



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

# TURNING - - MOVING GREEN FUTURE

FORM 56-1 ONE REPORT

ANNUAL REPORT 2022



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## Message from The Board of Directors

2022 is the year that Hwa Fong Rubber (Thailand) Public Company Limited "HFT" has faced challenges from the changes and volatility of both Domestic and International economic conditions.

In the first half of the year, ordered of the bicycle tires more over than its production capacity. The sales began to decline in the third quarter mainly due to the market situation in Europe and the volatility of energy costs that have increased like many countries around the world coupled with rising inflation and market uncertainty.

In terms of selling Motorcycle tires, the Asian market is not much affected. The company outlook sees that the market has the opportunity to grow continuously.

Nevertheless, for the Domestic market the company has prepared to support the growth and demand from the "OEM" (Original Equipment Manufacturer) customers who will enter after the third quarter of 2023.

However, the company views the situation in 2022 as a temporary impact and the bicycle industry of the world continues to grow especially in the European market which the company considers as an opportunity to have more new customers.

On behalf of the Board of Directors and Executives, I would like to thank all shareholders, business partners, employees and related parties who have participated in the Company's business which has always helped and supported the company.



( Mr.Shen,Kuo-Jung)

Chairman of the Board of Director

## Important Financial Information

Hwa Fong Rubber (Thailand) Public Company Limited and its subsidiaries

As of December 31, 2022

Consolidated Financial Statements	2020	2021	2022
Comprehensive Income Statement and Financial Statement			
Revenue from sales and services	2,664.83	3,426.80	3,411.75
Cost of sales and provision of services	2,043.59	2,743.85	2,864.86
Gross margin	621.24	682.95	546.89
Net profit for the year	412.62	460.88	361.58
Total Assets	3,862.98	4,324.25	4,091.67
Total Liabilities	610.10	785.43	479.73
Equity	3,252.88	3,538.82	3,611.94
<u>Financial Ratios</u>			
Net Profit Margin (%)	15.48	13.45	10.60
Return on assets (%)	8.59	11.26	10.98
Return on equity (%)	10.11	13.57	13.31
Debt to Equity Ratio (Times)	0.19	0.22	0.13
Basic earnings per share (Baht)	0.63	0.70	0.55
Book value per share (Baht)	4.94	5.37	5.49

## Part 1

### Business Operations and Operating Results

#### 1. Structure and operation of the group of companies.

##### 1.1. Policy and business overview

Hwa Fong Rubber (Thailand) Public Company Limited ("HFT") was established in 1987 with a registered capital of 658,434,300 baht and a paid-up capital of 658,434,300 baht. The company's main business is manufacturing and distributing tires, inner tubes for bicycles, motorcycles and small transport vehicles such as wheelchairs, forklifts, carts, golf carts, and cars used for hiking, beach, etc. The company has expertise in the production of tires. For more than 35 years, the Company's major shareholder is Hwa Fong Rubber Industry Co., Ltd. (hereinafter referred to as "HFR"), a company listed on the Taiwan Stock Exchange. For more than 28 years, which is a tire manufacturer. Inner tubes for bicycles, motorcycles, cars, and industrial vehicles that are famous in Taiwan. The company has received technology support, and network marketing from the parent company to produce and sell products under the DURO Q-UICK trademark and the DUNLOP trademark owned by Sumitomo Rubber Company of Japan and a shareholder in the parent company. by products under the company's trademark and is acceptable to consumers. In addition, the company's products It is also certified for international quality standards, including ISO 9001 : 2015 and ISO 45001 : 2018.

HFT's sales portion is classified by the local and international sales in the percentage of 23.85% and 76.15% respectively. In domestic sales, HFT distributes its products to the leading bicycle's Original Equipment Manufacturer (OEM) such as LA BICYCLE, TURBO BICYCLE under the brand name "DURO" and motorcycle manufacturers I.E. HONDA, KAWASAKI including genuine parts to be distributed amongst licensed distributors under "DUNLOP" brand. Moreover, HFT supplies golf tires under trademark "DURO" for golf cart manufacturers (OEM) in making of YAMAHA's golf cart. On top of OEM business, HFT has also work under the brand name "DUNLOP", "DURO", "Q-UICK" and PREMIUM HFT in the Replacement Equipment Market (REP) business via Borneo Technical (Thailand) Co., Ltd., SCI Co., Ltd. And P.V. Motor Co., Ltd.

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

### 1.1.1 Vision, Objectives and Business Goals

#### VISION

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

#### OBJECTIVES

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

#### BUSINESS GOALS

1. To pursue wider share in domestic and global markets, especially in ASEAN countries which tax exemptions becomes our advantage in gaining market share, for example countries with FTA, BIMSTEC.
2. To continuously improve our product quality and gain competitiveness by excellent quality in the long run. Using good quality product as our strategy instead of pricing strategy.
3. To incessantly increase efficiency of our production. Plan and prepare to increase capacity when the market demand grows. Forecast and adjust accordingly to market demand. Maintain competitiveness in production and cost. Deliver fast and on time.
4. To maintain HFT's reputation as the leaders in our main markets, under the support from our parent company with the DURO trademark. To be manufacturing the product under the trademark namely Q-UICK and DUNLOP from Sumitomo Rubber of Japan.
5. To expand the OEM (Original Equipment Manufacturer) market to be stronger and better.
6. To focus on gross profit margin products
7. To develop new products to serve the market demand. To satisfy the need of customers.
8. To promote and reinforce the good public image of our product in the long-term manner. Participate in international Expos especially in ASEAN market and the new market such as the Middle East, Latin America and Europe.
9. To serve our customer's needs while being responsible and following rules for the betterment of our society. Being involve in projects for our environment and for our company, for example manufacturing environmental friendly products which have suitable attributes corresponding to Social Accountability or Corporate Social Responsibility thus making the product to be acceptably in quality, in various countries. This offers the advantageous to sell our products in compliance with the governmental standard such as ISO Standard (Thailand), SNI (Indonesia), MS (Malaysia) E-MARK and REACH and ROHS (EU Countries).
10. To maintain the sales, control the production cost and manage the interests of employees, shareholders and stakeholders.

### 1.1.2 Major changes and developments

The company is still trying to maintain its trade goals. And operate according to plans to support future market growth under projects that have been promoted from the Board of Investment (BOI) and take advantage of corporate income tax exemption for net profits derived from business operations Received investment promotion (BOI) for a period of 8 years and received a 50 percent corporate income tax reduction of the normal rate for a period of 5 years. Including the privilege of exemption from import duty on machinery as approved by the Board of Investment, as well as other benefits according to the investment promotion certificate which will benefit the company and shareholders

In terms of marketing expansion, the company also focuses on expanding the market in the existing customers for sustainable growth. and try to create new customer bases in ASEAN, Middle East, South America and Europe by penetrating the market according to the potential of customers and the company's trademark and marketing plan. as well as the operation of the market by the company itself to reach customers and consumers directly can be used to develop and improve products to meet the highest customer needs

During the period of 1 year, the company no structural changes Management, shareholding, nature of business

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

- The company does not raise additional funds -

### 1.1.4 Clause of the Colonel that the Company has made a commitment in the registration statement for offering securities and/or conditions for permission of the Office and/or conditions for listing securities of the SET

-None-

### 1.1.5 Name and location of the head office

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

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

As of December 31, 2022, the company has a total registered capital of 658,434,300 baht, comprising of 658,434,300 ordinary shares sold with a par value of 1 baht per share, with a paid-up capital of 658,434,300 baht.

## 1.2. Nature of business

### Company Background

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



- 2014
- The company has installed machines and completed in accordance with the investment promotion project from the Office of the Board of Investment (BOI).
  - The company registered the capital increase to HFT Holding Company Limited from the registered capital of 50,000,000 baht, increased to 100,000,000 baht, fully paid 100,000,000 baht.
  - The Company has a joint venture with The Ascent (Thailand) Co., Ltd. 43 percent of the registered capital from the registered capital of 20,000,000 baht, and 50% of the paid-up capital.
  - The company has a joint venture with Chital International Co., Ltd. 45% of the registered capital from the registered capital of 25,000,000 Taiwan dollars. Paid in full value of registered capital.
- 2015
- The company began to produce and sell tires for motorcycles. as received investment promotion from the Office of the Board of Investment (BOI).
- 2016
- Board of Directors approved investment in Indonesia to establish a company Hua Fong pick up the number (Indonesia) Company Limited (HFI), whereby the Company holds 99% and HFT Holding Company Limited holds 1%.
- 2017
- Purchase of land to prepare for the construction of the factory according to the investment plan in Indonesia.
  - Board of Directors Approved the purchase of land for investment in the 3rd factory and requesting investment from the Office of the Board of Investment(BOI)to produce bicycle tires.
- 2018
- Purchasing land to support the construction of the 3rd factory.
  - Delay the construction of a factory in Indonesia.
  - Added a production line for bicycle tires at the 2nd factory.
  - Registration of dissolution in an associated company.
- 2019
- The 2nd factory starts producing bicycle tires.
  - The company began to produce and sell tires for bicycles. as received investment promotion from the Office of the Board of Investment (BOI).
  - Start building construction and ordering machinery to increase production in the rubber compound.
- 2020
- Submit an application for investment promotion (BOI) in a project to produce tires for bicycles and motorcycles.
  - Importing machinery to support the production of rubber compounds that increase.
  - Received the safety standard in work ISO 45001 : 2018
- 2021
- Submit an application for investment promotion (BOI) in a bicycle tire production project.
  - Project to produce 8.1 million bicycle tires/year.
- 2022
- The company registered the capital increase to HFT Holding Company Limited from the registered capital of 100,000,000 baht, increased to 200,000,00 baht, fully paid 200,000,00 baht.
  - Start using buildings and machinery in the rubber mixing section.

The company has been established and has been specializing in tire and inner tube manufacturing for more than 35 years, supported by HFR, the parent company in Taiwan. HFR has a long history of establishment. 76 years of expertise in the production of tubeless tires that have received many international standards, such as the standard mark "DOT" (Department of

Transportation) in 1974, the standard mark "CNS" (Chinese National Standard) in the year 1987 Standard Mark "JIS" (Japan Industry Standard) in 1989 Standard Mark QS-9000 in 1998

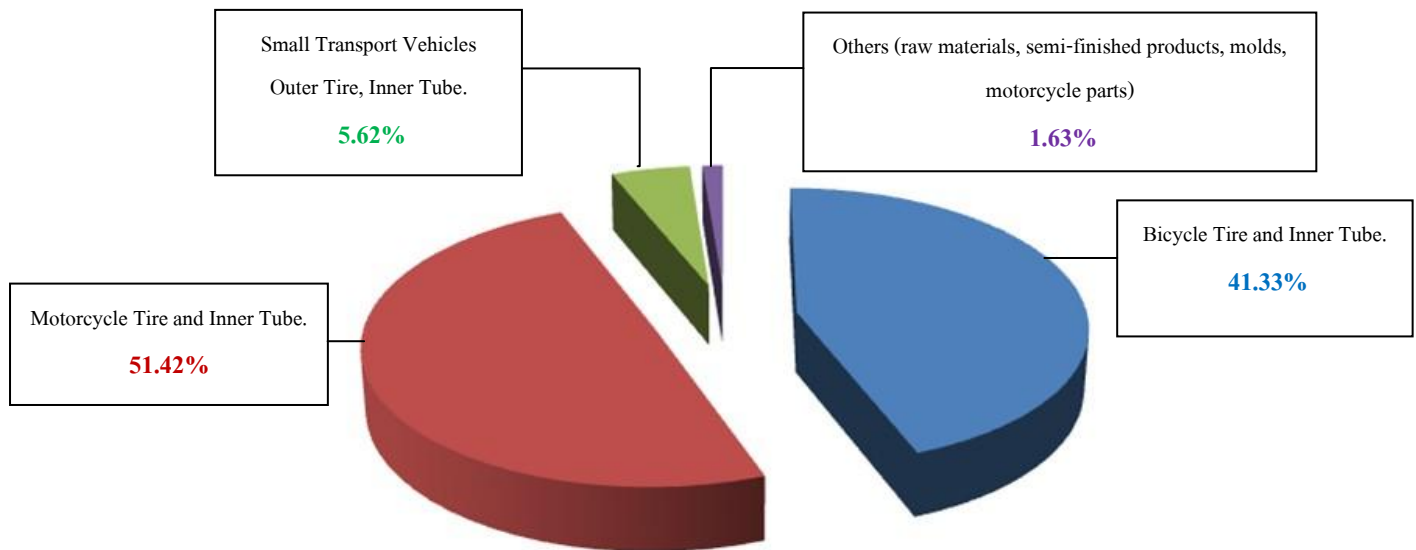
European Standard Mark (E-MARK) in Year 1992, ISO 14001 mark in 1994, CCC MARK (China Compulsory Certification) mark in 2006, and MS (Malaysian Standard) mark in 2010.

### 1.2.1 Revenue structure

Value of sales of the company's products Separated by product line, year 2020-2022 (million baht)

Product Line/Business Group	2020		2021		2022	
	(MB)	%	(MB)	%	(MB)	%
<b>Domestic Sales</b>						
1. Bicycle tire, inner tube.	24.34	0.91	18.98	0.55	17.83	0.52
2. Motorcycle tire, inner tube	763.38	28.65	815.57	23.80	748.07	21.93
3. Small transport vehicle tire, inner tube.	14.05	0.53	17.03	0.50	22.22	0.65
4. Others (raw materials, semi-finished products, molds, motorcycle parts)	17.94	0.67	18.22	0.53	25.67	0.75
<b>Total domestic sales value</b>	<b>819.71</b>	<b>30.76</b>	<b>869.80</b>	<b>25.38</b>	<b>813.79</b>	<b>23.85</b>
<b>International Sales</b>						
1. Bicycle tire, inner tube.	939.86	35.27	1,496.46	43.67	1,392.19	40.81
2. Motorcycle tire, inner tube	766.76	28.77	884.93	25.82	1,006.15	29.49
3. Small transport vehicle tire, inner tube.	122.61	4.60	150.79	4.40	169.51	4.97
4. Others (raw materials, semi-finished products, molds, motorcycle parts)	15.89	0.60	24.82	0.72	30.11	0.88
<b>Total International Sale</b>	<b>1,845.12</b>	<b>69.24</b>	<b>2,557.00</b>	<b>74.62</b>	<b>2,597.96</b>	<b>76.15</b>
<b>Total sales revenue</b>	<b>2,664.83</b>	<b>100</b>	<b>3,426.80</b>	<b>100</b>	<b>3,411.75</b>	<b>100</b>

### Proportion of product sales in 2022



From the above-mentioned sales value of the Company's products in 2022 It can be seen that the company's main revenue structure comes from 76.15% of foreign sales and 23.85 % of domestic sales. Compared to the revenue in 2021, the overall decrease was 15.05 million baht or 0.44 %, due to sales of bicycle tires decreased by 105.42 million baht from European customers according to the economic recession. The increase in sales was 53.72 million baht in sales of motorcycle tires. Industrial tires increased by 23.91 million baht. Other sales increased by 12.74 million baht from ASEAN customers. This is because the company proactively markets by promoting the image of the product through the user group in a targeted way.

In part, the market began to recover after many countries relaxed their measures after the Covid situation improved. People are back to their normal lives.

### 1.2.2 Product information

#### (1) Product or service characteristics

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

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

At present, the company is entitled to the benefit of the Boi Board of Investment with a production capacity of 3.159 million units per year, with the benefit of corporate income tax exemption for 8 years from the date of income.

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

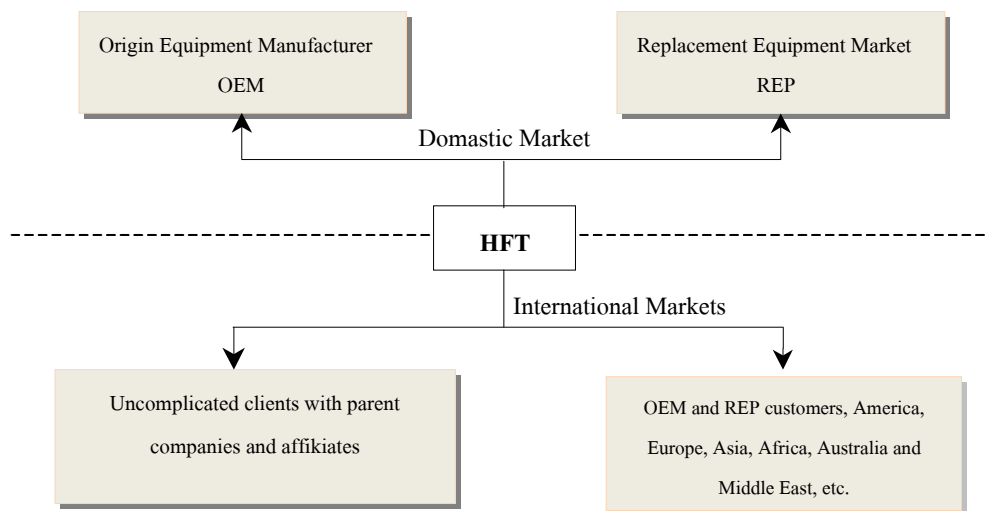
In 2022, the Company's revenue from the sale of outer tires accounted for 82.50% of the total sales.

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

Many groups In 2022 Company Revenue from the sale of inner tubes accounted for 15.86% of the total sales.

➤ Others (raw materials, semi-finished goods, molds, motorcycle parts) In 2022, 5 companies had sales revenue representing 1.64% of total sales.

### Marketing Stucture Diagram



#### ➤ Domestic Market

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

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

In 2022, the Company has a market share of approximately 9.6 percent of the domestic motorcycle OEM market. The Company continues to sell golf cart tires under the DURO trademark to leading golf cart manufacturers including THAI YAMAHA MOTOR.

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

## ➤ International Markets

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

### • Affiliate Market Classification Table

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

### note

- HFR refers to Hua Fong Rubber Industries Co., Ltd., the parent company located in Taiwan.
- HFT refers to Hwa Fong Rubber (Thailand) Public Company Limited.
- HFC refers to Hwa Fong Rubber (China) Co., Ltd.

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

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

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

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

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

1. Customer group supported by parent company

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

2. International Customers individually acquired by HFT

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

## (2) Market Conditions and Competition

### ➤ Domestic Competition Conditions

#### 1. Original Equipment Manufacturer (OEM)

The domestic motorcycle market in 2022 recorded 1,974,502 new vehicle registrations\*. Compared to 2021, there were 1,762,630 units, an increase of 12.02%, which is the number of new vehicle registrations comparable to 2018 before the COVID-19 pandemic. It's a sign of improvement in the economy. The public gained confidence and resumed normal life. Overall, there is still an impact on the supply chain of electronic components, which has forced motorcycle manufacturers to delay production plans around the third quarter, but can resume production after rising raw material costs in the global market affect the domestic motorcycle supply chain due to sanctions against Russia. As a result, energy prices and raw material prices for many commodities in the global market have risen significantly, and the cost of motorcycle production has risen accordingly.

#### 2. Replacement Equipment Market (REP)

In recent years Affected by the global recession Although Thailand is not directly affected, the indirect impact has also affected the Thai economy. It's been another challenging year for almost every business.

In 2022, at the beginning of the year, the overall market in the country improved as a result of the overall situation of the COVID-19 pandemic. It improved after the majority of the population was vaccinated and resumed normal life. The government has continued to introduce stimulus measures, causing the demand for goods in the market to increase, which is likely to continue to be favorable, resulting in a recovery in the economic outlook. It mainly benefits from the tourism sector.

However, the Company has been affected by competition from competitors, forcing the Company to adjust its sales price and adjust its marketing plan to maintain its market share. Overall sales declined last year as a result of the company's continued focus on maintaining profitability.

At present, the trend of using electric vehicles is increasing, the Company has been in contact with customers of electric vehicle manufacturers, both E-Motorcycle and E-Bicycle to create cooperation in product development together In addition, the Company continues to focus on building good relationships between the Company and its network of stores, enabling the Company to retain its customer base and continue to pursue sales strategies in the replacement market by selling the Company's products. Go directly to retail and wholesale stores both in Bangkok and provinces throughout Thailand. With the quality of products that have been recognized for a long time, as well as the management of transportation and distribution, the feedback from the market has been good, as well as the emphasis on maintaining quality and continuously developing the competitiveness



of price. Therefore, it has gained popularity among consumers and increased confidence in the company's products. In the future, we believe in the quality of our products and the image under the Company's trademark. This makes it possible to maintain sales.

➤ International Competition Conditions

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

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

However, due to the current high price competition. In terms of product marketing policy in 2020 Compared to competitors for the same type of products, it was found that in the bicycle tire segment, the company can create a selling point in terms of price that customers can access. This enables the management of order receipts systematically and customers can plan their orders in advance in the long run. Compared to competitors

In 2022, the company has started developing non-tubeless bicycle tires called Tubeless ready (TLR) as well as foldable tires, which will increase sales for the company. In addition, the creation of a selling point in the field of partner business cooperation. Therefore, it is possible to expand the market both in terms of adding customers and distribution centers in many continents. It focuses on Europe in 2022 due to economic impacts and wars. As a result, the market slowed down, causing the trend of public consumption to decrease compared to the previous year. Sales of outer tires The tires on the bicycle are lowered.

The Company The production plan was adjusted in relation to the purchase order, but the customer had a shortage of bicycle assembly parts, causing the order to delay the delivery of the goods in order to wait for the situation.

The company is committed to training employees to learn various aspects to continuously improve product management and productivity.

For motorcycle tires, the Company continues to promote sales to customers. It provides support for the study of competitors' prices. And adjust the price structure of each market to be competitive. However, in 2020,5 will still be affected by price competition from competitors. Therefore, the Company considers supporting sales and marketing activities with customers in the ASEAN region. In addition, the covid situation has improved and the positive effects of the reopening of the country have resulted in an increase in sales compared to the previous year.

Overall, the proportion of foreign sales was 76.15%, with competitors from China and Indonesia. India Vietnam and Sri Lanka, which have high production capacity coupled with low cost. As a result, the selling price is relatively low in order to compete in the asean market. However, the company has a competitive approach by using good quality and service as a selling point in order to maintain its customer base.

At the same time, the company has plans to promote and expand the market to make the product more known. Build strengths in meeting customers' needs to comply with various laws, including projects that benefit the environment and the organization, such as producing products with environmentally friendly properties in accordance with the Charter on Social Accountability or Social Responsibility. As a result, the product has been certified in many countries as an advantage in selling products as specified by each government, such as the Industrial Product Standards of Thailand (TIS), SNI (Indonesia), MS (Malaysia), E-MARK, REACH, and ROHs (EU countries), etc.

### ➤ Industry Trends

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

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

### ▲ Domestic Market

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

From the number of new motorcycle registrations in 2021 which has increased by 4.8 percent, the company has considered the overall economic condition. Make it necessary to implement marketing and sales strategy plans. by focusing on maintaining a potential old customer base by focusing on maintaining product quality product image creation Controlling sales prices to stay competitive and does not focus on price competition, which will cause negative effects in the long-term market

### ▲ International Market

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

### (3) Procurement of products or services

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

### ➤ Total Capacity

production capacity of the company in 2020-2022

	2020	2021	2022
<b>Full capacity</b> (Unit : Pcs./ Year)			
- Outer tires	24,633,000	26,496,000	27,957,000
- Inner tube	28,200,000	29,400,000	29,400,000

➤ Raw material

The company pays attention to the quality control system of the products by selecting raw materials. Inspection and quality control prior to order approval and brought into the manufacturing process. In addition, the Company has a policy to reserve raw materials from abroad for approximately 4 - 8 weeks and domestic raw materials for approximately 2 weeks. For the main raw materials in production, there are approximately 10 types according to the proportion of imports and purchases from the country in 2022 from Supplier countries as follows

category	Order Ratio (%) /Buy from country
1. Nylon Cord	59.66 % from China 13.23 % from Taiwan 27.11 % from Thailand
2. Synthetic Rubber (Butyl Rubber)	83.04 % from China 1 2.90 % from India 4.06 % from Singapore
3. Synthetic Rubber	61.50 % from Korea 25.79 % from Thailand 12.71 % from Taiwan
4. Natural Rubber	100 % from Thailand
5. Carbon Black	80.30 % from China 11.06 % from Thailand 8.04 % from India 0.60 % from South Wan
6. Calcium carbonate	100 % from Thailand
7. Bead Wire	55.12 % from Thailand 44.88 % from China
8. Zinc Oxide	100.00 % from Thailand
9. Reclaimed Rubber	45.11 % from China 38.32 % from India 15.11 % from Taiwan 1.46 % from Thailand
10. Crown Clay	100 % from Thailand

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

The company has two sources of raw materials purchased from:

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

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

- The value of raw material purchases is divided by direct purchase and broker purchase in 2020 – 2022.

	2020		2021		2022	
Source of raw materials	MB	%	MB	%	MB	%
Buy directly	888.54	81.06	1,739.85	85.10	1,095.98	85.14
Buy through a broker	207.56	18.94	304.74	14.90	191.35	14.86
<b>Total</b>	<b>1,096.10</b>	<b>100</b>	<b>2,044.49</b>	<b>100</b>	<b>1,287.33</b>	<b>100</b>

- Value of domestic and international raw material orders in 2020-2022

	2020		2021		2022	
Source of raw materials	MB	%	MB	%	MB	%
Domestic	411.84	37.57	738.44	36.12	482.11	37.45
foreign	684.26	62.43	1,306.05	63.88	805.22	62.55
<b>Total</b>	<b>1,096.10</b>	<b>100</b>	<b>2,044.49</b>	<b>100</b>	<b>1,287.33</b>	<b>100</b>

Raw material orders in 2022 were 58.81% less than in 2021, which was due to lower production volumes. Raw material prices rose in 2021 as market demand increased after countries relaxed COVID-19 measures and gradually opened up more countries. But in 2022, due to the rise in crude oil prices due to the war between Russia. – Ukraine Make oil-related raw materials such as synthetic rubber. Carbon black has risen during the quarter. However, after the launch of Russia's special military operations in Ukraine or the war between Russia. – Ukraine This causes global market demand to stagnate. The price of raw materials has also fallen in line with global market demand.

➤ **Environmental Impact**

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

➤ **Wastewater Management**

As in the production process, wastewater is released from various processes, as a result, there is a production wastewater generated, which is mainly from mechanical coolant, so that the water quality meets the legal standards. The company has invested in the preparation of oil traps. The wastewater treatment well system will trap grease before release and adjust the pH to the standard before further release into the contractor's sewage pipe. This is to assess the quality level of water discharged. The company has taken the following measures:

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

➤ **Disposal of sewage or used materials**

The system for disposal of waste or used materials of the company will separate each type of waste before discarding and hired West Management Siam Company Limited, which has special expertise and experience in providing business management in environmental management and disposal of waste or used materials to be eliminated properly which is a company that has been authorized by the Department of Industrial Works and has been properly licensed according to the announcement of the Ministry of Industry. has also appointed staff to take care of occupational health and working environment to comply with environmental laws in order to develop the workplace so that it does not affect the environment. West Management Siam Co., Ltd.

➤ Air Pollution Mangement

1. In the production process, the company's tires may cause dust dispersion. Therefore, the company has chosen to use vacuum cleaner system. To collect dust to prevent external dispersion and treated by the filter bag system before releasing it into the outside air to prevent problems and for excellent performance. To control pollution in accordance with the requirements, this is for cleanliness in the workplace and to improve the quality of the environment. In addition, the Company has installed a dust removal system in the rubber mixing area by installing 9 of 20 hp Xylo aerosol vacuum cleaner systems and using vertical screw feeder automatic carbon conveyor system instead of carbon transmission system using conveyor cups, which causes carbon dust leakage to the outside by hiring Safety Plain Co., Ltd. to conduct one inspection once a year.

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

3. The company has conducted air checks from boiler craters that emit polluted air into the environment by hiring a C.T. company. Envirment & Chemical Limit to conduct emissions assessment and control from Boiler 2 times a year.

4. The Company has arranged to conduct a work environment inspection to measure and evaluate air quality within the production process. Bring to the guidelines for preventing and correcting both engineering and personal protection of employees by hiring Safety Plain Co., Ltd. to conduct audits twice a year.

## (4) Business Assets

Main assets of the Company, subsidiaries and associated companies

The Company's main assets as of December 31, 2022 are as follows:

Property Type/Characteristics	Proprietary characteristics	Accounting value (MB)	Encumbrances
Land in the area where the factory and factory improvements are located has an area of 29 rai 3 ngan 16.3 square wa and the 2nd factory has an area of 32 rai 1 ngan 76 square wa.	Company owns the ownership	112.15	without
The 3rd factory land has an area of 27 rai 3 ngan 72.8 square wa. (Still not being utilized in 2022)	Company owns the ownership	206.98	without
4 Units of Suit rooms in 2 places	Company owns the ownership	7.34	without
Buildings Located on the same land as the factory area.	Company owns the ownership	492.18	without
Machinery & Equipment	Company owns the ownership	626.02	without
Office Furnishings & Supplies	Company owns the ownership	4.60	without
Vehicle	Company owns the ownership	8.76	without
Assets under construction and Machines in process	Company owns the ownership	96.54	without

The main assets of the subsidiaries as of December 31, 2022 are as follows:

Property Type/Characteristics	Proprietary characteristics	Book value (Million Baht)	Encumbrances
Land in Indonesia 163,510 square meters (Still not being utilized in 2022)	The subsidiary owns the ownership.	224.96	without



**Investment Policy in Subsidiaries**

The Company has an investment policy.

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

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

**Investment Policy in Associated Companies**

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

**Significant intangible assets in business**

-None-

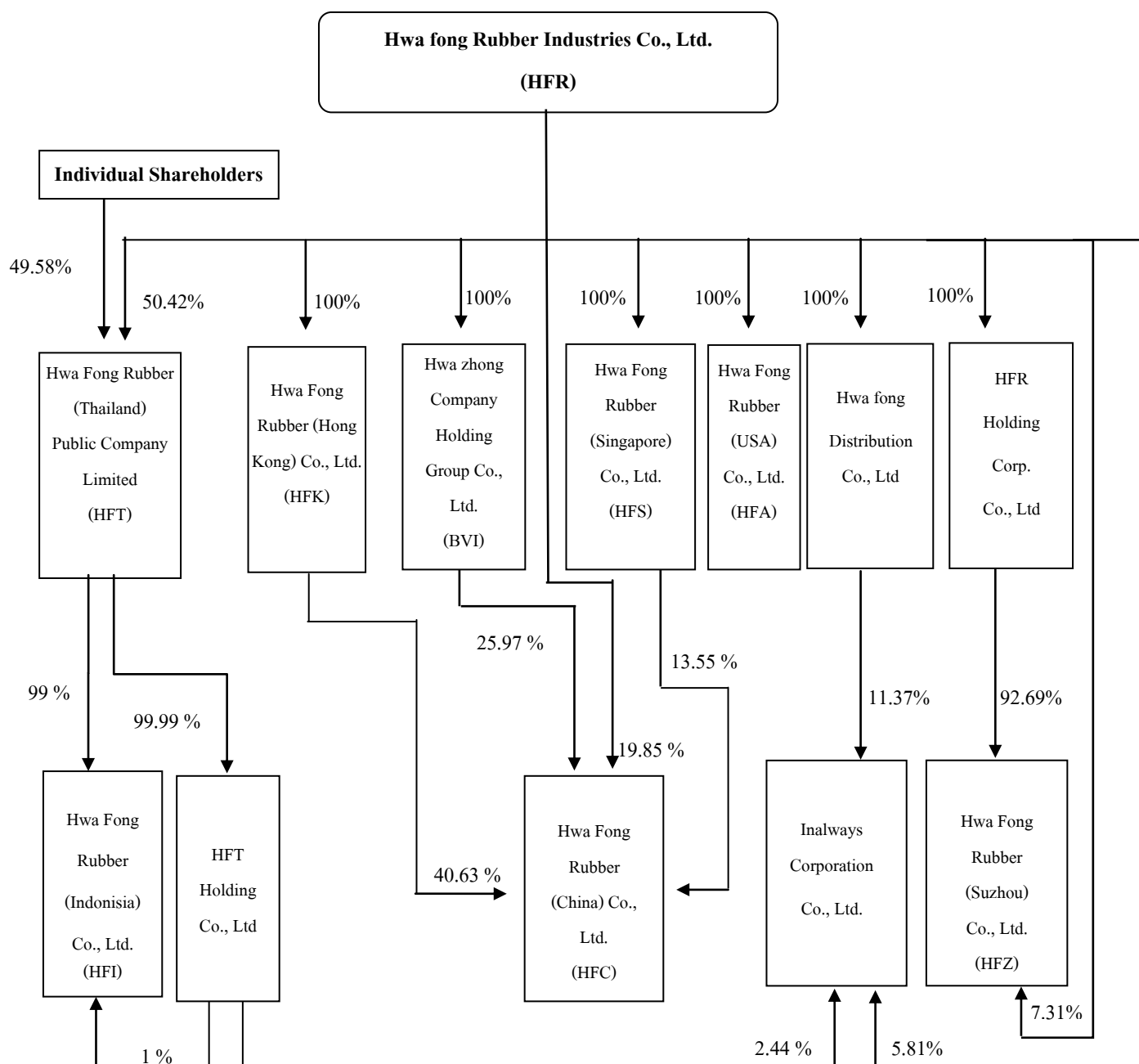
(5) Undelivered work

-None-

### 1.3 Group Shareholding Structure

#### 1.3.1 Group Shareholding Structure

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



### **1.3.2 Persons who may have conflicts hold shares in subsidiaries or subsidiaries in excess of 10% of the Company's voting shares**

- None -

### **1.3.3 Relationship with the Business Group of Major Shareholders**

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

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

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

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

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

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

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

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

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

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

**Hwa fong Distribution Co., Ltd** operates an apparel business. Electrical Equipment Tires, electronics Retail-Wholesale Trading Real Estate Rentals International Business.

**Inalways Corporation Co., Ltd.** manufactures and sells electronic components and import and export business.

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

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

### 1.3.4 Shareholder

#### (1) List of Major Shareholders

The top 10 shareholders of the Company as of the book closing date on December 30, 2022 are as follows:

shareholder	Number of shares held (shares)	Shareholding (%)
1. HWA FONG RUBBER INDUSTRY CO.,LTD.	332,000,000	50.423
2. THAI NVDR COMPANY LIMITED	23,673,800	3.595
3. MR.ANAN RAWEESANGDUL	20,602,600	3.129
4. MRS. HSIN-MEI YEN HSIEH	15,018,000	2.281
5. MR.RAWI KASEMSARN	13,500,000	2.050
6. MR.SOMSHAT KUBNIRATTISAIKUL	13,043,500	1.981
7. MRS.SUPA YANGYOENSUNTHORN	11,598,000	1.761
8. MR.CHIH-CHE YEN	7,871,250	1.195
9. MR.SHIH-HUNG YEN	7,578,750	1.151
10. MRS.PIYAMAS PRAPROETTIPONG	7,555,000	1.147

**1.4 Amount of registered capital and paid-up capital**

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

**1.5 Issuance of other securities**

- None -

**1.6 Dividend Payment Policy**

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

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

- Dividend payment information 3 year

Year	2020	2021*	2022**
Earnings per share (EPS)	0.63	0.70	0.55
Dividend per share (DPS)	0.315	0.425	0.38
Dividend Payout Ratio (%)	50.27%	60.72%	69.20%

Remark : \*The Annual General Meeting of Shareholders No. 1/2022 approved

\*\*If the Annual General Meeting of Shareholders No. 1/2023 approves

## 2. Risk Management

### 2.1 Risk Management Policy and Plan

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

### 2.2 Risk factors for the company's business operations

#### 2.2.1 Business Risks

##### **Risk related to the large competitors and new competitors**

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

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

**Risk factors of competition among company groups**

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

**Risks related to the competition from Sumitomo Rubber**

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

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

At present, the Company's revenue is still mainly from export business, accounting for 74.62% in 2021, 4% and 76.15% in 2022, which still consists of two major foreign currencies, the US dollar and the euro. To be able to estimate and resolve foreign exchange losses in a timely manner. The Company continues to manage exchange rates by matching assets and liabilities in the same currency. Natural hedge is the US dollar, which can reduce exchange rate risk to a certain extent.

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

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

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



**Risk from the deficiency machinery**

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

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

**HFR**, which it is parent company, holds the stake of 50.42% of total Paid-up shares. As a result of this, HFR can control a supermajority vote of shareholders meeting. However, the parent company as known as HFR has no policy to manipulate HFT's policy but rather support in many ways such as recommendation HFT to new foreign customers. In the process of raw material purchase, HFT is free to buy any suppliers who provide the fair price. Currently, the raw material purchased from HFR accounts for only 1.08% of total raw material purchase in 2020. However, it shows that the parent company has conducted the policy and divided segment of customer clearly. In addition, HFR, parent company is also listed Taiwanese company and is obliged to comply with the relevant rules and regulations.

**Risk from reliance on the management of the parent company**

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

For Sumitomo Rubber, another HFR's majority shareholder, holding 10.18% stake, it can be seen as one of main shareholders to generate the adverse impact if they are to pull out from HFR and HFT since some of revenue stream stemmed from the brand "Dunlop" and its technology support. However, Sumitomo Rubber has an intimate business relationship with HFR and HFT for a long time.

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

### **2.2.3 Risks to Foreign Securities Investment**

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

### 3. Sustainable business operations

#### 3.1 Sustainability Management Policies and Goals

##### ➤ Social and Environmental Policy

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

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

In 2022, the Company has reviewed its social and environmental responsibility policy. which did not change the aforementioned material

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

In 2022, the company has promoted social activities continued. For the common good and in the future, the company will continue its policy of corporate social responsibility in the years follow the guidelines. "Corporate Social Responsibility" Prepared by the Stock Exchange of Thailand, which the Company has made the following social activities as following;

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

**Participating and supporting activities in 2022 are as follows;****Allocation of optional vaccines to employees**

Due to the spread of coronavirus 2019 (COVID-19), in order to reduce the risk of infection, the Company is concerned about the health of its employees and increases the chances of getting vaccinated. 2 doses per person, at the company's expense.

Enough vaccines for employees, then the rest. The company has given to the poor and disadvantaged. Vulnerable groups for the benefit of the public

**Scholarships for children of employees**

The company has a policy to promote education by providing educational funds for children of employees, this scholarship is given to elementary school students – secondary, vocational and bachelor's degree students.



➤ **Conducting business with fairness**

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

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

1. Shareholders and investors.

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

2. Employees

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

3. Customer

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

4. Partners or creditors

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

➤ **The Anti-Corruption**

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

➤ **Human Rights Respect**

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

➤ **Equitable Treatment of Labors**

Company has managed its business with Corporate Governance Code (CG Code) which accordingly with an act of labor, employment and employment relationship: following the law of employment, no limitation of gender, age, nationality, religion and education for employment. The company has realized in equality and liberty, environment and safety in workplace, especially in encouragement of employee's participation in safety and environment in workplace, by conducted the rules of safety, safety work instruction, Safety Week activity and safety training for new employee, including providing standard safety equipment appropriately for employee and establishment of Welfare Committee, by basic democratic concept and participated management system, for being representative of employee in order to consider a better way to improve welfare and working environment with company's representative, in purpose of encouragement of employment relationship, raising motivation in work and increasing efficacy.

➤ **Accountability to Customers**

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

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

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

➤ **The Community Relations**

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

➤ **Energy Saving Project**

1. Energy Conservation Group Establishment Policy

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

2. Principle

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



### 3.2 Impact Management on stakeholders in the value chain of business

#### 3.2.1 Business Value Chain

##### (1) Raw material procurement

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

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

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

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

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

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

##### (2) Product Manufacturing & Development

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

##### (3) Domestic shipping and distribution

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

#### ➤ Domestic shipping and distribution.

1. Shipping by the company
2. The company has recruited transportation services from partners who have experience and expertise.
3. Operate under efficient transportation management to ensure that the company's products will be delivered to the customer correctly and still maintain the standard of the product
4. Distributing products to consumers through distribution channels through stores that have been partners for a long time.

➤ **Shipping and distribution to international customers**

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

**(4) Marketing & Distribution**

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

**(5) After-sales service**

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

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

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

### 3.3 Sustainability Management in Environmental Dimensions

#### 3.3.1 Environmental Policies and Guidelines

##### Reducing greenhouse gas emissions

In 2022, the Company has conducted Carbon Footprint for Organization assessment activities to lead to the determination of management guidelines. To reduce greenhouse gas emissions arising from activities within the organization effectively, both within the organization to the organization level. The Company has set a policy to reduce greenhouse gas emissions as a guideline for its operations as follows:

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

##### Managing to reduce greenhouse gases

The Company places importance on management to reduce greenhouse gas problems. It was found that the activities of businesses that emit greenhouse gases.

The most is thermal energy and electrical energy. The company has an ongoing energy conservation plan. important measures to Work towards carbon neutrality (Carbon Neutrality) and net greenhouse gas emissions. Zero (Net Zero GHG Emission) with a plan to use electricity as 100% renewable energy in 2026. by installing a solar power generation system (Solar PV Rooftop)

#### 3.3.2 Environmental Performance

The Company places importance on management to reduce greenhouse gas problems. It was found that the activities of businesses that emit greenhouse gases.

The most direct result is heat energy with measures to develop compounds to reduce curing time and increase productivity. and the use of electricity from the rubber mixing machine with measures to increase the efficiency of technology modification by using VSD. The indirect effect is from the use of transport fuel. with measures to prolong service life and increase the value of the product In the year 2022, there are both direct and indirect greenhouse gas emissions. 59,269tonCo2-eq, a decrease from the year 2021 21,704tonCo2-eq. per year or a decrease of 27% from the year 2021

### 3.4 Sustainability Management in Social Dimensions

#### 3.4.1 Social Policies and Practices

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

#### 3.4.2 Social Performance

##### (1) Employees & Workers

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

##### Employment

Detail	Number of employees (people)	
	male	female
Full-time employee	1,006	796
Disabled employee	13	8
Total	1,019	804

##### Employee Training

In 2022 The Company provides 3 training courses for employees to increase their skills and work potential. The average number of training hours or knowledge development activities for employees is 6 hours per person per year from the target of 6 hours per person per year.

### Safety, Occupational Health and Working Environment

In 2022, the company continually improves and optimizes safety operations to reduce the risk of illness, injury or death, and take care of the quality of life of employees or employees appropriately. The important operations are as follows:

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

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

In 2022, the company has measures to prevent accidents as follows:

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

### Employee engagement

In 2022, The company has a plan to develop employee engagement. As follows: In 2002 2.87% of employees voluntarily quit their jobs (turn over rate). It fell 0.68 percent. From the previous year

#### (2) customer

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

#### (3) Community & Society

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

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

### 4.1 Business Performance

Performance of the Company and its subsidiaries in accordance with the financial statements for the year 2022 ended 31 December 2022 are summarized as follows:

#### ➤ Main Income

The company's and its subsidiaries' main income in 2022 amounted to 3,411.75 million baht. It consists of foreign sales revenue of 2,597.96 million baht and domestic sales of 813.79 million baht. Total revenue decreased from 2021 by 15.05 million baht or 0.44% due to revenue from the sale of bicycle tires among European customers due to the economic recession. Meanwhile, revenue from the sale of motorcycle tires among ASEAN customers increased due to the COVID-19 situation and people returned to their normal lives. As a result, the Company's core revenue decreased slightly.

However, the Company continues to focus on building good relationships between the Company and its customers and continuously marketing so that the Company can maintain its customer base.

#### ➤ Cost of sales and selling and administrative expenses

Cost of sales of the Company and its subsidiaries In 2022, the amount was 2,864.86 million baht and in 2021, the amount was 2,743.85 million baht increased by 121.01 million baht or 4.41% was due to higher raw material and energy costs in line with market demand and supply. Although the company has already raised the selling price, it has not been able to compensate for the higher cost of sales. However, the Company Closely managed costs As a result, the Company's gross profit margin decreased from 2021 by 3.90%.

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

Selling and administrative expenses of the Company and its subsidiaries in 2022 amounted to Baht 162.09 million and in 2021 amounted to Baht 180.69 million. Decreased by 18.60 million baht or 10.29% was primarily due to lower shipping and trademark costs due to lower sales.

Overall, in 2022, the Company had a net profit of 361.58 million baht. Decreased from 2021 by 99.30 million baht or 21.55% , mainly due to the high cost of raw materials and energy. However, The Company had earning per share of 0.55 baht

## 4.2 Financial Status

### ➤ Asset

The Company's assets were 4,091.67 million baht. Decreased from 2021 Amount 235.58 million baht This was due to a decrease in inventories and accounts receivable due to lower orders due to the impact of economic recession and inflation.

### ➤ Liabilities

The Company's Liabilities was 479.73 million baht. This is a decrease from 2021 amounting to 305.70 million baht. This is due to a decrease in trade payable on raw materials.

### ➤ Equity

The Company's shareholders' equity was 3,611.94 million baht. This is an increase from 2021 amounting to 73.12 million baht. This is due to an increase in unappropriated retained earnings.



**Financial Ratios**

List	Unit	2020	2021	2022
<b>Liquidity Ratio</b>				
Current ratio	times	3.77	3.43	5.34
Quick ratio	times	2.74	1.99	3.65
Cash flow current ratio	times	0.97	0.15	1.31
Account receivable turnover	times	4.93	5.35	5.54
Average collection period	days	72.98	67.32	64.99
Inventory turnover	times	8.18	7.93	6.91
Average sale (Inventory) period	days	44.02	45.42	52.11
Account payable turnover	times	7.52	8.05	9.47
Average payment period	days	47.89	44.73	38.00
Cash cycle	days	69.11	68.02	79.11
<b>Profitability Ratio</b>				
Gross profit margin	%	23.31	19.93	16.03
Operating profit margin	%	17.57	14.66	11.28
Other profit margin	%	1.01	1.72	1.76
Cash to profit margin	%	121.96	18.21	194.71
Net profit margin	%	15.43	13.42	10.54
Return on equity	%	13.31	13.57	10.11
<b>Efficiency Ratio</b>				
Return on asset	%	10.98	11.26	8.59
Return on fix asset	%	35.02	36.09	31.03
Total assets turnover	times	0.71	0.84	0.82
<b>Financial Policy Ratio</b>				
Debt to equity ratio	times	0.19	0.22	0.13
Interest coverage ratio	times	223.87	2,467.21	1,385.70
Commitment coverage ratio (cash basis)	times	1.18	0.59	1.25
Dividend payout ratio	%	50.27	60.72	69.20

## 5. General information and other important information

### 5.1 General Information

Name of the Company	:	Hwa Fong Rubber (Thailand) Public Company Limited.
Symbol	:	HFT
Type of Business	:	Manufacture and Distribution of tire tube of bicycle, Motorcycle and Small industrial vehicle and Bicycle
Registered capital	:	658,434,300 Baht consisting of 658,434,300 paid-up shares at par value of Baht 1
Head Office and Main Factory	:	317 Soi 6C Moo 4 Bangpoo Industrial Estate Tombon Praksa, Amphor Muang, Samutprakarn 10280
Second Factory	:	865/1 Moo 4 Soi 11B Bangpoo Industrial Estate Tombon Praksa, Amphor Muang, Samutprakarn 10280
Company Registration	:	0107545000152
Telephone No.	:	0-2709-6580-8
Facsimile No.	:	0-2709-6589, 0-2324-0483
E-MAIL	:	<a href="mailto:hwafong@duro.co.th">hwafong@duro.co.th</a>
Website	:	<a href="http://www.duro.co.th">www.duro.co.th</a>
Subsidiary company	:	HFT Holding Company Limited. 317 Soi 6C Moo 4 Bangpoo Industrial Estate TombonPraksa, AmphorMuang, Samutprakarn 10280
	:	PT. Hwa Fong Rubber (Indonesia) (Incorporated in Indonesia.)
Securities Registrar	:	Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand Tel: (66 2) 009 900 Fax: (66 2) 009 9991
		SET Contact Center : (66 2) 009 9999
		E-mail: SETContactCenter@set.or.th
		Website: <a href="http://www.set.or.th/tsd">http://www.set.or.th/tsd</a>
		Securities staff : Khun Boonrak Muenvichit
Auditors	:	MRS. ANUTAI PHUMSURAKUL Certified Public Account Registration No. 3873
		MR. KRIT CHATCHAWONG Certified Public Account Registration No. 5016
		MR. SA-NGA CHOKENITISAWAT Certified Public Account Registration No. 11251
		PricewaterhouseCoopers ABAS Ltd.15th Floor Bangkok City Tower 179 74-80 S Sathorn Rd, Bangkok 10120

## 5.2 Other important information

### 5.2.1 Other information that may significantly affect investors' decisions

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

#### 1. Trademark License Agreement

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

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

#### 2. Technical Cooperation Agreement

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

Parties	: Hwa fong Rubber Industries Co., Ltd. ("HFR")
Contract Age	: 1 year at the end of the contract, if there is no termination from either party, it will be considered as an extension. Automatic contracts for 1 year at a time
Fee	: Technical assistance is calculated based on 1.20% of sales of goods received technical services from the parent company.

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

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

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

### 5.3 Legal disputes

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

- Samut Sakhon Provincial Court in Black Case No. 548/2016, the case between Hwa Fong Rubber (Thailand) Co., Ltd., the plaintiff and Yoko Alloy Wheels Co., Ltd., the defendant, Samut Sakhon Provincial Court. There was a judgment ordering the defendant to pay 89,510,286.36 baht (eightynine million five hundred and twelve hundred eighty-six baht thirty-six satang) together with interest at 7.5 percent of the principal amount of 88,169,044.46 baht (eighty-eight million one hundred sixty-nine thousand forty-four baht and forty-six satang) after the date of May 13, 2016 and this case is during the execution
- Samut Sakhon Provincial Court In Black Case No. 557/2016, the case between Hwa Fong Rubber (Thailand) Public Company Limited, the plaintiff and Yoko Alloy Wheels Company Limited, the defendant, Samut Sakhon Provincial Court There was a judgment ordering the defendant to pay 33,742,729.29 baht (thirty-three million seven hundred forty-two thousand, seven hundred twenty-nine baht, twenty-nine satang) together with an interest of 7.5 percent of the principal amount of 33,634,073.27 baht (thirty-three million six hundred thirty-four thousand and seventy-three baht, twenty-seven satang) after the date of May 18, 2016 and this case is in the process of execution
- Samut Sakhon Provincial Court In Black Case No. 696/2016, the case between Hwa Fong Rubber (Thailand) Public Company Limited, the plaintiff and Yoko Alloy Wheels Company Limited, the defendant, Samut Sakhon Provincial Court There was a judgment ordering the defendant to pay 43,963,770.31 baht (forty-three million nine hundred sixty-three thousand seven hundred and seventy baht thirty-one satang) together with interest at 7.5 percent of the principal amount 43,844,396.65 baht (forty-three million eight hundred four Fourteen thousand three hundred ninety-six baht sixty-five satang) after the date of June 17, 2016 and this case is in the process of execution.
- Samut Sakhon Provincial Court In the Black Case No. 895/ 2016, the case between Hwa Fong Rubber (Thailand) Public Company Limited, the plaintiff and Yoko Alloy Wheels Company Limited, the defendant, Samut Sakhon Provincial Court There was a judgment ordering the defendant to pay 6,745,796.55 baht (six million seven hundred forty-five thousand, seven hundred ninety-six baht, fifty-five satang) together with an interest of 7.5 percent of the principal amount of 6,701,663.68 baht (six million seven hundred one thousand six one hundred and sixty-three baht, sixty-eight satang) after the date of July 26, 2016 and this case is in the process of execution.
- Samut Sakhon Provincial Court in the Black Case No. K.5/2018, the case between Hwa Fong Rubber (Thailand) Public Company Limited, the plaintiff, Yoko Sales and Distribution Company Limited, the plaintiff, Yoko Alloy V Company Co., Ltd. Defendant, on October 20, 2020, the Supreme Court has issued an order not accepting the Supreme Court of Yoko Sales and Distribution Co., Ltd., the plaintiff. The case is final and is pending the announcement of the auction of the seized assets. Hold

- Samut Sakhon Provincial Court, Civil, Black Case No. Por.331/ 2019, a case between Hwa Fong Rubber (Thailand) Public Company Limited, the plaintiff and Yoko Alloy Wheels Company Limited No. 1, and a group of 4 defendants. (Charge of revocation of the juristic act of registration of machine ownership transfer) Samut Sakhon Provincial Court Make an appointment to hear the results of the criminal case (Criminal Case, Black Case No. 631/2019) on July 18, 2022 at 9:00 a.m.
- Samut Sakhon Provincial Court Criminal Case No. Black No. Orr. 6243/2561 The case between Hwa Fong Rubber (Thailand) Public Company Limited, the plaintiff, Yoko Alloy Wheels Company Limited No. 1, and a total of 4 people, the defendant ( Charged with defrauding creditors by manipulating goods) On February 17, 2022, the plaintiff filed a motion with the court
- Samut Sakhon Provincial Court Criminal Case No. Aor 631/2019, a case between Hwa Fong Rubber (Thailand) Public Company Limited, the plaintiff and Yoko Alloy Wheels Company Limited No. 1, and a total of 4 defendants. (Offence of defrauding creditors by transferring ownership of machinery) On September 28, 2020, Samut Sakhon Provincial Court There was a verdict that the four defendants were guilty of joint embezzlement. Later, on August 29, 2022, the Court of First Instance scheduled to read the judgment of the Court of Appeal Region 7. Therefore, the court reversed the judgment to dismiss the case against the 1st and 2nd defendants
- Criminal Court, Criminal Case, Black Case No. Or.3255/ 2560, a case between Yoko Alloy Wheels Company Limited No. 1 and a group of 4 people, the plaintiff and Hwa Fong Rubber (Thailand) Public Company Limited No. 1 and 2 people, the defendant, the Criminal Court has scheduled to hear the judgment of the Court of Appeal on June 22, 2021. The case has no supreme court. The case reached its final legal end.
- Criminal case of the Suppression Division, a case between Hua Fong Rubber (Thailand) Public Company Limited, the accused, and the company Yoko Alloy Wheels Ltd. 1 and 4 others, accused. The case is under investigation and additional witness testimony has been examined by the investigating officer and the investigating officer will issue a summons to the revenue officer to examine the testimony.
- The case of Bangpoo Police Station, the criminal case between Hua Fong Rubber (Thailand) Public Company Limited by Ms. Usa Chaikittirungroj, the attorney. The investigating officer of Bangpoo Police Station has informed that the summons of Mr. Thongchai Chokwiriyakorn, the accused, has been issued for the 2nd time.

## Part 2

### Corporate Governance

#### 6. The Policy of Corporate Governance

##### 6.1 Overview of Corporate Governance Policies and Practices

###### 6.1.1 Policies and Guidelines relating to the Board of Directors

The Board of Directors has noted the importance of good governance policy and passed a policy, which emphasizes operational transparency and accountability. Regular disclosure to the public and shareholders has been adopted as general practice of the Company. In addition, the Company adopted strict internal audits and controls in recognition of their importance. With regard to risk management, the Company has closely controlled and managed risk while keeping in mind a good relationship and business ethic towards business partners, shareholders and all concerns.

#### **Board of Directors (Sub-Committee)**

##### **Board Structure**

The company's directors, clearly being determined the roles and responsibility of each, consist of 2 persons, possessing the managerial position, and 6 persons, not possessing the managerial position, including 4 independent directors and Audit committees, to total 12 persons (As shown in the name list of management structure). The Executive Directors are capable of industry knowledge for a long period of time from the parent company located at The Republic of Taiwan. The 4 independent Directors are considered as no conflict of interest and free to express their views and observations in case that the opinion from the Audit Committee is different from the Board of Directors to strike the balance of the Executive Directors. Furthermore, one of the four Audit Committee is competent in financial and accounting background and fully understands the company's business and its respective financial report.

##### **(1) Audit Committee**

The Company has appointed an audit committee in 3 years' term, consisting entirely of Independent Directors on 31 December 2022 as follows;

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

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

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

**(2) Role and Responsibility of the Board of Directors**

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

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

**(3) Leadership and vision**

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

**(4) Business Ethics**

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

**(5) Conflict of Interest**

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

**(6) Internal control system and Internal audit**

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

➤ **The Board of Director**

As at December 31 , 2022 , the Board of Directors are as follow:

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

\* Mr.Yen, Jui-Hsian was appointed instead to Mr. Yen, Ya-Nan on April 23, 2022

**Scope of Authority of the Board of Directors**

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



### ➤ Management Team

As of December 31, 2022, The Management Team are as follow:

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

\* Mr. Chiang-Jung Tsung Retired on 01.Sep 2022

### Scope of Authority of the Managing Director

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

### ➤ Audit Committee

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

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

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

**Scope of Authority of the Audit Committee**

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

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

**Recruitment and Appointment of the Directors and the Management****(1) Independent Director**

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

(2) Nomination of directors and top executives

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

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

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

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

In 2022, there were 5 meetings of the Board of Directors and 4 audit committees.

**Self-assessment of the Board of Directors**

The company has established self-assessment for the Board of Directors for the past year in compliance with SET's rule and regulation in which the Board of Directors employs to enhance and improve the efficiency and productivity. For the evaluation result for the period 2022, the overall performance of the Board of Directors is fairly good.

**The development of the Directors and Management Team**

The company gives support to the Directors and Management Team to take part in the company business relevant seminars at the Institute of Directors so as to improve the operational skill and enhance its capacity as well as business vision.

**Supervision of operations of subsidiaries companies**

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

### **Supervision of Internal Information**

The company has a policy on supervision of usage of internal company information by its executives, staff including their spouses and the minor child for their own benefit. The executives, staff and the spouse and minor child of such person who come to possess internal company information are not permitted to disseminate such internal information on prior to the company announcing its results of operations (financial statements) to public. Such persons are not permitted to buy or sell the securities of the company prior to the company's public disclosure.

### **Auditing Fee**

In 2022, the shareholders' meeting approved the appointment of PricewaterhouseCoopers ABAS Co., Ltd. as follows:

- (1) Audit fee of 2,720,000 baht (two million seven hundred and twenty thousand baht )

### **Practice as Good principles Governance in others issue**

#### **1. Shareholders Right**

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

1.1 In 2022, the company convened 1 time of the shareholder meeting. On April 26, 2022 at 10:00 am, the company convened the Annual General Meeting at the address of 317 Moo. 4, Bangpoo Industrial Estate Soi 6C, T. Preaksa, A. Muang Samutprakarn, Samutprakarn. The meeting resolved all proposed agendas in an appropriate order.

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

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

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

## **2. Equality of Shareholders' Right**

The Company recognizes the rights of all shareholders to receive accurate and complete information in sufficient time to enable them to make decisions in shareholders' meetings. Prior to all shareholders' meetings, the Company shall send a notice convening the meeting, together with an agenda, to the shareholders and include an opinion from the board of directors on each agenda. Such notice will be publicized in the daily newspaper no less than 3 consecutive days and no less than 3 days prior to any such meeting. The notice of shareholder meeting will notify the necessary documents for the meeting, proxy form A for shareholders who are not able to attend a Meeting in person and proxy form B and C please download in the company's website.

About to AGM Meeting, the company will allow the shareholders rights to inspect the operations of the Company on an equal basis, enquire and give opinions and other suggestions. The staffs will be arranged for facilitating all attending shareholders.

### **6.1.2 Policies and Guidelines relating to Shareholders and Stakeholders**

The Company values all stakeholders, including customers, creditors, competitors, and employees and executives of the Company, to be equally fair, such as providing products as promised to customers. Responsible to customers in terms of product quality and after-sales service and customer confidentiality and compliance with competition rules that are good for competitors, etc.

### **1. Shareholders & Investors**

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

### **2. Employees**

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

### ▲ The welfare

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

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

### ▲ Safety and Occupational Health

In 2022, the Company continuously develops and improves the efficiency of safety operations to reduce the risk of illness. And take proper care of the quality of life of employees or employees. It has significant operations. as follows:

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

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

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

1. The Company has established ISO45001: 2018 Occupational Health and Safety Management System to raise safety awareness. Occupational health and safe working environment Employees are safe and reduce accidents or diseases caused by work.

2. Review and assess the risk at the scene of the accident and analyze it to prevent a repeat of the incident

3. In the event of an accident, the Joint Safety Committee investigates the accident, providing preventive measures, whether it is control at the source or origin.

4. Training emphasizes correct and safe work for employees to be aware of the dangers that will occur.

5. Provide safety equipment that meets the standards and is suitable for the job site.

#### ▲ **Development and course training for Employee**

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

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

- Sent the employee to training as related field and by necessity such as Training with the Stock Exchange of Thailand, Government office, Language Education with Language Institute and Department of Skill Development for development working skill of employee.

- Sent the employee to training as related field and by necessity such as Training with the Stock Exchange of Thailand, Government office, Language Education with Language Institute and Department of Skill Development for development working skill of employee.

1. Safety Training for Management Level.
2. Safety Training for Head of Staff Level.
3. 16949 : 2016 Requirement and ISO/TS 16949 Evaluation
4. Why – Why Analysis, how to fix problem at hands.
5. How to Teach and Train, Creation of Mentor system.
6. Training on how to be conscious about saving energies.

### **3. Customers**

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

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

#### **4. Suppliers or Creditors**

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

#### **5. Competitors**

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



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

6.3.1 Major changes and developments regarding policy reviews Guidelines and corporate governance systems or charters of the Board of Directors in the past year

The Company attaches importance to good corporate governance, which is important to help its operations grow sustainably, which will benefit all stakeholders. Shareholders, investors and other stakeholders. As well as employees and executives of the Company so that the company's operations can be transparently monitored. Ethics and ethics in business operations are consistent with the principles of good corporate governance.

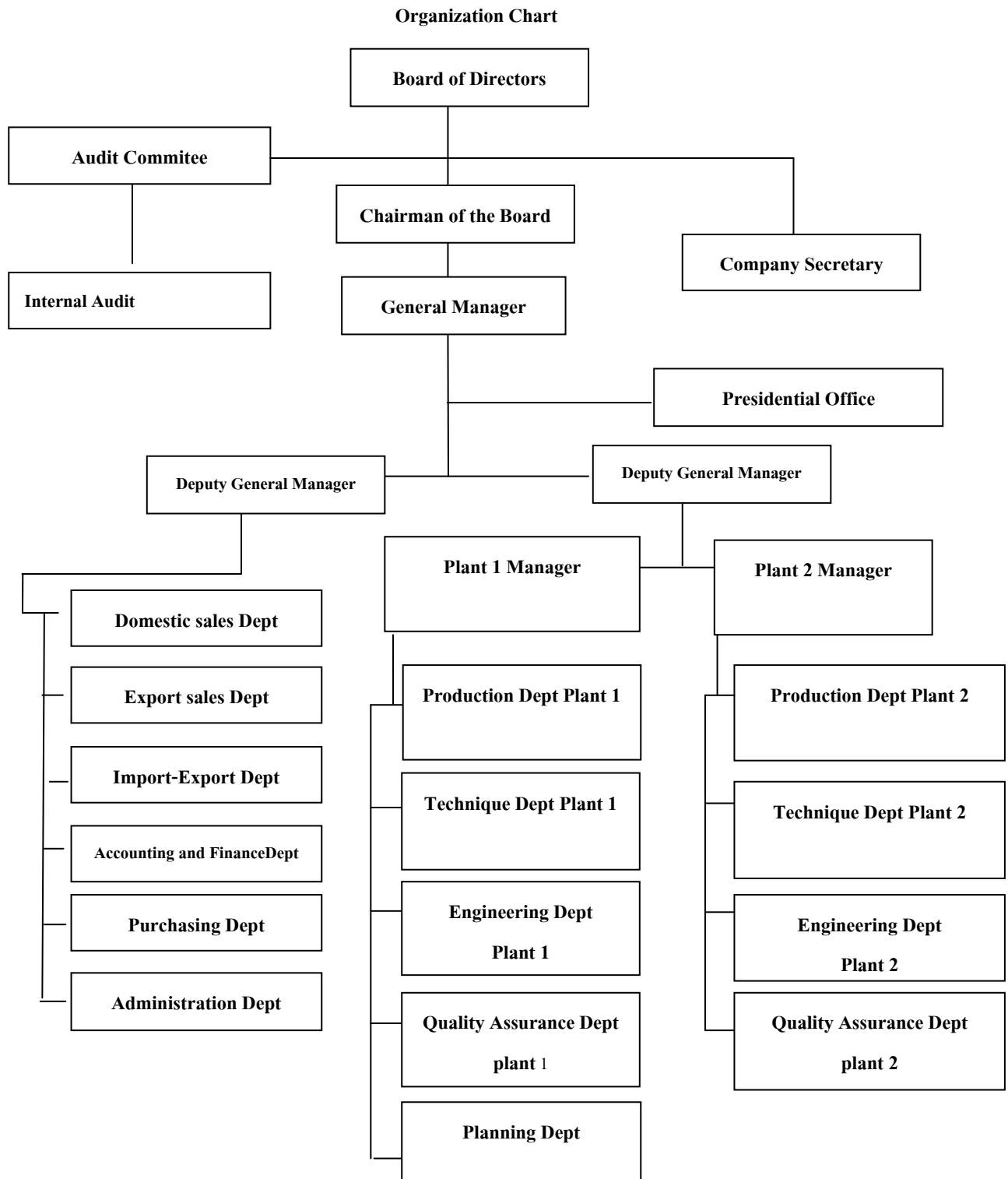
6.3.2 Applying Good Corporate Governance Principles for Listed Companies 2017 (CG Code)

Establishment of the Nomination Committee and the Remuneration Committee However, the Board of Directors takes into account the importance of good corporate governance policy. Appointment of directors even if they have not passed the Nomination Committee and the Remuneration Committee Tap the Board of Directors to consider and select persons who are legally qualified as well as considering their experience, knowledge, and abilities to propose to the shareholders' meeting for consideration and appointment.

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

### 7.1 Management Structure

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



## 7.2 Information about the Board of Directors

As of December 31, 2022, the Company's directors were 12 members, including:

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

### 7.2.1 Composition of the Board of Directors

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

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

#### Board of Directors

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

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

\* Yen, Jui-Hsian was appointed instead to Mr. Yen, Ya-Nan on April 23, 2022.

### 7.2.3 Roles and Duties of the Board of Directors

The Board of Directors plays an important role in managing the business in accordance with the good corporate governance policy. Be transparent and agree on important matters such as quarterly financial statements Annual financial statements, budget, connected transactions the adequacy of internal control, etc. In addition, the Board also places importance on effective implementation, as well as risk management taking into account all stakeholders

#### **The scope of work and responsibilities of the Board of Directors**

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

### 7.3 Information about the Sub-Committee

#### 7.3.1 Structure and composition of sub-committees

##### **Audit Committee**

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

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

##### **The scope of work and responsibilities of the Audit Committee**

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

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

(h) Other relevant indicating what shareholders and investors should know in accordance with the scope of works and duties and responsibilities assigned by the Board of Director.

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

## 7.4 Information about the management

### 7.4.1 Management Team

Names of the management team as at December 31<sup>st</sup>, 2022

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

\* Mr. Chiang-Jung Tsung retired on 01 Sep 2022

### 7.4.2 Remuneration Policy for Executive Directors and Executives

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

### 7.4.3 Executive Director and Executive Remuneration

#### 1) Monetary compensation

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

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

#### 2. Annual remuneration 2022

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

▲ **Remuneration of each Director in 2022**

Name	Position	Annual Remuneration	Meeting Allowance	Remark
1. Mr. Shen, Kuo-Jung	Chairman	540,000 baht	125,000 baht	
2. Mr. Chiu, Hsih-Chien	Director	300,000 baht	125,000 baht	
3. Miss Wu, Ping-Yi	Director	300,000 baht	125,000 baht	
4. Mr. Liu, Hsing-Hung	Director	300,000 baht	-	
5. Mr. Yen, Ming-Shan	Director	300,000 baht	125,000 baht	
6. Mr. Yen, Jui-Hsian	Director	300,000 baht	125,000 baht	
7. Mr. Yen, Chih-Che	Director	300,000 baht	125,000 baht	
8. Mr. Chuang, Chih-Yao	Director	300,000 baht	125,000 baht	
9. Mr. Hsiao, Chin-Lung	Independent Director/Audit Committee	350,000 baht	125,000 baht	
10. Mrs. Syuan Wen	Independent Director/Audit Committee	350,000 baht	125,000 baht	
11. Mr. Lin, Cheng-Yung	Independent Director/Audit Committee	350,000 baht	125,000 baht	
12. Mr. Monsiam Sinworaphan	Independent Director/Audit Committee	350,000 baht	125,000 baht	

\* Mr. Yen, Jui-Hsian was appointed to replace Mr. Yen, Ya-Nan on April 23, 2022.

\*\* According to Covid-19 Situation, Director, residing abroad, and no-showing the meeting in Thailand, will be individually paid 25,000 Baht per time (Twenty-five thousand Baht).



(b) Director's remuneration 12 persons of 3 Positions and Management 4 persons as at 31st Dec, 2022, comparing 2020 and 2021 as follows :

Type of remuneration	Director's remuneration 12 persons (Baht)			Management remuneration (Baht)		
	2020	2021	2022	2020 (4 persons)	2021 (4 persons)	2022 (4 persons)
salary	-	-	-	5,146,436	5,829,560	5,799,950
Annual Remuneration	3,971,944	4,040,000	4,040,000	-	-	-
Bonus	-	-	-	2,213,054	5,381,812	13,122,164
Meeting Allowance	980,000	1,100,000	1,375,000	-	-	-
Total	4,951,944	5,140,000	5,415,000	7,359,490	11,211,372	18,922,114

#### Other compensation

- None -

## 7.5 Information about the employee.

### 7.5.1 Number of employees

The total number of employees of the Company as of December 31, 2022 totaled 1,823 persons.

- Employee responsible for the quantity production.	1,475	persons
- Office Workers	153	persons
- Supervisor level employee Department Head	132	persons
- Thai Executive Staff	57	persons
- Taiwanese Executive Staff	6	persons
- On average, employees have an average age.	34	years

### 7.5.2 Significant changes in headcount over the past 3 years

- None -

### 7.5.3 Major labor disputes over the past 3 years

- None -

### 7.5.4 Return characteristics and total employee return

The company pays wages as compensation for the work of employees for the year 2022. as follows

- Wages, overtime, diligent allowances, shifts to employees	467,021,846	Baht
- Bonus	36,500,000	Baht
- Total	503,521,846	Baht

In addition, the company There are also other welfare such as provident fund from the company and employees pay monthly contributions to the fund at the rate of 2-4% of their salary, totaling 370,771 baht, which is managed by Principal Asset Management Company Limited. Send employees, rice allowance, uniforms, funeral assistance, wedding ceremony, etc. The company has set up a company welfare committee in accordance with the regulations of the Ministry of Labor and Social Welfare, which consists of employers and employees. to consider the welfare of employees in particular

#### 7.5.5 Employee Development Policy

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

1. Training on labor protection law to provide employees with an understanding of rights and duties legally
2. First Aid Training
3. Training and development of production techniques to develop new products
4. Safety training in operations for employees
5. Training in the use of personal protective equipment for employees
6. Organizing public relations boards for employees to stay informed of the company's information.
7. Organize Safety Week events
8. Organize fire evacuation drills
9. Send employees to train with external institutions in their own line of work.

## 7.6 Other important information

### Appointment of Company Secretary

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

### Qualifications of the Company Secretary

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

### Scope of Authority of the Company Secretary

- Ensure that the Company Secretary agency is the information center of the organization, such as the registration of juristic persons, memorandums, regulations and licenses.
- Provide basic advice to directors in legal matters. The company's regulations and regulations that the Board of Directors must know and monitor to be properly and consistently followed, including reporting significant changes in legal requirements to directors.
- Hold shareholders' meetings and board meetings in accordance with the law. Company Regulations and Best Practices
- Record minutes of the Shareholders' Meeting and The Board of Directors' meeting, as well as monitor the compliance with the resolutions of the Shareholders' Meeting and the Board of Directors' meeting.
- Prepare and maintain the directors' register Annual Report of the Company Letter of Shareholders' Meeting Letter of Appointment of the Board of Directors minutes

- Maintain the report of interests reported by directors and executives, and prepare copies to the Chairman and Chairman of the Audit Committee within 7 business days from the date of receipt of the report.
- Ensure the disclosure of information and information reports in respect of responsibility to the agencies that direct the company in accordance with the regulations and regulations of the official authorities.
- Contact and communicate with general shareholders to acknowledge the rights of shareholders and the company's news.

### **Investor Relations**

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



## 8. Corporate Governance Performance Report

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

In 2022, there were 5 meetings of the Board of Directors and 4 meetings of the Audit Committee.

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

##### (1) Independent Director

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

##### (2) Nomination of Directors and Top Executives

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

#### 8.1.2 Attendance and individual board remuneration

# (1) Attendance of the Board of Directors

In 2022, a board meeting was held. 5 times and the audit committee 4 times by attending the meeting of the Board of Directors.

Name	Position	Meeting attendance/ number of meetings		Remark
		committee	Audit Committee	
1. Mr.Shen,Kuo-Jung	Chairman of the Board of and Managing Director	5/5	-	
2. Mr.Chiu, Hsih-Chien	Director	5/5	-	
3. Miss Wu, Ping-Yi	Director	5/5	-	
4. Mr.Liu, Hsing-Hung	Director	-	-	
5. Mr.Yen, Ming-Shan	Director	5/5	-	
6. Mr.Yen, Ya-Nan Mr.Yen, Jui-Hsian	Director	1/5 4/5	-	* Mr.Yen, Jui-Hsian was appointed to replace Mr. Yen, Ya-Nan on April 23, 2022.
7. Mr.Yen, Chih-Che	Director	5/5	-	
8. Mr.Chuang, Chih-Yao	Director	5/5	-	
9. Mr. Hsiao, Chin-Lung	Independent Director/Audit Committee	5/5	4/4	
10. Mrs.Syuan Wen	Independent Director/Audit Committee	5/5	4/4	
11. Mr. Lin,Cheng-Yung	Independent Director/Audit Committee	5/5	-	
12. Mr. Monsiam Sinworaphan	Independent Director/Audit Committee	5/5	4/4	

**(2) Monetary compensation**

At the 2022 Annual General Meeting of Shareholders held on April 26, 2022, there was a resolution to determine the remuneration of directors and independent directors/audit committees in 2022 consisting of:

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

2. Annual remuneration as detailed:

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

**Other forms of compensation**

- None -

**8.1.3 Corporate Governance of Subsidiaries and Associated Companies**

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

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

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



#### 8.1.4 Monitoring compliance with good corporate governance policies and guidelines

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

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

##### (1) Prevention of conflicts of interest

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

##### (2) Use of inside information for gains

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

##### (3) Anti-corruption

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

##### (4) Whistleblowing

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

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

### 8.2.1 Number of audit committee meetings

In the year 2022, the Audit Committee has convened a total of 4 meetings by the directors to attend the following meetings:

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

### 8.2.2 Performance of the Audit Committee

(As shown in Attachment 5 Report of the Audit Committee)

## 8.3 Summary of performance of other sub-committees

The Audit Committee is appointed by the Board of Directors consisting of 4 members of the Audit Committee who are qualified persons with knowledge, ability and experience in accounting and finance. To monitor and supervise the Company's operations, including supervising financial reports, supervising the management to ensure accurate and transparent standards, as well as complying with the company's official regulations and regulations, in order to have good internal control, a reporting system that is attractive and beneficial to all parties involved. In 2022, the Audit Committee held a total of 4 meetings. The summary of the meeting was as follows:

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

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

In conclusion, The Audit Committee considers that in 2022, Hua Fong Rubber (Thailand) Public Company Limited has prepared accurate financial reports in accordance with financial reporting standards. Compliance with various requirements and regulations Good corporate governance Adequate risk management There is an internal control system, an appropriate and effective internal audit does not find any significant defects in the performance of duties. The Audit Committee expresses its opinions independently and gives advice to management and attends meetings honestly with a focus on the company's interests.

## 9. Internal control and related party transactions

### 9.1 Internal control

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

The Company, meditating in legislation, has developed the company's Internal Audit Manual in order that all business engagements are executed with efficiency and effectiveness. This internal audit manual consists of 8 cycles, of which the contents are provided in writing, in an effort to ensure that the company's internal control system is appropriate and sufficient to defend the maximum interests of the company and shareholders, together with the consideration of fairness to stakeholders. In 2022, the internal audit unit conducts the audit according to the annual plan as follows;

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

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

**Opinion from Board of Directors**

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

**Opinion from Board of Directors**

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

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

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

## 9.2 Connected Transaction

In 2022 company committed connected transactions with related companies as the following details:

Person or Company	Relationship	Description	Value of Connected Transaction in 2022 (MB)	Pricing Policy	Appropriateness
1. Hwa Fong Rubber Industries Co., Ltd. (HFR)	Major shareholder which is holding as 50.42%	-Product Sale	11.63	Market price or based on agreement price, company set the structure of sale price between company and related companies, considering actual cost adding gross profit margin.	The price can be compared to the market and normal business conditions
		- Raw materials Sale	0.09	Cost plus margin	
		- Raw material purchase	13.90	Cost plus margin	For standard production with normal business conditions
		- Product purchase	-	Cost plus margin	For standard production with normal business conditions
		- Fixed asset purchase	2.33	Cost plus margin (Machinery purchase for production)	For complying the same production technology with normal business conditions
		- Spare parts, materials and other expenses	5.84	Cost plus benefit (Spare parts for machine repairing and miscellaneous for production)	For complying the same production technology with normal business conditions
		- Technical assistance fee	32.93	On June 1, 2020, the contract was revised to 1% of sales of technically serviced products, and on August 1, 2022, revised to 1.2% of sales of technically serviced products	Price based on agreement

**Connected Transaction (Continued)**

Person or Company	Relationship	Description	Value of Connected Transaction in 2021 (MB)	Pricing Policy	Appropriateness
1. Hwa Fong Rubber Industries Co., Ltd. (HFR) (continued)	Major shareholder which is holding as 50.42%	- Trademark fee	22.09	The price on the agreement was revised as 2% of total sold products since 1 June 2020	Price based on agreement
		- Trade Account receivables	1.48	Credit 60 days	Other receivable 0.12 MB
		- Account Payable	0.96	Credit 60 days	
		- Other creditors	56.90	Credit 60 days and accordance with trade agreement	
2. Hwa Fong Rubber (USA) Co.,Ltd. (HFA)	Affiliated Company (sharing parent company)	- Product sale	74.63	Market price or based on agreement price, company set the structure of sale price between company and related companies, considering actual cost adding gross profit margin.	The price can be compared to the market price and normal business conditions
		- Other Expenses	-	Market price or based on agreement price	The price can be compared to the market price and normal business conditions
		- Trade Account receivables	2.23	Credit 90 days	
		- Other trade creditors	-	Credit 90 days	

**Connected Transaction (Continued)**

Person or Company	Relationship	Description	Value of Connected Transaction in 2022 (MB)	Pricing Policy	Appropriateness
3. Hwa Fong Rubber (Hong Kong) Co.,Ltd. (HFK)	Affiliated Company (sharing parent company)	- Product sale	-	Market price or based on agreement price, company set the structure of sale price between company and related companies, considering actual cost adding gross profit margin.	The price can be compared to the market price and normal business conditions
		- Trade Account receivables	-	Credit 60 days	
4. Hwa Fong Rubber (China) Co., Ltd. (HFC)	Affiliated Company (sharing parent company)	- Product sale	-	Market price or based on agreement price, company set the structure of sale price between company and related companies, considering actual cost adding gross profit margin.	The price can be compared to the market price and normal business conditions
		- Fixed Asset Purchase	1.05	Cost plus profit (Machinery purchase for production)	For complying the same production technology and normal business condition
		- Trade Account receivables	-	Credit 90 days	
		- Other trade creditors	-	Credit 90 days	
		- Spare parts, materials and other expenses	-	Cost plus benefit (Spare parts for machine repairing and miscellaneous for production)	For complying the same production technology and normal business condition
5. Hwa Fong Rubber (Suzhou) Co., Ltd. (HFZ)	Affiliated Company (sharing parent company)	- Fixed Asset Purchase	-	Cost plus profit (Machinery purchase for production)	For complying the same production technology and normal business condition
		- Other receivables	17.18		



**Connected Transaction (Continued)**

Person or Company	Relationship	Description	Value of Connected Transaction in 2021 (MB)	Pricing Policy	Appropriateness
6. Sumitomo Rubber Industries Co., Ltd.	Related company which is holding the shares in parent company (HFR) as 10.18%	- Product Sell	100.90	Market price or based on agreement price, company set the structure of sale price between company and related companies, considering actual cost adding gross profit margin.	The price can be compared to the market price and normal business conditions
		- Trade Account receivables	9.88	Credit 30 days	
		- Trademark fee	2.60	1.5 - 3% of the total amount of sold product	Price is based on agreement
		- Raw material purchase and other expenses	0.12	Cost plus benefit (Spare parts for machine repairing and miscellaneous for production)	For complying the same production technology and normal business condition
		- Other trade creditors	1.67	Credit 60 days and based on trade agreement	
7. HFT Holding Co., Ltd.	The company is holding the shares as 99.99% (A subsidiary company)	- Short term real estate rent	0.12	Price is based on agreement	According to the price in an agreement
		- Other expenses	0.01	Market price or based on agreement price	The price can be compared to the market price and normal business conditions
		-Transportation revenue	0.06	Price is based on agreement	According to the price in an agreement
		- Other receivables	0.003	Credit 30 days	
		- Other trade creditors	-	Credit 30 days	
8. Hwa Fong Rubber Indonesia Co., LTD	The company is holding the shares as 99%( A subsidiary company)	- Other receivables	0.54		

As shown above, the company distributed the products to affiliated companies as to Hwa Fong Rubber Industries Co. Ltd (HFR) for 0.34%, Hwa Fong Rubber Co. Ltd (USA) for 2.19 %, and Sumitomo Rubber Industries for 2.96% of total sales. The selling price amongst connected company is based on fair market price or agreement by conducted sale price structure which considering the cost of products combining with gross profit margin.

In relation to the credit term, the company provided the payable period for both parent company and affiliated companies about 30-90 days in accordance with the normal course of business. Regarding to purchase raw materials and machinery from parent company, the company was obliged to pay the management fee adding to the price of raw materials and machine, which it is according to the guidelines of business trading amongst the group, which be controlled and follow by parent company equally. However, the company will purchase raw material and machinery only in case of needed situations and standardization of production amongst the group.

#### **Necessity and Appropriateness of Connected Transactions**

The above inter-company transactions were undertaken for the maximum benefit of the company. For instance, in order to control the quality of products as in the conducted standard, it needed to use the same kind of materials or the same identical machinery from parent company, which it helped in decreasing the mistake in production, including emergency needed cases which parent company can help in cutting the duration of purchasing process. In 2022, company purchased some machines from parent company which is contained technical skill in process of purchase and production and required supportive skill from parent company, in purpose of production technology standardization. If problems occur, parent company is able to give an instruction and basically fix the problem. In addition, Taiwan, which is company's origin of purchased machine, is named as one of the top countries in the world which is famous in export machinery in the field of motorcycle and bicycle production, it can verify that Taiwan is accepted in this industry.

#### **Measures or Procedures of Approval of Connected Transaction**

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

#### **Policy and Trend of Connected Transaction**

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

## **Part 3**

### **Financial Statements**

HWA FONG RUBBER (THAILAND) PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2022

## Independent Auditor's Report

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

### My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Hwa Fong Rubber (Thailand) Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2022, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

### What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2022;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

### Basis for opinion

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

## Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
<p><b>Valuation of trade accounts receivable</b></p> <p>Refer to Note 4.4 'Accounting policies - Trade accounts receivable' and Note 10 'Trade and other receivables (net)' to the consolidated and separate financial statements.</p> <p>As at 31 December 2022, the Group has trade accounts receivable of Baht 659.68 million and loss allowance of Baht 170.50 million. The trade accounts receivable (net) of Baht 489.18 million is 11.96% of the Group's total assets.</p> <p>Assessing the loss allowance requires a degree of estimation and the use of management's judgment. Management assesses the appropriateness of the loss allowance from experience and considers historical payments and credit loss, including forward-looking information that may affect cash collection for each group of accounts receivable.</p> <p>The Group expanded its distribution channels by supplying goods directly to small businesses which increased the non-recoverability risk for accounts receivable. In addition, because the value of accounts receivable is material to the total assets and the determination of loss allowance is subject to management's judgment and experience, this could affect the appropriateness of the valuation of accounts receivable. So, I considered this to be a focus area in my audit.</p>	<p>I evaluated the appropriateness of the loss allowance - trade accounts receivable by:</p> <ul style="list-style-type: none"> <li>- Inquiring management about the policy and criteria for assessing the loss allowance - trade accounts receivable. And assessing whether the method selected is appropriate and in accordance with Thai Financial Reporting Standards.</li> <li>- Considering the reasonableness of management's assessment of the adequacy of the loss allowance on overdue individual accounts receivable by retrospectively calculating the average of the past five years of loss rates for each group of trade accounts receivable, as loss rates were significant assumptions used to calculate loss allowance at the reporting date. I also assessed the possibility of recoverable amount and collectability after the reporting date.</li> <li>- Testing the reliability of the accounts receivable aging report initially used in assessing the loss allowance. I did this by sample testing the accuracy of the accounts receivable aging classification of representative invoices. I tested the accuracy recalculating the number of overdue days.</li> <li>- Comparing each trade credit insurance with the trade credit insurance contracts and testing that the loss allowance was set-up based on the trade accounts receivable net credit insurance value.</li> </ul> <p>From the procedures above, I found the method and assumption for the loss allowance - trade accounts receivable was reasonable and aligned with the supporting evidence.</p>

### Other information

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

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

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

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

### Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

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

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

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

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.



Anutai Poomsurakul  
Certified Public Accountant (Thailand) No. 3873  
Bangkok  
22 February 2023

**Hwa Fong Rubber (Thailand) Public Company Limited**
**Statements of Financial Position**
**As at 31 December 2022**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	9	964,083,665	672,848,670	869,326,822	581,261,488
Financial asset measured at fair value through profit or loss	6, 11	85,381,423	-	-	-
Other financial assets measured at amortised cost	11	30,288,749	30,099,271	30,288,749	30,099,271
Trade and other receivables (net)	10	510,885,455	744,976,763	511,321,303	744,475,774
Inventories (net)	12	691,148,564	970,420,599	687,522,604	968,075,461
Other current assets (net)	13	15,879,066	32,595,764	12,367,861	29,425,303
Total current assets		2,297,666,922	2,450,941,067	2,110,827,339	2,353,337,297
<b>Non-current assets</b>					
Financial asset measured at fair value through other comprehensive income	6, 11	22,364,584	29,625,307	-	-
Investment in subsidiaries (net)	14	-	-	512,255,214	412,255,214
Investment in an associate	15	1,185,248	1,185,090	1,161,000	1,161,000
Investment property	6, 16	224,963,372	238,440,346	-	-
Property, plant and equipment (net)	17	1,504,561,330	1,563,697,409	1,504,561,330	1,563,697,409
Intangible assets (net)	18	918,806	1,356,647	911,497	1,343,838
Deferred tax assets (net)	19	38,751,035	37,789,295	36,200,773	37,789,295
Other non-current assets		1,256,592	1,214,312	1,117,712	1,067,112
Total non-current assets		1,794,000,967	1,873,308,406	2,056,207,526	2,017,313,868
<b>Total assets</b>		<b>4,091,667,889</b>	<b>4,324,249,473</b>	<b>4,167,034,865</b>	<b>4,370,651,165</b>

The accompanying notes are an integral part of these consolidated and separate financial statements



**Hwa Fong Rubber (Thailand) Public Company Limited**
**Statements of Financial Position**
**As at 31 December 2022**

		Consolidated		Separate	
		financial statements		financial statements	
	Notes	2022	2021	2022	2021
		Baht	Baht	Baht	Baht
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	21	339,897,827	606,459,208	339,013,212	605,757,201
Contract liabilities	22	64,035,021	56,576,728	64,035,021	56,576,728
Current portion of lease liabilities (net)	20	383,520	393,382	383,520	393,382
Accrued income tax		24,091,923	47,741,096	24,030,101	47,741,096
Other current liabilities		1,719,540	2,722,373	1,718,442	2,721,998
Total current liabilities		430,127,831	713,892,787	429,180,296	713,190,405
Non-current liabilities					
Lease liabilities (net)	20	-	383,520	-	383,520
Employee benefit obligations	23	49,603,154	71,153,202	49,603,154	71,153,202
Total non-current liabilities		49,603,154	71,536,722	49,603,154	71,536,722
Total liabilities		479,730,985	785,429,509	478,783,450	784,727,127

The accompanying notes are an integral part of these consolidated and separate financial statements

**Hwa Fong Rubber (Thailand) Public Company Limited**  
**Statements of Financial Position**  
**As at 31 December 2022**

		Consolidated		Separate	
		financial statements		financial statements	
	Notes	2022	2021	2022	2021
		Baht	Baht	Baht	Baht
LIABILITIES AND EQUITY (Cont'd)					
Equity					
Share capital	24				
Authorised share capital					
658,434,300 ordinary shares					
of par Baht 1 each		658,434,300	658,434,300	658,434,300	658,434,300
Issued and paid-up share capital					
658,434,300 ordinary shares					
of par Baht 1 each		658,434,300	658,434,300	658,434,300	658,434,300
Premium on paid-up ordinary shares	24	222,105,000	222,105,000	222,105,000	222,105,000
Surplus on treasury shares	24	7,429,904	7,429,904	7,429,904	7,429,904
Retained earnings					
Appropriated - legal reserve	25	65,843,430	65,843,430	65,843,430	65,843,430
Unappropriated		2,735,249,044	2,653,506,256	2,737,064,592	2,651,312,973
Other components of equity		(77,124,774)	(68,498,926)	(2,625,811)	(19,201,569)
Equity attributable to owners					
of the parent		3,611,936,904	3,538,819,964	3,688,251,415	3,585,924,038
Non-controlling interests		-	-	-	-
Total equity		3,611,936,904	3,538,819,964	3,688,251,415	3,585,924,038
Total liabilities and equity		4,091,667,889	4,324,249,473	4,167,034,865	4,370,651,165

The accompanying notes are an integral part of these consolidated and separate financial statements

**Hwa Fong Rubber (Thailand) Public Company Limited**
**Statements of Comprehensive Income**
**For the year ended 31 December 2022**

	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Revenue from sales of goods and services		3,411,751,430	3,426,803,845	3,406,327,323	3,414,608,457
Cost of goods sold and providing services		(2,864,862,865)	(2,743,849,184)	(2,860,063,261)	(2,733,003,438)
<b>Gross profit</b>		546,888,565	682,954,661	546,264,062	681,605,019
Other income	27	19,364,591	7,757,630	17,408,571	7,561,944
<b>Profit before expenses</b>		566,253,156	690,712,291	563,672,633	689,166,963
Selling expenses		(103,036,561)	(117,717,098)	(103,008,989)	(117,649,444)
Administrative expenses		(59,054,076)	(62,972,229)	(56,597,502)	(61,335,427)
Loss from measurement of financial asset measured at fair value through profit or loss	11	(12,751,305)	-	-	-
Gain on disposal of financial asset measured at fair value through profit or loss		32,765	-	-	-
Gain on foreign exchange rate (net)		41,777,131	52,500,211	35,648,215	51,324,891
Finance costs		(631,002)	(1,342,997)	(631,002)	(1,342,997)
Share of profit from investment in an associate	15	158	127	-	-
<b>Total expenses</b>		(133,662,890)	(129,531,986)	(124,589,278)	(129,002,977)
<b>Profit before income tax expense</b>		432,590,266	561,180,305	439,083,355	560,163,986
Income tax expense	29	(71,012,900)	(100,298,412)	(73,497,158)	(100,298,412)
<b>Net profit for the year</b>		361,577,366	460,881,893	365,586,197	459,865,574

The accompanying notes are an integral part of these consolidated and separate financial statements

**Hwa Fong Rubber (Thailand) Public Company Limited**
**Statements of Comprehensive Income**
**For the year ended 31 December 2022**

		Consolidated		Separate	
		financial statements		financial statements	
	Notes	2022 Baht	2021 Baht	2022 Baht	2021 Baht
<b>Other comprehensive income (loss), net of tax:</b>					
<b>Items that will be reclassified subsequently to profit or loss</b>					
Currency translation differences		(17,940,884)	27,933,297	-	-
<b>Total items that will be reclassified subsequently to profit or loss</b>		(17,940,884)	27,933,297	-	-
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Remeasurements of post-employment benefit obligations	23	20,719,697	-	20,719,697	-
Income tax on remeasurements of post-employment benefit obligations		(4,143,939)	-	(4,143,939)	-
Change in value of financial asset measured at fair value through other comprehensive income	11	(7,260,722)	4,536,327	-	-
<b>Total items that will not be reclassified subsequently to profit or loss</b>		9,315,036	4,536,327	16,575,758	-
<b>Other comprehensive income (loss), net of tax</b>		(8,625,848)	32,469,624	16,575,758	-
<b>Total comprehensive income for the year</b>		<u>352,951,518</u>	<u>493,351,517</u>	<u>382,161,955</u>	<u>459,865,574</u>
<b>Profit attributable to:</b>					
Equity holders of the owner's parent		361,577,366	460,881,893	365,586,197	459,865,574
Non-controlling interests		-	-	-	-
		<u>361,577,366</u>	<u>460,881,893</u>	<u>365,586,197</u>	<u>459,865,574</u>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the owner's parent		352,951,518	493,351,517	382,161,955	459,865,574
Non-controlling interests		-	-	-	-
		<u>352,951,518</u>	<u>493,351,517</u>	<u>382,161,955</u>	<u>459,865,574</u>
<b>Earnings per share for profit attributable to the equity holders of the owners' parent</b>					
Basic earnings per share	30	0.55	0.70	0.56	0.70

The accompanying notes are an integral part of these consolidated and separate financial statements

**Hwa Fong Rubber (Thailand) Public Company Limited**
**Statements of Changes in Equity**
**For the year ended 31 December 2022**

Consolidated financial statements (Baht)													
Attributable to owners of the parent													
Note	Other components of equity												
	Retained earnings					Other comprehensive income (loss)							
	Issued and paid-up share capital	Premium on paid-up ordinary shares	Surplus on treasury shares	Appropriate d - legal reserve	Unappropriated	Translation differences	Remeasurements of post-employment benefit obligations	Gain(loss) on remeasurements on investments	Measurement of financial asset at fair value through other comprehensive income	Total other components of equity	Total owners of the parent	Non-controlling interests	Total equity
Opening balance as at 1 January 2021	658,434,300	222,105,000	7,429,904	65,843,430	2,400,031,168	(65,735,618)	(19,201,569)	-	(16,031,363)	(100,968,550)	3,252,875,252	-	3,252,875,252
Changes in equity for the year ended 31 December 2021													
Dividend paid	31	-	-	-	-	(207,406,805)	-	-	-	-	(207,406,805)	-	(207,406,805)
Net profit for the year		-	-	-	-	460,881,893	-	-	-	-	460,881,893	-	460,881,893
Other comprehensive income (loss) for the year		-	-	-	-	27,933,297	-	-	4,536,327	32,469,624	32,469,624	-	32,469,624
Closing balance as at 31 December 2021	658,434,300	222,105,000	7,429,904	65,843,430	2,653,506,256	(37,802,321)	(19,201,569)	-	(11,495,036)	(68,498,926)	3,538,819,964	-	3,538,819,964

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

**Hwa Fong Rubber (Thailand) Public Company Limited**
**Statements of Changes in Equity**
**For the year ended 31 December 2022**

Consolidated financial statements (Baht)														
Attributable to owners of the parent														
	Note	Other components of equity												
		Retained earnings					Other comprehensive income (loss)							
		Issued and paid-up share capital	Premium on paid-up ordinary shares	Surplus on treasury shares	Appropriate d - legal reserve	Unappropriated	Translation differences	Remeasurements of post-employment benefit obligations	Gain(loss) on remeasurment on investments	Measurement of financial asset at fair value through other comprehensive income	Total other components of equity	Total owners of the parent	Non-controlling interests	Total equity
Opening balance as at 1 January 2022	658,434,300	222,105,000	7,429,904	65,843,430	2,653,506,256	(37,802,321)	(19,201,569)	-	(11,495,036)	(68,498,926)	3,538,819,964	-	3,538,819,964	
Changes in equity for the year ended 31 December 2022														
Dividend paid	31	-	-	-	-	(279,834,578)	-	-	-	-	(279,834,578)	-	(279,834,578)	
Net profit for the year		-	-	-	-	361,577,366	-	-	-	-	361,577,366	-	361,577,366	
Other comprehensive income (loss) for the year		-	-	-	-	(17,940,884)	16,575,758	-	-	(7,260,722)	(8,625,848)	(8,625,848)	-	(8,625,848)
Closing balance as at 31 December 2022		658,434,300	222,105,000	7,429,904	65,843,430	2,735,249,044	(55,743,205)	(2,625,811)	-	(18,755,758)	(77,124,774)	3,611,936,904	-	3,611,936,904

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

**Hwa Fong Rubber (Thailand) Public Company Limited**
**Statements of Changes in Equity**
**For the year ended 31 December 2022**

Separate financial statements (Baht)									
Note	Issued and paid-up share capital	Premium on paid-up ordinary shares	Surplus on treasury shares	Retained earnings		Other component of equity		Total equity	
				Appropriated - legal reserve	Unappropriated	Other comprehensive income (loss)			
						Remeasurements of post-employment benefit obligations	Total other component of equity		
Opening balance as at 1 January 2021	658,434,300	222,105,000	7,429,904	65,843,430	2,398,854,204	(19,201,569)	(19,201,569)	3,333,465,269	
Changes in equity for the year ended 31 December 2021									
Dividend paid	31	-	-	-	(207,406,805)	-	-	(207,406,805)	
Net profit for the year		-	-	-	459,865,574	-	-	459,865,574	
Closing balance as at 31 December 2021		658,434,300	222,105,000	7,429,904	65,843,430	2,651,312,973	(19,201,569)	(19,201,569)	3,585,924,038

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

**Hwa Fong Rubber (Thailand) Public Company Limited**
**Statements of Changes in Equity**
**For the year ended 31 December 2022**

Separate financial statements (Baht)								
Note	Issued and paid-up share capital	Premium on paid-up ordinary shares	Surplus on treasury shares	Retained earnings		Other component of equity		Total equity
				Appropriated - legal reserve	Unappropriated	Other comprehensive income (loss)		
						Remeasurements of post-employment benefit obligations	Total other component of equity	
Opening balance as at 1 January 2022	658,434,300	222,105,000	7,429,904	65,843,430	2,651,312,973	(19,201,569)	(19,201,569)	3,585,251,415
Changes in equity for the year ended 31 December 2022								
Dividend paid	31	-	-	-	(279,834,578)	-	-	(279,834,578)
Net profit for the year		-	-	-	365,586,197	-	-	365,586,197
Other comprehensive income (loss) for the year		-	-	-	-	16,575,758	16,575,758	16,575,758
Closing balance as at 31 December 2022	658,434,300	222,105,000	7,429,904	65,843,430	2,737,064,592	(2,625,811)	(2,625,811)	3,688,251,415

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



**Hwa Fong Rubber (Thailand) Public Company Limited**
**Statements of Cash Flows**
**For the year ended 31 December 2022**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>					
Profit before income tax expense		432,590,266	561,180,305	439,083,355	560,163,986
Adjustments for:					
Depreciation and amortisation		114,775,335	99,292,848	114,769,835	99,287,348
Expected credit loss	10, 13	187,816	1,431,438	187,816	1,431,438
Allowance for actual cost of inventories					
in excess of net realisable value	12	2,205,735	1,587,599	2,205,735	1,587,599
Allowance for obsolete and defective inventories	12	13,042,147	8,211,617	13,042,147	8,211,617
Gain on disposals of property, plant and equipment	27	(93,171)	(127,193)	(93,171)	(127,193)
Loss on write off of property, plant and equipment	17, 27	-	969	-	969
Share of profit from investments in an associate	15	(158)	(127)	-	-
Loss from measurement of financial asset					
measured at fair value through profit or loss	11	12,751,305	-	-	-
Gain on disposal of financial asset measured at					
fair value through profit or loss		(32,765)	-	-	-
Unrealised loss on foreign exchange rate		18,343,841	2,849,875	19,537,435	2,627,452
Employee benefit obligations	23	6,049,377	5,987,548	6,049,377	5,987,548
Interest income	27	(2,224,538)	(2,373,559)	(2,128,177)	(2,295,143)
Finance costs		631,002	1,342,997	631,002	1,342,997
Dividend income	27	(2,040,983)	(350,828)	-	-
<b>Changes in working capital</b>					
Trade and other receivables		224,318,299	(202,680,972)	223,638,652	(203,330,003)
Inventories		264,024,153	(445,395,657)	265,304,975	(447,161,577)
Other current assets		16,100,013	(15,105,324)	16,437,795	(14,609,153)
Other non-current assets		(67,600)	(48,807)	(67,600)	(48,807)
Trade and other payables		(250,554,746)	184,064,691	(250,835,089)	184,550,415
Contract liabilities		7,458,293	3,930,306	7,458,293	3,930,306
Other current liabilities		(1,002,800)	(123,024)	(1,003,556)	(122,323)
Employee benefit paid	23	(6,879,728)	(2,843,636)	(6,879,728)	(2,843,636)
Cash generated from operations		849,581,093	200,831,066	847,339,096	198,583,840
Interest paid		(592,384)	(15,150)	(592,384)	(15,150)
Income tax paid		(99,763,570)	(109,265,728)	(99,763,570)	(109,265,728)
Net cash generated from operating activities		749,225,139	91,550,188	746,983,142	89,302,962

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

# Hwa Fong Rubber (Thailand) Public Company Limited

## Statements of Cash Flows

For the year ended 31 December 2022

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>					
Increase in other financial assets					
measured at amortised cost		(189,478)	(30,099,271)	(189,478)	(30,099,271)
Payment for investment in a subsidiary		-	-	(100,000,000)	-
Payment for investment in financial asset measured at					
air value through profit or loss	11	(98,416,498)	-	-	-
Proceeds from disposal of financial asset measured at					
fair value through profit or loss		316,535	-	-	-
Purchase of property, plant and equipment		(68,128,208)	(130,038,613)	(68,128,208)	(130,038,613)
Purchase of intangible assets		(127,400)	(412,627)	(127,400)	(412,627)
Proceeds from disposal of property, plant and equipment		683,966	198,478	683,966	198,478
Interest received		2,319,250	2,340,154	2,222,889	2,261,738
Dividend received	27	2,040,983	350,828	-	-
Net cash used in investing activities		(161,500,850)	(157,661,051)	(165,538,231)	(158,090,295)
<b>Cash flows from financing activities</b>					
Dividend paid		(279,772,565)	(207,390,946)	(279,772,565)	(207,390,946)
Repayment on long-term loan from financial institution		-	(5,754,018)	-	(5,754,018)
Payment for principal elements of lease payments	20	(432,000)	(432,000)	(432,000)	(432,000)
Net cash used in financing activities		(280,204,565)	(213,576,964)	(280,204,565)	(213,576,964)
<b>Net increase (decrease) in cash and cash equivalents</b>		307,519,724	(279,687,827)	301,240,346	(282,364,297)
Cash and cash equivalents at the beginning of the year		672,848,670	946,511,930	581,261,488	863,994,670
Exchange gain (loss) on cash and cash equivalents		(16,284,729)	6,024,567	(13,175,012)	(368,885)
<b>Cash and cash equivalents at the ending of the period</b>		964,083,665	672,848,670	869,326,822	581,261,488
<b>Non-cash transactions:</b>					
Unpaid purchase of plant and equipment		4,690,511	22,565,663	4,690,511	22,565,663
Unpaid purchase of intangible assets		-	127,400	-	127,400

The accompanying notes are an integral part of these consolidated and separate financial statements

## 1 General information

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

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

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

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

These consolidated and separate financial statements were authorised for issue by the Company’s authorised board of director on 22 February 2023.

## 2 Basis of preparation

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

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

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

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

## 3 New and amended financial reporting standards

### 3.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2022 relate to the Group

**Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4, and accounting guidance, financial instruments and disclosures for insurance business** provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

Key relief measures of the phase 2 amendments are as follows:

- When changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

TFRS 7 requires additional disclosure about:

- the nature and extent of risks arising from the IBOR reform to which the entity is exposed to
- how the entity manages those risks
- the entity’s progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

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

### 3 New and amended financial reporting standards

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

Certain amended TFRSs have been issued that are not mandatory for the current reporting period and have not been early adopted by the Group.

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

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

### 4 Accounting policies

#### 4.1 Principles of consolidation and equity accounting

##### a) Subsidiaries

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

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

##### b) Associates

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

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

##### c) Equity method

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

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

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

## 4 Accounting policies (Cont'd)

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

#### d) Changes in ownership interests

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

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

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

#### e) Intercompany transactions on consolidation

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

### 4.2 Foreign currency translation

#### a) Functional and presentation currency

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

#### b) Transactions and balances

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

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

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

#### c) Group companies

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

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

### 4.3 Cash and cash equivalents

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

## 4 Accounting policies (Cont'd)

### 4.4 Trade accounts receivable

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

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

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

### 4.5 Inventories

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

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

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

### 4.6 Financial asset

#### a) Classification

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

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

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

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

#### b) Recognition and derecognition

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

#### c) Measurement

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

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

**4 Accounting policies (Cont'd)****4.6 Financial asset (Cont'd)****d) Debt instruments**

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

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

**e) Equity instruments**

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

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

Impairment losses (and reversal of impairment losses) on equity investments are reported together with changes in fair value.

**f) Impairment**

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

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

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

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

## 4 Accounting policies (Cont'd)

### 4.6 Financial asset (Cont'd)

#### f) Impairment (Cont'd)

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

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

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

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

### 4.7 Investment property

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

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

### 4.8 Property, plant and equipment

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

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

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

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

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

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

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

### 4.9 Intangible assets

#### *Computer software*

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

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



## 4 Accounting policies (Cont'd)

### 4.10 Impairment of assets

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

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

### 4.11 Leases

#### Leases - where the Group is the lessee

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

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

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

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

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

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

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

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

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

#### Leases - where the Group is the lessor

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

**4 Accounting policies (Cont'd)****4.12 Financial liabilities****a) Classification**

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

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

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

**b) Measurement**

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

**c) Derecognition and modification**

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

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

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

**4.13 Borrowing costs**

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

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

**4.14 Current and deferred income taxes**

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

*Current tax*

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

**4 Accounting policies (Cont'd)****4.14 Current and deferred income taxes (Cont'd)***Deferred income tax*

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

- Initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- Investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

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

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

**4.15 Employee benefits****a) Short-term employee benefits**

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

**b) Defined contribution plan**

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

**c) Defined benefit plans**

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

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

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

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

**d) Termination benefits**

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

**4 Accounting policies (Cont'd)****4.16 Provisions**

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

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

**4.17 Share capital**

Ordinary shares are classified as equity.

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

*Treasury share*

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

**4.18 Revenue recognition**

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

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

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

*Sale of goods - wholesale*

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

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

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

#### 4 Accounting policies (Cont'd)

##### 4.18 Revenue recognition (Cont'd)

###### *Services*

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

###### *Contract assets and contract liabilities*

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

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

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

###### *Sale of goods - customer loyalty programme*

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

###### *Material right*

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

###### *Payment to customers*

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

###### *Financing components*

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

###### *Other income*

Other income are recognised on the following basis:

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

##### 4.19 Dividend distribution

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

## 5 Financial risk management

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

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

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

### 5.1 Financial risk factors

#### 5.1.1 Market risk

##### a) Foreign exchange risk

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

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

#### Exposure

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

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

## 5 Financial risk management (Cont'd)

### 5.1 Financial risk factors (Cont'd)

#### 5.1.1 Market risk (Cont'd)

##### a) Foreign exchange risk (Cont'd)

##### *Exposure (Cont'd)*

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

Consolidated financial statements							
31 December 2021							
	US Dollar Baht	Euro Baht	Japanese Yen Baht	Singapore Dollar Baht	Indonesian Rupiah Baht	Chinese Yuan Baht	Taiwan Dollar Baht
Cash and cash equivalents	198,679,866	4,803,925	13,593	548,528	69,723,550	1,467,152	26,114
Trade and other receivables	470,595,296	49,173,372	-	-	-	-	-
Financial asset at fair value through other comprehensive income	-	-	-	-	-	-	29,625,307
Trade and other payables	293,576,575	1,162,839	-	-	-	-	-

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

Separate financial statements					
31 December 2021					
	US Dollar Baht	Euro Baht	Japanese Yen Baht	Chinese Yuan Baht	Taiwan Dollar Baht
Cash and cash equivalents	190,897,633	4,803,925	13,593	1,467,152	26,114
Trade and other receivables	470,595,296	49,173,372	-	-	-
Trade and other payables	293,576,575	1,162,839	-	-	-

## 5 Financial risk management (Cont'd)

### 5.1 Financial risk factors (Cont'd)

#### 5.1.1 Market risk (Cont'd)

##### a) Foreign exchange risk (Cont'd)

##### *Exposure (Cont'd)*

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

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Net foreign exchange gains included in other gains/(losses)	41,773,735	52,487,069	35,648,215	51,324,891
Total net foreign exchange gains recognised in profit before income tax for the year	41,773,735	52,487,069	35,648,215	51,324,891
Net foreign exchange gains/(losses) recognised in other comprehensive income	(15,487,475)	24,714,734	-	-

##### *Sensitivity*

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

	Consolidated financial statements			
	Impact to net profit		Impact to other components of equity	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
US Dollar to Baht exchange rate - increase 11% (2021: 11%)*	82,290,615	41,326,845	-	-
US Dollar to Baht exchange rate - decrease 11% (2021: 11%)*	(82,290,615)	(41,326,845)	-	-
Euro to Baht exchange rate - increase 3% (2021: 5%)*	479,657	2,640,724	-	-
Euro to Baht exchange rate - decrease 3% (2021: 5%)*	(479,657)	(2,640,724)	-	-
IDR to Baht exchange rate - increase 13% (2021: 9%)*	-	-	9,278,686	6,275,119
IDR to Baht exchange rate - decrease 13% (2021: 9%)*	-	-	(9,278,686)	(6,275,119)
Taiwan Dollar to Baht exchange rate - increase 9% (2021: 12%)*	7,684,328	-	2,012,813	3,555,037
Taiwan Dollar to Baht exchange rate - decrease 9% (2021: 12%)*	(7,684,328)	-	(2,012,813)	(3,555,037)

\* Holding all other variables constant



## 5 Financial risk management (Cont'd)

### 5.1 Financial risk factors (Cont'd)

#### 5.1.1 Market risk (Cont'd)

##### a) Foreign exchange risk (Cont'd)

##### *Sensitivity (Cont'd)*

	Separate financial statements	
	Impact to net profit	
	2022 Baht	2021 Baht
US Dollar to Baht exchange rate		
- increase 11% (2021: 11%)*	81,808,160	40,470,799
US Dollar to Baht exchange rate		
- decrease 11% (2021: 11%)*	(81,808,160)	(40,470,799)
Euro to Baht exchange rate		
- increase 3% (2021: 5%)*	479,657	2,640,724
Euro to Baht exchange rate		
- decrease 3% (2021: 5%)*	(479,657)	(2,640,724)

\* Holding all other variables constant

##### b) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. As at 31 December 2022, the Group is exposed to interest rate risk relates primarily to its deposits at financial institutions and lease liabilities. Most of the Group's financial assets and liabilities bear fixed interest rates which are close to the market rate.

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

Outstanding balance of significant financial assets and financial liabilities and their interest rates as at 31 December 2022 and 2021 are summarised as follows:

Consolidated financial statements							
As at 31 December 2022							
Baht							
	Floating interest rate	Fixed interest rate		Without interest	Total	Interest rate	
		Remaining period before maturity date or repricing date				(% per annum)	
		Less than 1 year	1 year - 5 years			Float rate	Fixed rate
<b>Financial assets</b>							
Cash and cash equivalents	-	948,475,408	-	15,608,257	964,083,665	-	0.04 - 2.00
Other financial assets measured at amortised cost	-	30,288,749	-	-	30,288,749	-	0.95 - 1.85
Trade and other receivables (net)	-	-	-	506,480,986	506,480,986	-	-
Financial asset at fair value through other comprehensive income	-	-	-	22,364,584	22,364,584	-	-
Financial asset at fair value through profit or loss	-	-	-	85,381,423	85,381,423	-	-
<b>Total financial assets</b>	-	978,764,157	-	629,835,250	1,608,599,407		
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	326,035,679	326,035,679	-	-
Contract liabilities	-	-	-	15,753,939	15,753,939	-	-
Lease liabilities	-	383,520	-	-	383,520	-	6.45
<b>Total financial liabilities</b>	-	383,520	-	341,789,618	342,173,138		

## 5 Financial risk management (Cont'd)

### 5.1 Financial risk factors (Cont'd)

#### 5.1.1 Market risk (Cont'd)

#### b) Interest rate risk (Cont'd)

Outstanding balance of significant financial assets and financial liabilities and their interest rates as at 31 December 2022 and 2021 are summarised as follows: (Cont'd)

Consolidated financial statements							
As at 31 December 2021							
Baht							
	Floating interest rate	Fixed interest rate		Without interest	Total	Interest rate (% per annum)	
		Remaining period before maturity date or repricing date				Float rate	Fixed rate
		Less than 1 year	1 year - 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	661,721,445	-	11,127,225	672,848,670	-	0.025 - 1.10
Other financial assets measured at amortised cost	-	30,099,271	-	-	30,099,271	-	0.95 - 1.45
Trade and other receivables (net)	-	-	-	737,179,773	737,179,773	-	-
Financial asset at fair value through other comprehensive income	-	-	-	29,625,307	29,625,307	-	-
<b>Total financial assets</b>	-	691,820,716	-	777,932,305	1,469,753,021	-	-
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	590,529,832	590,529,832	-	-
Contract liabilities	-	-	-	19,467,301	19,467,301	-	-
Lease liabilities	-	393,382	383,520	-	776,902	-	6.45
<b>Total financial liabilities</b>	-	393,382	383,520	609,997,133	610,774,035		
Separate financial statements							
As at 31 December 2022							
Baht							
	Floating interest rate	Fixed interest rate		Without interest	Total	Interest rate (% per annum)	
		Remaining period before maturity date or repricing date				Float rate	Fixed rate
		Less than 1 year	1 year - 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	854,368,270	-	14,958,552	869,326,822	-	0.04 - 2.00
Other financial assets measured at amortised cost	-	30,288,749	-	-	30,288,749	-	0.95 - 1.85
Trade and other receivables (net)	-	-	-	506,930,456	506,930,456	-	-
<b>Total financial assets</b>	-	884,657,019	-	521,889,008	1,406,546,027		
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	325,151,064	325,151,064	-	-
Contract liabilities	-	-	-	15,753,939	15,753,939	-	-
Lease liabilities	-	383,520	-	-	383,520	-	6.45
<b>Total financial liabilities</b>	-	383,520	-	340,905,003	341,288,523		
Separate financial statements							
As at 31 December 2021							
Baht							
	Floating interest rate	Fixed interest rate		Without interest	Total	Interest rate (% per annum)	
		Remaining period before maturity date or repricing date				Float rate	Fixed rate
		Less than 1 year	1 year - 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	570,402,863	-	10,858,625	581,261,488	-	0.04 - 1.10
Other financial assets measured at amortised cost	-	30,099,271	-	-	30,099,271	-	0.95 - 1.45
Trade and other receivables (net)	-	-	-	736,691,919	736,691,919	-	-
<b>Total financial assets</b>	-	600,502,134	-	747,550,544	1,348,052,678	-	-
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	589,827,825	589,827,825	-	-
Contract liabilities	-	-	-	19,467,301	19,467,301	-	-
Lease liabilities	-	393,382	383,520	-	776,902	-	6.45
<b>Total financial liabilities</b>	-	393,382	383,520	609,295,126	610,072,028		

**5 Financial risk management (Cont'd)****5.1 Financial risk factors (Cont'd)****5.1.1 Market risk (Cont'd)****c) Price risk**

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

**5.1.2 Credit risk**

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

**a) Risk management**

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

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

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

**b) Security**

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

**c) Impairment of financial assets**

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

- Deposits with banks and financial institutions
- Trade and other receivables

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

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

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

## 5 Financial risk management (Cont'd)

### 5.1 Financial risk factors (Cont'd)

#### 5.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held deposits at call of Baht 905,820,409 (2021: Baht 642,579,523) that are expected to readily generate cash inflows for managing liquidity risk.

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

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

#### a) Maturity of financial liabilities

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

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

Contractual maturities of financial liabilities As at 31 December 2022	Consolidated financial statements (Unit: Baht)					
	On demand	Within 1 year	1 - 5 years	Over 5 years	Total	Carrying amount
<b>Non-derivatives</b>						
Trade and other payables	-	326,035,679	-	-	326,035,679	326,035,679
Contract liabilities	-	15,753,939	-	-	15,753,939	15,753,939
Lease liabilities	-	396,000	-	-	396,000	383,520
<b>Total non-derivatives</b>	-	342,185,618	-	-	342,185,618	342,173,138

Contractual maturities of financial liabilities As at 31 December 2021	Consolidated financial statements (Unit: Baht)					
	On demand	Within 1 year	1 - 5 years	Over 5 years	Total	Carrying amount
<b>Non-derivatives</b>						
Trade and other payables	-	590,529,832	-	-	590,529,832	590,529,832
Contract liabilities	-	19,467,301	-	-	19,467,301	19,467,301
Lease liabilities	-	432,000	396,000	-	828,000	776,902
<b>Total non-derivatives</b>	-	610,429,133	396,000	-	610,825,133	610,774,035

Contractual maturities of financial liabilities As at 31 December 2022	Separate financial statements (Unit: Baht)					
	On demand	Within 1 year	1 - 5 years	Over 5 years	Total	Carrying amount
<b>Non-derivatives</b>						
Trade and other payables	-	325,151,064	-	-	325,151,064	325,151,064
Contract liabilities	-	15,753,939	-	-	15,753,939	15,753,939
Lease liabilities	-	396,000	-	-	396,000	383,520
<b>Total non-derivatives</b>	-	341,301,003	-	-	341,301,003	341,288,523

Contractual maturities of financial liabilities As at 31 December 2021	Separate financial statements (Unit: Baht)					
	On demand	Within 1 year	1 - 5 years	Over 5 years	Total	Carrying amount
<b>Non-derivatives</b>						
Trade and other payables	-	589,827,825	-	-	589,827,825	589,827,825
Contract liabilities	-	19,467,301	-	-	19,467,301	19,467,301
Lease liabilities	-	432,000	396,000	-	828,000	776,902
<b>Total non-derivatives</b>	-	609,727,126	396,000	-	610,123,126	610,072,028

## 5 Financial risk management (Cont'd)

### 5.2 Capital management

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

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

## 6 Fair value

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

	Consolidated financial statements							
	Level 1		Level 2		Level 3		Total	
	31 December 2022 Baht	31 December 2021 Baht	31 December 2022 Baht	31 December 2021 Baht	31 December 2022 Baht	31 December 2021 Baht	31 December 2022 Baht	31 December 2021 Baht
<b>Assets</b>								
Financial asset at fair value through profit or loss	85,381,423	-	-	-	-	-	85,381,423	-
Financial asset at fair value through other comprehensive income	22,364,584	29,625,307	-	-	-	-	22,364,584	29,625,307
Investment property	-	-	-	-	224,963,372	238,440,346	224,963,372	238,440,346
<b>Total assets measured at fair value</b>	<b>107,746,007</b>	<b>29,625,307</b>	<b>-</b>	<b>-</b>	<b>224,963,372</b>	<b>238,440,346</b>	<b>332,709,379</b>	<b>268,065,653</b>

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

- Cash and cash equivalent
- Other financial assets measured at amortised cost
- Trade and other receivables (net)
- Trade and other payables
- Contract liabilities
- Lease liabilities

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

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

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

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

#### *Valuation techniques used to determine fair values*

Specific valuation techniques used to value financial instruments include:

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

The resulting fair value estimates are included in level 1 and level 3.

## 6 Fair value (Cont'd)

### Fair value measurements using significant unobservable inputs (level 3)

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

	Fair value		Unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair value
	31 December 2022 Baht	31 December 2021 Baht		31 December 2022	31 December 2021	
Investment property	224,963,372	238,440,346	The market value for similar properties	420,134 - 924,000 IDR/m <sup>2</sup>	420,134 - 924,000 IDR/m <sup>2</sup>	-
			Indonesia's economic growth rate	5.3%	5.3%	-
			Indonesia's inflation rate	3.1%	3.1%	-
			Exchange rate	0.0022 THB/IDR	0.0023 THB/IDR	The lower the exchange rate, the lower the fair value

### Transfer between fair value hierarchy

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

### The Group's valuation processes

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

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

## 7 Critical accounting estimates and judgements

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

### a) Fair value of certain financial assets

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

### b) Fair value of investment property

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

### c) Useful life of intangible asset

The Group estimates the useful life of computer software to be 3 and 10 years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than the determined life, depending on technical innovations.

**7 Critical accounting estimates and judgements (Cont'd)****d) Defined retirement benefit obligations**

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

**e) Determination of transaction price in contracts with customers**

The Group has not recognised revenue of Baht 23,003,366 (2021: Baht 15,132,011) from free goods contracts with products volume for customers. The Group did not have any expectation with the customer and the product line. Management therefore determined that it was not highly probable that a portion of the revenue will not be reversed.

**f) Allocation of transaction price in contracts with customers**

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

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

**g) Determination of lease terms**

Critical judgement in determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on vehicles and office equipment leases have not been included in the lease liability, because the Group considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

**h) Determination of discount rate applied to leases**

The Group determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

**i) Impairment of financial assets**

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

## 8 Segment information

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

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

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

	Consolidated financial statements					
	Sales of goods and services		Investment		Total	
	2022	2021	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Revenue from sales of goods and services	3,411,751	3,426,804	-	-	3,411,751	3,426,804
Other income	17,324	7,407	2,041	351	19,365	7,758
Total revenue	3,429,075	3,434,211	2,041	351	3,431,116	3,434,562
Timing of revenue recognition:						
At a point in time	3,398,243	3,408,012	2,041	351	3,400,284	3,408,363
Over time	30,832	26,199	-	-	30,832	26,199
	3,429,075	3,434,211	2,041	351	3,431,116	3,434,562
Gross profit	546,889	682,955	-	-	546,889	682,955
Selling and administrative expenses	(162,090)	(180,689)	-	-	(162,090)	(180,689)
Net profit (loss) before income tax	443,267	560,829	(10,677)	351	432,590	561,180
Income tax	(73,563)	(100,298)	2,550	-	(71,013)	(100,298)
Net profit (loss) for the year	369,704	460,531	(8,127)	351	361,577	460,882
Investment property	224,963	238,440	-	-	224,963	238,440
Property, plant and equipment (net)	1,504,561	1,563,697	-	-	1,504,561	1,563,697
Total assets	3,982,737	4,293,439	108,931	30,810	4,091,668	4,324,249

	Separate financial statements					
	Sales of goods and services		Investment		Total	
	2022	2021	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Revenue from sales of goods and services	3,406,327	3,414,608	-	-	3,406,327	3,414,608
Other income	17,408	7,562	-	-	17,408	7,562
Total revenue	3,423,735	3,422,170	-	-	3,423,735	3,422,170
Timing of revenue recognition:						
At a point in time	3,392,903	3,396,050	-	-	3,392,903	3,396,050
Over time	30,832	26,120	-	-	30,832	26,120
	3,423,735	3,422,170	-	-	3,423,735	3,422,170
Property, plant and equipment (net)	1,504,561	1,563,697	-	-	1,504,561	1,563,697
Total assets	4,167,035	4,370,651	-	-	4,167,035	4,370,651

The Group's revenues of approximately Baht 1,043.71 million (2021: Baht 1,046.67 million) are derived from a major customer. These revenues are attributed to the sale of goods segment.



## 8 Segment information (Cont'd)

Significant information relating to revenue of geographic are as follows:

	<b>Consolidated financial statements</b>	
	<b>For the year ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Local	813,783	869,802
Overseas - Europe	1,348,147	1,413,151
Overseas - Asia	941,657	806,708
Overseas - America	264,518	299,788
Overseas - Others	43,646	37,355
Total	3,411,751	3,426,804

## 9 Cash and cash equivalents

Cash and cash equivalents as at 31 December 2022 and 2021 are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Cash on hand	263,256	269,147	250,094	261,330
Deposits held at call with banks				
- current accounts	76,995,159	75,020,053	5,620,652	5,804,192
- savings accounts	828,825,250	567,559,470	805,456,076	545,195,966
- fixed accounts	28,000,000	30,000,000	28,000,000	30,000,000
Bill of exchange	30,000,000	-	30,000,000	-
Total cash and cash equivalents	964,083,665	672,848,670	869,326,822	581,261,488

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

As at 31 December 2021, fixed account with maturities of 7 days bear interest at the rate of 0.1% per annum.

## 10 Trade and other receivables (net)

Trade and other receivables (net) as at 31 December 2022 and 2021 are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Trade accounts receivable				
- other parties	646,092,416	869,339,747	645,999,705	868,270,901
<u>Less</u> Allowance for expected credit losses	(170,495,386)	(172,092,700)	(170,495,386)	(172,092,700)
Total trade accounts receivable				
- other parties (net)	475,597,030	697,247,047	475,504,319	696,178,201
Trade accounts receivable				
- related parties (Note 32.3)	13,585,985	22,754,703	13,585,985	22,754,703
Other accounts receivable				
- related parties (Note 32.3)	17,297,971	17,178,023	17,840,152	17,759,015
Interest receivable	25,659	120,371	25,659	120,371
Others (net)	4,378,810	7,676,619	4,365,188	7,663,484
Total trade and other receivables (net)	510,885,455	744,976,763	511,321,303	744,475,774

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

Trade accounts receivable - other parties as at 31 December 2022 and 2021 can be aged as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Not yet due	419,874,549	610,890,090	419,830,979	609,921,628
Overdue not exceeding 3 months	50,950,333	74,991,620	50,911,303	74,901,348
Overdue 3 to 6 months	6,134,854	10,504,228	6,134,854	10,504,228
Overdue 6 to 12 months	850,001	4,533,458	850,001	4,533,458
Overdue exceeding 12 months	168,282,679	168,420,351	168,272,568	168,410,239
	646,092,416	869,339,747	645,999,705	868,270,901
<u>Less</u> Allowance for expected credit losses	(170,495,386)	(172,092,700)	(170,495,386)	(172,092,700)
Total trade accounts receivable - other parties (net)	475,597,030	697,247,047	475,504,319	696,178,201

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

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

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

As at 31 December 2022, the seized assets are in the process of auction announcement part of the lawsuit was finalised.

However, the recoverability of such receivable was still uncertain.

Trade accounts receivable - related parties as at 31 December 2022 and 2021 can be aged as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Not yet due	13,585,985	22,754,434	13,585,985	22,754,434
Overdue not exceeding 3 months	-	269	-	269
Total trade accounts receivable - related parties	13,585,985	22,754,703	13,585,985	22,754,703

Allowance for expected credit losses for trade receivables - other parties as at 31 December 2022 and 2021 was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Not yet due	701,181	611,559	701,181	611,559
Overdue not exceeding 3 months	438,230	2,130,099	438,230	2,130,099
Overdue 3 to 6 months	290,073	378,623	290,073	378,623
Overdue 6 to 12 months	793,334	562,180	793,334	562,180
Overdue exceeding 12 months	168,272,568	168,410,239	168,272,568	168,410,239
	170,495,386	172,092,700	170,495,386	172,092,700

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

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

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
<b>Allowance for expected credit losses</b>				
<b>As of 1 January</b>	172,092,700	170,963,235	172,092,700	170,963,235
Increase in loss allowance recognised in profit or loss during the year	-	1,129,465	-	1,129,465
Reversal loss allowance	(1,597,314)	-	(1,597,314)	-
<b>As of 31 December</b>	170,495,386	172,092,700	170,495,386	172,092,700

## 11 Financial assets and financial liabilities

Financial assets and financial liabilities as at 31 December 2022 and 2021 are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
<b>Financial assets</b>				
Financial assets at amortised cost				
- Cash and cash equivalents	964,083,665	672,848,670	869,326,822	581,261,488
- Trade receivables (net)	489,183,015	720,001,750	489,090,304	718,932,904
- Other financial assets measured at amortised cost				
- Fixed deposit with maturities over three months	30,288,749	30,099,271	30,288,749	30,099,271
- Other receivables	17,297,971	17,178,023	17,840,152	17,759,015
Financial asset at fair value through other comprehensive income	22,364,584	29,625,307	-	-
Financial asset at fair value through profit or loss	85,381,423	-	-	-
	1,608,599,407	1,469,753,021	1,406,546,027	1,348,052,678
<b>Financial liabilities</b>				
Financial liabilities at amortised cost				
- Trade and other payables	326,035,679	590,529,832	325,151,064	589,827,825
- Contract liabilities	15,753,939	19,467,301	15,753,939	19,467,301
- Lease liabilities	383,520	776,902	383,520	776,902
	342,173,138	610,774,035	341,288,523	610,072,028

## 11 Financial assets and financial liabilities (Cont'd)

### 11.1 Other financial assets at amortised cost

#### a) Classification of financial assets at amortised cost

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

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

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

	Consolidated financial statements					
	31 December 2022			31 December 2021		
	Current Baht	Non-current Baht	Total Baht	Current Baht	Non-current Baht	Total Baht
Fixed deposit with maturities over three months	30,288,749	-	30,288,749	30,099,271	-	30,099,271
Other receivables	17,297,971	-	17,297,971	17,178,023	-	17,178,023
Total	47,586,720	-	47,586,720	47,277,294	-	47,277,294

	Separate financial statements					
	31 December 2022			31 December 2021		
	Current Baht	Non-current Baht	Total Baht	Current Baht	Non-current Baht	Total Baht
Fixed deposit with maturities over three months	30,288,749	-	30,288,749	30,099,271	-	30,099,271
Other receivables	17,840,152	-	17,840,152	17,759,015	-	17,759,015
Total	48,128,901	-	48,128,901	47,858,286	-	47,858,286

#### Other receivables

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

### 11.2 Financial assets at fair value through other comprehensive income

#### a) Classification of financial assets at fair value through other comprehensive income

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

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

Financial assets at FVOCI are as follows:

	Consolidated financial statements	
	2022	2021
	Baht	Baht
<b>Non-current assets</b>		
Investments in equity investments		
- Listed securities	22,364,584	29,625,307
<b>Total</b>	22,364,584	29,625,307

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

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

	<b>Consolidated financial statements</b>	
	<b>2022 Baht</b>	<b>2021 Baht</b>
Gains/(losses) recognised in other comprehensive income		
- Related to equity investment	(7,260,722)	4,536,327
Dividends from equity investments at FVOCI recognised in profit or loss in other income (Note 27)		
- Related to investments held at the end of the reporting period	199,374	350,828

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

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

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

Financial assets at FVPL are as follows:

	<b>Consolidated financial statements</b>	
	<b>2022 Baht</b>	<b>2021 Baht</b>
<b>Non-current assets</b>		
Investments in equity investments		
- Listed securities	85,381,423	-
<b>Total</b>	<b>85,381,423</b>	<b>-</b>

**b) Amounts recognised in profit or loss**

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

	<b>Consolidated financial statements</b>	
	<b>2022 Baht</b>	<b>2021 Baht</b>
Fair value losses on equity investments at FVPL recognised in other gains/(losses)	(12,751,305)	-
Dividends from equity investments at FVPL recognised in profit or loss in other income (Note 27)		
- Related to investments held at the end of the reporting period	1,841,609	-

*Significant acquisitions and disposals during the year*

During the year 2022, the Group acquired listed securities measured at FVPL in the amount of Baht 98,416,498.

## 12 Inventories (net)

Inventories (net) as at 31 December 2022 and 2021 are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Raw material	238,381,763	289,061,196	238,381,763	289,061,196
Work in progress	35,491,704	52,905,857	35,491,704	52,905,857
Finished goods	364,773,465	464,656,989	361,130,980	462,295,326
Spare parts and supplies	75,913,431	76,767,297	75,913,431	76,767,297
	714,560,363	883,391,339	710,917,878	881,029,676
<u>Less</u> Allowance for obsolete and defective				
- Raw materials	(1,584,537)	(1,330,833)	(1,584,537)	(1,330,833)
- Finished goods	(16,286,065)	(6,714,558)	(16,269,540)	(6,698,033)
- Spare parts and supplies	(10,442,393)	(8,450,198)	(10,442,393)	(8,450,198)
<u>Less</u> Allowance for actual cost in excess of net realisable value - Finished goods	(4,229,150)	(2,023,415)	(4,229,150)	(2,023,415)
	682,018,218	864,872,335	678,392,258	862,527,197
Goods in transit	9,130,346	105,548,264	9,130,346	105,548,264
Total inventories (net)	691,148,564	970,420,599	687,522,604	968,075,461

During the years ended 31 December 2022 and 2021, amounts recognised as cost of sales in profit or loss are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Cost of sales and cost of services	2,849,614,983	2,734,049,968	2,844,815,379	2,723,204,222
Allowance for obsolete and defective	13,042,147	8,211,617	13,042,147	8,211,617
Allowance for actual cost in excess of net realisable value	2,205,735	1,587,599	2,205,735	1,587,599

## 13 Other current assets (net)

Other current assets (net) as at 31 December 2022 and 2021 are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Tax receivable (net)	2,770,837	7,437,453	2,770,837	7,437,453
Value added tax receivable	9,743,530	19,199,943	6,234,383	16,028,731
Undue input tax	1,708,202	3,770,334	1,708,202	3,770,124
Others	1,656,497	2,188,034	1,654,439	2,188,995
Total other current assets (net)	15,879,066	32,595,764	12,367,861	29,425,303

## 14 Investment in subsidiaries (net)

### 14.1 Details of investments

Investment in subsidiaries (net) as at 31 December 2022 and 2021 are as follows:

Entity name	Country of incorporation	Nature of business	Ownership interest held by Company		Voting rights		Investment at cost method	
			2022 (%)	2021 (%)	2022 (%)	2021 (%)	2022 Baht	2021 Baht
HFT Holding Co., Ltd.	Thailand	Investment in bonds and securities, wholesale and retail trading of tires and tubes and equipment	100	100	100	100	165,557,214	65,557,214
PT. Hwa Fong Rubber Indonesia	Indonesia	Manufacture and distribution of tire and tube for bicycle and motorcycle	100	100	100	100	346,698,000	346,698,000
Total (net)							512,255,214	412,255,214

### 14.2 Movements of investments

Movements of investments in subsidiaries (net) for the years period ended 31 December 2022 and 2021 are as follows

	Separate financial statements	
	Investment at cost method	
	2022 Baht	2021 Baht
Opening balance	412,255,214	412,255,214
Increase in investment - HFT Holding Co., Ltd.	100,000,000	-
Closing balance	512,255,214	412,255,214

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

## 15 Investment in an associate

Investment in an associate as at 31 December 2022 and 2021 are as follows:

Entity name	Country of incorporation	Nature of business	Ownership interest held by Company		Consolidated financial statements		Separate financial statements	
					Investment at equity method		Investment at cost method	
			2022 (%)	2021 (%)	2022 Baht	2021 Baht	2022 Baht	2021 Baht
The Ascent (Thailand) Co., Ltd.	Thailand	(1)	43	43	1,185,248	1,185,090	1,161,000	1,161,000
Total					1,185,248	1,185,090	1,161,000	1,161,000

(1) International trading of bicycles and motorcycles.

## 15 Investment in an associate (Cont'd)

The movements of investment in an associate for the years ended 31 December 2022 and 2021 are as follows:

	Consolidated financial statements		Separate financial statements	
	Investment at equity method		Investment at cost method	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Opening balance	1,185,090	1,184,963	1,161,000	1,161,000
Share of profit from an associate	158	127	-	-
Closing balance	1,185,248	1,185,090	1,161,000	1,161,000

The Ascent (Thailand) Co., Ltd. is a limited company and the company's stock has no quoted price in the market. The Company was registered for dissolution on 27 February 2018. As at 31 December 2022, the liquidation has not been completed.

The Group has no contingent liability arise from interest of investment in an associate.

## 16 Investment property

The movements of investment property for the years ended 31 December 2022 and 2021 are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Opening balance at 1 January	238,440,346	217,018,408	-	-
Currency translation differences recognised in other comprehensive income	(13,476,974)	21,421,938	-	-
Closing balance at 31 December	224,963,372	238,440,346	-	-

Investment property held by the Group consists of land which measured by fair value.

The fair value of investment property is based on the selling price comparison approach. The Group evaluated the valuation of investment property by independent valuation experts ("Independent Appraiser") in 2020 which independent appraiser is certified according to professional standard and has an experience in appraising the selling price in the same type of property and in the same location as or near that investment property.

Fair value measurement is classified as level 3 of fair value hierarchy levels and the Group does not change the valuation techniques during the year.

As at 31 December 2022 and 2021, the Group does not have any income and expenses related to investment property because the Group's management is still considering the objective at the investment property.



## 17 Property, plant and equipment (net)

The movements of property, plant and equipment (net) for the years ended 31 December 2022 and 2021 are as follows:

	Consolidated and Separate financial statements						Total Baht
	Land Baht	Buildings and building improvement Baht	Plant and machinery Baht	Office equipment, furniture and fixtures Baht	Vehicles Baht	Construction in progress Baht	
<b>At 1 January 2021</b>							
Cost	319,126,782	545,246,412	2,147,373,987	16,922,331	28,889,284	448,995,779	3,506,554,575
<u>Less</u> Accumulated depreciation	-	(230,062,712)	(1,707,496,385)	(14,358,147)	(16,552,479)	-	(1,968,469,723)
Net book amount	319,126,782	315,183,700	439,877,602	2,564,184	12,336,805	448,995,779	1,538,084,852
<b>For the year ended 31 December 2021</b>							
Opening net book amount	319,126,782	315,183,700	439,877,602	2,564,184	12,336,805	448,995,779	1,538,084,852
Additions	-	6,262,138	45,290,746	3,637,854	238,000	69,094,552	124,523,290
Disposals - cost	-	-	(7,174,521)	(1,673,723)	(185,000)	-	(9,033,244)
- accumulated depreciation	-	-	7,138,339	1,673,525	150,095	-	8,961,959
Write-off - cost	-	-	(15,643)	(54,678)	-	-	(70,321)
- accumulated depreciation	-	-	14,986	54,366	-	-	69,352
Transfer in (out)	-	159,850,122	33,371,867	-	-	(193,221,989)	-
Depreciation charge	-	(18,432,520)	(77,013,998)	(1,430,146)	(1,961,815)	-	(98,838,479)
Closing net book amount	319,126,782	462,863,440	441,489,378	4,771,382	10,578,085	324,868,342	1,563,697,409
<b>At 31 December 2021</b>							
Cost	319,126,782	711,358,672	2,218,846,436	18,831,784	28,942,284	324,868,342	3,621,974,300
<u>Less</u> Accumulated depreciation	-	(248,495,232)	(1,777,357,058)	(14,060,402)	(18,364,199)	-	(2,058,276,891)
Net book amount	319,126,782	462,863,440	441,489,378	4,771,382	10,578,085	324,868,342	1,563,697,409

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

The movements of property, plant and equipment (net) for the years ended 31 December 2022 and 2021 are as follows: (Cont'd)

	Consolidated and Separate financial statements						
	Land Baht	Buildings and building improvement Baht	Plant and machinery Baht	Office equipment, furniture and fixtures Baht	Vehicles Baht	Construction in progress Baht	Total Baht
<b>For the year ended 31 December 2022</b>							
Opening net book amount	319,126,782	462,863,440	441,489,378	4,771,382	10,578,085	324,868,342	1,563,697,409
Additions	-	7,739,705	26,412,513	1,849,905	-	19,773,087	55,775,210
Disposals - cost	-	-	(9,818,414)	(70,500)	(476,945)	-	(10,365,859)
- accumulated depreciation	-	-	9,228,151	69,970	476,943	-	9,775,064
Write-off - cost	-	-	-	-	-	-	-
- accumulated depreciation	-	-	-	-	-	-	-
Transfer in (out)	-	437,540	247,662,726	-	-	(248,100,266)	-
Depreciation charge	-	(21,525,269)	(88,951,155)	(2,022,973)	(1,821,097)	-	(114,320,494)
Closing net book amount	319,126,782	449,515,416	626,023,199	4,597,784	8,756,986	96,541,163	1,504,561,330
<b>At 31 December 2022</b>							
Cost	319,126,782	719,535,917	2,483,103,261	20,611,189	28,465,339	96,541,163	3,667,383,651
<u>Less</u> Accumulated depreciation	-	(270,020,501)	(1,857,080,062)	(16,013,405)	(19,708,353)	-	(2,162,822,321)
Net book amount	319,126,782	449,515,416	626,023,199	4,597,784	8,756,986	96,541,163	1,504,561,330

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

As at 31 December 2022 and 2021, right-of-use asset balance presented as a part of property, plant and equipment are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Vehicle	3,912,512	3,912,512	3,912,512	3,912,512
<u>Less</u> Accumulated depreciation	(1,599,668)	(1,204,354)	(1,599,668)	(1,204,354)
Net book amount	2,312,844	2,708,158	2,312,844	2,708,158

**18 Intangible assets (net)**

The movements of intangible assets (net) for the years ended 31 December 2022 and 2021 are as follows:

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<b>Computer software Baht</b>	<b>Computer software Baht</b>
<b>At 1 January 2021</b>		
Cost	8,177,976	8,122,976
<u>Less</u> Accumulated amortisation	(6,923,987)	(6,887,296)
Net book amount	1,253,989	1,235,680
<b>For the year ended 31 December 2021</b>		
Opening net book amount	1,253,989	1,235,680
Additions	540,027	540,027
Amortisation charge	(437,369)	(431,869)
Closing net book amount	1,356,647	1,343,838
<b>At 31 December 2021</b>		
Cost	8,718,003	8,663,003
<u>Less</u> Accumulated amortisation	(7,361,356)	(7,319,165)
Net book amount	1,356,647	1,343,838
<b>For the year ended 31 December 2022</b>		
Opening net book amount	1,356,647	1,343,838
Amortisation charge	(437,841)	(432,341)
Closing net book amount	918,806	911,497
<b>At 31 December 2022</b>		
Cost	8,718,003	8,663,003
<u>Less</u> Accumulated amortisation	(7,799,197)	(7,751,506)
Net book amount	918,806	911,497

**18 Intangible assets (net) (Cont'd)**

Amortisation recognised in profit or loss that are related to intangible assets for the years ended 31 December 2022 and 2021 are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Cost of goods sold	141,283	121,877	141,283	121,877
Administrative expense	296,558	315,492	291,058	309,992
	437,841	437,369	432,341	431,869

**19 Deferred tax assets (liabilities)**

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

As at 31 December 2022 and 2021, deferred tax assets and deferred tax liabilities presented by net taxable entities comprised the following:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
<b>Deferred tax assets</b>	42,246,431	41,250,839	39,696,169	41,250,839
<b>Deferred tax liabilities</b>	(3,495,396)	(3,461,544)	(3,495,396)	(3,461,544)
<b>Deferred tax asset (net)</b>	38,751,035	37,789,295	36,200,773	37,789,295

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

	Consolidated financial statements				
	Impairment on financial assets Baht	Allowance for net realisable value Baht	Employee benefit obligation Baht	Allowance for unclaim duties Baht	Remeasurement of financial asset at fair value Baht
<b>Deferred tax assets</b>					
At 1 January 2021	23,080,793	2,852,096	13,601,858	43,760	-
Credited to profit or loss (Note 29)	225,893	798,408	628,783	19,248	-
At 31 December 2021	23,306,686	3,650,504	14,230,641	63,008	-
At 1 January 2022	23,306,686	3,650,504	14,230,641	63,008	-
(Charged)/credited to profit or loss (Note 29)	(86,367)	2,753,174	(166,071)	88,533	2,550,262
Charged to other comprehensive income	-	-	(4,143,939)	-	-
At 31 December 2022	23,220,319	6,403,678	9,920,631	151,541	2,550,262

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

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

	Consolidated financial statements	
	Difference of depreciation between tax base and accounting base Baht	Total Baht
<b>Deferred tax liabilities</b>		
At 1 January 2021	(3,421,707)	(3,421,707)
Charged to profit or loss (Note 29)	(39,837)	(39,837)
At 31 December 2021	(3,461,544)	(3,461,544)
At 1 January 2022	(3,461,544)	(3,461,544)
Charged to profit or loss (Note 29)	(33,852)	(33,852)
At 31 December 2022	(3,495,396)	(3,495,396)

	Separate financial statements				
	Impairment on financial assets Baht	Allowance for net realisable value Baht	Employee benefit obligation Baht	Allowance for unclaim duties Baht	Total Baht
<b>Deferred tax assets</b>					
At 1 January 2021	23,080,793	2,852,096	13,601,858	43,760	39,578,507
Credited to profit or loss (Note 29)	225,893	798,408	628,783	19,248	1,672,332
At 31 December 2021	23,306,686	3,650,504	14,230,641	63,008	41,250,839
At 1 January 2022	23,306,686	3,650,504	14,230,641	63,008	41,250,839
(Charged)/credited to profit or loss (Note 29)	(86,367)	2,753,174	(166,071)	88,533	2,589,269
Charged to other comprehensive income	-	-	(4,143,939)	-	(4,143,939)
At 31 December 2022	23,220,319	6,403,678	9,920,631	151,541	39,696,169

	Separate financial statements	
	Difference of depreciation between tax base and accounting base Baht	Total Baht
<b>Deferred tax liabilities</b>		
At 1 January 2021	(3,421,707)	(3,421,707)
Charged to profit or loss (Note 29)	(39,837)	(39,837)
At 31 December 2021	(3,461,544)	(3,461,544)
At 1 January 2022	(3,461,544)	(3,461,544)
Charged to profit or loss (Note 29)	(33,852)	(33,852)
At 31 December 2022	(3,495,396)	(3,495,396)

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

As at 31 December 2022 and 2021, the Group has the unused tax but no deferred tax assets are recognised in the statement of financial position because the Group's managements considered that it is not probable the Group future taxable profit which the deferred tax assets can be utilised.

The unused tax losses comprise the following:

	<b>Consolidated financial statements</b>	
	<b>2022 Baht</b>	<b>2021 Baht</b>
<b>Unused tax losses</b>		
Tax losses expired 2023	1,208,502	1,845,745
Tax losses expired 2024	-	4,133,955
Tax losses expired 2025	-	471,640
Tax losses expired 2026	-	429,140

**20 Lease liabilities (net)**

The movements of lease liabilities arising from financing activities as at 31 December 2022 and 2021 comprise the following:

	<b>Consolidated and Separate financial statements</b>	
	<b>Leases liabilities Baht</b>	
<b>As at 1 January 2021</b>		1,145,774
Interest expense from lease liabilities		63,128
Cash flows paid		(432,000)
<b>As at 31 December 2021</b>		776,902
Interest expense from lease liabilities		38,618
Cash flows paid		(432,000)
<b>As at 31 December 2022</b>		383,520

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

	<b>Consolidated and Separate financial statements</b>	
	<b>2022 %</b>	<b>2021 %</b>
Finance lease liabilities	6.45	6.45

## 20 Lease liabilities (net) (Cont'd)

**Minimum lease payments of lease liabilities:**

Not later than one year

Later than 1 year but not later than 5 years

Less Future finance charges on leases

Present value of lease liabilities

**Consolidated and Separate  
financial statements**

2022	2021
Baht	Baht
396,000	432,000
-	396,000
396,000	828,000
(12,480)	(51,098)
383,520	776,902

**Consolidated and Separate  
financial statements**

2022	2021
Baht	Baht
383,520	393,382
-	383,520
383,520	776,902
383,520	393,382
-	383,520
383,520	776,902

**Lease liabilities:**

- Current

- Non-current

**Present value of lease liabilities:**

Not later than one year

Later than 1 year but not later than 5 years

## 21 Trade and other payables

Trade and other payables as at 31 December 2022 and 2021 are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2022 Baht</b>	<b>2021 Baht</b>	<b>2022 Baht</b>	<b>2021 Baht</b>
Trade accounts payable				
- others	178,809,538	395,833,388	178,809,538	395,833,388
- related parties (Note 32.3)	957,672	5,875,541	957,672	5,875,541
Other accounts payable				
- others	17,236,239	25,283,290	16,672,655	24,883,937
- related parties (Note 32.3)	57,138,580	60,133,437	57,138,580	60,142,158
Payables on fixed assets				
- others	8,788,592	21,259,009	8,788,592	21,259,009
- related parties (Note 32.3)	1,424,073	1,434,054	1,424,073	1,434,054
Accrued salary and bonus	58,056,686	74,482,407	58,056,686	74,482,407
Retention	9,167,577	9,708,692	9,167,577	9,708,692
Accrued dividend	492,161	430,148	492,161	430,148
Accrued expenses	7,826,709	12,019,242	7,505,678	11,707,867
Total trade and other payables	339,897,827	606,459,208	339,013,212	605,757,201

## 22 Liabilities relating to contracts with customers

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

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Contract liabilities				
- Current	64,035,021	56,576,728	64,035,021	56,576,728
- Non-current	-	-	-	-
Total contract liabilities	64,035,021	56,576,728	64,035,021	56,576,728

### Significant changes in contract liabilities

Contract liabilities for expected volume discounts and customer loyalty programme contracts have increased by Baht 7,458,293 following the amendment of discount agreements to boost sales domestically.

### Revenue recognised in relation to contract liabilities

Revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Revenue recognised that was included in the contract liability balance at the beginning of the period				
- Advance receipt from customers	20,625,385	27,202,151	20,625,385	27,202,151
- Customer loyalty programme	14,205,650	6,774,531	14,205,650	6,774,531

## 23 Employee benefit obligations

Employee benefit obligations as at 31 December 2022 and 2021 are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Statements of financial position:				
Retirement benefits	49,603,154	71,153,202	49,603,154	71,153,202
Liability in the statements of financial position	49,603,154	71,153,202	49,603,154	71,153,202
Profit or loss charge included in operating profit for:				
Retirement benefits	6,049,377	5,987,548	6,049,377	5,987,548
Remeasurements of post-employment for:				
Benefit obligations	(20,719,697)	-	(20,719,697)	-



## 23 Employee benefit obligations (Cont'd)

### Retirement benefits

The plans are retirement benefit plans. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The movements of the employee benefit obligations for the years ended 31 December 2022 and 2021 are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
At 1 January	71,153,202	68,009,290	71,153,202	68,009,290
Current service cost	4,748,532	4,759,037	4,748,532	4,759,037
Interest expense	1,300,845	1,228,511	1,300,845	1,228,511
	77,202,579	73,996,838	77,202,579	73,996,838
Remeasurements of post-employment for: Benefit obligations	(20,719,697)	-	(20,719,697)	-
Payment from plans: Benefit payment	(6,879,728)	(2,843,636)	(6,879,728)	(2,843,636)
At 31 December	49,603,154	71,153,202	49,603,154	71,153,202

The significant actuarial assumptions used are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 %	2021 %	2022 %	2021 %
Discount rate	3.15	1.80	3.15	1.80
Inflation rate	3	2.75	3	2.75
Salary growth rate	5	5	5	5

Sensitivity analysis for each significant assumption used is as follows:

	Consolidated financial statements					
	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2022	2021	2022	2021	2022	2021
Discount rate	1%	1%	Decrease by 9.48%	Decrease by 9.82%	Increase by 11.05%	Increase by 11.46%
Salary growth rate	1%	1%	Increase by 9.21%	Increase by 9.84%	Decrease by 8.07%	Decrease by 8.49%
	Separate financial statements					
	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2022	2021	2022	2021	2022	2021
Discount rate	1%	1%	Decrease by 9.48%	Decrease by 9.82%	Increase by 11.05%	Increase by 11.46%
Salary growth rate	1%	1%	Increase by 9.21%	Increase by 9.84%	Decrease by 8.07%	Decrease by 8.49%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the retirement benefits recognised in the statements of financial position.

## 23 Employee benefit obligations (Cont'd)

Sensitivity analysis for each significant assumption used is as follows: (Cont'd)

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the defined benefit obligation is 14 years (2021: 16 years).

Expected maturity analysis of undiscounted retirement benefits are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
<b>Retirement benefits</b>				
Within 1 year	2,360,393	1,736,830	2,360,393	1,736,830
Later than 1 year but not later than 2 years	5,717,467	6,197,406	5,717,467	6,197,406
Later than 2 year but not later than 5 years	4,913,662	7,826,006	4,913,662	7,826,006
Later than 5 years	57,377,710	61,396,873	57,377,710	61,396,873
Total	70,369,232	77,157,115	70,369,232	77,157,115

## 24 Share capital and premium on share capital

The movements of share capital and premium on share capital for the years ended 31 December 2022 and 2021 are as follows:

	Number of Shares	Ordinary Shares Baht	Share Premium Baht	Surplus on Treasury Shares Baht	Total Baht
At 1 January 2021	658,434,300	658,434,300	222,105,000	7,429,904	887,969,204
Issue of shares	-	-	-	-	-
At 31 December 2021	658,434,300	658,434,300	222,105,000	7,429,904	887,969,204
Issue of shares	-	-	-	-	-
At 31 December 2022	658,434,300	658,434,300	222,105,000	7,429,904	887,969,204

As at 31 December 2022 and 2021, the total authorised number ordinary shares are 658,434,300 shares with a par value of Baht 1 per share. All issued shares are fully paid-up.

## 25 Legal reserve

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

## 26 Promotional privileges

As at 31 December 2022 and 2021, the outstanding unexpired promotional privileges are as follows:

BOI certificate	Date of approval	Products	Income first derived date	Exemptional payment of corporate income tax privileges	Significant privileges*				
					1	2	3	4	5
2315(1)/2555	11 September 2012	Motorcycle tire	1 October 2015	30 September 2028	✓	✓	✓	-	✓
61-0293-1-00-1-0	13 March 2018	Bicycle tire and bicycle tube	1 October 2019	30 September 2027	✓	-	-	✓	✓

\* Significant privileges

- 1) Exemption from payment of import duty on machinery approved by the Board;
- 2) Exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations
- 3) A 50% reduction in the normal income tax rate on the net profit derived from certain operations for a period of five years, commencing from the expiry date in (2) above.
- 4) Exemption from payment of corporate income tax totally not in excess of 100% of the investment amount excluding cost of land and working capital. This privilege is due for expiration within a period of 8 years from the date of income is firstly derived.
- 5) Exemption from including the dividend income received from exemptional income tax entity as taxable income in corporate income tax calculation throughout the period of income tax exemption of the Company.

In addition, the Group must comply with certain conditions and restrictions provided in the promotional certificates.

The Group has the revenue for the years ended 31 December 2022 and 2021 which is classified as revenue under corporate income tax exemption and non-corporate income tax exemption as follows:

	Consolidated financial statements					
	2022			2021		
	BOI Baht	NON-BOI Baht	Total Baht	BOI Baht	NON-BOI Baht	Total Baht
Export sales	456,453,477	2,141,514,599	2,597,968,076	416,517,100	2,140,484,467	2,557,001,567
Domestic sales	176,931,807	636,851,547	813,783,354	256,512,416	613,289,862	869,802,278
Total	633,385,284	2,778,366,146	3,411,751,430	673,029,516	2,753,774,329	3,426,803,845
	Separate financial statements					
	2022			2021		
	BOI Baht	NON-BOI Baht	Total Baht	BOI Baht	NON-BOI Baht	Total Baht
Export sales	456,453,477	2,137,523,699	2,593,977,176	416,517,100	2,130,533,044	2,547,050,144
Domestic sales	176,931,807	635,418,340	812,350,147	256,512,416	611,045,897	867,558,313
Total	633,385,284	2,772,942,039	3,406,327,323	673,029,516	2,741,578,941	3,414,608,457

## 27 Other income

Other income for the years ended 31 December 2022 and 2021 are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Interest income	2,224,538	2,373,559	2,128,177	2,295,143
Rental income	-	-	120,000	120,000
Gain on sales of assets (net)	93,171	126,224	93,171	126,224
Dividend income	2,040,983	350,828	-	-
Others	15,005,899	4,907,019	15,067,223	5,020,577
<b>Total other income</b>	<b>19,364,591</b>	<b>7,757,630</b>	<b>17,408,571</b>	<b>7,561,944</b>

## 28 Expense by nature

The following significant expenditures, classified by nature for the years ended 31 December 2022 and 2021, have been charged in arriving at profit (loss) before finance costs and income tax:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Changes in inventories of finished goods and work in process	117,297,677	(250,889,836)	118,578,499	(252,655,756)
Raw material and consumables used	1,652,256,520	1,803,464,491	1,652,256,520	1,803,464,491
Employee benefit expense	539,682,228	647,640,859	539,682,228	647,640,859
Depreciation and amortisation	114,758,335	99,275,848	114,752,835	99,270,348
Transportation expense	68,065,443	70,984,207	68,048,143	70,927,990
Utility expense	226,174,006	200,722,237	226,174,006	200,722,237
Packing expense	73,117,722	96,196,025	73,117,722	96,196,025
Repair and maintenance expense	43,487,355	48,935,435	43,487,355	48,935,435

## 29 Income tax expense

Income tax expense for the years ended 31 December 2022 and 2021 are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Current tax:				
Current tax on profits for the year	75,393,940	101,914,476	75,327,937	101,914,476
Adjustments in respect of prior year	724,639	16,431	724,639	16,431
<b>Total current tax</b>	<b>76,118,579</b>	<b>101,930,907</b>	<b>76,052,576</b>	<b>101,930,907</b>
Deferred tax:				
Increase in deferred tax assets (Note 19)	(5,139,531)	(1,672,332)	(2,589,270)	(1,672,332)
Increase in deferred tax liability (Note 19)	33,852	39,837	33,852	39,837
<b>Total deferred tax</b>	<b>(5,105,679)</b>	<b>(1,632,495)</b>	<b>(2,555,418)</b>	<b>(1,632,495)</b>
<b>Total income tax expense</b>	<b>71,012,900</b>	<b>100,298,412</b>	<b>73,497,158</b>	<b>100,298,412</b>

## 29 Income tax expense (Cont'd)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Company as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Profit before tax	432,590,266	561,180,305	439,083,355	560,163,986
Tax calculated at a tax rate of 20%	86,518,053	112,236,061	87,816,671	112,032,797
Tax effect of:				
Profit under BOI certificate subject to exempt income tax	(14,768,607)	(11,316,194)	(14,768,607)	(11,316,194)
Expenses not deducted for tax purpose	849,653	339,447	762,249	339,413
Income not subject to tax and expenses additionally deductible for tax purpose	(1,044,446)	(781,622)	(1,037,794)	(774,035)
Utilisation of previously unrecognised tax losses	(721,426)	(274,395)	-	-
Difference in overseas tax rate	(544,966)	26,684	-	-
Tax losses of subsidiary for which no deferred income tax asset was recognised	-	52,000	-	-
Adjustment in respect of prior year	724,639	16,431	724,639	16,431
Income tax	71,012,900	100,298,412	73,497,158	100,298,412

## 30 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

Basic earnings per shares for the years ended 31 December 2022 and 2021 are as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Basic earnings per share</b>				
Net profit attributable to ordinary shareholders (Baht)	361,577,366	460,881,893	365,586,197	459,865,574
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share (Share)	658,434,300	658,434,300	658,434,300	658,434,300
Basic earnings per share attributable to the ordinary equity holders of the Company (Baht per share)	0.55	0.70	0.56	0.70

There are no potential dilutive ordinary shares in issue for during 2022 and 2021.

## 31 Dividends per share

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

At the Annual General Meeting No. 1/2021 on 23 April 2021, the shareholders approved the payment of annual dividend from net profit for year 2020 at Baht 0.315 per share, totalling Baht 207,406,805.

## 32 Related party transactions

### 32.1) The Company and related parties

As at 31 December 2022, the majority of the Company's shares are held by Hwa Fong Rubber Industries Co., Ltd. by 50.42% (2021: 50.42%) of the Company's authorised share capital.

The relationships between the Company and related parties that are transacted with are as follows:

Company name	Country of incorporation	Relationship
Sumitomo Rubber Industries Limited	Japan	Shareholding in Parent
Hwa Fong Rubber Industries Co., Ltd.	Taiwan	Parent
HFT Holding Co., Ltd.	Thailand	Subsidiary
PT. Hwa Fong Rubber Indonesia	Indonesia	Subsidiary
The Ascent (Thailand) Co., Ltd.	Thailand	Associate
Hwa Fong Rubber (U.S.A.) Inc.	United States of America	Subsidiary of Parent
Hwa Zhong (B.V.I.) Holding Corp.	British Virgin Island	Subsidiary of Parent
Hwa Fong Rubber (Hong Kong) Ltd.	Hong Kong	Subsidiary of Parent
Hwa Fong Rubber (Singapore) Holding PTE Ltd.	Singapore	Subsidiary of Parent
Hwa Fong Rubber (China) Co., Ltd.	China	Subsidiary of Parent
Hwa Fong Distribution Co., Ltd.	Taiwan	Subsidiary of Parent
China Hwa Fong Enterprise Co., Ltd.	Taiwan	Subsidiary of Parent
Hwa Fong Rubber (Suzhou) Co., Ltd.	China	Indirect subsidiary of Parent
Hota Industrial Manufacturing Co., Ltd.	Taiwan	Company under the same chairman

### 32.2) Transactions with related parties

Transactions with related parties are as follows:

	Consolidated financial statements		Separate financial statements		Pricing policies
	2022 Baht	2021 Baht	2022 Baht	2021 Baht	
<b>Sales of goods and services</b>					
Parent	11,634,242	16,769,919	11,634,242	16,769,919	Market price
Other related parties					
- Subsidiaries of parent	74,627,329	62,374,898	74,627,329	62,374,898	Market price
- Shareholding in parent	100,902,755	79,466,500	100,902,755	79,466,500	Market price
<b>Sales of raw materials</b>					
Parent	92,574	73,990	92,574	73,990	Market price
<b>Purchases of raw materials</b>					
Parent	13,904,592	20,985,212	13,904,592	20,985,212	Market price
<b>Purchases of spare parts and equipment</b>					
Parent	5,490,619	6,192,026	5,490,619	6,192,026	Market price
<b>Purchases of machinery</b>					
Parent	2,328,244	377,923	2,328,244	377,923	Market price
Other related parties					
- Subsidiaries of parent	1,047,934	1,763,798	1,047,934	1,763,798	Market price
<b>Purchases of merchandise</b>					
Subsidiaries	-	-	10,450	102,290	Market price

## 32 Related party transactions (Cont'd)

### 32.2) Transactions with related parties (Cont'd)

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

	Consolidated financial statements		Separate financial statements		Pricing policies
	2022 Baht	2021 Baht	2022 Baht	2021 Baht	
<b>Purchases of equity securities</b>					
<b>Other related parties</b>					
- Company under the same chairman	98,132,728	-	-	-	Market price
<b>Technical assistance fee</b>					
Parent	32,927,628	31,173,565	32,927,628	31,173,565	Contractual price
<b>Trademark fee</b>					
Parent	22,092,656	24,664,605	22,092,656	24,664,605	Contractual price
Other related parties					
- Shareholding in parent	2,596,706	1,875,191	2,596,706	1,875,191	Contractual price
<b>Other income</b>					
Subsidiaries	-	-	181,381	233,707	Contractual price
<b>Other expenses</b>					
Parent	349,851	1,368,734	349,851	1,368,734	Market price
Other related parties					
- Shareholding in parent	117,363	-	117,363	-	Market price

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

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

The outstanding balances as at 31 December 2022 and 2021 in relation to transactions with related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
<b>Trade accounts receivable</b>				
Parent	1,476,871	2,423,614	1,476,871	2,423,614
Other related parties				
- Subsidiaries of parent	2,228,215	14,600,785	2,228,215	14,600,785
- Shareholding in parent	9,880,899	5,730,304	9,880,899	5,730,304
Total	13,585,985	22,754,703	13,585,985	22,754,703
<b>Other accounts receivable</b>				
Parent	119,948	-	119,948	-
Subsidiaries	-	-	542,181	580,992
Other related parties				
- Indirect subsidiary of parent	17,178,023	17,178,023	17,178,023	17,178,023
Total	17,297,971	17,178,023	17,840,152	17,759,015
<b>Trade accounts payable</b>				
Parent	957,672	5,875,541	957,672	5,875,541
<b>Other accounts payable</b>				
Parent	55,472,932	59,273,373	55,472,932	59,273,373
Subsidiaries	-	-	-	8,721
Other related parties				
- Shareholding in parent	1,665,648	860,064	1,665,648	860,064
Total	57,138,580	60,133,437	57,138,580	60,142,158
<b>Payable on fixed assets</b>				
Parent	1,424,073	87,073	1,424,073	87,073
Other related parties				
- Subsidiaries of parent	-	1,346,981	-	1,346,981
Total	1,424,073	1,434,054	1,424,073	1,434,054

**32 Related party transactions (Cont'd)****32.4) Key management compensation**

Group's key management includes directors and accounting and finance manager. The compensation paid or payable to key management are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Salaries and other short-term employee benefits	11,214,950	10,969,560	11,214,950	10,969,560
Post-employment benefits	41,035	39,852	41,035	39,852
Total	11,255,985	11,009,412	11,255,985	11,009,412

**33 Bank guarantee**

As at 31 December 2022 and 2021, the Group had commitments in respect of bank guarantee issued by the domestic commercial banks as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Electricity usage	3,419,500	2,919,500	3,419,500	2,919,500
Others	8,136,873	3,436,873	8,136,873	3,436,873

**34 Commitments****34.1) Capital expenditure commitments**

As at 31 December 2022 and 2021, the Group had commitments which are capital expenditure contracted but not recognised as liabilities as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Property, plant and equipment	33,009,253	26,503,926	33,009,253	26,503,926

**34.2) Expense relating to leases of low-value assets**

As at 31 December 2022 and 2021, the Group had the minimum lease payments under operating leases of copying machine contracts are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Within 1 year	388,050	475,800	388,050	475,800
Later than 1 year but not later than 5 years	218,700	606,750	218,700	606,750
Total	606,750	1,082,550	606,750	1,082,550



## 34 Commitments (Cont'd)

### 34.3) Contingent assets

On 21 March 2022, the Company entered into a compromise agreement with Yoko Manufacturing Company Limited and its director to settle criminal disputes. Yoko Manufacturing Company Limited and its director agreed to compensate to the Company in the amount of Baht 45 million, payable in total of 84 installments with the specified amount for each installment according to the contract.

As at 31 December 2022, the Company received compensation amounting to Baht 4.60 million. However, the remaining 74 installments are still uncertain. Therefore, the Company has not recognised such contingent assets in the financial statements.

## 35 Events occurring after the reporting period

At the Board of Directors' meeting no. 1/2023, held on 22 February 2023, it passed a resolution to approve the appropriation of dividends of Baht 0.38 per share, totaling of Baht 250,205,034. The dividends will be paid to the shareholders on 25 May 2023 after approved by shareholder at the Annual General Meeting of Shareholders of the Company.

## Information Certification

The Company cautiously reviews this report and certifies that such contents are correct, complete, not false, not mislead others or lack significant information. Moreover, the Company certifies that;

(1) Financial statement and financial data that are summarized in this report are correctly disclosed about the Company's and the Subsidiaries's financial position, performance and cash flow;

(2) The Company arranges the good information disclosure system to assure that the Company correctly and completely discloses the significant information of the Company and the Subsidiaries, as well as control such operation;

(3) The Company arranges the good internal control and control the operation to comply with the aforesaid system. The Company informed the information about the internal control evaluation to the Company's auditor and the Audit Committee on December 31, 2022. Such information include defect and significant change of the internal control system as well as wrongdoing that might affect the preparation of the Company's and the Subsidiaries's financial report;

In order to assure that all these documents are the same documents that are certified by the Company, the Company assigns of Mr. Athisit Worachote to sign on every page of the documents. If any document does not have signature of Mr. Athisit Worachote, the Company will consider that such information is not certified by the Company.

Name

Position

signature

Mr. Shen, Kuo-Jung

chairman




Name

Position

signature

Attorney

Mr. Athisit Worachote

Secretary of Company



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

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

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

##### 1.1.1 Board of Directors As of 31st December 2021 Board of Director are as follow;

Name-Last name/Position/ Appointment date	Age	Educational Background	Equity Holding in Company (% )	Relationship between Directors and Executives	Working Experience for Past 5 Years		
					Period	Position	Name of Organization/ Company/Type of Business
1.Mr.Shen,Kuo-Jung Chairman and Managing Director Board authorized To bind the company, according to the affidavit. 22 June 2018	73	-Ph.D.(Business Administration) American International University -Honorary Doctorate Degree(Management) Luoyang University of Technology-The Republic of China - Taiwan	0.258	-	2018 - Present	Chairman	Hwa Fong Rubber Industry Co., Ltd.
					2018 - Present	Chairman	Hwa Fong Rubber (Thailand) PLC.
					2018 - Present	Chairman	HFT Holding Co., Ltd.
					2016 - Present	Advisor	National Policy Office of President of The Republic of China (Taiwan)
					2014 - Present	Chairman	Alliance Association of Industrial Science Park
					2010 - Present	Chairman	Hota Industrial MFG. Co., Ltd.
					2010 - Present	Chairman	Kao Fong Machinery Co., Ltd.
2.Mr.Chuang, Chih-Yao Director, 8 June 2018 Director Board authorized To bind the company, according to the affidavit. 18 December 2018	47	-B. Sc. (Finance) Arizona State University -United States of America	0.121	-	2018 - Present	Director	Hwa Fong Rubber (Thailand) PLC.
					2015 - Present	Managing Director (Owner)	Thai Bright Bar Co., Ltd
					2010 - Present	Managing Director (Owner)	V G Steel Co., Ltd.

## 1.1.1 Board of Directors (Continued)

Name-Last name/Position/ Appointment date	Age	Educational Background	Equity Holding in Company (% )	Relationship between Directors and Executives	Working Experience for Past 5 Years		
					Period	Position	Name of Organization/ Company/Type of Business
3.Mr. Chiu, Hsih- Chien Director  22 June 2018	51	-M.S.(Statistics) , National Cheng Kung University- Taiwan	-	-	2019 - Present	Director	Hwa Fong Rubber (Thailand) PLC.
					Present	Vice President	Hwa Fong Rubber Industry Co., Ltd.
					Present	Chief Executive Office	Jian Sin Industrial Co., Ltd.
					Present	Chief Executive Office	Jui Li Enterprise Co., Ltd.
4.Miss Wu, Ping-Yi Director  22 June 2018	32	- Bachelor of Laws Program, National Chung Hsing University - Taiwan	-	-	2019 - Present	Director	Hwa Fong Rubber (Thailand) PLC.
					Present	Director	Hwa Fong Rubber Industry Co., Ltd.
					2016 - 2019	Special Assistant Chief Executive Officer	Jian Sin Industrial Co., Ltd.
5.Mr. Liu Hsing-Hung Director  11 May 2020	63	- Vocational Education, Hsinchu Industrial Vocational College	-	-	2020 - Present	Director	Hwa Fong Rubber (Thailand) PLC.
					2019 - Present	Chairman of Executive Directors	Xingli Development Co. , Ltd.
					2002 - Present	Chairman of Executive Directors	Xiang Qian Advertising Co. , Ltd.
					2002 - Present	Chairman of Executive Directors	Xingheli Construction Co. , Ltd.
					1991 - Present	Chairman of Executive Directors	Neo-Vision Advertisement Co., Ltd.

## 1.1.1 Board of Directors (Continued)

Name-Last name/Position/ Appointment date	Age	Educational Background	Equity Holding in Company (% )	Relationship between Directors and Executives	Working Experience for Past 5 Years		
					Period	Position	Name of Organization/ Company/Type of Business
6.Mr. Yen, Ming Shan Director  11 August 2012	82	- EMBA, National Changhua University of Education - Voc. Cert.- Taiwan	0.208	-	2012 - Present	Director	Hwa Fong Rubber (Thailand) PLC.
					2012 - Present	Director	Taiwan Rubber and Elastomer Industry Association Co., Ltd.
					2012 - Present	Director	Taiwan Rubber Research and Testing Center
					2012 - Present	Director	Taiwan Provincial Industry Association
					2011 - Present	Director	Hwa Fong Rubber Industry Co., Ltd.
					2009 - Present	Chairman	Shenda Investment
					2003 - Present	Director	Hwa Fong Rubber (Suzhou)
					1993 - Present	Director	Hwa Fong Rubber (China)
					1992 - Present	Director	Hwa Fong USA Duro Tire and Wheel Co., Ltd.
7.Mr.Yen, Jul- Hsien Director  23.April.2022	49	- National Changhua University of Education (IMBA) - Voc. Cert.- Taiwan	1.139	-	2022 - Present	Director	Hwa Fong Rubber (Thailand) PLC.
					2019 - Present	GM	XIANG-RUI CONSTRUCTIONCO.,LTD
					2018 – Present	GM	MI-JI CONSTRUCTIONCO.,LTD
					2018 – Present	GM	Xu-Fu Corporate Communities Co.,Ltd
					2012 – Present	Director	ZU-LON INDCO.,LTD
					1994 - Present	GM	Hsin-Tai Hardware & Electricity Materialand Co.,Ltd

## 1.1.1 Board of Directors (Continued)

Name-Last name/Position/ Appointment date	Age	Educational Background	Equity Holding in Company (% )	Relationship between Directors and Executives	Working Experience for Past 5 Years		
					Period	Position	Name of Organization/ Company/Type of Business
8. Mr. Yen, Chih-Che Director  21 April 2017	46	- Architectural Engineering department Cheng Shiu University Bachelor of Business Administration DAYEH University -The Republic of China (Taiwan)	1.195	-	2017 - Present  2007 - Present	Director  Chairman	Hwa Fong Rubber (Thailand) PLC.  Sin-Jian-Hua Hydropower materials Co., Ltd.
9. Mr. Hsio, Chin-Lung Independent Director/ Chairman of The Audit Committee  6 August 2561	51	- MBE, Economic Institute of Chinese Culture University	-	-	2018 - Present  2007 - Present	Independent Director/ Chairman of The Audit Committee  Finance Senior Manager	Hwa Fong Rubber (Thailand) PLC.  Far Eastern International Bank, Taiwan.
10. Mrs. Syuan Wen Independent Director/ The Audit Committee  6 August 2561	72	Accounting, Saint Louis College- United Kingdom	-	-	2018 - Present  2018 - Present  2015 - Present  1996 - Present	Independent Director/ Chairman of The Audit Committee  Director  Overseas Coordinator Director	Hwa Fong Rubber (Thailand) PLC.  Placatin International Group  Eagles Air & Sea (Thailand) Co., Ltd. 9999 International Co., Ltd.

## 1.1.1 Board of Directors (Continued)

Name-Last name/Position/ Appointment date	Age	Educational Background	Equity Holding in Company (% )	Relationship between Directors and Executives	Working Experience for Past 5 Years		
					Period	Position	Name of Organization/ Company/Type of Business
11. Monsiam Sinworaphan Independent Director/ The Audit Committee  6 August 2018	50	-B.BA (International business), Siam University -Bachelor of Laws, Ramkhamhaeng University	-	-	2017 - Present	Independent Director/ Chairman of The Audit Committee	Hwa Fong Rubber (Thailand) PLC.
					2005 - Present	Legal Advisor	Applied DB Plc.
					2017 - Present	Legal Advisor	Savemor International Co., Ltd.
12. Mr. Lin, Cheng- Yung Independent Director/ The Audit Committee  11 May 2020	50	- Chiao Tai High School	0.062	-	2020 - Present	Independent Director/ Chairman of The Audit Committee	Hwa Fong Rubber (Thailand) PLC.
					2006 - Present	Chairman of The Board	Sheng Hua Manpower Resource Enterprise CO.,Ltd,

## 1.1.2 Information of Management, Controlling Person, and Company Secretary

Management Team

Management As of 31st December 2021 Board of Director are as follow;

Name-Last name/Position/ Appointment date	Age	Educational Background	Equity Holding in Company (% )	Relationship between Directors and Executives	Working Experience for Past 5 Years		
					Period	Position	Name of Organization/ Company/Type of Business
1. Mr. Shen, Kuo-Jung Managing Director and Control Authority	73	- Ph.D. (Business Administration) American International University -Honorary Doctorate Degree(Management) Luoyang University of Technology-The Republic of China - Taiwan	0.258	-	2018 - Present	Chairman	Hwa Fong Rubber Industry Co., Ltd.
					2018 - Present	Chairman	Hwa Fong Rubber (Thailand) PLC.
					2018 - Present	Chairman	HFT Holding Co., Ltd.
					2016 - Present	Advisor	National Policy Office of President of The Republic of China (Taiwan)
					2014 - Present	Chairman	Alliance Association of Industrial Science Park
					2010 - Present	Chairman	Hota Industrial MFG. Co., Ltd.
					2010 - Present	Chairman	Kao Fong Machinery Co., Ltd.
2. Mr. Chuang, Chih-Yao Deputy General Manager	47	-B. Sc. (Finance) Arizona State University -United States of America	0.121	-	2007 - Present	Chairman	Kao Fong Machinery Co., Ltd
					2018 - Present	Director	Hwa Fong Rubber (Thailand) PLC.
					2015 - Present	Managing Director (Owner)	Thai Bright Bar Co., Ltd
					2010 - Present	Managing Director (Owner)	V G Steel Co., Ltd.



## Management Team (Continued)

Name-Last name/Position/ Appointment date	Age	Educational Background	Equity Holding in Company (% )	Relationship between Directors and Executives	Working Experience for Past 5 Years		
					Period	Position	Name of Organization/ Company/Type of Business
4. Ms. Radatorn Tanaasawapol Financial and Accounting Manager  22.August.2022  24.November 2022	58	Bachelor Degree (Marketing) Ramkhamhaeng University  - Financial Instruments Impairment Provision (TFRS9) - CFO Refresher Class 3/2022 "Environmental Social Governance (ESG) issues related to operational strategies Disclosure of information and financial reports of listed companies".	0.000076	-	2005 - Present	Financial and Accounting Manager	Hwa Fong Rubber (Thailand) PLC.

### Company Secretary

Name-Last name/Position/ Appointment date	Age	Educational Background	Equity Holding in Company (% )	Relationship between Directors and Executives	Working Experience for Past 5 Years		
					Period	Position	Name of Organization/ Company/Type of Business
5.Mr. Athisit Worachote Secretary of company 13 May 2010	58	- Bachelor Degree (Laws), Ramkhamhaeng University - Diploma (Secretary of company) 37/2553 -Diploma of "Effective Warehouse Management" -Diploma of "Section 11/1 of the new labour law"	0.000228	-	2010 - Present	Secretary of company	Hwa Fong Rubber (Thailand) PLC.
					2003 - Present	Presidential office Manager	Hwa Fong Rubber (Thailand) PLC.

## **1.2 Duties and Responsibilities of the Company Secretary**

### **1.2.1 Appointment of Company Secretary**

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

### **1.2.2 Qualifications of the Company Secretary**

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

### 1.2.3 Scope of Authority of the Company Secretary

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

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

#### HFT Holding Co.,Ltd.

Name-Last name/Position/ Appointment date	Age	Educational Background	Equity Holding in Company (% )	Relationship between Directors and Executives	Working Experience for Past 5 Years		
					Period	Position	Name of Organization/ Company/Type of Business
1.Mr.Shen,Kuo-Jung Chairman and Managing Director Board authorized To bind the company, according to the affidavit. 22 June 2018	73	-Ph.D.(Business Administration) American International University -Honorary Doctorate Degree(Management) Luoyang University of Technology-The Republic of China - Taiwan	0.258	-	2018 - Present	Chairman	Hwa Fong Rubber Industry Co., Ltd.
					2018 - Present	Chairman	Hwa Fong Rubber (Thailand) PLC.
					2018 - Present	Chairman	HFT Holding Co., Ltd.
					2016 - Present	Advisor	National Policy Office of President of The Republic of China (Taiwan)
					2014 - Present	Chairman	Alliance Association of Industrial Science Park
					2010 - Present	Chairman	Hota Industrial MFG. Co., Ltd.
					2010 - Present	Chairman	Kao Fong Machinery Co., Ltd.
					2007 - Present	Chairman	Kao Fong Machinery Co., Ltd
2.Mr.Chuang, Chih- Yao	47	-B. Sc. (Finance) Arizona State University -United States of America	0.121	-	2018 - Present	Director	Hwa Fong Rubber (Thailand) PLC.
					2015 - Present	Managing Director (Owner)	Thai Bright Bar Co., Ltd
					2010 - Present	Managing Director (Owner)	V G Steel Co., Ltd.

2. Table showing information of executives and persons with controlling power who hold positions as directors or executives in subsidiaries, associated companies or related companies as of December 31, 2022 as follows:

list of companies	Company	Parent Company	Subsidiary	
Name	HFT Hwa Fong Rubber (Thailand) PLC.	HFR Hwa Fong Rubber Industrial Co., Ltd.	HFT Holding Co., Ltd	HFI PT. Hwa Fong Rubber (Indonesia)
1. Mr. Shen,Kuo-Jung	X	X	X	
2. Mr. Chiu,Hsih-Chien	/	/		
3. Miss. Wu,Ping-Yi	/	/		
4. Mr. Liu Hsing-Hung	/			
5. Mr.Yen,Ming-Shan	/			
6. Mr. Yen, Jul- Hsien	/			
7. Mr. Yen,Chih-Che	/			
8. Mr. Chuang,Chih-Yao	//		/	
9. Mr. Hsiao,Chih-Lung	/			
10. Mr.Monsiam Sinworapun	/			
11.Mrs. Syuan Wen	/			
12.Mr. Lin,Cheng-Yung	/			
13. Mr.Lin, Wen-Cheng				X

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

## Details of the directors of subsidiaries

Table showing the names of directors of subsidiaries as of December 31, 2021 are as follows:

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

### Remark

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

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

### Head of Internal Audit

**Name :** Ms. Pailin Amornkul  
**Position :** Supervisor of Internal Audit Department  
**Birthday:** November 4, 1977  
**Education :** Bachelor's degree from Sukhothai Thammathirat Open University Management Science

### Training

Seminar to provide accounting knowledge for audit committee members. Easy Listening: AC's Can't-Miss Accounting Tips EP.2 from the Office of the Securities and Exchange Commission ("SEC")

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



**work experience**

2014 - present	Supervisor of Internal Audit Department	Hwa Fong Rubber (Thailand) Public Company Limited
2013 - 2014	Vice supervisor of Internal Audit Department	Hwa Fong Rubber (Thailand) Public Company Limited
2011 - 2013	Leader of Internal Audit Department	Hwa Fong Rubber (Thailand) Public Company Limited
2008 - 2011	Vice leader of Internal Audit Department	Hwa Fong Rubber (Thailand) Public Company Limited
2004 - 2008	Internal Audit Officer	Hwa Fong Rubber (Thailand) Public Company Limited
1999 - 2004	Quality Assurance (QA) Officer	Hwa Fong Rubber (Thailand) Public Company Limited

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

-None-

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

-None-

**Shareholding in HFT (as of 31 December 2022)**

- own (none)

- Spouse/underage child (none)

**Relationship between Directors and Executive**

-None-

**Head of the Company's Compliance Division**

-None-

## Assets for business undertaking and details of asset appraisal

The company's main assets as of December 31, 2022 are as follows:

Property Type/Characteristics	Proprietary characteristics	Accounting value (MB)	Encumbrances
Land in the area where the factory and factory improvements are located has an area of 29 rai 3 ngan 16.3 square wa and the 2nd factory has an area of 32 rai 1 ngan 76 square wa.	The company owns the freehold.	112.15	without
The 3rd factory land has an area of 27 rai 3 ngan 72.8 square wa. (Still not being utilized in 2022)	The company owns the freehold.	206.98	without
4 Units of Suit rooms in 2 places	The company owns the freehold.	7.34	without
Buildings Located on the same land as the factory area.	The company owns the freehold.	492.18	without
Machinery & Equipment	The company owns the freehold.	626.02	without
Office Furnishings & Supplies	The company owns the freehold.	4.60	without
Vehicle	The company owns the freehold.	8.76	without
Assets under construction and Machines in process	The company owns the freehold.	96.54	without

The main assets of subsidiaries as of 31 December 2022 are as follows:

Property Type/Characteristics	Proprietary characteristics	Accounting value (MB)	Encumbrances
Land in Indonesia 163,510 square meters (Still not being utilized in 2022)	The subsidiary owns the ownership.	224.96	without

**Report of the Audit Committee Report**

Dear HFT's Shareholders:

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

Committee member

MR. HSIAO, CHIN-LUNG (Chairman)

MR. MONSIAM SINWORAPUN

MR. LIN, CHENG-YUNG

MRS. SYUAN WEN

The major purpose of Audit Committee is to assist the Board to provide independent oversight of HFT's financial reporting, the effectiveness of internal control, the adequacy of regulatory compliance, and risk management. In such meetings, we serve a Board-level oversight role and ensure all Audit Committee responsibilities are executed appropriately and effectively. Besides, we discuss with HFT's management and provide financial recommendations independently.

The Audit Committee meets PricewaterhouseCoopers ABAS Ltd., HFT's independent registered public account firm, to review and oversight HFT's financial statement quarterly. The Audit Committee is satisfied with the financial reports which were prepared in accordance with the generally accepted accounting principles.

Likewise, to perform the Audit Committee's duties, we have reviewed and discussed with the management to monitor the effectiveness of HFT's policies and procedures of internal control over financial reporting, compliance and operational matters.

The performance of the Company is mostly subject to market fluctuations and the risks inherent in all business environment changes. Meeting of risk identification and mitigation is convened regularly. HFT's risk management is sufficiently effective with the internal policies and strategies.

In reliance of above-mentioned reviews, and the financial reports audited by PWC, we believe the Audit Committee duties are performed effectively and completely.



(Mr. Hsiao, Chin-Lung)

Chairman of the Audit Committee

# HFT

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



LINE @hftofficial

www.duro.co.th



สำนักงานใหญ่ โรงงาน 1 : เลขที่ 317 ม.4  
บ.6C ต.เนินสูง ต.พรหมฯ อ.เมือง จ.สมุทรปราการ 10280  
โทรศัพท์ 02-709-6583 โทรสาร 02-709-6589

Head Office : 317 Moo 4, Soi 6C  
Bangpoo Industrial Estate  
Phraekao Sub-district, Muang District  
Samutprakan Province 10280  
Tel : (66)2-7096583 Fax : (66)2-7096589

โรงงาน 2 : เลขที่ 865/1 ม.4  
บ.118 ต.เนินสูง ต.พรหมฯ อ.เมือง จ.สมุทรปราการ 10280  
โทรศัพท์ 02-324-0518 โทรสาร 02-324-0519

Branch Office : 865/1 Moo 4, Soi 118  
Bangpoo Industrial Estate  
Phraekao Sub-district, Muang District  
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