            |      |  |  |                               |                 |                         |
| Profit (loss) for the year                                      |      | -                                      | -                                      | -                             | 27,650,564.35   | 27,650,564.35           |
| Other comprehensive income (expense)<br>for the year            |      |  |  |                               |                 |                         |
| Gain on re-measurements of defined<br>benefit plans, net of tax |      | -                                      | -                                      | -                             | (4,008,286.22)  | (4,008,286.22)          |
| Ending balance as at December 31, 2022                          |      | 340,813,930.00                         | 454.58                                 | 34,348,291.08                 | 262,261,713.08  | 637,424,388.74          |

Notes to financial statements form an integral part of these statements.

## THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

## FOR THE YEAR ENDED DECEMBER 31, 2022

|   | Baht                              |                  |                               |                 |
|---|-----------------------------------|------------------|-------------------------------|-----------------|
|   | Consolidated financial statements |                  | Separate financial statements |                 |
|   | 2022                              | 2021             | 2022                          | 2021            |
| Cash flows from operating activities  |                                   |                  |                               |                 |
| Profit (loss) for the year  | (6,229,429.99)                    | 86,348,306.39    | 27,650,564.35                 | 90,858,281.30   |
| Adjustments to reconcile profit (loss) for the year to net cash provided by operating activities: |                                   |                  |                               |                 |
| Expected credit losses (reversal)   | (2,075,135.02)                    | 2,157,744.99     | 46,303,453.70                 | 22,648,682.19   |
| Loss on declining in value of inventories (reversal)  | (32,274,410.31)                   | (1,972,177.88)   | (22,123,692.34)               | 1,088,158.27    |
| Loss on impairment of equipment (reversal)  | (2,691,314.47)                    | -                | (2,691,314.47)                | -               |
| Depreciation and amortization expenses  | 54,210,469.31                     | 54,182,334.98    | 42,257,447.03                 | 40,893,659.03   |
| Loss on disposal of equipment   | 1,984,198.97                      | 1,733,627.23     | 1,669,444.22                  | 1,843,772.51    |
| Unrealized (gain) loss on exchange rate   | 9,957,038.31                      | (7,466,907.07)   | (14,885,310.56)               | (40,214,087.69) |
| Interest income   | (427,436.12)                      | (421,278.72)     | (5.06)                        | (3.35)          |
| Dividend income   | -                                 | -                | (5,499,972.50)                | (4,999,975.00)  |
| Withholding tax written-off   | 935,790.49                        | 74,439.64        | -                             | -               |
| Employee benefit expense  | 9,476,862.58                      | 7,358,698.92     | 12,210,392.22                 | 7,124,267.29    |
| Interest expenses   | 16,736,408.10                     | 15,479,466.35    | 7,612,577.51                  | 5,171,090.26    |
| Tax expense   | 9,537,558.80                      | 6,887,593.00     | 6,351,016.53                  | 10,953,065.76   |
| Profit provided by operating activities before changes in operating assets and liabilities        | 59,140,600.65                     | 164,361,847.83   | 98,854,600.63                 | 135,366,910.57  |
| (Increase) decrease in operating assets   |                                   |                  |                               |                 |
| Trade and other current receivables   | (101,392,808.49)                  | (77,789,784.98)  | (140,793,584.97)              | (83,446,826.59) |
| Inventories   | (92,639,922.85)                   | (123,182,746.38) | (88,488,104.99)               | (85,269,301.63) |
| Other non-current assets  | (257,794.65)                      | (2,235,363.18)   | -                             | -               |
| Increase (decrease) in operating liabilities  |                                   |                  |                               |                 |
| Trade and other current payables  | 119,625,631.50                    | 35,068,459.76    | 96,400,720.24                 | 26,048,018.49   |
| Provision for employee benefit  | (15,179,429.49)                   | (11,997,247.05)  | (15,179,429.49)               | (11,678,588.48) |
| Other non-current assets  | 33,252.24                         | -                | 33,252.24                     | -               |
| Cash received (paid) from operations  | (30,670,471.09)                   | (15,774,834.00)  | (49,172,546.34)               | (18,979,787.64) |
| Interest income received  | 427,436.12                        | 421,278.72       | 5.06                          | 3.35            |
| Income tax expense paid   | (16,345,958.65)                   | (707,601.63)     | (16,262,372.05)               | (337,878.45)    |
| Net cash used in operating activities   | (46,588,993.62)                   | (16,061,156.91)  | (65,434,913.33)               | (19,317,662.74) |

Notes to financial statements form an integral part of these statements.

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (CONT.)**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|  | Baht                              |                 |                               |                 |
|--|-----------------------------------|-----------------|-------------------------------|-----------------|
|  | Consolidated financial statements |                 | Separate financial statements |                 |
|  | 2022                              | 2021            | 2022                          | 2021            |
| Cash flows from investing activities                                   |                                   |                 |                               |                 |
| Cash receipts from short-term loans to related parties                 | -                                 | -               | 1,797,950.00                  | -               |
| Cash payments for purchase of equipments                               | (34,906,490.62)                   | (16,326,852.70) | (29,823,330.15)               | (14,580,173.16) |
| Cash receipts from disposal of equipments                              | 2,691,097.26                      | 582,981.21      | 2,688,597.26                  | 472,832.76      |
| Dividend received  | -                                 | -               | 5,499,972.50                  | 4,999,975.00    |
| Net cash used in investing activities                                  | (32,215,393.36)                   | (15,743,871.49) | (19,836,810.39)               | (9,107,365.40)  |
| Cash flows from financing activities                                   |                                   |                 |                               |                 |
| Increase (decrease) in bank overdraft and short-term loan              |                                   |                 |                               |                 |
| from financial institutions  | 1,243,847.24                      | 41,151,235.48   | 1,243,847.24                  | 41,151,235.48   |
| Cash receipts from long-term loan from financial institutions          | 117,000,000.00                    | -               | 117,000,000.00                | -               |
| Cash payments for long-term loans from financial institution           | (9,000,000.00)                    | (3,000,000.00)  | (9,000,000.00)                | (3,000,000.00)  |
| Cash payments for repayment of lease liabilities                       | (3,086,920.51)                    | (1,176,053.10)  | (223,608.51)                  | (489,860.88)    |
| Dividend paid  | (15,815,951.00)                   | (3,806,821.29)  | (15,815,923.50)               | (3,806,821.29)  |
| Interest expense paid  | (16,692,084.66)                   | (15,478,919.00) | (7,568,254.07)                | (5,170,542.91)  |
| Net cash provided by financing activities                              | 73,648,891.07                     | 17,689,442.09   | 85,636,061.16                 | 28,684,010.40   |
| Net increase (decrease) in cash and cash equivalents                   | (5,155,495.91)                    | (14,115,586.31) | 364,337.44                    | 258,982.26      |
| Cash and cash equivalents - beginning of year                          | 27,814,281.08                     | 41,795,344.99   | 2,937,497.21                  | 2,678,514.95    |
| Effect of translation adjustment on foreign currency                   |                                   |                 |                               |                 |
| financial statements   | (55,129.47)                       | 134,522.40      | -                             | -               |
| Cash and cash equivalents - ending of year                             | 22,603,655.70                     | 27,814,281.08   | 3,301,834.65                  | 2,937,497.21    |
| Supplement disclosures of cash flows information                       |                                   |                 |                               |                 |
| Non-cash transaction   |                                   |                 |                               |                 |
| - Accepting transfer of assets from receivable to repayment loan       | -                                 | -               | 25,685,000.00                 | -               |
| - Additions non-cash transaction of right-of-use and lease liabilities | -                                 | 10,190,734.84   | -                             | -               |
| - Stock dividend   | 21,297,107.00                     | -               | 21,297,107.00                 | -               |
| - Increase (decrease) in accrued dividend                              | 158,740.80                        | 187,130.81      | 158,740.80                    | 187,130.81      |
| - Increase (decrease) in accrued interest expense                      | 44,323.44                         | (547.35)        | 44,323.44                     | (547.35)        |
| - Transfer investment property to land, building and equipment         | -                                 | -               | 15,927,282.43                 | -               |

Notes to financial statements form an integral part of these statements.

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2022****1. GENERAL INFORMATION****1.1 Legal status and address of the Company**

The Company had registered to be a limited company on May 22, 1970. The Company's status had been changed to be the public company limited and registered with the Ministry of Commerce on February 7, 1992.

The address of its registered office is as follows:

Head office is located at 40 Moo 7, Petchakasem Road, KM.23, Omnoi, Amphur Kratumban, Samutsakorn Province 74130.

The branch is located at 89/1-2 Moo 4, Bangpla Road, Bankoh, Amphur Muang, Samutsakorn Province 74000.

**1.2 Nature of the Company's operations**

The Group's main business operations is the manufacture and distribute the semi-finished plastic products-synthetic leather and film/sheet for the industries of Automotive, sports shoes, furniture and fashionable leather-flexible film/sheet for the application in household, civil engineering and agricultural functions.

**1.3 Going concern of subsidiaries**

1.3.1 TNV Plastics (Proprietary) Limited has suffered continuous operating loss. As at December 31, 2022 and 2021, there were higher current liabilities than current assets in the amount of Baht 449.65 million and Baht 367.89 million, respectively. The capital deficiency loss amounted to Baht 484.03 million and Baht 388.49 million, respectively, which is significant amount. Such factor casts significant uncertainties and doubts on the ability to continue as a going concern of such subsidiary. However, the management has a plan to correct the problem, adjust plan and production process to control production cost, including secure marketing channels to increase sales. The Company will provide financial support to the subsidiary. From such situation, the uncertainty that arise in the going concern of the subsidiary has lessen. However, these financial statements are prepared based on going concern. Therefore, it has not adjusted the assets at the price salable and not yet adjusted liabilities by the amount to be repaid. New classification may be necessary if the subsidiary cannot continue to operate as a going concern.

1.3.2 TNP Industry Co., Ltd. had consecutive loss as at December 14, 2022 (registered dissolution date) and December 31, 2021 with current liabilities higher than current assets in the amounts of Baht 298.03 million and Baht 320.88 million, respectively. The capital deficiency loss is Baht 298.03 million and Baht 316.08 million, respectively. After assessing the status, the present board had a resolution to approve the business dissolution registration. The management expects the subsidiary will not be able to repay debts to the company who is a major creditor due to higher liabilities than assets which may be necessary to enter into bankruptcy in accordance with Ministerial Rule 374 B.E.2564. However, the management of the group has followed up the progress of such situation and continuously assessed the financial effect related to asset value, provisions and contingencies. The management will use the judgment when situation changes, the management expects will not affect the business operation of the group.

## 2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

## 2.1 Basis for the preparation of financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E. 2543.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the financial statements in Thai language version.

## 2.2 Basis for the preparation of consolidated financial statements

2.2.1 The consolidated financial statements have included the financial statements of Thai Nam Plastic Public Company Limited and its subsidiaries (hereinafter called “the Group”) as follows:

| Company name   | Type of business   | Percentage of holding<br>% of share capital |        | Country of<br>Establishment |
|--|--|---|--------|-----------------------------|
|  |  | 2022  | 2021   |                             |
| Direct shareholding<br>(Shareholding by company)   |  |   |        |                             |
| Taweewattana Logistics<br>Co., Ltd.*   | Distribution of PVC  | 99.99                                       | 99.99  | Thailand                    |
|  |  |   |        |                             |
| Company name   | Type of business   | Percentage of holding<br>% of share capital |        | Country of<br>Establishment |
|  |  | 2022  | 2021   |                             |
| Thai Nam Automotive<br>Performance Co., Ltd.*  | Manufacture and distribute<br>PVC/PP Foam Sheet and<br>TPO and service of cutting<br>sheet and Laminate Foam | 99.99                                       | 99.99  | Thailand                    |
| TNV Plastics (Proprietary)<br>Limited*   | Manufacture and distribute<br>PVC products   | 100.00                                      | 100.00 | South Africa                |
| Indirect shareholding<br>(Shareholding by subsidiary)<br>Subsidiary which shares are held<br>byTaweewattana Logistics<br>Co., Ltd. |  |   |        |                             |
| T.N.P. Industry Co., Ltd.  | Manufacture and distribute<br>semi-rigid PVC sheet   | 99.29                                       | 99.29  | Thailand                    |

\* Dissolved and currently in process of liquidation

Dissolved its liquidation

- 1) On December 8, 2022 the Extraordinary Shareholders' Meeting No.1/2022 of Thai Nam Automotive Performance Co., Ltd. had a resolution to discontinue the business of the subsidiary. The subsidiary has registered the business dissolution with the Department of Business Development Ministry of Commerce on December 14, 2022.
- 2) On December 8, 2022 the Extraordinary Shareholders' Meeting No.1/2022, Taweewattana Logistics Co., Ltd. had a resolution to approve the business dissolution of the subsidiary. The subsidiary has registered to dissolve the company with the Department of Business Development, Ministry of Commerce on December 14, 2022.
- 3) On December 8, 2022 the Extraordinary Shareholders' Meeting No.1/2022 of T.N.P. Industry Co., Ltd. had a resolution to approve the business dissolution of the indirect subsidiary. The indirect subsidiary has registered the business dissolution with the Department of Business Development, Ministry of Commerce on December 14, 2022.

The business dissolution of the subsidiary has no significant effect on the group's operation.

2.2.2 The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

2.2.3 Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

2.2.4 The consolidated financial statements are prepared by using uniform accounting policies. So that the transaction and the others event which are the same or the similar circumstances have been used the identical policies to record those transaction.

2.2.5 The financial statements of an overseas subsidiary is translated into Thai Baht at the closing exchange rate as to assets and liabilities, and at monthly average exchange rates as to revenues and expenses. The resultant differences have been shown under the caption of "Currency translation changes of the financial statements of foreign entity" in shareholders' equity.

2.2.6 Material balances and transactions between the Group companies have been eliminated from the consolidated financial statements.

## 2.3 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 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 practices, accounting guidance and disclosures in the notes to the financial statements and, for some standards, providing temporary reliefs or temporary exemptions to users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the financial statements in the current period.

- 2.4 Revised Financial Reporting Standards that will become effective for the financial statements with the accounting period beginning on or after January 1, 2023

The Federation of Accounting Professions has announced to apply several revised financial reporting standards in the Royal Gazette. This will become effective for the financial statements with the accounting period beginning on or after January 1, 2023. This revision is for the financial reporting standards to be clearer and more appropriate and to conform with international financial reporting standards. Such revision does not affect the principles of the standards and does not affect the users of the financial reporting standards adopted before 2023.

The management of the Group believes that this revision of the standards will not significantly affect the financial statements.

- 2.5 New Financial Reporting Standards

The Federation of Accounting Professions has announced to apply the Financial Reporting Standard No.17 on “Insurance Contract” in the Royal Gazette. This standard requires to comply with the defined criteria of the international reporting standards including various related improvements. The effective date is to apply on the financial statements for the accounting period beginning on or after January 1, 2025.

### 3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 Revenue and expenses recognition

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

Rental income and its related services from an investment property are recognized on a straight-line basis over the term of the lease. Contingent rentals are recognized as income in the accounting period in which they are occurred. The related service income is recognized over the term of the lease.

Dividend income are recognised when the right to receive the dividend is established.

Interest income is recognized on an accrual basis based on the effective interest rate.

Other income and expenses are recognized in profit or loss on the accrual basis.

- 3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at bank, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

- 3.3 Trade and others current receivables

Trade and other receivables are stated at their invoice value less allowance for expected credit losses unless they contain significant financing components, when they are recognized at present value.

The allowance for expected credit losses is disclosed in Note 3.12.

### 3.4 Inventories

Inventories are presented at the lower of cost or net realizable value, cost of inventories is calculated as follow:

- Raw material has calculated cost by moving average method.
- Finished good, work in process and maintenance and factory supplies have calculated cost by first in - first out method.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of conversion above include an appropriate share of production overheads based on normal production capacity.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties, transportation charges and other direct costs incurred in acquiring the inventories less all trade discounts, allowances or rebates.

The net realizable value of inventory is estimated from the selling price in the ordinary course of business less the estimated costs to complete production and the estimated costs to complete the sale.

Allowance for obsolete stocks is set up based on the outstanding inventories balance at the end of year which estimated from consideration of states and quality of inventories.

### 3.5 Investment in subsidiaries

Subsidiaries are entities over which the Company has the power to control their financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The financial statements of the subsidiaries are consolidated from the date the Company exercises control over the subsidiaries until the date that control power ceases.

Investment in subsidiaries in separate financial statement is accounted for under the cost method less allowance for impairment loss on the investment, (if any). The Company recognizes impairment loss (if any) on the investment in the statement of comprehensive income.

### 3.6 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.

Investment property is stated at cost less accumulated depreciation and allowance on impairment (if any).

Depreciation of investment property under building for rent category is calculated by the straight-line method over the estimated useful life of 20 years. Depreciation of investment property is included in determining income.

### 3.7 Property, plant and equipment and depreciation

Land is stated at cost.

Plant and equipment are stated at cost less accumulated depreciation and impairment loss (if any).



Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company.

Allowance for impairment loss of assets will be made when there is any event or circumstance indicating that the recoverable values of these assets are less than their carrying values.

Expenditure incurred in addition, renewal or betterment are recorded add in involve fixed asset, if it is certainly probable the future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Repair and maintenance costs are recognized as an expense when incurred.

Depreciation is calculated by cost less residual value on the straight-line method over the estimated useful life of the assets as follows:

|  |               |
|--|---------------|
| Land improvement                         | 10 years      |
| Building and building improvement        | 10 - 20 years |
| Machinery and equipment                  | 5 - 12 years  |
| Utility system                           | 10 years      |
| Office equipment and equipment and tools | 2-5 years     |
| Vehicles                                 | 5 years       |

The Group have reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and equipment under installation.

Property, plant and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

### 3.8 Borrowing costs

Borrowing costs directly attributed to the acquisition or construction of an asset that necessarily takes long time to put in ready to use or available for sale state are capitalized as part of the cost of the respective asset until that asset condition is ready for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs arising from such borrowing.

### 3.9 Impairment of non-financial assets

As at the statement of financial position date, the Company assesses whether there is an indication of asset impairment. If any such indication exists, the Company will make an estimate of the asset's recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the statement of comprehensive income. In addition, impairment loss is reversed if there is a subsequent increase in the recoverable amount. The reversal shall not exceed the carrying value that would have been determined net of accumulated depreciation or amortization. The recoverable amount of the asset is the asset's value in use or fair value less costs to sell.

### 3.10 Finance lease

At inception of a contract, the Group assess whether the 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 Group assess the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases at the date of initial application (as at January 1, 2020) 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 exercise by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

#### **Right-of-use assets-as a lessee**

Right-of-use assets are recognized at the commencement date of the lease. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the lease term and the estimated useful lives for each of right-of-use assets.

#### **Lease liabilities**

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group use its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset

**Short-term leases and leases of low-value assets**

The Group apply the short-term lease recognition exemption to its short-term leases those leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognized as expense in profit and loss on a straight-line basis over the lease term.

**3.11 Provisions**

A provision is recognized in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**3.12 Financial instruments****Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss. The classification of financial assets at initial recognition is driven by the Group' business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Equity instruments can be classified and cannot be changed by two types of measurement which are measuring fair value through profit or loss or measuring fair value through other comprehensive income that without recycling to profit or loss.

The initial recognition of financial assets that are not measured at fair value through profit or loss with fair value plus or deduct transaction cost directly related to the acquisition or issuance. Financial assets that are measured at fair value through profit or loss, transaction costs of financial assets are recognized as expense in profit or loss.

Subsequent measurement of debt instruments by 3 methods depend on the classification of debt instruments.

- Financial assets measured at amortized cost when financial assets are held to receive cash flow under the agreement and condition of the agreement of the financial assets that generate cash flow to pay the principal and interest from the principal balance on the specified date only. Such financial assets have to be calculated using the effective rate and are subject to impairment assessment. Profit or loss arising from derecognized, modified or impaired will be recognized in profit or loss.

- Financial assets measured at fair value through other comprehensive income when financial assets are held to receive cash flow under the agreement and to sell financial assets and the agreement condition of financial assets generating cash flow that only pays the principal and interest from the principal balance on the specified date. The change of value of financial assets is recognized through other comprehensive income except loss on impairment and interest income and gain and loss on exchange rate are recognized as profit or loss upon recognized of financial assets. Earning or deficit previously recognized in other comprehensive income has to be reclassified into profit or loss. Such financial asset has to be calculated using the effective interest rate same as financial assets measured at amortized cost.
- Financial assets measured at fair value through profit or loss when financial assets that do not meet the criteria for amortized cost or financial assets measured at fair value through other comprehensive income will be presented in the statement of financial position at fair value by recognizing the net change of fair value in profit or loss.

Subsequent valuation of equity instruments must present equity instruments using the fair value and record profit/loss from change in fair value through profit or loss or other comprehensive income depending on equity instruments classification.

#### **Classification and valuation of financial liabilities**

The Group are recognized initially of financial liabilities at fair value net of transaction costs and classified as financial liabilities as financial liabilities subsequently measured at amortized cost using the effective rate. The amortized cost is calculated taking into account fees or costs that are an integral part of the effective rate. Amortization by the effective rate is presented as part of financial costs in profit or loss.

#### **Derivative**

Derivative is recognized at fair value and measured fair value at the end of the reporting period. Profit or loss from fair value remeasurement is recognized in profit or loss immediately unless that derivative is used for hedge.

#### **Derecognition of financial instruments**

Financial assets will be derecognized from the account when the right to receive cash flow of such asset has ended or when the right to receive cash flow of the assets is transferred including upon the transfer of all risk and consideration of that asset or transfer of internal control in that asset although there is no transfer or maintaining of nearly all risk and consideration of such asset.

Financial liabilities will be derecognized from the account when the obligation of such liabilities has been complied, the obligation is cancelled or the obligation has ended. In case existing financial liabilities are changed to new liabilities from one single lender with considerably different requirements or there is a significant amendment in the requirements of existing liabilities, these are considered as recognition old liabilities and recognizing new liabilities by recognizing the difference of such carrying value under profit or loss.

**Impairment of financial assets**

Expected credit loss for financial assets measured at amortized cost or debt instrument financial asset measured at fair value through other comprehensive income and assets arising from credit facility obligation and financial guarantee agreement are assessed without having to wait for the credit event to occur first. The Group use the general approach in considering the allowance for loss on impairment. For trade receivables, the Group apply a simplified approach in calculating ECLs. The Group recognize a loss 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.

**Offset of financial instruments**

Financial assets and liabilities will be offset and presented at net balance in the statement of financial position in the case legally enforced in offsetting the recognized amount. The Group intend to pay the net balance or intends to receive assets and settle payment of liabilities at the same time.

## 3.13 Employee benefits

**Short-term employment benefits**

The Group recognize salary, wage, bonus, contributions to social security fund and provident fund as expenses when incurred.

**Post-employment benefits (Defined contribution plans)**

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

**Post-employment benefits (Defined benefit plans)**

The Group have obligations in respect of the severance payments that it must pay to the employees upon retirement under The Group's article and the labor law and other employee benefit plans. The Group treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees will be recognized immediately in other comprehensive income as a part of retain earing.

**Other long-term employee benefits**

The Group net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

**Termination benefits**

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when The Group recognize costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

**3.14 Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

**3.15 Foreign currency transactions****3.15.1 Currency transactions**

Transactions in foreign currencies throughout the years are recorded in Baht at prevailing Bank of Thailand rates at the transaction dates. Outstanding monetary assets and liabilities denominated in foreign currencies at the statement of financial position dates are translated into Baht at the prevailing rates at those dates. Gain or loss arising from translation are credited or charged against current operations.

**3.15.2 Foreign operations**

The financial statements of oversea subsidiary companies is translated into Thai Baht at the closing exchange rate as at statements of financial position date to assets and liabilities, and market exchange rates in which the transaction took place as to revenues and expenses. The resultant differences are record in statements of comprehensive income and shown as gain (loss) on exchange rate and convert financial statement in equity until investment are sold out.

**3.16 Basic earning per share**

Basic earnings per share is determined by dividing profit (loss) for the year by the weighted average number of ordinary shares outstanding during the year.

**3.17 Income tax**

Income tax comprises current income tax and deferred tax.

**Current tax**

The Group records income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates (20%) of net profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

**Deferred tax**

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Group will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that the Group expect to apply to the period when the deferred tax assets are realised or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Group will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

**4. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect amounts reported in the financial statements and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

**Allowance for expected credit losses**

In determining an allowance for expected credit losses, the management needs to make judgement and estimates the expected credit loss 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 such as GDP, the unemployment rate and the consumer price index.

In determining an allowance for expected credit losses, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

**Allowance for declining in value of inventory**

The determination of allowance for declining in the value of inventory, requires management to make judgements and estimates of the loss expected to occur. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less selling expense. The provision for obsolete slow-moving and deteriorated inventory, is estimated based on the approximate useful life of each type of inventory. The allowance for diminution in value of inventory as determined is compared with the original balance in the books of account and the increase or decrease in the allowance for diminution in value of inventory will be recognized as cost of sales and service in profit or loss.

**Impairment of investment in subsidiary**

The Company reviews the impairment of investment in the subsidiary, which requires management to prepare projections of the cash flows expected to be generated by the investment in the future, and to choose a suitable discount rate in order to calculate the present value of those cash flows.

**Investment property, property, plant and equipment / Depreciation**

In determining depreciation of investment property, property, plant and equipment, the management is required to make estimates of the useful lives and residual values of the investment property property, plant and equipment and to review the useful lives and residual values when there are any changes.

In determining the fair value disclosure of investment property, the management used the income approach supported by current and previous valuations by an independent appraiser.

**Impairment of non-financial asset**

The Group treat assets as impaired when they are determined that the recoverable amount is lower than the carrying amount or in assessing whether there is any indication that assets may be impaired. The determination of whether the recoverable amount lower than the carrying amount requires judgement of the management to use key assumptions underlying recoverable amounts.

**Deferred tax assets**

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

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

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.



### Leases

In determining the lease term of contracts with renewal and termination options the Group determine the lease term as the non-cancellable term of the lease, 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. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Group reassess 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 renew or to terminate.

### Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit of the lease. Therefore, the incremental borrowing rate of the Group are used to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay for necessary borrowing to acquire the assets, or assets with close value to right-of-use assets in similar economic environment, borrowing period and borrowing security.

## 5. RELATED PARTIES TRANSACTION

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

5.1 The nature of relationship with related parties were summarized as follows:

| Related parties                           | Relationship  |
|---|---|
| <u>Subsidiary companies</u>               |   |
| Taweewattana Logistics Co., Ltd.          | Shareholder and have common shareholder and director (Business dissolution on December 14, 2022 and under liquidation process)  |
| Thai Nam Automotive Performance Co., Ltd. | Shareholder and have common shareholder and director (Business dissolution on December 14, 2022 and under liquidation process)  |
| TNV Plastics (Proprietary) Limited        | Shareholder and have common shareholder and director  |
| <u>Indirect subsidiary company</u>        |   |
| T.N.P. Industry Co., Ltd.                 | Indirect shareholding by Taweewattana Logistics Co., Ltd and have common shareholder and director (Business dissolution on December 14, 2022 and under liquidation process) |
| <u>Related Company</u>                    |   |
| Citric Acid Industry Co., Ltd.            | Shareholder and have common shareholder and director  |
| <u>Related person</u>                     |   |
| Key management personnel                  | Persons having authority and responsibility for management  |

## 5.2 The Group have pricing policy for transaction with related parties as follows:

| Transactions                                | Pricing policies  |
|---|---|
| Revenue from sales                          | - Thai Nam Automotive Performance Co., Ltd. and<br>Taweewattana Logistics Co.,Ltd. : Market price<br>- TNV Plastics (Proprietary) Limited : Cost plus margin 5 - 30%<br>- TNP Industry Co.,Ltd. : Cost plus margin 0 - 5% |
| Rental income and service                   | - Agreed price according to agreement   |
| Dividend income                             | - As declared   |
| Transactions                                | Pricing policies  |
| Others income and expense                   | - Agreed price  |
| Purchase of goods                           | - Market price  |
| Purchase of assets                          | - Agreed price  |
| Transfer in provisions for employee benefit | - Price according to expert reports   |
| Loan receivable                             | - TNV Plastics (Proprietary) Limited : Prime rate plus 2% per annum<br>- TNP Industry Co., Ltd. : MLR-1.0% and MLR-2.0% per annum   |
| Borrowing payable                           | - Thai Nam Automotive Performance Co., Ltd. : Without interest  |
| Compensation to management                  | - According to be approved by director and/or shareholders  |

## 5.3 Balances as at December 31, 2022 and 2021 with the related parties consisted of:

|  | Baht                              |      |                               |                  |
|--|-----------------------------------|------|-------------------------------|------------------|
|  | Consolidated financial statements |      | Separate financial statements |                  |
|  | 2022                              | 2021 | 2022                          | 2021             |
| <u>Assets</u>                                    |                                   |      |                               |                  |
| Trade and other account receivable               |                                   |      |                               |                  |
| Subsidiaries                                     |                                   |      |                               |                  |
| Thai Nam Automotive Performance Co., Ltd.        | -                                 | -    | -                             | 198,556.85       |
| TNV Plastics (Proprietary) Limited               | -                                 | -    | 287,952,076.36                | 242,597,920.65   |
| T.N.P. Industry Co., Ltd.                        | -                                 | -    | 102,055,492.48                | 103,848,168.05   |
| Total  | -                                 | -    | 390,007,568.84                | 346,644,645.55   |
| <u>Less</u> Allowance for expected credit losses | -                                 | -    | (346,247,406.82)              | (276,861,202.36) |
| Net  | -                                 | -    | 43,760,162.02                 | 69,783,443.19    |
| Accrued Interest                                 |                                   |      |                               |                  |
| Subsidiaries                                     |                                   |      |                               |                  |
| T.N.P. Industry Co., Ltd.                        | -                                 | -    | 76,769,453.57                 | 76,769,453.57    |
| TNV Plastics (Proprietary) Limited               | -                                 | -    | 19,366,872.50                 | 18,722,423.21    |
| Total  | -                                 | -    | 96,136,326.07                 | 95,491,876.78    |
| <u>Less</u> Allowance for expected credit losses | -                                 | -    | (96,136,326.07)               | (95,491,876.78)  |
| Net  | -                                 | -    | -                             | -                |
| <u>Liabilities</u>                               |                                   |      |                               |                  |
| Trade and other account payable                  |                                   |      |                               |                  |
| Subsidiaries                                     |                                   |      |                               |                  |
| Thai Nam Automotive Performance Co., Ltd.        | -                                 | -    | -                             | 1,007,626.65     |
| T.N.P. Industry Co., Ltd.                        | -                                 | -    | -                             | 79,242.16        |
| Total  | -                                 | -    | -                             | 1,086,868.81     |

## SHORT-TERM LOANS TO RELATED PARTIES

The change in short-term loans to related company for the years ended December 31, 2022 and 2021 are as follows:

|  | Baht                          |                 |                 |                                 |                  |
|--|-------------------------------|-----------------|-----------------|---------------------------------|------------------|
|  | Separate financial statements |                 |                 |                                 |                  |
|  | As at January                 | During the year |                 |                                 | As at December   |
|  | 1, 2022                       | Increase        | Decrease        | Gain (loss) on<br>exchange rate | 31, 2022         |
| <u>Subsidiary company</u>                        |                               |                 |                 |                                 |                  |
| TNV Plastics (Proprietary) Limited               | 143,500,000.81                | -               | -               | 4,939,450.02                    | 148,439,450.83   |
| <u>Indirect subsidiary company</u>               |                               |                 |                 |                                 |                  |
| T.N.P. Industry Co., Ltd.                        | 99,854,058.58                 | -               | (27,482,950.00) | -                               | 72,371,108.58    |
| Total  | 243,354,059.39                | -               | (27,482,950.00) | 4,939,450.02                    | 220,810,559.41   |
| <u>Less</u> Allowance for expected credit losses |                               |                 |                 |                                 |                  |
| TNV Plastics (Proprietary) Limited               | (143,500,000.81)              | (4,939,450.02)  | -               | -                               | (148,439,450.83) |
| T.N.P. Industry Co., Ltd.                        | (99,854,058.58)               | -               | 27,482,950.00   | -                               | (72,371,108.58)  |
| Total  | (243,354,059.39)              | (4,939,450.02)  | 27,482,950.00   | -                               | (220,810,559.41) |
| Net  | -                             |                 |                 |                                 | -                |

|  | Baht                          |                 |          |                                 |                  |
|--|-------------------------------|-----------------|----------|---------------------------------|------------------|
|  | Separate financial statements |                 |          |                                 |                  |
|  | As at January                 | During the year |          |                                 | As at December   |
|  | 1, 2021                       | Increase        | Decrease | Gain (loss) on<br>exchange rate | 31, 2021         |
| <u>Subsidiary company</u>                        |                               |                 |          |                                 |                  |
| TNV Plastics (Proprietary) Limited               | 128,913,430.25                | -               | -        | 14,586,570.56                   | 143,500,000.81   |
| <u>Indirect subsidiary company</u>               |                               |                 |          |                                 |                  |
| T.N.P. Industry Co., Ltd.                        | 99,854,058.58                 | -               | -        | -                               | 99,854,058.58    |
| Total  | 228,767,488.83                | -               | -        | 14,586,570.56                   | 243,354,059.39   |
| <u>Less</u> Allowance for expected credit losses |                               |                 |          |                                 |                  |
| TNV Plastics (Proprietary) Limited               | (128,913,430.25)              | (14,586,570.56) | -        | -                               | (143,500,000.81) |
| T.N.P. Industry Co., Ltd.                        | (99,854,058.58)               | -               | -        | -                               | (99,854,058.58)  |
| Total  | (228,767,488.83)              | (14,586,570.56) | -        | -                               | (243,354,059.39) |
| Net  | -                             |                 |          |                                 | -                |

T.N.P. Industry Co., Ltd.

Loan in the form of promissory notes with the interest rate at MLR-1.0% per annum and MLR-2.0% per annum.

According to the asset transfer debt settlement between the Company and TNP Industry Co., Ltd. dated August 17, 2022, the Company has transferred the ownership in the machinery for debt settlement. The value of transferred machinery purchase for debt settlement in accordance with the assessment price by an independent appraiser is Baht 25,685,000 (Note 10). The subsidiary opens the bill at the price inclusive of VAT in the amount of Baht 27,482,950 to offset the debt settlement with such amount on September 1, 2022.

TNV Plastics (Proprietary) Limited

Loan at the interest rate Prime rate plus 2 per annum and due at call.

The Company has stopped the recognition of interest in the financial statements from July 1, 2014, onwards, as the two subsidiaries will not have the ability to repay the interest in the near future.

## 5.4 Significant business transactions for the year ended December 31, 2022 and 2021 were, as follows:

- Revenue and expenses between the Group which have been eliminated from consolidated financial statements.

|   | Baht                              |      |                               |               |
|---|-----------------------------------|------|-------------------------------|---------------|
|   | Consolidated financial statements |      | Separate financial statements |               |
|   | 2022                              | 2021 | 2022                          | 2021          |
| Revenue from sales                          |                                   |      |                               |               |
| Subsidiaries                                |                                   |      |                               |               |
| Taweewattana Logistics Co., Ltd.            | -                                 | -    | 675,718.20                    | 433,956.00    |
| TNV Plastics (Proprietary) Limited          | -                                 | -    | 46,376,173.34                 | 70,191,598.56 |
| T.N.P. Industry Co., Ltd.                   | -                                 | -    | -                             | 135,353.00    |
| Total                                       | -                                 | -    | 47,051,891.54                 | 70,760,907.56 |
| Rental income                               |                                   |      |                               |               |
| Subsidiaries                                |                                   |      |                               |               |
| Thai Nam Automotive Performance Co., Ltd.   | -                                 | -    | 512,890.00                    | 1,392,130.00  |
| T.N.P. Industry Co., Ltd.                   | -                                 | -    | 716,450.00                    | 1,228,200.00  |
| Total                                       | -                                 | -    | 1,229,340.00                  | 2,620,330.00  |
| Dividend income                             |                                   |      |                               |               |
| Subsidiaries                                |                                   |      |                               |               |
| Thai Nam Automotive Performance Co., Ltd.   | -                                 | -    | 5,499,972.50                  | 4,999,975.00  |
| Other incomes                               |                                   |      |                               |               |
| Subsidiaries                                |                                   |      |                               |               |
| Thai Nam Automotive Performance Co., Ltd.   | -                                 | -    | 834,152.37                    | 1,550,450.43  |
| T.N.P. Industry Co., Ltd.                   | -                                 | -    | 39,296.00                     | -             |
| Total                                       | -                                 | -    | 873,448.37                    | 1,550,450.43  |
| Cost of sale (purchase of goods)            |                                   |      |                               |               |
| Subsidiaries                                |                                   |      |                               |               |
| T.N.P. Industry Co., Ltd.                   | -                                 | -    | -                             | 1,230,934.25  |
| Cost of sale (Manufacturing expenses)       |                                   |      |                               |               |
| Subsidiaries                                |                                   |      |                               |               |
| Thai Nam Automotive Performance Co., Ltd.   | -                                 | -    | 2,334,393.34                  | 10,573,050.60 |
| T.N.P. Industry Co., Ltd.                   | -                                 | -    | 3,483,969.27                  | 2,666,038.42  |
| Total                                       | -                                 | -    | 5,818,362.61                  | 13,239,089.02 |
| Baht  |                                   |      |                               |               |
|   | Consolidated financial statements |      | Separate financial statements |               |
|   | 2022                              | 2021 | 2022                          | 2021          |
| Purchase of assets                          |                                   |      |                               |               |
| Subsidiaries                                |                                   |      |                               |               |
| Taweewattana Logistics Co., Ltd.            | -                                 | -    | 2,500.00                      | -             |
| Thai Nam Automotive Performance Co., Ltd.   | -                                 | -    | 4,228,700.00                  | -             |
| TNV Plastics (Proprietary) Limited          | -                                 | -    | 508,933.96                    | -             |
| T.N.P. Industry Co., Ltd.                   | -                                 | -    | 25,685,000.00                 | -             |
| Total                                       | -                                 | -    | 30,425,133.96                 | -             |
| Sale assets                                 |                                   |      |                               |               |
| Subsidiaries                                |                                   |      |                               |               |
| TNV Plastics (Proprietary) Limited          | -                                 | -    | 508,933.96                    | -             |
| Transfer in provisions for employee benefit |                                   |      |                               |               |
| Subsidiaries                                |                                   |      |                               |               |
| Thai Nam Automotive Performance Co., Ltd.   | -                                 | -    | 2,769,819.41                  | -             |

During the year 2022 the Company operates by the business restructuring plan of the group to enhance the flexibility of management and reduce management fee and duplicate management between the group. The Company had a resolution to register dissolving 3 subsidiaries and transfer partial business of each subsidiary to the company which consists of the following:

- Thai Nam Automotive Performance Co., Ltd.

The subsidiary transferred significant asset to the company. The value of transferred machinery sale according to the assessment price of an independent appraiser and other equipment by the agreed price. All employees are transferred to the company and shall receive the same benefits and privileges as from the subsidiary.

- Taweewattana Logistics Co., Ltd.

The subsidiary transferred to sell the key asset to the company by specifying the value of equipment sale by the agreed price.

- TNP Industry Co., Ltd.

The subsidiary transferred to sell the key asset to the company by specifying the value of machinery sale transfer to settle debt in accordance with the assessment price by an independent appraiser. Later, on August 17, 2022 the Company entered into asset transfer debt settlement to transfer the machinery ownership for debt settlement in the amount Baht 25,685,000 by offsetting the existing liabilities of the subsidiary with the company.

- Expenses for director and key management personal

Expenses for director and management for the year ended December 31, 2022 and 2021 were as follows:

|                             | Baht                              |                      |                               |                      |
|-----------------------------|-----------------------------------|----------------------|-------------------------------|----------------------|
|                             | Consolidated financial statements |                      | Separate financial statements |                      |
|                             | 2022                              | 2021                 | 2022                          | 2021                 |
| Director remuneration       | 1,680,000.00                      | 1,680,000.00         | 1,680,000.00                  | 1,680,000.00         |
| Management's benefits*      |                                   |                      |                               |                      |
| Short-term employee benefit | 32,603,910.00                     | 22,178,076.00        | 32,603,910.00                 | 22,178,076.00        |
| Post-retirement benefits    | 518,512.53                        | 510,598.90           | 518,512.53                    | 510,598.90           |
| Total                       | <u>34,802,422.53</u>              | <u>24,368,674.90</u> | <u>34,802,422.53</u>          | <u>24,368,674.90</u> |

\*Management benefit expenses represents the benefits paid to the Company's management and directors such as salaries, related benefit and directors' remuneration, including the benefit paid by other means. The Company's management is the persons who are defined under the Securities and Exchange Act. The management is comprised managing director or the managements who have the top position at the management level from the four lists following by the manager level.

## 5.5 Significant agreements with related parties

### Land and building lease agreement

The Company entered into an office building lease agreement with T.N.P. Industry Company Limited. The agreement has a period of 3 years from January 1, 2018 to December 31, 2020. Subsequently, on January 1, 2021, the Company has renewed the lease agreement with a period of 3 years from January 1, 2021 to December, 31 2023. Later, on June 1, 2022 the Company received the letter of the lease agreement termination of the plant building from T.N.P. Industry Company Limited as the company is undergoing business restructure and has stopped its operation. The lease agreement termination is effective from July 31, 2022 onwards.

The Company entered into an office building lease agreement with Thai Nam Automotive Performance Company Limited. The agreement has a period of 3 years from August 1, 2016 to July 31, 2019. Subsequently, on August 1, 2019, the Company has renewed the lease agreement with a period of 3 years from August 1, 2019 to July 31, 2022. Later, on June 30, 2022 the Company received the letter of the lease agreement termination of the plant building from Thai Nam Automotive Performance Company Limited as the company is undergoing business restructure and has stopped its operation. The lease agreement termination is effective from July 31, 2022 or agreement expiration date onwards.

#### Management Agreement

The Company entered into a management agreement with Thai Nam Automotive Performance Co., Ltd., which is a subsidiary, with a term of 1 year from August 1, 2016 and to be renewed until agreement termination in writing. The monthly management fee is Baht 30,000.

Later, on June 30, 2022 the subsidiary entered into a letter to terminate the service agreement such as utilities service, maintenance, shuttle service and management. The management has restructured the business and stopped its operation. Such agreement termination is effective from September 30, 2022 onwards.

## 6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of:

|   | Baht                              |                      |                               |                     |
|---|-----------------------------------|----------------------|-------------------------------|---------------------|
|   | Consolidated financial statements |                      | Separate financial statements |                     |
|   | 2022                              | 2021                 | 2022                          | 2021                |
| Cash on hand  | 237,332.16                        | 336,504.54           | 81,000.00                     | 81,000.00           |
| Deposits at financial institutions - current accounts | 7,355,593.25                      | 11,638,461.61        | 3,217,833.67                  | 2,853,394.74        |
| Deposits at financial institutions - savings accounts | 15,010,730.29                     | 15,839,314.93        | 3,000.98                      | 3,102.47            |
| Total   | <u>22,603,655.70</u>              | <u>27,814,281.08</u> | <u>3,301,834.65</u>           | <u>2,937,497.21</u> |

## 7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables consisted of:

|                                     | Baht                              |                       |                               |                       |
|-------------------------------------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
|                                     | Consolidated financial statements |                       | Separate financial statements |                       |
|                                     | 2022                              | 2021                  | 2022                          | 2021                  |
| Trade and other current receivables |                                   |                       |                               |                       |
| Related parties (Note 7.1)          | -                                 | -                     | 43,760,162.02                 | 69,783,443.19         |
| Other companies (Note 7.2)          | <u>357,012,653.60</u>             | <u>248,757,359.51</u> | <u>322,526,993.86</u>         | <u>209,922,923.55</u> |
| Total                               | <u>357,012,653.60</u>             | <u>248,757,359.51</u> | <u>366,287,155.88</u>         | <u>279,706,366.74</u> |

## 7.1 Trade and other current receivables - related parties consisted of:

|  | Baht                              |      |                               |                  |
|--|-----------------------------------|------|-------------------------------|------------------|
|  | Consolidated financial statements |      | Separate financial statements |                  |
|  | 2022                              | 2021 | 2022                          | 2021             |
| Trade receivables                                |                                   |      |                               |                  |
| Subsidiaries company - domestic                  | -                                 | -    | 102,055,492.48                | 104,046,724.90   |
| Subsidiaries company - oversea                   | -                                 | -    | 287,952,076.36                | 242,597,920.65   |
| Total  | -                                 | -    | 390,007,568.84                | 346,644,645.55   |
| <u>Less</u> Allowance for expected credit losses | -                                 | -    | (346,247,406.82)              | (276,861,202.36) |
| Trade receivables, net                           | -                                 | -    | 43,760,162.02                 | 69,783,443.19    |
| Other current receivables                        |                                   |      |                               |                  |
| Accrued Interest                                 | -                                 | -    | 96,136,326.07                 | 95,491,876.78    |
| <u>Less</u> Allowance for expected credit losses | -                                 | -    | (96,136,326.07)               | (95,491,876.78)  |
| Other current receivables, net                   | -                                 | -    | -                             | -                |
| Total  | -                                 | -    | 43,760,162.02                 | 69,783,443.19    |

## Trade and other current receivables - related parties classified by currency consisted of:

|                             | Separate financial statements |              |                |                |
|-----------------------------|-------------------------------|--------------|----------------|----------------|
|                             | Foreign currencies            |              | Baht           |                |
|                             | 2022                          | 2021         | 2022           | 2021           |
| Trade receivable, domestic; |                               |              |                |                |
| Baht                        |                               |              | 102,055,492.48 | 104,046,724.90 |
| Trade receivable, oversea;  |                               |              |                |                |
| U.S. Dollars                | 8,265,972.31                  | 7,183,124.68 | 284,277,533.62 | 238,816,627.91 |
| Euro                        | 100,812.16                    | 100,812.16   | 3,674,542.74   | 3,781,292.74   |
|                             |                               |              | 390,007,568.84 | 346,644,645.55 |

## Trade receivables - related parties classified by ages of accounts consisted of:

|                                | Baht                              |      |                               |                |
|--------------------------------|-----------------------------------|------|-------------------------------|----------------|
|                                | Consolidated financial statements |      | Separate financial statements |                |
|                                | 2022                              | 2021 | 2022                          | 2021           |
| Not over due                   | -                                 | -    | -                             | 198,556.85     |
| Over due not over 1 months     | -                                 | -    | 3,306,804.66                  | 1,159,457.79   |
| Over due 1 months to 2 months  | -                                 | -    | 2,663,726.55                  | 5,989,053.34   |
| Over due 2 months to 6 months  | -                                 | -    | 11,523,546.56                 | 29,293,697.96  |
| Over due 6 months to 12 months | -                                 | -    | 29,089,019.97                 | 36,819,851.27  |
| Over due more than 12 months   | -                                 | -    | 343,424,471.10                | 273,184,028.34 |
| Total                          | -                                 | -    | 390,007,568.84                | 346,644,645.55 |

Movement of the change in the allowance for expected credit losses for the years ended December 31, 2022 and 2021 were summarized as follows:

|                                   | Baht                              |      |                               |                |
|-----------------------------------|-----------------------------------|------|-------------------------------|----------------|
|                                   | Consolidated financial statements |      | Separate financial statements |                |
|                                   | 2022                              | 2021 | 2022                          | 2021           |
| Beginning balance as at January 1 | -                                 | -    | 372,353,079.14                | 365,569,020.36 |
| Additional during the year        | -                                 | -    | 71,736,041.63                 | 7,766,950.67   |
| Deduction during the year         | -                                 | -    | (1,705,387.88)                | (982,891.89)   |
| Ending balance as at December 31  | -                                 | -    | 442,383,732.89                | 372,353,079.14 |

## 7.2 Trade and other current receivables - other companies consisted of:

|                           | Baht                              |                       |                               |                       |
|---------------------------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
|                           | Consolidated financial statements |                       | Separate financial statements |                       |
|                           | 2022                              | 2021                  | 2022                          | 2021                  |
| Trade receivables         | 343,962,086.21                    | 235,101,075.86        | 310,818,194.25                | 203,712,491.04        |
| Other current receivables | 13,050,567.39                     | 13,656,283.65         | 11,708,799.61                 | 6,210,432.51          |
| Total                     | <u>357,012,653.60</u>             | <u>248,757,359.51</u> | <u>322,526,993.86</u>         | <u>209,922,923.55</u> |

## Trade receivables consisted of:

|  | Baht                              |                        |                               |                        |
|--|-----------------------------------|------------------------|-------------------------------|------------------------|
|  | Consolidated financial statements |                        | Separate financial statements |                        |
|  | 2022                              | 2021                   | 2022                          | 2021                   |
| Trade receivables                                | 355,682,359.38                    | 248,801,590.42         | 322,367,187.81                | 216,350,291.04         |
| Note receivables                                 | 500,572.07                        | 595,465.70             | 500,572.07                    | 595,465.70             |
| Total  | 356,182,931.45                    | 249,397,056.12         | 322,867,759.88                | 216,945,756.74         |
| <u>Less</u> Allowance for expected credit losses | <u>(12,220,845.24)</u>            | <u>(14,295,980.26)</u> | <u>(12,049,565.63)</u>        | <u>(13,233,265.70)</u> |
| Net  | <u>343,962,086.21</u>             | <u>235,101,075.86</u>  | <u>310,818,194.25</u>         | <u>203,712,491.04</u>  |

## Trade receivables - other companies classified by currency consisted of:

|                                      | Consolidated financial statements |               |                       |                       |
|--------------------------------------|-----------------------------------|---------------|-----------------------|-----------------------|
|                                      | Foreign currencies                |               | Baht                  |                       |
|                                      | 2022                              | 2021          | 2022                  | 2021                  |
| Trade accounts receivable, domestic; |                                   |               |                       |                       |
| Baht                                 |                                   |               | 308,391,501.50        | 197,603,231.94        |
| Trade accounts receivable, overseas; |                                   |               |                       |                       |
| U.S. Dollars                         | 420,927.92                        | 581,784.31    | 14,476,258.38         | 19,342,524.80         |
| Rand                                 | 16,357,427.00                     | 15,475,107.00 | 33,315,171.57         | 32,451,299.38         |
|                                      |                                   |               | <u>356,182,931.45</u> | <u>249,397,056.12</u> |
|                                      | Separate financial statements     |               |                       |                       |
|                                      | Foreign currencies                |               | Baht                  |                       |
|                                      | 2022                              | 2021          | 2022                  | 2021                  |
| Trade accounts receivable, domestic; |                                   |               |                       |                       |
| Baht                                 |                                   |               | 308,391,501.50        | 197,603,231.94        |
| Trade accounts receivable, overseas; |                                   |               |                       |                       |
| U.S. Dollars                         | 420,927.92                        | 581,784.31    | 14,476,258.38         | 19,342,524.80         |
|                                      |                                   |               | <u>322,867,759.88</u> | <u>216,945,756.74</u> |

## Trade receivables - other companies classified by ages of accounts consisted of:

|                                | Baht                              |                       |                               |                       |
|--------------------------------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
|                                | Consolidated financial statements |                       | Separate financial statements |                       |
|                                | 2022                              | 2021                  | 2022                          | 2021                  |
| Not over due                   | 192,188,146.62                    | 142,947,786.59        | 192,188,146.62                | 142,947,786.59        |
| Over due not over 1 months     | 110,702,385.29                    | 64,170,401.81         | 97,153,389.32                 | 50,742,817.43         |
| Over due 1 months to 2 months  | 39,033,838.29                     | 15,538,862.98         | 19,267,662.69                 | 7,658,158.50          |
| Over due 2 months to 6 months  | 1,659,621.45                      | 13,567,177.12         | 1,659,621.45                  | 2,552,046.27          |
| Over due 6 months to 12 months | 1,115,090.79                      | 206,669.38            | 1,115,090.79                  | 206,669.38            |
| Over due more than 12 months   | 11,483,849.01                     | 12,966,158.24         | 11,483,849.01                 | 12,838,278.57         |
| Total                          | <u>356,182,931.45</u>             | <u>249,397,056.12</u> | <u>322,867,759.88</u>         | <u>216,945,756.74</u> |



Movement of the change in the allowance for expected credit losses for the years ended December 31, 2022 and 2021 were summarized as follows:

|                                   | Baht                              |               |                               |               |
|-----------------------------------|-----------------------------------|---------------|-------------------------------|---------------|
|                                   | Consolidated financial statements |               | Separate financial statements |               |
|                                   | 2022                              | 2021          | 2022                          | 2021          |
| Beginning balance as at January 1 | 14,295,980.26                     | 12,138,235.27 | 13,233,265.70                 | 11,955,212.85 |
| Additional during the year        | 130,278.74                        | 2,297,409.82  | 130,278.74                    | 1,417,717.68  |
| Deduction during the year         | (2,205,413.76)                    | (139,664.83)  | (1,313,978.81)                | (139,664.83)  |
| Ending balance as at December 31  | 12,220,845.24                     | 14,295,980.26 | 12,049,565.63                 | 13,233,265.70 |

Other receivables consisted of:

|                                | Baht                              |               |                               |              |
|--------------------------------|-----------------------------------|---------------|-------------------------------|--------------|
|                                | Consolidated financial statements |               | Separate financial statements |              |
|                                | 2022                              | 2021          | 2022                          | 2021         |
| Revenue Department receivable  | 1,637,280.72                      | 2,661,059.25  | 753,554.55                    | 748,941.80   |
| Deposit                        | 3,583,616.74                      | 8,961,414.05  | 3,272,217.53                  | 3,434,382.80 |
| Prepaid expenses               | 674,972.89                        | 543,927.90    | 650,532.49                    | 537,225.46   |
| Other current financial assets | 122,202.00                        | -             | -                             | -            |
| Income tax assets              | 7,032,495.04                      | 1,489,882.45  | 7,032,495.04                  | 1,489,882.45 |
| Total                          | 13,050,567.39                     | 13,656,283.65 | 11,708,799.61                 | 6,210,432.51 |

## 8. INVENTORIES

Inventories consisted of:

|                                   | Baht                              |                  |                               |                  |
|-----------------------------------|-----------------------------------|------------------|-------------------------------|------------------|
|                                   | Consolidated financial statements |                  | Separate financial statements |                  |
|                                   | 2022                              | 2021             | 2022                          | 2021             |
| Finished goods                    | 331,095,313.81                    | 315,378,158.51   | 316,253,408.40                | 293,103,048.70   |
| Work in process                   | 49,802,935.47                     | 42,689,243.18    | 49,802,935.47                 | 40,180,229.66    |
| Raw materials                     | 269,490,920.47                    | 221,930,402.05   | 212,845,741.49                | 179,176,174.99   |
| Packaging and factory supplies    | 35,120,053.66                     | 33,230,859.08    | 35,120,053.66                 | 29,624,992.59    |
| Goods in transit                  | 28,022,850.30                     | 10,337,518.03    | 16,572,245.91                 | 21,834.00        |
| Total                             | 713,532,073.71                    | 623,566,180.85   | 630,594,384.93                | 542,106,279.94   |
| Less Allowance for obsolete stock | (217,460,857.26)                  | (249,735,267.57) | (217,460,857.26)              | (239,584,549.60) |
| Net                               | 496,071,216.45                    | 373,830,913.28   | 413,133,527.67                | 302,521,730.34   |

Inventories classified by ages of accounts consisted of:

|                         | Baht                              |                |                               |                |
|-------------------------|-----------------------------------|----------------|-------------------------------|----------------|
|                         | Consolidated financial statements |                | Separate financial statements |                |
|                         | 2022                              | 2021           | 2022                          | 2021           |
| Not over 1 years        | 452,668,897.69                    | 322,384,993.82 | 369,731,208.91                | 254,414,608.43 |
| Over 1 years to 2 years | 25,413,856.28                     | 20,644,971.23  | 25,413,856.28                 | 20,566,451.21  |
| Over 2 years to 3 years | 14,779,069.76                     | 28,914,306.47  | 14,779,069.76                 | 27,995,394.48  |
| Over 3 years to 4 years | 17,930,064.15                     | 23,392,086.55  | 17,930,064.15                 | 21,858,886.43  |
| Over 4 years to 5 years | 16,457,121.76                     | 14,519,935.36  | 16,457,121.76                 | 14,092,300.08  |
| Over more than 5 years  | 186,283,064.07                    | 213,709,887.42 | 186,283,064.07                | 203,178,639.31 |
| Total                   | 713,532,073.71                    | 623,566,180.85 | 630,594,384.93                | 542,106,279.94 |

Movement of the change in the allowance for obsolete stock were as follows:

|                               | Baht                              |                |                               |                |
|-------------------------------|-----------------------------------|----------------|-------------------------------|----------------|
|                               | Consolidated financial statements |                | Separate financial statements |                |
|                               | 2022                              | 2021           | 2022                          | 2021           |
| Beginning balance of the year | 249,735,267.57                    | 251,707,445.45 | 239,584,549.60                | 238,496,391.33 |
| Additional during the year    | -                                 | 7,144,784.17   | -                             | 7,138,210.88   |
| Deduction during the year     | (32,274,410.31)                   | (9,116,962.05) | (22,123,692.34)               | (6,050,052.61) |
| Ending balance at end of year | 217,460,857.26                    | 249,735,267.57 | 217,460,857.26                | 239,584,549.60 |

|   | Baht                              |                |                               |              |
|---|-----------------------------------|----------------|-------------------------------|--------------|
|   | Consolidated financial statements |                | Separate financial statements |              |
|   | 2022                              | 2021           | 2022                          | 2021         |
| Decline (reversal) in value of inventory recognized |                                   |                |                               |              |
| as cost of goods sold for the year                  | (32,274,410.31)                   | (1,972,177.88) | (22,123,692.34)               | 1,088,158.27 |

## 9. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries consisted of:

| Subsidiary Company name                             | Type of Business  | Paid up shares  | Separated financial statements |        |                       |                |
|---|---|-----------------|--------------------------------|--------|-----------------------|----------------|
|   |   |                 | Percentage of ownership (%)    |        | At cost method (Baht) |                |
|   |   |                 | 2022                           | 2021   | 2022                  | 2021           |
| Taweewattana Logistics Co., Ltd.                    | Distribution of PVC   | Baht 3 million  | 99.99                          | 99.99  | 2,999,700.00          | 2,999,700.00   |
| Thai Nam Automotive Performance Co., Ltd.           | Manufacture and distribute PVC/PP Foam Sheet and TPO and service of cutting sheet and Laminate Foam | Baht 10 million | 99.99                          | 99.99  | 12,603,800.02         | 12,603,800.02  |
| TNV Plastics (Proprietary) Limited                  | Manufacture and distribute PVC products   | Rand 1 million  | 100.00                         | 100.00 | 4,280,861.58          | 4,280,861.58   |
| Total   |   |                 |                                |        | 19,884,361.60         | 19,884,361.60  |
| <u>Less</u> Allowance for impairment of investments |   |                 |                                |        |                       |                |
| Taweewattana Logistics Co., Ltd.                    |   |                 |                                |        | (2,999,700.00)        | (2,999,700.00) |
| TNV Plastics (Proprietary) Limited                  |   |                 |                                |        | (4,280,861.58)        | (4,280,861.58) |
| Total   |   |                 |                                |        | (7,280,561.58)        | (7,280,561.58) |
| Investments in subsidiaries, net                    |   |                 |                                |        | 12,603,800.02         | 12,603,800.02  |

According to the minutes of the board of directors' meeting No. 8/2022 held on November 18, 2022, the meeting had a resolution to dissolve the company and liquidate 3 subsidiaries: Thai Nam Automotive Performance Co., Ltd. Taweewattana Logistics Co., Ltd. and TNP Industry Co., Ltd. Such subsidiary dissolution is to reduce management expense which may not affect the business operation of the company in anyway.

## 10. INVESTMENT PROPERTY

Investment property consisted of:

|                           | Baht                              |                          |           |                      |               |
|---------------------------|-----------------------------------|--------------------------|-----------|----------------------|---------------|
|                           | Consolidated financial statements |                          |           |                      |               |
|                           | Balance as at                     | Movement during the year |           |                      | Balance as at |
|                           | Jan 1, 2022                       | Additions                | Deduction | Transferred in (out) | Dec 31, 2022  |
| <u>At cost</u>            |                                   |                          |           |                      |               |
| Land                      | 7,763,896.67                      | -                        | -         | -                    | 7,763,896.67  |
| Investment property - Net | 7,763,896.67                      |                          |           |                      | 7,763,896.67  |

|                           | Baht                              |                          |           |                      |               |
|---------------------------|-----------------------------------|--------------------------|-----------|----------------------|---------------|
|                           | Consolidated financial statements |                          |           |                      |               |
|                           | Balance as at                     | Movement during the year |           |                      | Balance as at |
|                           | Jan 1, 2021                       | Additions                | Deduction | Transferred in (out) | Dec 31, 2021  |
| <u>At cost</u>            |                                   |                          |           |                      |               |
| Land                      | 7,763,896.67                      | -                        | -         | -                    | 7,763,896.67  |
| Investment property - Net | 7,763,896.67                      |                          |           |                      | 7,763,896.67  |

|                                 | Baht                          |                          |           |                      |               |
|---------------------------------|-------------------------------|--------------------------|-----------|----------------------|---------------|
|                                 | Separate financial statements |                          |           |                      |               |
|                                 | Balance as at                 | Movement during the year |           |                      | Balance as at |
|                                 | Jan 1, 2022                   | Additions                | Deduction | Transferred in (out) | Dec 31, 2022  |
| <u>At cost</u>                  |                               |                          |           |                      |               |
| Land                            | 17,007,481.77                 | -                        | -         | (9,243,585.10)       | 7,763,896.67  |
| Buildings for rent              | 23,084,332.63                 | -                        | -         | (23,084,332.63)      | -             |
| Total                           | 40,091,814.40                 | -                        | -         | (32,327,917.73)      | 7,763,896.67  |
| <u>Accumulated depreciation</u> |                               |                          |           |                      |               |
| Buildings for rent              | (15,246,418.55)               | (1,154,216.75)           | -         | 16,400,635.30        | -             |
| Total                           | (15,246,418.55)               | (1,154,216.75)           | -         | 16,400,635.30        | -             |
| Investment property - Net       | 24,845,395.85                 |                          |           |                      | 7,763,896.67  |

|                                 | Baht                          |                          |           |                      |                 |
|---------------------------------|-------------------------------|--------------------------|-----------|----------------------|-----------------|
|                                 | Separate financial statements |                          |           |                      |                 |
|                                 | Balance as at                 | Movement during the year |           |                      | Balance as at   |
|                                 | Jan 1, 2021                   | Additions                | Deduction | Transferred in (out) | Dec 31, 2021    |
| <u>At cost</u>                  |                               |                          |           |                      |                 |
| Land                            | 17,007,481.77                 | -                        | -         | -                    | 17,007,481.77   |
| Buildings for rent              | 23,084,332.63                 | -                        | -         | -                    | 23,084,332.63   |
| Total                           | 40,091,814.40                 | -                        | -         | -                    | 40,091,814.40   |
| <u>Accumulated depreciation</u> |                               |                          |           |                      |                 |
| Buildings for rent              | (14,092,201.90)               | (1,154,216.65)           | -         | -                    | (15,246,418.55) |
| Total                           | (14,092,201.90)               | (1,154,216.65)           | -         | -                    | (15,246,418.55) |
| Investment property - Net       | 25,999,612.50                 |                          |           |                      | 24,845,395.85   |

During the year 2022 the group entered into business restructuring. The subsidiary stopped its operation affecting the subsidiary to terminate the land and building lease agreement. (Note 5.5) The Company transferred to change the asset type from investment property to land, building and equipment Baht 15.93 million. (Note 11)

The Company's investment property is land and buildings for rent., the Company has appraisals by independent appraisers. The fair value is based on the fair market value method using the cost approach. The fair value as at December 31, 2022 and 2021 is Baht 28.13 million and Baht 28.13 million (Separate financial statement amount of Baht 28.13 million and Baht 61.24 million), which is the appraisal value in 2021

For the years ended December 31, 2022 and 2021, the Company had rental income from investment property in the amount of Baht 2.09 million and Baht 2.10 million (Separate financial statement amount of Baht 3.32 million and Baht 4.72 million), respectively and operating expenses in the amount of Baht 1.16 million and Baht 1.16 million (Separate financial statement amount of Baht 1.15 million and Baht 1.15 million), respectively which were recognized in the statement of comprehensive income.

Investment property of the Company are mortgaged as collateral of credit facilities from financial institutions as discussed in Note 14 and 16 to the financial statements.

## 11. PROPERTY PLANT AND EQUIPMENT

Property plant and equipment consisted of:

|  | Baht                              |                          |                 |                         |  |                            |
|--|-----------------------------------|--------------------------|-----------------|-------------------------|--|----------------------------|
|  | Consolidated financial statements |                          |                 |                         |  |                            |
|  | Balance per<br>book               | Movement during the year |                 |                         | Balance per<br>book  |                            |
|  | as at January<br>1, 2022          | Additions                | Deduction       | Transferred<br>in (out) | Exchange<br>difference<br>on transtating<br>financial<br>statement | as at December<br>31, 2022 |
| <u>At cost</u>                             |                                   |                          |                 |                         |  |                            |
| Land                                       | 11,918,116.03                     | -                        | -               | -                       | -  | 11,918,116.03              |
| <u>Land improvement</u>                    | 9,375,309.51                      | -                        | -               | -                       | -  | 9,375,309.51               |
| Building and building<br>improvement       | 399,439,626.48                    | 132,025.37               | (190,740.00)    | 955,734.01              | (560,997.19)   | 399,775,648.67             |
| Machines and equipment                     | 1,395,915,783.22                  | 9,068,389.76             | (53,131,919.39) | 26,135,877.29           | (870,410.07)   | 1,377,117,720.81           |
| Utility system                             | 32,632,965.33                     | -                        | (600,000.00)    | 687,092.40              | -  | 32,720,057.73              |
| Vehicles                                   | 9,812,979.12                      | -                        | (1,205,750.95)  | -                       | (20,363.07)  | 8,586,865.10               |
| Office equipment                           | 59,624,187.80                     | 880,145.52               | (9,868,382.87)  | -                       | (87,412.29)  | 50,548,538.16              |
| Equipment and tools                        | 255,792,369.86                    | 6,676,231.18             | (9,895,370.79)  | 5,685,454.32            | -  | 258,258,684.57             |
| Assets in progress                         | 47,552,292.76                     | 18,149,698.79            | (4,083,377.62)  | (33,464,158.02)         | -  | 28,154,455.91              |
| Total                                      | 2,222,063,630.11                  | 34,906,490.62            | (78,975,541.62) | -                       | (1,539,182.62)   | 2,176,455,396.49           |
| <u>Accumulated depreciation</u>            |                                   |                          |                 |                         |  |                            |
| <u>Land improvement</u>                    | (8,552,582.85)                    | (243,851.07)             | -               | -                       | -  | (8,796,433.92)             |
| Building and building<br>improvement       | (286,085,795.62)                  | (14,819,002.90)          | 190,738.00      | -                       | 307,904.74   | (300,406,155.78)           |
| Machines and equipment                     | (1,311,298,406.46)                | (18,555,341.80)          | 53,131,774.42   | -                       | 303,362.27   | (1,276,418,611.57)         |
| Utility system                             | (28,314,735.55)                   | (1,102,435.98)           | 285,369.90      | -                       | -  | (29,131,801.63)            |
| Vehicles                                   | (9,241,717.00)                    | (217,821.68)             | 1,205,747.95    | -                       | 12,872.81  | (8,240,917.92)             |
| Office equipment                           | (55,498,566.67)                   | (1,946,910.97)           | 9,865,871.26    | -                       | 78,074.58  | (47,501,531.80)            |
| Equipment and tools                        | (238,711,590.50)                  | (8,267,205.57)           | 9,620,743.86    | -                       | -  | (237,358,052.21)           |
| Total                                      | (1,937,703,394.65)                | (45,152,569.97)          | 74,300,245.39   | -                       | 702,214.40   | (1,907,853,504.83)         |
| Allowance for impairment of<br>fixed asset | (16,189,275.89)                   | -                        | 2,691,314.47    | -                       | -  | (13,497,961.42)            |
| Property, plant and equipment, net         | 268,170,959.57                    |                          |                 |                         |  | 255,103,930.24             |

|  | Baht                              |                          |           |             |                |  |
|--|-----------------------------------|--------------------------|-----------|-------------|----------------|--|
|  | Consolidated financial statements |                          |           |             |                |  |
|  | Balance per                       | Movement during the year |           |             | Balance per    |  |
|  | book                              |                          |           |             | book           |  |
|  | as at January                     | Additions                | Deduction | Transferred | as at December |  |
|  | 1, 2021                           |                          |           | in (out)    | 31, 2021       |  |
|  |                                   |                          |           |             |                |  |
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|   | Baht                          |                          |                 |                    |
|---|-------------------------------|--------------------------|-----------------|--------------------|
|   | Separate financial statements |                          |                 |                    |
|   | Balance per book              | Movement during the year |                 | Balance per book   |
|   | as at January                 | Additions                | Deduction       | as at December     |
|   | 1, 2022                       |                          |                 | 31, 2022           |
| <u>At cost</u>                          |                               |                          |                 |                    |
| Land                                    | 143,593,595.93                | -                        | -               | 152,837,181.03     |
| <u>Land improvement</u>                 | 9,375,309.51                  | -                        | -               | 9,375,309.51       |
| Building and building improvement       | 342,916,954.22                | -                        | (190,740.00)    | 366,766,280.86     |
| Machines and equipment                  | 940,817,180.07                | 25,232,800.00            | (53,131,919.39) | 939,053,937.97     |
| Utility system                          | 26,075,390.61                 | 67,300.00                | -               | 26,829,783.01      |
| Vehicles                                | 6,839,079.66                  | 30,000.00                | -               | 6,869,079.66       |
| Office equipment                        | 46,680,834.15                 | 835,400.18               | (59,000.00)     | 47,457,234.33      |
| Equipment and tools                     | 230,405,516.50                | 11,193,131.18            | (6,920,518.81)  | 240,363,583.19     |
| Assets in progress                      | 51,418,496.71                 | 18,149,698.79            | (4,083,377.62)  | 32,020,659.86      |
| Total                                   | 1,798,122,357.36              | 55,508,330.15            | (64,385,555.82) | 1,821,573,049.42   |
| <u>Accumulated depreciation</u>         |                               |                          |                 |                    |
| <u>Land improvement</u>                 | (8,552,582.85)                | (243,851.07)             | -               | (8,796,433.92)     |
| Building and building improvement       | (236,677,744.05)              | (11,842,951.30)          | 190,738.00      | (264,730,592.65)   |
| Machines and equipment                  | (864,350,251.79)              | (17,179,269.82)          | 53,131,774.39   | (828,397,747.22)   |
| Utility system                          | (22,109,436.80)               | (1,067,200.97)           | -               | (23,176,637.77)    |
| Vehicles                                | (6,746,743.69)                | (94,122.28)              | -               | (6,840,865.97)     |
| Office equipment                        | (43,742,058.37)               | (1,528,859.79)           | 58,999.00       | (45,211,919.16)    |
| Equipment and tools                     | (212,654,856.98)              | (8,610,416.77)           | 6,646,002.95    | (214,619,270.80)   |
| Total                                   | (1,394,833,674.53)            | (40,566,672.00)          | 60,027,514.34   | (1,391,773,467.49) |
| Allowance for impairment of fixed asset | (16,189,275.89)               | -                        | 2,691,314.47    | (13,497,961.42)    |
| Property, plant and equipment, net      | 387,099,406.94                |                          |                 | 416,301,620.51     |

During the year 2022 the Company received the transfer of investment property and presented it under land, building and equipment net carrying value Baht 15.93 million (Note 10).

|   | Baht                          |                          |                |                |                    |
|---|-------------------------------|--------------------------|----------------|----------------|--------------------|
|   | Separate financial statements |                          |                |                |                    |
|   | Balance per book              | Movement during the year |                |                | Balance per book   |
|   | as at January                 | Additions                | Deduction      | Transferred    | as at December     |
|   | 1, 2021                       |                          |                | in (out)       | 31, 2021           |
| <u>At cost</u>                          |                               |                          |                |                |                    |
| Land                                    | 143,593,595.93                | -                        | -              | -              | 143,593,595.93     |
| <u>Land improvement</u>                 | 9,312,909.51                  | 62,400.00                | -              | -              | 9,375,309.51       |
| Building and building improvement       | 342,439,477.72                | 37,476.50                |                | 440,000.00     | 342,916,954.22     |
| Machines and equipment                  | 940,397,218.80                | 1,387,771.40             | (2,424,976.93) | 1,457,166.80   | 940,817,180.07     |
| Utility system                          | 25,783,632.61                 | -                        | -              | 291,758.00     | 26,075,390.61      |
| Vehicles                                | 6,839,079.66                  | -                        | -              | -              | 6,839,079.66       |
| Office equipment                        | 45,746,900.23                 | 933,933.92               | -              | -              | 46,680,834.15      |
| Equipment and tools                     | 229,454,023.44                | 4,204,890.24             | (4,226,177.41) | 972,780.23     | 230,405,516.50     |
| Assets in progress                      | 48,545,838.36                 | 7,953,701.10             | (1,919,337.72) | (3,161,705.03) | 51,418,496.71      |
| Total                                   | 1,792,112,676.26              | 14,580,173.16            | (8,570,492.06) | -              | 1,798,122,357.36   |
| <u>Accumulated depreciation</u>         |                               |                          |                |                |                    |
| <u>Land improvement</u>                 | (8,308,919.83)                | (243,663.02)             | -              | -              | (8,552,582.85)     |
| Building and building improvement       | (224,794,501.52)              | (11,883,242.53)          |                |                | (236,677,744.05)   |
| Machines and equipment                  | (849,940,165.47)              | (16,835,030.75)          | 2,424,944.43   | -              | (864,350,251.79)   |
| Utility system                          | (20,984,210.97)               | (1,125,225.83)           | -              | -              | (22,109,436.80)    |
| Vehicles                                | (6,629,743.73)                | (116,999.96)             | -              | -              | (6,746,743.69)     |
| Office equipment                        | (42,162,015.20)               | (1,580,043.17)           | -              | -              | (43,742,058.37)    |
| Equipment and tools                     | (209,078,386.39)              | (7,405,412.95)           | 3,828,942.36   | -              | (212,654,856.98)   |
| Total                                   | (1,361,897,943.11)            | (39,189,618.21)          | 6,253,886.79   | -              | (1,394,833,674.53) |
| Allowance for impairment of fixed asset | (16,189,275.89)               |                          |                |                | (16,189,275.89)    |
| Property, plant and equipment, net      | 414,025,457.26                | -                        | -              | -              | 387,099,406.94     |

|  | Baht                             |               |                              |               |
|--|----------------------------------|---------------|------------------------------|---------------|
|  | Consolidated financial statement |               | Separate financial statement |               |
|  | 2022                             | 2021          | 2022                         | 2021          |
| Depreciation for the year                  |                                  |               |                              |               |
| Cost of sales                              | 42,351,448.12                    | 40,068,724.75 | 37,776,573.04                | 37,988,604.04 |
| Administrative expenses                    | 2,801,121.85                     | 4,954,211.14  | 2,790,098.96                 | 1,201,014.17  |
| Total                                      | 45,152,569.97                    | 45,022,935.89 | 40,566,672.00                | 39,189,618.21 |
| Loss from sale of assets                   | 1,984,198.97                     | 1,733,627.23  | 1,669,444.22                 | 1,843,772.51  |
| Loss on impairment of equipment (reversal) | (2,691,314.47)                   | -             | (2,691,314.47)               | -             |

The whole amount of land and building, some part of machineries and equipment of the Group were pledged as collateral against short-term from financial institutions. (Note 14 and 16)

As at December 31, 2022 and 2021, the Company and the subsidiary had building and equipment, which were the fully depreciated but they are still in use with value of Baht 1,133.03 million and Baht 1,614.76 million, respectively (for the Company's only amounting to Baht 1,133.03 million and Baht 1,137.63 million, respectively).

## 12. RIGHT-OF-USE ASSETS

Right-of-use assets consists of:

|                                 | Baht                             |                              |   |                                   |  |                            |
|---------------------------------|----------------------------------|------------------------------|---|-----------------------------------|--|----------------------------|
|                                 | Consolidated financial statement |                              |   |                                   |  |                            |
|                                 | Balance per<br>book              | Transactions during the year |   |                                   | Balance per<br>book                      |                            |
|                                 | as at January<br>1, 2022         | Addition                     | Change in<br>conditions/<br>written-off | Transfer-in<br>(Transfer-<br>out) | Exchange<br>difference<br>on transtating | as at December<br>31, 2022 |
| <u>At cost</u>                  |                                  |                              |   |                                   |  |                            |
| Land and building               | 90,660,856.65                    | -                            | -                                       | -                                 | (2,606,986.01)                           | 88,053,870.64              |
| Vehicle                         | 2,749,120.80                     | -                            | -                                       | -                                 | -  | 2,749,120.80               |
| Total                           | 93,409,977.45                    | -                            | -                                       | -                                 | (2,606,986.01)                           | 90,802,991.44              |
| <u>Accumulated depreciation</u> |                                  |                              |   |                                   |  |                            |
| Land and building               | (15,650,004.72)                  | (8,521,340.89)               | -                                       | -                                 | 876,485.93                               | (23,294,859.68)            |
| Vehicle                         | (1,701,758.16)                   | (536,558.28)                 | -                                       | -                                 | -  | (2,238,316.44)             |
| Total                           | (17,351,762.88)                  | (9,057,899.17)               | -                                       | -                                 | 876,485.93                               | (25,533,176.12)            |
| Right-of-use assets, net        | 76,058,214.57                    |                              |   |                                   |  | 65,269,815.32              |

|                                 | Baht                             |                              |                                      |                            |                                    |                         |
|---------------------------------|----------------------------------|------------------------------|--------------------------------------|----------------------------|------------------------------------|-------------------------|
|                                 | Consolidated financial statement |                              |                                      |                            |                                    |                         |
|                                 | Balance per book                 | Transactions during the year |                                      |                            | Balance per book                   |                         |
|                                 | as at January 1, 2021            | Addition                     | Change in conditions/<br>written-off | Transfer-in (Transfer-out) | Exchange difference on transtating | as at December 31, 2021 |
| <u>At cost</u>                  |                                  |                              |                                      |                            |                                    |                         |
| Land and building               | 81,513,892.58                    | 10,190,734.84                | -                                    | -                          | (1,043,770.77)                     | 90,660,856.65           |
| Vehicle                         | 2,749,120.80                     | -                            | -                                    | -                          | -                                  | 2,749,120.80            |
| Total                           | 84,263,013.38                    | 10,190,734.84                | -                                    | -                          | (1,043,770.77)                     | 93,409,977.45           |
| <u>Accumulated depreciation</u> |                                  |                              |                                      |                            |                                    |                         |
| Land and building               | (7,410,353.88)                   | (8,609,574.92)               | -                                    | -                          | 369,924.08                         | (15,650,004.72)         |
| Vehicle                         | (1,151,933.99)                   | (549,824.17)                 | -                                    | -                          | -                                  | (1,701,758.16)          |
| Total                           | (8,562,287.87)                   | (9,159,399.09)               | -                                    | -                          | 369,924.08                         | (17,351,762.88)         |
| Right-of-use assets, net        | 75,700,725.51                    |                              |                                      |                            |                                    | 76,058,214.57           |

|                                 | Baht                         |                              |   |                               |                            |
|---------------------------------|------------------------------|------------------------------|---|-------------------------------|----------------------------|
|                                 | Separate financial statement |                              |   |                               |                            |
|                                 | Balance per book             | Transactions during the year |   |                               | Balance per book           |
|                                 | as at January<br>1, 2022     | Addition                     | Change in<br>conditions/<br>written-off | Transfer-in<br>(Transfer-out) | as at December<br>31, 2022 |
| <u>At cost</u>                  |                              |                              |   |                               |                            |
| Vehicle                         | 2,749,120.80                 | -                            | -                                       | -                             | 2,749,120.80               |
| Total                           | 2,749,120.80                 | -                            | -                                       | -                             | 2,749,120.80               |
| <u>Accumulated depreciation</u> |                              |                              |   |                               |                            |
| Vehicle                         | (1,701,758.16)               | (536,558.28)                 | -                                       | -                             | (2,238,316.44)             |
| Total                           | (1,701,758.16)               | (536,558.28)                 | -                                       | -                             | (2,238,316.44)             |
| Right-of-use assets, net        | 1,047,362.64                 |                              |   |                               | 510,804.36                 |



|                                 | Baht                         |                              |   |                            |
|---------------------------------|------------------------------|------------------------------|---|----------------------------|
|                                 | Separate financial statement |                              |   |                            |
|                                 | Balance per book             | Transactions during the year |   | Balance per book           |
|                                 | as at January<br>1, 2021     | Addition                     | Change in<br>conditions/<br>written-off | as at December<br>31, 2021 |
| <u>At cost</u>                  |                              |                              |   |                            |
| Vehicle                         | 2,749,120.80                 | -                            | -                                       | 2,749,120.80               |
| Total                           | 2,749,120.80                 | -                            | -                                       | 2,749,120.80               |
| <u>Accumulated depreciation</u> |                              |                              |   |                            |
| Vehicle                         | (1,151,933.99)               | (549,824.17)                 | -                                       | (1,701,758.16)             |
| Total                           | (1,151,933.99)               | (549,824.17)                 | -                                       | (1,701,758.16)             |
| Right-of-use assets, net        | 1,597,186.81                 |                              |   | 1,047,362.64               |

|                           | Baht                             |              |                              |            |
|---------------------------|----------------------------------|--------------|------------------------------|------------|
|                           | Consolidated financial statement |              | Separate financial statement |            |
|                           | 2022                             | 2021         | 2022                         | 2021       |
|                           |                                  |              |                              |            |
| Depreciation for the year |                                  |              |                              |            |
| Cost of sales             | 8,521,340.89                     | 8,609,574.92 | -                            | -          |
| Administrative expenses   | 536,558.28                       | 549,824.17   | 536,558.28                   | 549,824.17 |
| Total                     | 9,057,899.17                     | 9,159,399.09 | 536,558.28                   | 549,824.17 |

## 13. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

|  | Baht                             |               |                               |               |
|--|----------------------------------|---------------|-------------------------------|---------------|
|  | Consolidated financial statement |               | Separate financial statements |               |
|  | 2022                             | 2021          | 2022                          | 2021          |
|  |                                  |               |                               |               |
| Deferred tax assets                    | 73,258,177.41                    | 80,253,238.55 | 73,258,177.40                 | 77,812,231.54 |
| Deferred tax liabilities               | (1,097,785.37)                   | (401,095.29)  | -                             | -             |
| Deferred tax assets (liabilities), net | 72,160,392.04                    | 79,852,143.26 | 73,258,177.40                 | 77,812,231.54 |

|  | Baht                              |                                  |                                     |                |
|--|-----------------------------------|----------------------------------|-------------------------------------|----------------|
|  | Consolidated financial statements |                                  |                                     |                |
|  | As at January                     | Income (expense) during the year |                                     | As at December |
|  | 1, 2022                           | In profit or<br>loss             | In other<br>comprehensive<br>income | 31, 2022       |
| Deferred tax assets:                                 |                                   |                                  |                                     |                |
| Allowance for expected credit losses                 | 5,200,000.00                      | -                                | -                                   | 5,200,000.00   |
| Allowance for decline in value of obsolete<br>stocks | 49,764,564.20                     | (6,272,392.74)                   | -                                   | 43,492,171.46  |
| Allowance for impairment of fixed asset              | 3,237,855.18                      | (538,262.90)                     | -                                   | 2,699,592.28   |
| Employee benefit obligation                          | 21,997,865.76                     | (1,140,513.37)                   | 1,002,071.55                        | 21,859,423.94  |
| Leases   | 52,953.41                         | (45,963.68)                      | -                                   | 6,989.73       |
| Total  | 80,253,238.55                     | (7,997,132.69)                   | 1,002,071.55                        | 73,258,177.41  |
| Deferred tax liabilities:                            |                                   |                                  |                                     |                |
| Accelerated capital allowances for tax<br>purposes   | (401,095.29)                      | (745,535.26)                     | -                                   | (1,097,785.37) |
| Total  | (401,095.29)                      | (745,535.26)                     | -                                   | (1,097,785.37) |
| Deferred tax assets (liabilities), net               | 79,852,143.26                     | (8,742,667.95)                   | 1,002,071.55                        | 72,160,392.04  |

| Baht  |                                  |                |                     |                |
|---|----------------------------------|----------------|---------------------|----------------|
| Consolidated financial statements                 |                                  |                |                     |                |
| As at January                                     | Income (expense) during the year |                | Exchange            | As at December |
| 1, 2021   | In profit or                     | In other       | difference          | 31, 2021       |
|   | loss                             | comprehensive  | on translating      |                |
|   |                                  | income         | financial statement |                |
| Deferred tax assets:                              |                                  |                |                     |                |
| Allowance for expected credit losses              | 5,200,000.00                     | -              | -                   | 5,200,000.00   |
| Allowance for decline in value of obsolete stocks | 49,660,953.46                    | 103,610.74     | -                   | 49,764,564.20  |
| Allowance for impairment of fixed asset           | 3,237,855.18                     | -              | -                   | 3,237,855.18   |
| Employee benefit obligation                       | 24,157,005.45                    | (1,140,947.07) | (3,993.95)          | 21,997,865.76  |
| Leases  | -                                | 431,746.95     | (378,793.54)        | 52,953.41      |
| Total   | 82,255,814.09                    | (605,589.38)   | (382,787.49)        | 80,253,238.55  |
| Deferred tax liabilities:                         |                                  |                |                     |                |
| Accelerated capital allowances for tax purposes   | (420,670.20)                     | 14,656.51      | 4,918.40            | (401,095.29)   |
| Leases  | (4,136,810.56)                   | 4,136,810.56   | -                   | -              |
| Total   | (4,557,480.76)                   | 4,151,467.07   | 4,918.40            | (401,095.29)   |
| Deferred tax assets (liabilities), net            | 77,698,333.33                    | 3,545,877.69   | (377,869.09)        | 79,852,143.26  |

| Baht  |                                  |                |                |               |
|---|----------------------------------|----------------|----------------|---------------|
| Separate financial statements                     |                                  |                |                |               |
| As at January                                     | Income (expense) during the year |                | As at December |               |
| 1, 2022   | In profit or loss                | In other       | 31, 2022       |               |
|   |                                  | comprehensive  |                |               |
|   |                                  | income         |                |               |
| Deferred tax assets:                              |                                  |                |                |               |
| Allowance for expected credit losses              | 5,200,000.00                     | -              | -              | 5,200,000.00  |
| Allowance for decline in value of obsolete stocks | 47,916,909.92                    | (4,424,738.46) | -              | 43,492,171.46 |
| Allowance for impairment of fixed asset           | 3,237,855.18                     | (538,262.90)   | -              | 2,699,592.28  |
| Employee benefit obligation                       | 21,451,159.84                    | (593,807.45)   | 1,002,071.55   | 21,859,423.94 |
| Lease   | 6,306.60                         | 683.13         | -              | 6,989.73      |
| Total   | 77,812,231.54                    | (5,556,125.68) | 1,002,071.55   | 73,258,177.41 |

| Baht  |                                  |               |                |               |
|---|----------------------------------|---------------|----------------|---------------|
| Separate financial statements                     |                                  |               |                |               |
| As at January                                     | Income (expense) during the year |               | As at December |               |
| 1, 2021   | In profit or loss                | In other      | 31, 2021       |               |
|   |                                  | comprehensive |                |               |
|   |                                  | income        |                |               |
| Deferred tax assets:                              |                                  |               |                |               |
| Allowance for expected credit losses              | 5,200,000.00                     | -             | -              | 5,200,000.00  |
| Allowance for decline in value of obsolete stocks | 47,699,278.27                    | 217,631.65    | -              | 47,916,909.92 |
| Allowance for impairment of fixed asset           | 3,237,855.18                     | -             | -              | 3,237,855.18  |
| Employee benefit obligation                       | 23,277,439.99                    | (910,864.25)  | (915,415.90)   | 21,451,159.84 |
| Lease   | 3,392.70                         | 2,913.90      | -              | 6,306.60      |
| Total   | 79,417,966.14                    | (690,318.70)  | (915,415.90)   | 77,812,231.54 |

As at December 31, 2022 and 2021, the Group had an accumulated loss (in tax) that was still unused in the amount of Baht 528.41 million and Baht 398.44 million, (separate financial statement : None). The Group did not record deferred tax assets from such loss because there was an uncertainty whether the Group would have enough profit to utilize the benefits from deferred tax assets or not.

## 14. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term loans from financial institutions consisted of:

|                 | Baht                              |                |                               |                |
|-----------------|-----------------------------------|----------------|-------------------------------|----------------|
|                 | Consolidated financial statements |                | Separate financial statements |                |
|                 | 2022                              | 2021           | 2022                          | 2021           |
| Bank overdrafts | 14,070,346.64                     | 7,780,977.53   | 14,070,346.64                 | 7,780,977.53   |
| Trust receipts  | 23,048,407.64                     | 29,166,578.71  | 23,048,407.64                 | 29,166,578.71  |
| Promissory note | 116,588,445.95                    | 116,276,804.40 | 116,588,445.95                | 116,276,804.40 |
| Total           | 153,707,200.23                    | 153,224,360.64 | 153,707,200.23                | 153,224,360.64 |

The Company had credit facilities with a local commercial bank, as follows:

| Types of credit limit                  | Interest rate<br>(% per annum) | Million Baht                      |        |                               |        |
|--|--------------------------------|-----------------------------------|--------|-------------------------------|--------|
|  |                                | Consolidated financial statements |        | Separate financial statements |        |
|  |                                | 2022                              | 2021   | 2022                          | 2021   |
| (1) Bank overdrafts                    | MOR                            | 30.00                             | 30.00  | 30.00                         | 30.00  |
| (2) Letter of credit/trust receipt     | MLR - MLR-2                    | 110.00                            | 110.00 | 110.00                        | 110.00 |
| (3) Promissory note                    | MLR-0.50 - MLR-2               | 220.00                            | 220.00 | 220.00                        | 220.00 |
| (4) Forward foreign exchange contracts | -                              | 10.00                             | 10.00  | 10.00                         | 10.00  |
| (5) Letter of guarantee                | -                              | 10.00                             | 10.00  | 10.00                         | 10.00  |
| (6) Long-term loan (Note 16)           | MLR-1 - MLR-2                  | 167.00                            | 167.00 | 167.00                        | 167.00 |
| Total                                  |                                | 547.00                            | 547.00 | 547.00                        | 547.00 |

Above the credit limit were guaranteed by mortgage of land, buildings and structures and some part of machineries of the Group (Note 11), and director of the company.

According to the notification letter of credit line approval from financial institutions dated July 15, 2020 and August 5, 2021, it had the significant detail as follows:

- Reduce the interest of current credit facility until June 30, 2022 as follows:
    - The interest rate of promissory note Baht 220.00 million is reduced from MLR-0.5% per annum to MLR-2% per annum.
    - Letter of credit/trust receipt facility is reduced to the rate that follows the rules of the bank deduct 2% per annum in all currencies and a letter of credit fee is charged at the rate of 1/8 percent per 90 days.
  - Cancel all loan guarantee of a director from the guarantee of the Group's credit facilities.
- Later, on August 18, 2022 the letter notifying the approval of interest rate and current credit limit fee from a financial institution effective from July 1, 2022 until June 30, 2023. Details are as follows:
- P/N Against Invoice of Baht 220.00 million or interest rate at MLR-1% per annum.
  - Letter of credit and/or trust receipt, packaging credit, domestic letter of credit and/or PN credit to pay domestic letter of credit or letter of credit and/or discount export bill and/or Import Open Account promissory note - LC fee at 1/8% : 90 days and T/R interest at the bank rate minus 1% per annum for all currencies.

## 15. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables consisted of:

|                                  | Baht                              |                |                               |                |
|----------------------------------|-----------------------------------|----------------|-------------------------------|----------------|
|                                  | Consolidated financial statements |                | Separate financial statements |                |
|                                  | 2022                              | 2021           | 2022                          | 2021           |
| Trade payables - Related parties | -                                 | -              | -                             | 1,086,868.81   |
| Trade payables - Other companies | 251,681,399.09                    | 134,700,544.32 | 216,319,541.58                | 119,630,596.82 |
| Total                            | 251,681,399.09                    | 134,700,544.32 | 216,319,541.58                | 120,717,465.63 |
| Other current payable            | 24,044,344.59                     | 22,954,620.60  | 20,243,297.70                 | 19,334,896.80  |
| Total                            | 275,725,743.68                    | 157,655,164.92 | 236,562,839.28                | 140,052,362.43 |

Trade payables classified by currency consisted of:

|                           | Consolidated financial statements |              |                |                |
|---------------------------|-----------------------------------|--------------|----------------|----------------|
|                           | Foreign currencies                |              | Baht           |                |
|                           | 2022                              | 2021         | 2022           | 2021           |
| Trade payables, domestic; |                                   |              |                |                |
| Baht                      |                                   |              | 186,401,091.75 | 117,141,992.10 |
| Trade payables, overseas; |                                   |              |                |                |
| U.S. Dollars              | 603,050.26                        | 79,574.50    | 20,946,046.21  | 2,673,138.22   |
| Euro                      | 238,390.00                        | -            | 8,972,403.62   | -              |
| Rand                      | 17,362,330.00                     | 7,098,433.00 | 35,361,857.51  | 14,885,414.00  |
| Total                     |                                   |              | 251,681,399.09 | 134,700,544.32 |

|                           | Separate financial statements |           |                |                |
|---------------------------|-------------------------------|-----------|----------------|----------------|
|                           | Foreign currencies            |           | Baht           |                |
|                           | 2022                          | 2021      | 2022           | 2021           |
| Trade payables, domestic; |                               |           |                |                |
| Baht                      |                               |           | 186,401,091.75 | 118,044,327.41 |
| Trade payables, overseas; |                               |           |                |                |
| U.S. Dollars              | 603,050.26                    | 79,574.50 | 20,946,046.21  | 2,673,138.22   |
| Euro                      | 238,390.00                    | -         | 8,972,403.62   | -              |
| Total                     |                               |           | 216,319,541.58 | 120,717,465.63 |

Other current payables consisted of:

|                    | Baht                              |               |                                   |               |
|--------------------|-----------------------------------|---------------|-----------------------------------|---------------|
|                    | Consolidated financial statements |               | Consolidated financial statements |               |
|                    | 2022                              | 2021          | 2022                              | 2021          |
| Accrued expenses   | 17,129,891.72                     | 16,034,553.35 | 13,328,844.83                     | 12,736,570.00 |
| Dividend payable   | 2,542,360.19                      | 2,383,619.39  | 2,542,360.19                      | 2,383,619.39  |
| Deposit received   | 1,043,236.40                      | 341,896.64    | 1,043,236.40                      | 93,290.64     |
| Revenue Department | 3,020,181.28                      | 4,080,122.22  | 3,020,181.28                      | 4,006,987.77  |
| Other              | 308,675.00                        | 114,429.00    | 308,675.00                        | 114,429.00    |
| Total              | 24,044,344.59                     | 22,954,620.60 | 20,243,297.70                     | 19,334,896.80 |

## 16. LONG-TERM LOANS FROM FINANCIAL INSTITUTION

Long-term loans from financial institution consisted of:

|   |  | Baht                              |  |                |  |                               |  |                |  |
|---|--|-----------------------------------|--|----------------|--|-------------------------------|--|----------------|--|
|   |  | Consolidated financial statements |  |                |  | Separate financial statements |  |                |  |
|   |  | 2022                              |  | 2021           |  | 2022                          |  | 2021           |  |
| Beginning balance as at January 1               |  | 47,000,000.00                     |  | 50,000,000.00  |  | 47,000,000.00                 |  | 50,000,000.00  |  |
| Additional during the year                      |  | 117,000,000.00                    |  | -              |  | 117,000,000.00                |  | -              |  |
| Deduction during the year                       |  | (9,000,000.00)                    |  | (3,000,000.00) |  | (9,000,000.00)                |  | (3,000,000.00) |  |
| Ending balance as at December 31                |  | 155,000,000.00                    |  | 47,000,000.00  |  | 155,000,000.00                |  | 47,000,000.00  |  |
| <u>Less</u> Current portion due within one year |  | (30,000,000.00)                   |  | (9,000,000.00) |  | (30,000,000.00)               |  | (9,000,000.00) |  |
| Long-term loans, net                            |  | 125,000,000.00                    |  | 38,000,000.00  |  | 125,000,000.00                |  | 38,000,000.00  |  |

| Consolidated/Separate financial statement |      |                        |        |                          |       |               |   |                              |               |
|---|------|------------------------|--------|--------------------------|-------|---------------|---|------------------------------|---------------|
| No.                                       | Year | Credit limit (Million) |        | Withdrawn (million Baht) |       | Interest rate | Monthly repayment schedule of   | Outstanding principal (Baht) |               |
|   |      | 2022                   | 2021   | 2022                     | 2021  | (%)           | principal and interest  | 2022                         | 2021          |
| 1   | 2019 | 72.00                  | 72.00  | 72.00                    | 50.00 | MLR-2,        | Within 66 months from the first withdrawn loan  | 60,000,000.00                | 47,000,000.00 |
|   |      |                        |        |                          |       | MLR-1         | Installments in monthly of Baht 1.50 million  |                              |               |
| 2   | 2020 | 95.00                  | 95.00  | 95.00                    | -     | MLR-2         | Within 47 months from the first withdrawn loan installments in monthly as follow: No. 1 - 18 Baht 2.00 million, No. 19 - 34 Baht 3.50 million, No. 35 pay off the remaining | 95,000,000.00                | -             |
| Total                                     |      | 167.00                 | 167.00 | 167.00                   | 50.00 |               |   | 155,000,000.00               | 47,000,000.00 |

As at December 31, 2022 and 2021, the Company has long-term loan limit with a local financial institutions were guaranteed by the mortgage of land, buildings and structures and some part of machineries of the Group (Note 11), and directors of the Company.

According to the notification letter of credit line approval from financial institutions dated July 15, 2020 and August 5, 2021, it had the significant details as follows:

16.1 To adjust the long-term loan condition amounted Baht 95.00 million as follows:

16.1.1 Extend the withdrawal of loan period from within 12 months from the date in the loan agreement that will be due by July 16, 2021 to extend the period to July 15, 2022.

16.1.2 Repay the loan to be finished by June 17, 2026 or within 47 months from the first withdrawal month according to which date is due first.

16.1.3 Condition in loan withdrawal that is able to withdraw not over 80% of the expenses document from February to December 2021.

16.2 To adjust the long-term loan condition amounted Baht 72.00 million as follows:

16.2.1 Extend the withdrawal of loan period from within December 9, 2020 to April 30, 2021 and can be renewed for another 1 year to April 29, 2022.

16.2.2 Adjust to lower interest rate from MLR-1% per annum to MLR-2% per annum.

16.2.3 Change the loan repayment condition as follows:

- Extend the loan repayment period in the first installment for another 12 months from July 2020 to July 2021 and can be renewed for another 12 months. The principal repayment can be started from July 2022, onwards.
- Extend the loan repayment period from the due date on June 17, 2025 to June 17, 2026.

## 17. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movement for the year ended December 31, 2022 and 2021 are presented below:

|  | Baht                              |                 |                               |              |
|--|-----------------------------------|-----------------|-------------------------------|--------------|
|  | Consolidated financial statements |                 | Separate financial statements |              |
|  | 2022                              | 2021            | 2022                          | 2021         |
| Balance as at January 1                                | 90,007,571.89                     | 82,004,903.49   | 769,361.53                    | 1,259,222.41 |
| Addition during the year                               | -                                 | 10,190,734.84   | -                             | -            |
| Accretion of interest during the year                  | 9,164,221.94                      | 10,533,635.77   | 40,391.49                     | 91,500.12    |
| Payments during the year                               | (12,251,144.06)                   | (11,709,688.87) | (264,000.00)                  | (581,361.00) |
| Exchange difference on translating financial statement | (2,422,778.57)                    | (1,012,013.34)  | -                             | -            |
| Balance as at December 31                              | 84,497,871.20                     | 90,007,571.89   | 545,753.02                    | 769,361.53   |
| Less: current portion                                  | (4,135,373.50)                    | (3,024,155.70)  | (232,376.04)                  | (223,608.52) |
| Lease liabilities - net of current portion             | 80,362,497.70                     | 86,983,416.19   | 313,376.98                    | 545,753.01   |

Amounts recognized in the statement of comprehensive income for the years ended December 31, 2022 and 2021 are comprise;

|   | Baht                              |               |                               |              |
|---|-----------------------------------|---------------|-------------------------------|--------------|
|   | Consolidated financial statements |               | Separate financial statements |              |
|   | 2022                              | 2021          | 2022                          | 2021         |
| Depreciation of right-of-use assets     | 9,057,899.17                      | 9,159,399.09  | 536,558.28                    | 549,824.17   |
| Interest expense on lease liabilities   | 9,164,221.94                      | 10,533,635.77 | 40,391.49                     | 91,500.12    |
| Expense relating to short-term lease    | 171,000.00                        | 792,000.00    | 171,000.00                    | 792,000.00   |
| Leases of low - value assets            | 915,600.00                        | 123,600.00    | 915,600.00                    | 123,600.00   |
| Exchange difference on transtating, net | (692,278.49)                      | (338,166.65)  | -                             | -            |
| Total                                   | 18,616,442.62                     | 20,270,468.21 | 1,663,549.77                  | 1,556,924.29 |

For the years ended December 31, 2022 and 2021, The Group had total cash outflows for leases of Baht 13.34 million and Baht 12.62 million, respectively. (The separate: Baht 1.35 million and Baht 1.50 million, respectively.), including cash outflows for which the short-term lease and lease of low-value assets.

## 18. EMPLOYEE BENEFIT OBLIGATIONS

The statements of financial position

|  | Baht                              |                      |                               |                      |
|--|-----------------------------------|----------------------|-------------------------------|----------------------|
|  | Consolidated financial statements |                      | Separate financial statements |                      |
|  | 2022                              | 2021                 | 2022                          | 2021                 |
| Beginning balance  | 109,989,328.85                    | 119,698,870.33       | 107,255,799.21                | 116,387,199.91       |
| Benefits paid by the plan during the year                      | (15,179,429.49)                   | (11,997,247.05)      | (15,179,429.49)               | (11,678,588.48)      |
| Past service costs and interest                                |                                   |                      |                               |                      |
| Current service costs and interest during the year             | 9,476,862.58                      | 7,358,698.92         | 9,228,359.93                  | 7,124,267.29         |
| Transfer in provisions for employee benefits from subsidiaries | -                                 | -                    | 2,982,032.29                  | -                    |
| (Gains) losses on re-measurements of defined benefit plans     | 5,010,357.77                      | (5,070,993.35)       | 5,010,357.77                  | (4,577,079.51)       |
| Ending balance   | 109,297,119.71                    | 109,989,328.85       | 109,297,119.71                | 107,255,799.21       |
| Less: current portion  | (14,717,095.19)                   | (19,188,046.25)      | (14,717,095.19)               | (19,188,046.25)      |
| Employee benefit obligations - net of current portion          | <u>94,580,024.52</u>              | <u>90,801,282.60</u> | <u>94,580,024.52</u>          | <u>88,067,752.96</u> |

Expense recognized in the statements of comprehensive income:

|   | Baht                              |                     |                               |                     |
|---|-----------------------------------|---------------------|-------------------------------|---------------------|
|   | Consolidated financial statements |                     | Separate financial statements |                     |
|   | 2022                              | 2021                | 2022                          | 2021                |
| Transfer in employee benefits from subsidiaries | -                                 | -                   | 2,982,032.29                  | -                   |
| Current service costs                           |                                   |                     |                               |                     |
| Cost of sales                                   | 2,884,438.54                      | 3,431,072.14        | 2,861,001.35                  | 3,246,008.29        |
| Selling expense                                 | 292,770.82                        | 325,342.31          | 292,770.82                    | 325,342.31          |
| Administrative expenses                         | 2,094,422.95                      | 2,088,633.43        | 1,880,380.24                  | 2,077,932.19        |
| Interest on obligation                          | 1,824,544.98                      | 1,587,363.31        | 1,813,522.23                  | 1,535,261.65        |
| Remeasurements of other long-term benefits      | 2,380,685.29                      | (73,712.27)         | 2,380,685.29                  | (60,277.15)         |
|   | <u>9,476,862.58</u>               | <u>7,358,698.92</u> | <u>9,228,359.93</u>           | <u>7,124,267.29</u> |
| Total   | <u>9,476,862.58</u>               | <u>7,358,698.92</u> | <u>12,210,392.22</u>          | <u>7,124,267.29</u> |

(Gains) losses on re-measurements of defined benefit plans

|                                       | Baht                              |                       |                               |                       |
|---------------------------------------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
|                                       | Consolidated financial statements |                       | Separate financial statements |                       |
|                                       | 2022                              | 2021                  | 2022                          | 2021                  |
| Actuarial (gains) losses arising from |                                   |                       |                               |                       |
| Changes in demographic assumptions    | -                                 | -                     | -                             | -                     |
| Changes in financial assumptions      | (6,006,084.08)                    | (3,586,512.23)        | (6,006,084.08)                | (3,344,457.77)        |
| Experience adjustments                | 11,016,441.85                     | (1,484,481.12)        | 11,016,441.85                 | (1,232,621.74)        |
| Total                                 | <u>5,010,357.77</u>               | <u>(5,070,993.35)</u> | <u>5,010,357.77</u>           | <u>(4,577,079.51)</u> |

## Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2022 and 2021 are summarized below:

|                        | Baht                 |                |                      |                |
|------------------------|----------------------|----------------|----------------------|----------------|
|                        | Consolidated         |                | Separate             |                |
|                        | financial statements |                | financial statements |                |
|                        | 2022                 | 2021           | 2022                 | 2021           |
| Discount rate          |                      |                |                      |                |
| 1% increase            | (7,279,443.36)       | (6,987,490.09) | (7,279,443.36)       | (6,771,399.42) |
| 1% decrease            | 8,312,342.70         | 8,026,082.83   | 8,312,342.70         | 7,771,741.59   |
| Salary increase rate   |                      |                |                      |                |
| 1% increase            | 7,495,964.07         | 7,696,301.40   | 7,495,964.07         | 7,453,386.18   |
| 1% decrease            | (6,702,601.60)       | (6,857,345.80) | (6,702,601.60)       | (6,645,899.51) |
| Employee turnover rate |                      |                |                      |                |
| 20% increase           | (3,125,535.45)       | (2,889,806.78) | (3,125,535.45)       | (2,819,153.19) |
| 20% decrease           | 3,360,527.82         | 3,106,586.13   | 3,360,527.82         | 3,030,699.20   |

## Principal actuarial assumptions at the reporting date

|                        | 2022                                |                                     | 2021                                |                                     |
|------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                        | Percentage                          |                                     | Percentage                          |                                     |
|                        | Consolidated                        | Separate                            | Consolidated                        | Separate                            |
|                        | financial statements                | financial statements                | financial statements                | financial statements                |
| Discount rate          | 2.75                                | 2.75                                | 1.60 - 1.94                         | 1.94                                |
| Salary increase rate   | 5.00                                | 5.00                                | 5.00 - 6.00                         | 5.00                                |
| Employee turnover rate | 1.43 - 17.19                        | 1.43 - 17.19                        | 0.96 - 17.19                        | 1.43 - 17.19                        |
| Disability rate        | 5.00 of mortality rate              | 5.00 of mortality rate              | 5.00 of mortality rate              | 5.00 of mortality rate              |
| Mortality rate         | 100.00 of Thai mortality table 2017 | 100.00 of Thai mortality table 2017 | 100.00 of Thai mortality table 2017 | 100.00 of Thai mortality table 2017 |

## 19. SHARE CAPITAL

At the Annual General Meeting of Shareholders of the Company No. 53/2022, held on April 22, 2022, the shareholders approved as follows:

## 19.1 Decrease of the Company's of registered capital

Approved the decrease of the Company's of registered capital from Baht 372,768,490.00 to Baht 319,516,823.00 by eliminating the registered ordinary shares remaining from the allocation of ordinary shares to support the exercise of warrants to purchase the Company's ordinary shares No. 1 (TNPC-W1) of 53,251,667 shares with the par value of Baht 1.00 per share. The Company registered decrease of capital with Department of Business Development, Ministry of Commerce on April 28, 2022.

## 19.2 Increase in the Company's registered capital

Approved the increase of the Company's registered capital to support stock dividend payment from the registered capital of Baht 319,516,823.00 to Baht 340,817,945.00 divided into 340,817,945 shares with the par value of Baht 1.00 per share by issuing new ordinary share of 21,301,122 shares with the par value of Baht 1.00 per share. The Company registered increase of capital with Department of Business Development, Ministry of Commerce on April 29, 2022.



Subsequently, the Company paid the stock dividend of 21,297,107 new ordinary shares, with a par value of Baht 1.00 per share, in the total amount of Baht 21,297,107.00, as mentioned in Note 20 to the financial statements, increasing the Company's issued and paid-up share capital to Baht 340,813,930.00. The Company registered the increase in its paid-up capital with the Ministry of Commerce on May 18, 2022.

## 20. APPROPRIATION OF RETAINED EARNINGS

### Legal reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

### Dividend and legal reserve

#### Year 2022

At the Annual General Meeting of Shareholders of the Company No. 53/2022, held on April 22, 2022, shareholders to allocate profits as legal reserve for the year 2021 operating results amount of Baht 5,000,000.00 and approved to paid dividend to shareholders at the rate of Baht 0.1167 per share from retained earnings which are subject to corporate income tax of 30 percent, amount not more than of Baht 37,276,964.00. The detail are as follows:

- (1) Paying dividends in ordinary shares, amount of 21,301,122 shares with par value of Baht 1.00 per share, total value of Baht 21,301,122.00 by paying stock dividend at the rate of 15 existing shares to 1 stock dividend or at the rate of Baht 0.0667 per share.
- (2) Paying dividends in cash at the rate of Baht 0.05 per share, totaling of Baht 15,975,842.00.

The Company will set the record date on May 3, 2022 to determine the list of shareholders entitled to receive dividend and the dividend payment shall be made on May 18, 2022. The dividends were paid in stock dividends of 21,297,107 new ordinary shares, with a par value of Baht 1.00 per share, in the total amount of Baht 21,297,107.00 and paid cash dividends in the total amount of Baht 15,974,664.30, The Company paid the stock dividends and cash dividends in the total amount of Baht 37,271,771.30.

#### Year 2021

According to the Annual General Meeting of Shareholders of the Company No. 52/2021, held on April 23, 2021, the shareholders had a resolution to approve paying dividend from the retained earnings to the shareholders of the company at Baht 0.0125 per share totaling Baht 3,993,952.10 by paying dividend in cash. The shareholders whose names appear in the register book as at May 7, 2021 are entitled to receive dividends. The Company paid the dividends to the shareholders on May 21, 2021 and approved the non-allocation of profit to legal reserve from the operating results of 2020 due to the Company has net loss.

For the year ended December 31, 2021, the Company appropriated the legal reserve at the rate of 5% of net profit for the year 2021 amounted to Baht 5.00 million.

## 21. OPERATING SEGMENT

The Group operate in 2 main reports by products operating segments in main geographical area, Thailand as follows:

| <u>Type of operating segment</u>   | <u>Nature of operating segment</u>                             |
|--|--|
| - Manufacturing of plastic parts of automobile industry group  | Artificial leather and automobile rubber flooring              |
| - Others-plastic parts of other industry group such as packaging manufacture industry and pharmaceutical, etc. | Various types of plastics both soft and rigid, rolls and plate |

The operating segment's performance is regularly reviewed by the chief operating decision maker who is the Executive Directors in order to make decisions about the allocation of resources to the segment and assess its performance. The Group assess the performance of the operating segment by using the operating profit or loss as the same basis to assess operating profit or loss in the financial statements.

Details of financial information by segment operations for the year ended December 31, 2022 and 2021 were as follows:

|                               | Baht                              |                  |                |                |                    |                  |
|-------------------------------|-----------------------------------|------------------|----------------|----------------|--------------------|------------------|
|                               | Consolidated financial statements |                  |                |                |                    |                  |
|                               | Automobile industry group         |                  | Others         |                | Total              |                  |
|                               | 2022                              | 2021             | 2022           | 2021           | 2022               | 2021             |
| Revenue from sales            | 1,413,085,848.03                  | 1,046,923,590.38 | 13,379.96      | 4,305,519.50   | 1,413,099,227.99   | 1,051,229,109.88 |
| Cost of sales                 | 1,154,007,968.53                  | (759,451,691.15) | (558,528.76)   | (6,054,911.20) | (1,154,566,497.29) | (765,506,602.35) |
| Gross profit (loss)           | 259,077,879.50                    | 287,471,899.23   | (545,148.80)   | (1,749,391.70) | 258,532,730.70     | 285,722,507.53   |
| Distribution costs            | (54,549,848.42)                   | (50,576,794.69)  | -              | (53,865.26)    | (54,549,848.42)    | (50,630,659.95)  |
| Administrative expenses       | (182,388,110.48)                  | (142,368,358.04) | (901,149.08)   | (2,214,847.82) | (183,289,259.56)   | (144,583,205.86) |
| Operating profit (loss)       | 22,139,920.60                     | 94,526,746.50    | (1,446,297.88) | (4,018,104.78) | 20,693,622.72      | 90,508,641.72    |
| Other income (other expenses) |                                   |                  |                |                | (649,085.81)       | 18,206,724.02    |
| Finance cost                  |                                   |                  |                |                | (16,736,408.10)    | (15,479,466.35)  |
| Tax income (tax expenses)     |                                   |                  |                |                | (9,537,558.80)     | (6,887,593.00)   |
| Profit (loss) for the year    |                                   |                  |                |                | (6,229,429.99)     | 86,348,306.39    |

## Revenue classification

The operation and main revenue of the group have been disclosed in the latest financial statement. The main revenue of the group is from product sale. The timing of revenue recognition is as at any one time.

## Information about geographical areas

The Group' revenue from sales separated by geographical area for the year ended December 31, 2022 and 2021, were summarized as follows:

|          | Baht                              |                  |
|----------|-----------------------------------|------------------|
|          | Consolidated financial statements |                  |
|          | 2022                              | 2021             |
| Domestic | 1,191,440,207.21                  | 827,338,103.67   |
| Export   | 221,659,020.78                    | 223,891,006.21   |
| Total    | 1,413,099,227.99                  | 1,051,229,109.88 |

Non-current assets of the Group separated by geographical area as at December 31, 2022 and 2021 were as follows:

|                               | Baht                              |                       |                     |                     |
|-------------------------------|-----------------------------------|-----------------------|---------------------|---------------------|
|                               | Consolidated financial statements |                       |                     |                     |
|                               | Automobile industry group         |                       | Others              |                     |
|                               | 2022                              | 2021                  | 2022                | 2021                |
| Property, plant and equipment |                                   |                       |                     |                     |
| - Thailand                    | 228,317,075.68                    | 244,980,293.15        | 2,656,228.48        | 3,812,964.65        |
| - South Africa                | 24,130,626.08                     | 19,377,701.77         | -                   | -                   |
|                               | <u>252,447,701.76</u>             | <u>264,357,994.92</u> | <u>2,656,228.48</u> | <u>3,812,964.65</u> |

#### Information about major customers

The Group' revenue from sales from their major customers which more than 10% of total revenue from sales for the years ended December 31, 2022 and 2021, were summarized as follows:

| Major customer                          | Consolidated financial statements |      |                |                |
|---|-----------------------------------|------|----------------|----------------|
|   | Number of customers               |      | Baht           |                |
|   | 2022                              | 2021 | 2022           | 2021           |
| Domestic automobile parts manufacturing | 1                                 | 1    | 338,538,709.44 | 235,537,223.80 |
| Export automobile parts manufacturing   | -                                 | 1    | -              | 139,758,071.09 |

## 22. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2022 and 2021 were as follows:

|  | Baht                             |                 |                              |                 |
|--|----------------------------------|-----------------|------------------------------|-----------------|
|  | Consolidated financial statement |                 | Separate financial statement |                 |
|  | 2022                             | 2021            | 2022                         | 2021            |
| Changed in inventories of finished goods and work in process | (22,830,847.59)                  | (31,796,107.08) | (32,773,065.50)              | (32,282,483.02) |
| Raw materials and consumables used                           | 857,013,694.13                   | 645,390,172.80  | 856,119,622.21               | 553,623,806.54  |
| Staff expenses   | 303,822,981.38                   | 240,366,165.44  | 255,274,791.17               | 197,068,101.88  |
| Depreciation and amortization charges                        | 54,210,469.31                    | 54,182,334.98   | 42,257,447.03                | 40,893,659.03   |
| Electricity - Water supply                                   | 41,841,635.18                    | 31,878,259.99   | 31,643,930.11                | 24,242,044.81   |
| Expected credit losses (reversal)                            | (2,075,135.02)                   | 2,157,744.99    | 46,303,453.70                | 22,648,682.19   |
| Maintenance expense  | 23,244,807.47                    | 15,356,692.35   | 17,934,042.88                | 12,527,170.53   |

## 23. PROVIDENT FUND

The Company established a contributory registered provident fund covering all permanent employees in accordance with the Provident Fund Act B.E. 2530.

Under the provident fund plan, employees' and Company's contributions are equivalent to certain percentages of employees' basic salaries. The employees are entitled to the Company's contributions in accordance with the rules and regulations of the fund and on the length of service with the Company. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Provident Fund Act B.E. 2530.

During the year 2022 the meeting of the provident fund committee had the resolution to approve the company in temporarily stopping the contribution into the provident fund from January - June 2022. From the effect of the Coronavirus 2019 which will be submitted to the fund again in July 2022 onwards.

During the Year 2021, according to the minutes provident fund committee meeting, the meeting had resolution to approve the Group to temporarily stop contributing to the provident fund from the remittance period of January to December 2021 due to the impact of the coronavirus disease 2019 outbreak situation.

The Company's contributions for the years ended December 31, 2022 were amounted to Baht 3.92 million (separate financial statements : Baht 3.92 million).(2021 : None)

## 24. TAX EXPENSE (TAX INCOME)

## 24.1 Major component of income tax expense (tax income)

|  | Baht                              |                     |                               |                      |
|--|-----------------------------------|---------------------|-------------------------------|----------------------|
|  | Consolidated financial statements |                     | Separate financial statements |                      |
|  | 2022                              | 2021                | 2022                          | 2021                 |
| Tax expense (tax income) shown in profit or loss:                                  |                                   |                     |                               |                      |
| Current tax expense:   |                                   |                     |                               |                      |
| Income tax expense for the year  | 794,890.85                        | 10,433,470.69       | 794,890.85                    | 10,262,747.06        |
| Deferred tax expense (income):   |                                   |                     |                               |                      |
| Changes in temporary differences relating to the original recognition and reversal | 8,742,667.95                      | (3,545,877.69)      | 5,556,125.68                  | 690,318.70           |
| Total  | <u>9,537,558.80</u>               | <u>6,887,593.00</u> | <u>6,351,016.53</u>           | <u>10,953,065.76</u> |
| Tax expense relating to components of other comprehensive income:                  |                                   |                     |                               |                      |
| Gain (loss) on re-measurements of defined benefit plans                            | (1,002,071.55)                    | 1,014,198.67        | (1,002,071.55)                | 915,415.90           |
| Total  | <u>(1,002,071.55)</u>             | <u>1,014,198.67</u> | <u>(1,002,071.55)</u>         | <u>915,415.90</u>    |

24.2 A numerical reconciliation between Tax expense (tax income) and the product of accounting profit multiplied by the applicable tax rate

|  | Baht                              |                 |                               |                 |
|--|-----------------------------------|-----------------|-------------------------------|-----------------|
|  | Consolidated financial statements |                 | Separate financial statements |                 |
|  | 2022                              | 2021            | 2022                          | 2021            |
| Accounting profit (loss) for the year  | 3,308,128.81                      | 93,235,899.39   | 34,001,580.88                 | 101,811,347.06  |
| The applicable tax rate (%)  | 20%                               | 20%             | 20%                           | 20%             |
| Tax expense (tax income) at the applicable tax rate  | 661,625.76                        | 18,647,179.88   | 6,800,316.18                  | 20,362,269.41   |
| Reconciliation items:  |                                   |                 |                               |                 |
| Tax effect of expenses that are not deductible in determining tax profit:                                      | 11,254,191.13                     | 7,304,411.07    | 11,023,138.51                 | 4,570,751.94    |
| Tax effect of income that are required in determining taxable profit:  | 2,792,920.45                      | 1,982,252.75    | 2,792,920.45                  | 1,982,252.75    |
| Tax effect of income or profit that are not required in determining taxable profit                             | (14,411,323.23)                   | (13,180,112.93) | (14,265,358.61)               | (13,180,112.93) |
| The amount of previously unrecognized tax losses for a prior year that is used to reduce current tax expense   | 27,242,196.20                     | 22,176,261.26   | -                             | -               |
| Effect on deferred tax from progressive tax rate   |                                   |                 |                               |                 |
| Effect on deferred tax from elimination  | (7,787,511.50)                    | (29,929,022.14) | -                             | -               |
| Revaluation of the deferred tax resulting from difference in tax rates   | (6,709,087.34)                    | (6,574,935.07)  | -                             | -               |
| The amount of previously unrecognized tax losses for a Prior period that is used to reduce current tax expense | (3,505,452.67)                    | (2,782,095.41)  | -                             | (2,782,095.41)  |
| Deferred tax expense arising from the write-down of deferred tax asset   | -                                 | 9,243,653.59    | -                             | -               |
| Total reconciliation items   | 8,875,933.04                      | (11,759,586.88) | (449,299.65)                  | (9,409,203.65)  |
| Total Tax expense (tax income)   | 9,537,558.80                      | 6,887,593.00    | 6,351,016.53                  | 10,953,065.76   |

24.3 A numerical reconciliation between tax average effective tax rate and the application tax rate

|  | Consolidated financial statements |                 |                      |                 |
|--|-----------------------------------|-----------------|----------------------|-----------------|
|  | 2022                              |                 | 2021                 |                 |
|  | Tax amount<br>(Baht)              | Tax rate<br>(%) | Tax amount<br>(Baht) | Tax rate<br>(%) |
| Accounting profit (loss) before tax expense for the year   | 3,308,128.81                      |                 | 93,235,899.39        |                 |
| Tax expense (tax income) at the applicable tax rate        | 661,625.76                        | 20.00           | 18,647,179.88        | 20.00           |
| Reconciliation items                                       | 8,875,933.04                      | 268.31          | (11,759,586.88)      | (12.61)         |
| Tax expense (tax income) at the average effective tax rate | 9,537,558.80                      | 288.31          | 6,887,593.00         | 7.39            |

|  | Separate financial statement |                 |                      |                 |
|--|------------------------------|-----------------|----------------------|-----------------|
|  | 2022                         |                 | 2021                 |                 |
|  | Tax amount<br>(Baht)         | Tax rate<br>(%) | Tax amount<br>(Baht) | Tax rate<br>(%) |
| Accounting profit (loss) before tax expense for the year   | 34,001,580.88                |                 | 101,811,347.06       |                 |
| Tax expense (tax income) at the applicable tax rate        | 6,800,316.18                 | 20.00           | 20,362,269.41        | 20.00           |
| Reconciliation items                                       | (449,299.65)                 | (1.32)          | (9,409,203.65)       | (9.24)          |
| Tax expense (tax income) at the average effective tax rate | 6,351,016.53                 | 18.68           | 10,953,065.76        | 10.76           |

For the years ended December 31, 2022 its subsidiaries have reduced the carrying amount of deferred tax assets in the amount of Baht 9.24 million

## 25. Privileges and benefits from investment promotion

The Company is entitled to privileges and benefits from investment promotion under the Investment Promotion Act B.E. 2520 for 1 project as follows:

The Investment Promotion Certificate No. 63-0062-1-05-1-0 dated November 6, 2019 in the SYNTHETIC LEATHER AND PLASTIC SHEET manufacturing business type 6.6 PLASTIC PRODUCTS FOR INDUSTRIAL GOODS

- Exemption of import duty for machinery as approved by the board
- Exemption from corporate income tax for net profit from the investment promotion at 100 percent of investment in automatic system or robot for a period of 3 years from the revenue earning from the investment promotion.
- In case of loss during the exemption of income tax period, the annual loss incurred during that period is allowed to be deducted from net profit after corporate income tax exemption is not over 5 years from the overdue date. It can be deducted from net profit of any year or several years.
- Exemption of import duty for raw material and essential supplies to be imported from overseas for manufacturing to reexport until April 29, 2020.
- Exemption of import duty for items imported for re-export until April 29, 2020.

The Company has income derived from the investment promotion for the year ended December 31, 2022 and 2021 as follows:

|  | Baht                              |                |                               |                |
|--|-----------------------------------|----------------|-------------------------------|----------------|
|  | Consolidated financial statements |                | Separate financial statements |                |
|  | 2022                              | 2021           | 2022                          | 2021           |
| Income derived from the investment promotion | 1,220,181,614.05                  | 871,919,351.07 | 1,220,181,614.05              | 871,919,351.07 |

## 26. BASIC EARNINGS (LOSS) PER SHARE

Profit (loss) per basic share is calculated by dividing the profit (loss) for the year (not inclusive other comprehensive income) by the amount of ordinary shares issued as at the statement of financial position date after adjusting the number of ordinary shares to reflect the effect of dividend payment in Note 19 and profit (loss) per basic share of the former year was recalculated as if the dividend payment has occurred at the beginning of the first year as proposed in the report.

|   | Consolidated financial statement |               | Separate financial statement |               |
|---|----------------------------------|---------------|------------------------------|---------------|
|   | 2022                             | 2021          | 2022                         | 2021          |
|   |                                  | (Restated)    |                              | (Restated)    |
| Profit (loss) for the year of parent company (Baht) | (6,229,429.99)                   | 86,348,306.39 | 27,650,564.35                | 90,858,281.30 |
| Weighted average number of ordinary shares (Shares) | 340,813,930                      | 340,813,930   | 340,813,930                  | 340,813,930   |
| Basic earnings (loss) per share (Baht per share)    | (0.02)                           | 0.25          | 0.08                         | 0.27          |

## 27. FINANCIAL INSTRUMENTS

## 27.1 Risk management

The Group manage their financial risk exposure on financial assets and financial liabilities in the normal business by its internal management and control system, and the Group do not hold or issue derivative financial instruments for speculative or trading purposes.

## 27.2 Classification and measurement the financial assets and liabilities

On December 31, 2022 and 2021, the Group's management has assessed which business models applied to the financial assets and liabilities held by the Group and has classified the financial assets and liabilities as amortized cost.

## 27.3 Credit risk

The Group are exposed to credit risk primarily with respect to trade and other receivables and short-term loans to related party. The management of the Group manage this risk by establishing appropriate credit control policies and procedures. Therefore, it does not expect to incur material losses from debt collection more than the amount already provided in the allowance for expected credit losses.

## 27.4 Interest rate risk

The Group are exposed to interest rate risk relates primarily to its cash at banks, bank overdrafts, short-term loans and long-term and machine payable. However, most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market. However, the management believed that the future fluctuation on market interest rate would not provide significant effect to their operations and cash flows, therefore; no financial derivative was adopted to manage such risks.

As at December 31, 2022 and 2021, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

|  | Baht                              |                        |                    |                |                                |
|--|-----------------------------------|------------------------|--------------------|----------------|--------------------------------|
|  | Consolidated financial statements |                        |                    |                |                                |
|  | 2022                              |                        |                    |                |                                |
|  | Floating<br>interest rate         | Fixed<br>interest rate | Interest<br>- free | Total          | Interest rate<br>(% per annum) |
| <u>Financial assets</u>  |                                   |                        |                    |                |                                |
| Cash and cash equivalents  | 15,010,730.29                     | -                      | 7,592,925.41       | 22,603,655.70  | 0.35, 4.80 - 5.10              |
| Trade and other current receivables                                | -                                 | -                      | 357,012,653.60     | 357,012,653.60 | -                              |
| <u>Financial liabilities</u>                                       |                                   |                        |                    |                |                                |
| Bank overdraft and short-term loans from<br>financial institutions | 153,707,200.23                    | -                      | -                  | 153,707,200.23 | 3.25 - 9.50                    |
| Trade and other current payables                                   | -                                 | -                      | 275,725,743.68     | 275,725,743.68 | -                              |
| Long-term loan from financial institutions                         | 155,000,000.00                    | -                      | -                  | 155,000,000.00 | 3.25                           |
| Liabilities under a finance lease agreement                        | -                                 | 84,497,871.20          | -                  | 84,497,871.20  | 5.25 - 6.758                   |

|  | Baht                              |                        |                    |                |                                |
|--|-----------------------------------|------------------------|--------------------|----------------|--------------------------------|
|  | Consolidated financial statements |                        |                    |                |                                |
|  | 2021                              |                        |                    |                |                                |
|  | Floating<br>interest rate         | Fixed<br>interest rate | Interest<br>- free | Total          | Interest rate<br>(% per annum) |
| <u>Financial assets</u>  |                                   |                        |                    |                |                                |
| Cash and cash equivalents  | 15,839,314.93                     | -                      | 11,974,966.15      | 27,814,281.08  | 0.05 - 0.125                   |
| Trade and other current receivables                                | -                                 | -                      | 248,757,359.51     | 248,757,359.51 | -                              |
| <u>Financial liabilities</u>                                       |                                   |                        |                    |                |                                |
| Bank overdraft and short-term loans from<br>financial institutions | 153,224,360.64                    | -                      | -                  | 153,224,360.64 | 3.25 - 5.875                   |
| Trade and other current payables                                   | -                                 | -                      | 157,655,164.92     | 157,655,164.92 | -                              |
| Long-term loan from financial institutions                         | 47,000,000.00                     | -                      | -                  | 47,000,000.00  | 3.25                           |
| Liabilities under a finance lease agreement                        | -                                 | 90,007,571.89          | -                  | 90,007,571.89  | 5.25 - 6.758                   |

|  | Baht                         |                        |                    |                |                                |
|--|------------------------------|------------------------|--------------------|----------------|--------------------------------|
|  | Separate financial statement |                        |                    |                |                                |
|  | 2022                         |                        |                    |                |                                |
|  | Floating<br>interest rate    | Fixed<br>interest rate | Interest<br>- free | Total          | Interest rate<br>(% per annum) |
| <u>Financial assets</u>  |                              |                        |                    |                |                                |
| Cash and cash equivalents  | 3,000.98                     | -                      | 3,298,833.67       | 3,301,834.65   | 0.35                           |
| Trade and other current receivables                                | -                            | -                      | 366,287,155.88     | 366,287,155.88 | -                              |
| <u>Financial liabilities</u>                                       |                              |                        |                    |                |                                |
| Bank overdraft and short-term loans from<br>financial institutions | 153,707,200.23               | -                      | -                  | 153,707,200.23 | 3.25 - 3.85                    |
| Trade and other current payables                                   | -                            | -                      | 236,562,839.28     | 236,562,839.28 | -                              |
| Long-term loan from financial institutions                         | 155,000,000.00               | -                      | -                  | 155,000,000.00 | 3.25 - 3.85                    |
| Liabilities under a finance lease agreement                        | -                            | 545,753.02             | -                  | 545,753.02     | 3.25 - 3.85                    |

|  | Baht                         |                        |                    |                |                                |
|--|------------------------------|------------------------|--------------------|----------------|--------------------------------|
|  | Separate financial statement |                        |                    |                |                                |
|  | 2021                         |                        |                    |                |                                |
|  | Floating<br>interest rate    | Fixed<br>interest rate | Interest<br>- free | Total          | Interest rate<br>(% per annum) |
| <u>Financial assets</u>  |                              |                        |                    |                |                                |
| Cash and cash equivalents  | 3,102.47                     | -                      | 2,934,394.74       | 2,937,497.21   | 0.05 - 0.125                   |
| Trade and other current receivables                                | -                            | -                      | 279,706,366.74     | 279,706,366.74 | -                              |
| <u>Financial liabilities</u>                                       |                              |                        |                    |                |                                |
| Bank overdraft and short-term loans from<br>financial institutions | 153,224,360.64               | -                      | -                  | 153,224,360.64 | 3.25                           |
| Trade and other current payables                                   | -                            | -                      | 140,052,362.43     | 140,052,362.43 | -                              |
| Long-term loan from financial institutions                         | 47,000,000.00                | -                      | -                  | 47,000,000.00  | 3.25                           |
| Liabilities under a finance lease agreement                        | -                            | 769,361.53             | -                  | 769,361.53     | 5.25                           |



## 27.5 Foreign currency risk

The Group companies incurred risk foreign currencies exchange due to the Group companies constitutes cash at banks, trade accounts receivable, trust receipts and trade accounts payable in foreign currencies which the Company had hedged as they believed appropriate the foreign currencies risk using forward contract against risk on exchange rates. As of December 31, 2022 and 2021, the Group has no outstanding foreign exchange contracts and constitutes foreign currencies assets and liabilities which mainly due within one year as follows:

| Foreign currencies | Consolidated financial statements |               |                       |              |                       |         |
|--------------------|-----------------------------------|---------------|-----------------------|--------------|-----------------------|---------|
|                    | Financial assets                  |               | Financial liabilities |              | Average exchange rate |         |
|                    | 2022                              | 2021          | 2022                  | 2021         | 2022                  | 2021    |
|                    | (Baht per foreign currency unit)  |               |                       |              |                       |         |
| US Dollar          | 420,927.92                        | 581,784.31    | 603,050.26            | 79,574.50    | 34.5624               | 33.4199 |
| Euro               | -                                 | -             | 238,390.00            | -            | 36.8274               | 37.8948 |
| Singapore Dollar   | -                                 | -             | -                     | -            | 25.7206               | 24.7357 |
| Africa Rand        | 16,357,427.00                     | 15,475,107.00 | 17,362,330.00         | 7,098,433.00 | 2.0367                | 2.0970  |

| Foreign currencies | Separate financial statements    |               |                       |           |                       |         |
|--------------------|----------------------------------|---------------|-----------------------|-----------|-----------------------|---------|
|                    | Financial assets                 |               | Financial liabilities |           | Average exchange rate |         |
|                    | 2022                             | 2021          | 2022                  | 2021      | 2022                  | 2021    |
|                    | (Baht per foreign currency unit) |               |                       |           |                       |         |
| US Dollar          | 15,038,766.10                    | 13,652,425.14 | 603,050.26            | 79,574.50 | 34.5624               | 33.4199 |
| Euro               | 100,812.16                       | 100,812.16    | 238,390.00            | -         | 36.8274               | 37.8948 |
| Singapore Dollar   | -                                | -             | -                     | -         | 25.7206               | 24.7357 |

For the years ended December 31, 2022 and 2021, the aggregate net foreign exchange gains (losses) recognized in profit or loss are as follow:

|  | Baht                 |               |                      |                |
|--|----------------------|---------------|----------------------|----------------|
|  | Consolidated         |               | Separate             |                |
|  | financial statements |               | financial statements |                |
|  | 2022                 | 2021          | 2022                 | 2021           |
| Unrealized gain (loss) on exchange rates | (9,957,038.31)       | 7,466,907.07  | 14,885,310.56        | 40,214,087.69  |
| Gain (loss) on exchange rates            |                      |               |                      |                |
| - Other income                           | -                    | 2,944,817.35  | (289,952.96)         | (1,292,346.27) |
| - Administrative expense                 | 1,163,803.03         | -             | -                    | -              |
| Total net gain (loss) on exchange rate   |                      |               |                      |                |
| recognized in profit before income tax   | (8,793,235.28)       | 10,411,724.42 | 14,595,357.60        | 38,921,741.42  |

## 27.6 Liquidity risk

The Group manages its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's operations as well as securing short-term credit facilities from financial institutions for reserve as necessary and to reduce the impact of fluctuations in cash flow.

## 27.7 Fair value

The carrying amount of financial assets and financial liabilities as presented in the statement of financial position are mostly bear floating interest rates or fixed interest rates which are close to market rate. The management believes that the fair value of those financial assets and financial liabilities does not materially differ from their carrying amount.

## 28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2022 and 2021 are as follows:

|   | Baht                              |                |                      |                |                |
|---|-----------------------------------|----------------|----------------------|----------------|----------------|
|   | Consolidated financial statements |                |                      |                |                |
|   | Balance                           | Cash flows     | Non-cash transaction |                | Balance        |
|   | as at January                     | Increase       | Increase             | Differences    | as at December |
|   | 1, 2022                           | (decrease)*    |                      | on translation | 31, 2022       |
|   |                                   |                |                      | of financial   |                |
| Short-term borrowings from financial institutions | 153,224,360.64                    | 1,243,847.24   | -                    | (761,007.65)   | 153,707,200.23 |
| Long-term borrowings from financial institutions  | 47,000,000.00                     | 108,000,000.00 | -                    | -              | 155,000,000.00 |
| Liabilities under a finance lease agreement       | 90,007,571.89                     | (3,086,920.51) | -                    | (2,422,780.18) | 84,497,871.20  |
| Total   | 290,231,932.53                    | 106,156,926.73 | -                    | (3,183,787.83) | 393,205,071.43 |

|   | Baht                              |                |                      |                |                |
|---|-----------------------------------|----------------|----------------------|----------------|----------------|
|   | Consolidated financial statements |                |                      |                |                |
|   | Balance                           | Cash flows     | Non-cash transaction |                | Balance        |
|   | as at January                     | Increase       | Increase             | Differences    | as at December |
|   | 1, 2021                           | (decrease)*    |                      | on translation | 31, 2021       |
|   |                                   |                |                      | of financial   |                |
| Short-term borrowings from financial institutions | 111,808,439.82                    | 41,151,235.48  | -                    | 264,685.34     | 153,224,360.64 |
| Long-term borrowings from financial institutions  | 50,000,000.00                     | (3,000,000.00) | -                    | -              | 47,000,000.00  |
| Liabilities under a finance lease agreement       | 82,004,903.49                     | (1,176,053.10) | 10,190,734.84        | (1,012,013.34) | 90,007,571.89  |
| Total   | 243,813,343.31                    | 36,975,182.38  | 10,190,734.84        | (747,328.00)   | 290,231,932.53 |

|   | Baht                          |                |                      |                |                |
|---|-------------------------------|----------------|----------------------|----------------|----------------|
|   | Separate financial statements |                |                      |                |                |
|   | Balance                       | Cash flows     | Non-cash transaction |                | Balance        |
|   | as at January                 | Increase       | Increase             | Differences    | as at December |
|   | 1, 2022                       | (decrease)*    |                      | on translation | 31, 2022       |
|   |                               |                |                      | of financial   |                |
| Short-term borrowings from financial institutions | 153,224,360.64                | 1,243,847.24   | -                    | (761,007.65)   | 153,707,200.23 |
| Long-term borrowings from financial institutions  | 47,000,000.00                 | 108,000,000.00 | -                    | -              | 155,000,000.00 |
| Liabilities under a finance lease agreement       | 769,361.53                    | (223,608.51)   | -                    | -              | 545,753.02     |
| Total   | 200,993,722.17                | 109,020,238.73 | -                    | (761,007.65)   | 309,252,953.25 |

|   | Baht                          |                |                      |                |                |
|---|-------------------------------|----------------|----------------------|----------------|----------------|
|   | Separate financial statements |                |                      |                |                |
|   | Balance                       | Cash flows     | Non-cash transaction |                | Balance        |
|   | as at January                 | Increase       | Increase             | Differences    | as at December |
|   | 1, 2021                       | (decrease)*    |                      | on translation | 31, 2021       |
|   |                               |                |                      | of financial   |                |
| Short-term borrowings from financial institutions | 111,808,439.82                | 41,151,235.48  | -                    | 264,685.34     | 153,224,360.64 |
| Long-term borrowings from financial institutions  | 50,000,000.00                 | (3,000,000.00) | -                    | -              | 47,000,000.00  |
| Liabilities under a finance lease agreement       | 1,259,222.41                  | (489,860.88)   | -                    | -              | 769,361.53     |
| Total   | 163,067,662.23                | 37,661,374.60  | -                    | 264,685.34     | 200,993,722.17 |

\* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flow.

## 29. COMMITMENTS AND CONTINGENT LIABILITIES

### 29.1 Outstanding letters of credit

As at December 31, 2022 and 2021, the Group had commitments for the outstanding letters of credit amounting equivalent to Baht 17.95 million and equivalent to Baht 14.52 million (Separate financial statement amounting equivalent to Baht 17.95 million and equivalent to Baht 14.52 million), respectively.

### 29.2 Letter of guarantee

As at December 31, 2022 and 2021, the Group had contingent liabilities for the letter of guarantees issued by the bank in the total amount of Baht 4.60 million and Baht 5.80 million (Separate financial statement amount of Baht 4.60 million and Baht 4.60 million), respectively.

### 29.3 Commitment on capital expenditure

As at December 31, 2022 and 2021, the Company has commitment to pay under the purchase agreement with local companies totaled Baht 3.47 million and Baht 8.62 million. The Company has an outstanding commitment under the agreement amounted Baht 1.77 million and Baht 3.69 million, respectively.

## 29.4 Service agreement

As at December 31, 2022 and 2021, the Company has commitment to pay under the Technical Consultancy Service contract with person totaled Baht 16.81 million and Baht 16.81 million. The Company has an outstanding commitment under the agreement amounted Baht 4.77 million and Baht 5.77 million, respectively.

## 29.5 Commitment relating to lease agreements

As at December 31, 2022 and 2021, the Group has minimum future rental payments under the lease agreements of expense relating to short-term lease and leases of low-value assets as follow:

|                                   | Baht                              |            |                              |            |
|-----------------------------------|-----------------------------------|------------|------------------------------|------------|
|                                   | Consolidated financial statements |            | Separate financial statement |            |
|                                   | 2022                              | 2021       | 2022                         | 2021       |
| Payments payments                 |                                   |            |                              |            |
| Within 1 year                     | 948,600.00                        | 123,600.00 | 948,600.00                   | 123,600.00 |
| Over 1 year and less than 5 years | -                                 | 61,800.00  | -                            | 61,800.00  |
| Total                             | 948,600.00                        | 185,400.00 | 948,600.00                   | 185,400.00 |

## 30. CAPITAL MANAGEMENT

The primary objective of capital management of the Group is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern. According to the statement of financial position as at December 31, 2022, the Group's debt-to-equity ratio was 1.55 : 1 (as at December 31, 2021 was 1.09 : 1) and the Company's was 1.03 : 1 (as at December 31, 2021 was 0.73 : 1).

## 31. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's board of directors on February 27, 2023.

## Part 4

## Certification of Information and Data Accuracy

The Company has already reviewed all information provided in these annual report with carefully. The Company, hereby certify that all such information are accurate, complete, true and has no misleading statement or omission of any material information which should be informed. In additional, the Company would like to certify that:

- (1) The financial statements and financial information summarized in the annual report show accurate and complete material information on the financial status, performance and cash flow of the Company and its subsidiaries.
- (2) The Company is responsible to provide the good disclosure system of the information of the company to ensure that the company discloses the material fact of the company and its subsidiaries accurately and completely. The Company also supervises the practice of that system.
- (3) The Company is responsible to provide the good internal control system of the Company and supervise the practice of that system. The Company already inform the result of the internal control system appraisal as of 27 February 2023 to the Auditor and Audit Committee of the Company, including substantial faults and changes in the internal control system as well as false practice that may influent the preparation of the financial statements of the Company and its subsidiaries.

In this regard, as evidence that all documents are the same set of documents that the Company has certified. The Company has assigned Mss Somsuan Khondon to initial every pages of the documents. Any document no signature of Mss Somsuan Khondon shall not be treated as information certified by the Company.

|    | <u>Name</u>                 | <u>Position</u>    | <u>Signature</u>            |
|----|-----------------------------|--------------------|-----------------------------|
| 1. | Mrs. Siriphorn Mangkornkarn | Managing Director  | Mrs. Siriphorn Mangkornkarn |
| 2. | Mr. Kong Mangkornkarn       | Executive Director | Mr. Kong Mangkornkarn       |
| 3. | Miss. Piyatida Mangkornkarn | Executive Director | Miss. Piyatida Mangkornkarn |
| 4. | Mr. Kritasorn Mangkornkarn  | Executive Director | Mr. Kritasorn Mangkornkarn  |

|  | <u>Name</u>         | <u>Position</u>   | <u>Signature</u>    |
|--|---------------------|-------------------|---------------------|
|  | Mss Somsuan Khondon | Company secretary | Mss Somsuan Khondon |

**Attachment 1****Details of the Board of Directors, Management, Chief Financial Officer, Accounting Supervisor  
and the Company's Secretary**

|  |   |  |
|--|---|--|
| Name   | : | Mrs. Siriphorn Mangkornkarn  |
| Director Type  | : | Chairman and Managing Director   |
| Age  | : | 82 years old   |
| Nationality  | : | Thai   |
| Date of Appointment to the Board<br>of Director      | : | 1 November 1992  |
| Year of Directorship                                 | : | 31 years   |
| Education  | : | BA in Commerce and Accounting (Accounting),<br>Thammasat University  |
| Director Training Program                            | : | The Director Accreditation Program (DAP),<br>Thai Institute of Directors Association   |
| Number of Shares hold                                | : | 9,210,714 Shares, equal to 2.70% of total shares with voting right.  |
| Family Relationship among<br>Directors and Executive | : | She is the mother of executive directors 3 persons:<br>1. Mr. Kong Mangkornkarn<br>2. Miss Piyatida Mangkomkan<br>3. Mr. Kritasorn Mangkornkarn                |
| Positions in Other Listed Companies                  | : | - None -   |
| Positions in Non-Listed Companies                    | : | <input type="checkbox"/> Managing Director:<br>Taweewattana Logistics Co., Ltd.<br>Thai Nam Automotive Performance Co., Ltd.<br>Citric Acid Industry Co., Ltd. |
| Meeting Attendance in 2022                           | : | Board of Directors 8 meetings in total ; 8 meetings attended   |

Name : Mr. Kong Mangkornkarn  
 Director Type : Executive Director  
 Age : 53 years old  
 Nationality : Thai  
 Date of Appointment to the Board of Director : 26 April 2002  
 Year of Directorship : 21 years  
 Education : MBA, Mercer University Atlanta, USA  
 Director Training Program : The Director Accreditation Program (DAP),  
 Thai Institute of Directors Association  
 Number of Shares hold : 12,943,882 Shares, equal to 3.80% of total shares with voting right.  
 Family Relationship among Directors and Executive : The son of Mrs. Siriphorn Mangkornkarn Chairman and Managing Director  
 Positions in Other Listed Companies : - None -  
 Positions in Non-Listed Companies : ☐ Managing Director  
 TNV Plastics (Proprietry) Limited  
☐ Executive Director  
 Thai Nam Automotive Performance Co.,Ltd.  
 Meeting Attendance in 2022 : Board of Directors 8 meetings in total ; 8 meetings attended

Name : Miss Piyatida Mangkornkan  
 Director Type : Executive Director  
 Age : 56 years old  
 Nationality : Thai  
 Date of Appointment to the Board of Director : 26 April 2013  
 Year of Directorship : 10 years  
 Education : Master of Business Administration, Mercer University Atlanta, USA  
 Director Training Program : The Director Accreditation Program (DAP),  
 Thai Institute of Directors Association  
 Number of Shares hold : 13,089,536 Shares, equal to 3.84% of total shares with voting right.  
 Family Relationship among Directors and Executive : The daughter of Mrs. Siriphorn Mangkornkarn Chairman and Managing Director  
 Positions in Other Listed Companies : - None -  
 Positions in Non-Listed Companies : ☐ Executive Director:  
 Taweewattana Logistics Co.,Ltd.  
 TNV Plastics Proprietary Limited  
 Working Experiences : ☐ TMB Bank Public Co., Ltd.:  
 Manager, Credit Underwriting Dept. (For MBXCB)  
 Manager, Credit Analysis Dept.  
 Manager, Investment Business Dept.  
 Meeting Attendance in 2022 : Board of Directors 8 meetings in total ; 8 meetings attended



Name : Mr. Kritasorn Mangkornkarn  
 Director Type : Executive Director  
 Age : 47 years old  
 Nationality : Thai  
 Date of Appointment to the Board : 25 April 2014  
 of Director  
 Year of Directorship : 9 years  
 Education : Master Degree in Industrial and Organization Psychology Liberal Art Faculty,  
 Thammasat University  
 Director Training Program : The Director Accreditation Program (DAP),  
 Thai Institute of Directors Association  
 Number of Shares hold : 14,367,947 Shares, equal to 4.22% of total shares with voting right.  
 Family Relationship among : The son of Mrs. Siriphorn Mangkornkarn Chairman and Managing  
 Directors and Executive Director  
 Positions in Other Listed Companies : - None -  
 Positions in Non-Listed Companies : ☐ Director:  
 Thai Nam Automotive Performance Co.,Ltd.  
 Citric Acid Industry Co.,Ltd.  
☐ General Manager:  
 Thai Nam Plastic Public Co.,Ltd.  
 Thai Nam Automotive Performance Co.,Ltd.  
 T.N.P. Industry Co.,Ltd.  
 Meeting Attendance in 2022 : ☐ Board of Directors 8 meetings in total ; 8 meetings attended

Name : Mr. Thawat Treewannakul  
 Director Type : Director  
 Age : 63 years old  
 Nationality : Thai  
 Date of Appointment to the Board of Director : 25 November 1999  
 Year of Directorship : 24 years  
 Education : MA, Industrial Engineering Faculty,  
 Asia Institute of Technology (AIT)  
 Director Training Program : The Director Accreditation Program (DAP),  
 Thai Institute of Directors Association  
 Number of Shares hold : - None -  
 Family Relationship among Directors and Executive : - None -  
 Positions in Other Listed Companies : ☐ Senior Executive Vice President,  
 Bangkok Bank Public Co.,Ltd.  
☐ Director:  
 Seacon Development Public Co.,Ltd.  
 Positions in Non-Listed Companies : ☐ Director:  
 Bualuang ventures Co., Ltd.  
 Panuspoultry Group Co., Ltd.  
 BSL Leasing Co., Ltd.  
 Meeting Attendance in 2022 : Board of Directors 8 meetings in total ; 8 meetings attended

Name : Mr. Chaiyanandh Lapitananuva  
 Director Type : Director  
 Age : 68 years old  
 Nationality : Thai  
 Date of Appointment to the Board : 25 November 1999  
 of Director  
 Year of Directorship : 24 years  
 Education : MBA, University of South Alabama, USA  
 Director Training Program : The Director Accreditation Program (DAP),  
 Thai Institute of Directors Association  
 Number of Shares hold : - None -  
 Family Relationship among : - None -  
 Directors and Executive  
 Positions in Other Listed Companies : - None -  
 Positions in Non-Listed Companies : ☐ Executive Director,  
 Kimchua Group Co., Ltd.  
☐ Company Consultant,  
 KCG Corporation Co., Ltd.  
 Working Experiences : ☐ Chairman of the board of Adviser,  
 Islamic Bank of Thailand  
☐ Executive Vice President,  
 Thanachart Bank Public Co., Ltd.  
 Meeting Attendance in 2022 : Board of Directors 8 meetings in total ; 8 meetings attended

Name : Mr. Vorathep Vithayaviroj  
 Director Type : Chairman of the Audit Committee and Independent Director  
 Age : 78 years old  
 Nationality : Thai  
 Date of Appointment to the Board of Director : 22 March 2013  
 Year of Directorship : 10 years  
 Education : Master of Science (Mangement), Mississippi State University, USA  
 Director Training Program : The Director Accreditation Program (DAP),  
 Thai Institute of Directors Association  
 Number of Shares hold : - None -  
 Family Relationship among Directors and Executive : - None -  
 Positions in Other Listed Companies : - None -  
 Positions in Non-Listed Companies : - None -  
 Working Experiences ☐ Senior Management the debt,  
 Bank of Thailand  
☐ Assistant Director of the South Branch,  
 Bank of Thailand  
☐ Head of Branch Office of the Governor,  
 Bank of Thailand  
 Meeting Attendance in 2022 : Board of Directors 8 meetings in total : 8 meetings attended  
 Audit Committee 5 Meetings in total : 5 meetings attended

Name : Mr. Peesak Prapaiporn  
 Director Type : Independent Director and Member of the Audit Committee  
 Age : 69 years old  
 Nationality : Thai  
 Date of Appointment to the Board of Director : 26 April 2013  
 Year of Directorship : 10 years  
 Education : BA in Accounting (Costing) Chulalongkorn University  
 Director Training Program : The Director Accreditation Program (DAP),  
 Thai Institute of Directors Association  
 Number of Shares Hold : - None -  
 Family Relationship among Directors and Executive : - None -  
 Positions in Other Listed Companies : - None -  
 Positions in Non-Listed Companies : - None -  
 Working Experiences : ☐ Vice President (senior)  
 TMB Bank Public Co., Ltd.  
☐ Vice President (senior)  
 The Industrial Financial Corporation of Thailand.  
 Meeting Attendance in 2022 : Board of Directors 8 meetings in total : 7 meetings attended  
 Audit Committee 5 Meetings in total : 4 meetings attended

|   |   |   |
|---|---|---|
| Name  | : | Mr. Wutipong Vechayanon   |
| Director Type                                     | : | Independent Director and Member of the Audit Committee  |
| Age   | : | 61 years old  |
| Nationality                                       | : | Thai  |
| Date of Appointment to the Board of Director      | : | 9 August 2013   |
| Year of Directorship                              | : | 10 years  |
| Education   | : | Master of Law, Harvard University, USA  |
| Director Training Program                         | : | <input type="checkbox"/> The Director Accreditation Program (DAP)<br><input type="checkbox"/> The Director Certification Program (DCP),<br>From Thai Institute of Directors Association   |
| Number of Shares hold                             | : | - None -  |
| Family Relationship among Directors and Executive | : | - None -  |
| Positions in Other Listed Companies               | : | - None -  |
| Positions in Non-Listed Companies                 | : | <input type="checkbox"/> Executive Director,<br>Dr. Somsak Torugsa Law Office Co.,Ltd.  |
| Working Experiences                               | : | <input type="checkbox"/> Managing Director,<br>TR Asset Management Co.,Ltd.<br><input type="checkbox"/> Assistant Managing Director,<br>Pruksa Real Estate Public Co.,Ltd.<br><input type="checkbox"/> Risk Management Committee,<br><input type="checkbox"/> General Counsel,<br>SME Bank.<br><input type="checkbox"/> Audit Committee,<br>The Cambodian Commercial Bank.<br><input type="checkbox"/> Executive Director,<br>Siam Commercial Plus Co.,Ltd.<br><input type="checkbox"/> President,<br>Siam-Niti Law Office<br><input type="checkbox"/> Executive Vice President,<br>Siam Commercial Plus Co.,Ltd. |
| Meeting Attendance in 2022                        | : | Board of Directors 8 meetings in total : 7 meetings attended<br>Audit Committee 5 Meetings in total : 4 meetings attended   |

|   |   |  |
|---|---|--|
| Name  | : | Miss Somsuan Khondon   |
| Position  | : | Company’s secretary  |
| Age   | : | 57 years old   |
| Nationality                                       | : | Thai   |
| Date of Appointment to Company’s secretary        | : | 11 May 2010  |
| Year of Directorship                              | : | 12 years   |
| Education   | : | BA in Accounting, Wongchawalitkul University   |
| Company’s secretary Training Program              | : | <input type="checkbox"/> Company Secretary Program (CSP)<br><input type="checkbox"/> Effective Minute Taking (EMT)<br><input type="checkbox"/> Anti-Corruption: The Practical Guide (ACPG)<br>From Thai Institute of Directors Association |
| Number of Shares hold                             | : | - None -   |
| Family Relationship among Directors and Executive | : | - None -   |
| Positions in Other Listed Companies               | : | - None -   |
| Positions in Non-Listed Companies                 | : | - None -   |
| Working Experiences Year 1991 - Present           | : | <input type="checkbox"/> Assistant Manager of Management Office,<br>Thai Nam Plastic Public Co., Ltd   |
| Meeting Attendance in 2022                        | : | Board of Directors 8 meetings in total ; 8 meetings attended   |

|   |   |   |
|---|---|---|
| Name  | : | Mr. Chairaj Kongsiripanich  |
| Position  | : | Office of Internal Audit Manager  |
| Age   | : | 59 years old  |
| Nationality                                       | : | Thai  |
| Date of Appointment                               | : | 27 January 2000   |
| Year of Directorship                              | : | 23 years  |
| Education   | : | MBA, Thammasat University   |
| Office of Internal Audit Manager                  | : | Fundamental Practice for Corporate Secretary  |
| Training Program                                  | : | From Thai Institute of Directors Association  |
| Number of Shares hold                             | : | 51,415 Shares, equal to 0.02% of total shares with voting right.  |
| Family Relationship among Directors and Executive | : | - None -  |
| Positions in Other Listed Companies               | : | - None -  |
| Positions in Non-Listed Companies                 | : | - None -  |
| Working Experiences Year 1996 - Present           | : | <input type="checkbox"/> Office of Internal Audit Manager<br>Thai Nam Plastic Public Co., Ltd.                            |
| Meeting Attendance in 2022                        | : | Board of Directors 8 meetings in total : 8 meetings attended<br>Audit Committee 5 Meetings in total : 5 meetings attended |



Name : Mr. Viroat Anantachotkakul  
 Position : Assistant Managing Director  
 Age : 68 years old  
 Nationality : Thai  
 Education : Ms in Industrial Engineering, University of Tennessee, USA.  
 Number of Shares hold : - None -  
 Family Relationship among Directors and Executive : - None -  
 Positions in Other Listed Companies : - None -  
 Positions in Non-Listed Companies : - None -  
 Working Experiences Year 2012 - Present : Assistant Managing Director  
 Thai Nam Plastic Public Co., Ltd.

Name : Mr. Pranot Kotchabhakdi  
 Position : Sales & Marketing Group Director  
 Age : 69 years old  
 Nationality : Thai  
 Education : BA in Science, University of Illinois, USA.  
 Number of Shares hold : - None -  
 Family Relationship among Directors and Executive : - None -  
 Positions in Other Listed Companies : - None -  
 Positions in Non-Listed Companies : - None -  
 Working Experiences Year 1995 - Present : Sales & Marketing Group Director  
 Thai Nam Plastic Public Co., Ltd.

Name : Mr. Suriya Ruangsamret  
 Position : QA Group Director  
 Age : 58 years old  
 Nationality : Thai  
 Education : MBA, National Institute of Development Administration  
 Number of Shares hold : - None -  
 Family Relationship among Directors and Executive : - None -  
 Positions in Other Listed Companies : - None -  
 Positions in Non-Listed Companies : - None -  
 Working Experiences Year 2006 - Present : QA Group Director  
 Thai Nam Plastic Public Co., Ltd.

Name : Mr. Hemsuwan Padcha  
 Position : Factory Group Director  
 Age : 65 years old  
 Nationality : Thai  
 Education : BA in Production Technology,  
 King Mongkut's University of Technology North Bangkok  
 Number of Shares hold : - None -  
 Family Relationship among Directors and Executive : - None -  
 Positions in Other Listed Companies : - None -  
 Positions in Non-Listed Companies : - None -  
 Working Experiences Year 2011 - Present : Factory Group Director  
 Thai Nam Plastic Public Co., Ltd.

Name : Miss Kanjana Boonyuenvitaya  
 Position : R&D Group Director  
 Age : 56 years old  
 Nationality : Thai  
 Education : MBA in Science and applied polymers,  
 Chulalongkorn University  
 Number of Shares hold : - None -  
 Family Relationship among Directors : - None -  
 and Executive  
 Positions in Other Listed Companies : - None -  
 Positions in Non-Listed Companies : - None -  
 Working Experiences Year 2018 - Present : R&D Group Director  
 Thai Nam Plastic Public Co., Ltd.

Name : Mr. Somchai Phaophongthai  
 Position : Manager Finance and Accounting  
 Age : 58 years old  
 Nationality : Thai  
 Education : BA in Accounting, Krirk University  
 Number of Shares hold : - None -  
 Family Relationship among Directors : - None -  
 and Executive  
 Positions in Other Listed Companies : - None -  
 Positions in Non-Listed Companies : - None -  
 Working Experiences Year 2014 - Present : Manager Finance and Accounting  
 Thai Nam Plastic Public Co., Ltd.

## Attachment 2

## Details of the Directors of Subsidiary

| Executive Director/Company        | The Company | SUBSIDIARIES                     |   |                                    |                           |
|-----------------------------------|-------------|----------------------------------|---|------------------------------------|---------------------------|
|                                   |             | Taweewattana Logistics Co., Ltd. | Thai Nam Automotive Performance Co., Ltd. | TNV Plastics (Proprietary) Limited | T.N.P. Industry Co., Ltd. |
| 1. Mrs. Siriphorn Mangkornkarn    | X           | X                                | X   | -                                  | -                         |
| 2. Mr. Kong Mangkornkarn          | //          | -                                | //  | ///                                | -                         |
| 3. Miss Piyatida Mangkornkarn     | //          | //                               | -   | //                                 | -                         |
| 4. Mr. Kritasorn Mangkornkarn     | //          | -                                | //  | -                                  | -                         |
| 5. Mr. Teerasak Chor. Rochprasert | -           | -                                | -   | -                                  | ///                       |

Remark

X = Chairman and Managing Director

/// = Managing Director

// = Executive Director

### Attachment 3

### Details about the Chief of Internal Audit

|   |   |  |
|---|---|--|
| Name  | : | Mr. Chairoj Kongsiripanich   |
| Position  | : | Office of Internal Audit Manager   |
| Age   | : | 59 years old   |
| Education   | : | <input type="checkbox"/> Bachelor Degree in Accounting, Thammasat University<br><input type="checkbox"/> Diploma in Auditing, Thammasat University<br><input type="checkbox"/> MBA, Thammasat University   |
| Percent of Shares hold                            | : | 0.02 percent   |
| Family Relationship among Directors and Executive | : | - None -   |
| 5 Year Past Working Experiences                   | : | <input type="checkbox"/> Year 2000 - Present, Secretary to the Audit Committee<br>Thai Nam Plastic Public Company Limited<br><input type="checkbox"/> Year 1996 - Present, Office of Internal Audit Manager<br>Thai Nam Plastic Public Company Limited |
| Address   | : | 40 Moo 7, Petchakasem Road, Omnoi,<br>Kratumban, Samutsakorn 74130<br>Tel : (66 2) 119 3200 # 142<br>Fax : (66 2) 119 3228   |

**Attachment 4**

**Business Assets and Details of Asset Appraisal**

In 2022, The Company and subsidiaries do not have any asset appraisals

**Attachment 5****Corporate Governance Policy and Practices and Business Ethics**

The board of directors of Thai Nam Plastic Public Company Limited (The Company) realizes the importance of good corporate governance practices and continuously implemented them to build confidence for shareholders, investors, and all related parties.

The board of directors realizes the necessity for implementing corporate governance policy, business ethics, and employee code of conduct as practice guidelines for the Company's executives and employees.

**1. Corporate Governance Policy**

For the effective, transparent, and impartial treatment of all related stakeholders leading to the credibility and value of the business in the long term, the board of directors has set up the following corporate governance policies:

1. Establishing the Company's management structure with a clear and credible scope of authorities and responsibilities for the board of directors, sub-committees, and management.
2. Ensuring that financial reports are credible and accurately reflects operations performance, as well as evaluating, determining, and planning measures for the prevention and maintaining of risks to be at an acceptable level.
3. Facilitating the Company's processes to be effective and efficient under adequate internal control, balance of power, as well as being transparent and auditable.
4. Managing conflicts of interest with caution, reason, and priority to the Company's interest by implementing transparent operation systems and disclosing information without affecting the interests of the Company and shareholders.
5. Instilling integrity and consciousness for executives and employees. Such characteristics lead to good behavior, honesty, discipline, sense of responsibility, readiness for improvement, and respond to constant changes.
6. Committing to achieving business operations excellence by listening and reflecting upon oneself so as to promote customer satisfaction and always produce the best results.
7. Realizing and respecting the ownership rights of shareholders and related parties, as well as treating such entities with equality and impartiality.
8. Conducting operations with consideration to shareholders, related parties, and society as a whole, and having responsibilities towards the environment.

The board of directors have determined the following business ethics as a practice guideline for executives and employees to allow the appropriate implementations of the Company.

## 2. Business Ethics

The board of directors have determined the following business ethics as a practice guideline for executives and employees to allow the appropriate implementations of the Company.

### To Shareholders

1. Perform duties with honesty, transparency, and impartiality towards shareholders for the Company's greatest benefits.
2. Manage with skills, expertise, and the determination to develop the Company's business with stability and generate appropriate returns to shareholders.
3. Protect the Company's interests and assets by avoiding unjustified exploitation, whether direct or indirect.
4. Report on the Company's performance accurately, truthfully, and constantly.
5. Avoid disclosing Company secrets or exploiting such information for the benefit of oneself or of other persons, as well as avoid seeking out any benefits from one's position and duties.
6. Eliminate conflicts of interest and disclose information in its entirety.
7. Respect ownership rights and treat shareholders equally.

### To Customers

1. Treat customers with honesty and fairness, as well as disclose information regarding products and services to customers.
2. Adhere to binding covenants with customers and treat customers with kindness.
3. Respond to customer complaints quickly, attentively, and impartially.
4. Safeguard customer's trade secrets.
5. Provide standardized goods and services, as well as develop and devise innovations to continuously enhance goods and services value.

### To Employees

1. Treat all employees with courteousness and regards to human dignity and rights.
2. Maintain a working environment that is safe for the lives, health, and properties of employees.
3. Encourage and support the skill and knowledge development of all employees through trainings as well as create a stable work environment and opportunities for progress based on each employee's potential.
4. Provide fair and appropriate compensation based on knowledge, ability, and the performance of each employee.
5. Strictly comply with laws and regulations related to the labor law.

### To Partners and/or Creditors

1. Avoid soliciting, accepting, or giving unlawful benefits to partners and/or creditors.
2. Adhere to agreements and covenants with partners and/or creditors with vigil. In the event of the inability to adhere to agreements and covenants, partners and/or creditors must be informed promptly so as to jointly consider solutions.
3. Create mutual relations and understanding.
4. Exchange information and knowledge to co-develop goods and services with added value.



To Competitors

1. Act and operate within the laws and encourage fair competition.
2. Avoid seeking competitor secrets through unethical or illegal means.
3. Avoid unfair actions or tainting the reputation of competitors through untruthful accusations or slander.

To the Society and the Environment

1. Avoid actions that damages the country's reputation, natural resources, environment, and society.
2. Encourage and support community and social activities that benefits the society.
3. Cultivate a continuous and serious sense of duty toward the community and society among employees at all levels.

**3. Employee Code of Conduct**

The following employee code of conduct is deemed as a reasonable implementation in being a benchmark and guideline for employee behavior and practices.

1. Perform duties with honesty, perseverance, discipline, responsibility, and consciousness towards the organization as well as avoid seeking benefits through one's position.
2. Foster cooperation and harmony among employees. Work as a team of professionals for the organization's maximal effectiveness and efficiency as well as constantly be ready to improve.
3. Commit to building and developing the Company towards business excellence.
4. Transfer knowledge and work experience to colleagues with the Company's interests as a priority.
5. Utilize the Company's properties for utmost benefit, maintain losses and depreciation, as well as avoid the unethical or unlawful exploiting of the Company's properties for personal benefit or the benefit of others.
6. Cooperate, coordinate, and assist in working with colleagues or related agencies for the Company's benefit and respect the rights of other employees in the same organization.
7. Strictly maintain the confidential information of customers, business partners, and the Company. Avoid exploiting such information for personal benefit or the benefit of others.
8. Be attentive and cooperative in maintaining a hygienic, safe, and suitable work environment.
9. Refrain from privately accepting money or any rewards from customers, partners/creditors, or third parties that are related to the Company's operations.
10. Refrain from accepting gifts from customers, business partners/creditors, or third parties except for the case of traditional givings, where the value of such items must not exceed appropriate thresholds. If employees are unsure, advise may be sought from the immediate superior.
11. Avoid accusing or slandering the Company, executives, and other colleagues.
12. Refrain from actions that may taint the reputation of oneself and of the Company.
13. The code of conduct may not cover all possible events, therefore employees are encouraged to seek advise from the immediate superior for appropriate guidelines whenever an issue beyond the coverage of the code of conduct occurs.

**Attachment 6**  
**Report of the Audit Committee**

The Audit Committee of Thai Nam Plastic Public Company Limited, consisted of 3 independent directors. They are completely qualified in accordance with the Audit Committee's Charter and also meet all standards as defined by the office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

During the year of 2022 the committee has carried out their duties strictly responsibly as assigned by the Company's Board of Directors.

1. The Audit Committee attended totally 5 meetings.
2. The Audit Committee's members are as follows:

| Name                         | Attendance of Meeting | Position                        |
|------------------------------|-----------------------|---------------------------------|
| 1. Mr. Vorathep Vithayaviraj | 5/5                   | Chairman of the Audit Committee |
| 2. Mr. Peesak Prapaiporn     | 4/5                   | Member of the Audit Committee   |
| 3. Mr. Wutipong Vechayanon   | 4/5                   | Member of the Audit Committee   |

3. Operations

The Audit Committee has submitted brief mission report to The Company's Board of Directors quarterly and the main contents are described accordingly:

Review of the Company's Financial Statements

The Audit Committee reviewed the quarterly and the annually financial statements of the Company and its consolidated financial statements of the company as well as its subsidiaries with the Auditor and the Management. This included the inquiries and provision of suggestions and comments which were useful for ensuring the process of preparing the Company's and its subsidiaries' financial statements accurately and complete according to the Generally Accepted Accounting Standards with sufficient and timely disclosure of information. As a result the financial reports were accurate and reliable.

Review of the Company's Risk Management

The Company has managed risk systematically which the Audit Committee has verified the risk management plan of the Company in order to ensure that the plan is suitable to the situation and business condition including risk management and control measures in favorable level. The emphasis is focused on financial liquidity of the Company and also increasing stock level including investment in fixed assets. Additionally, the Audit Committee has followed up problem and actions in the business operation of subsidiary company abroad to minimize all the impact to the Company.

Review of the Company's Compliance with Securities and Exchange Commission Act, The Stock Exchange of Thailand's requirements, and Applicable Laws.

The Audit Committee reviewed the compliance of securities and exchanges Act, the relevant regulations and laws including the observations of the working procedures to comply with the good governance principles consisting of overseeing the operations and the employee's ethic and code of conducts. The Company properly and consistently carried out their work.

Review of the Company's Business Relations

The Audit Committee reviewed the business transactions of the company and the related parties including all transactions which might cause conflict of interests during the year. This was to ensure that they were conducted according to their normal business. They were reasonable and without any conflict of interest. The information was sufficiently disclosed. Moreover the operations were monitored to ascertain that it worked in accordance with the laws and the regulations stipulated by the Capital Market Supervisory Board.

Review of the Internal Control System

The Audit Committee reviewed the independency of the Internal Audit department, the scope of works and the internal audit plan and assesses the sufficiency of the internal control system. According to the review of the internal auditing reports and the following up of the results of the suggested improvements of the highlighted issues, the Audit Committee found that the company and its subsidiaries had sufficient and appropriate internal control system. After consideration, the Board of Directors has the same view as the Audit Committee that the internal control system remains satisfactory, adequate and appropriate for the Company's business.

Selection and Appointment of the External Auditor

The Audit Committee reviewed the qualifications of the external auditor, the quality standard of work, the expertise and the independency and the consideration of the comparison between the auditing and reviewing fees of financial statements against the workload, it was proposed to the company's Board of Directors for further approval at the General Meeting of the shareholders appointment of

1. Mr. Thanawut Piboonsawat CPA No. 6699 and/or
2. Miss Techinee Pornpenpob CPA No. 10769 and/or
3. Miss Potjanarat Siripipat CPA No. 9012 and/or
4. Miss Roongnapha Saengchan CPA No. 10142

All of these auditors come from Dharmniti Auditing Co.,Ltd. and the total auditing and reviewing fee for the year 2023 of 1,182,500 baht which was deemed reasonable.

In the year 2022, the Audit Committee had freedom in carrying out their assigned duties and received good cooperation from the Management. Moreover, there was a non-management meeting with the external auditors to discuss and to learn about their observations of the internal control of accounting to plan by talking into account the transparency, reliability, having appropriate internal control system and carried out their work according to the relevant announcements, regulations and laws.

1 March 2023

On behalf of the Audit Committee



Mr. Vorathep Vithayaviraj  
Chairman of the Audit Committee



Address: 40 Mu 7, Petchkasem Rd. Km. 23 Omnoi, Kratumban, Samutsakorn 74130, Thailand

Tel.: (66 2) 119 3200 Fax: (66 2) 119 3233, 420 1827, 420 9967

Website: [www.thainam.com](http://www.thainam.com)