



GLOBAL CONNECTIONS
PUBLIC COMPANY LIMITED

56-1 One Report 2021



GLOBAL CONNECTIONS

ADVANCING TOGETHER

Content

Message from the Chairman	2
---------------------------	---

Financial Summary	3
-------------------	---

Part 1 การประกอบธุรกิจ และผลการดำเนินงาน

1. Company Structure	4
----------------------	---

2. Risk Management	36
--------------------	----

3. Sustainable Business	45
-------------------------	----

4. Management's Discussion and Aalysis	54
--	----

5. General Information	57
------------------------	----

Part 2 Corporate Governance

6. Corporate Governance Policy	58
--------------------------------	----

7. Corporate Governance Structure and important information about the board, Sub-committees, executives, employees	74
--	----

8. Highlights of Corporate Governance	116
---------------------------------------	-----

9. Internal Control	132
---------------------	-----

Part 3 Financial Statement 2021

Message from Chairman

For the past few years, Global Connections has faced numerous challenges due to Covid-19 pandemic. Notable among these challenges is the continuing supply chain disruptions which are impacting the world economy. The Company has adapted to this challenging situation by implementing the “Work-from-home policy” with the corporate performance remaining well intact. Together with upholding our high standards, The Company also prioritizes the health and safety of our employees to ensure smooth delivery of products and services to our customers. As a result, The Company has achieved higher revenues and net profits than last year.



In addition to the financial success of 2021, Global Connections was once again rated “Excellent” in its corporate governance by the Thai Institute of Directors (IOD), continuing a long standing trend since 2017. The Company also obtained an approval for ISO 9001:2015 to emphasize our status as an internationally accredited distributor in plastics resin and petrochemical. All of these accomplishments reinforce our good business practices as well as ensure full transparency to our stakeholders. The Company also conducts our business with utmost consideration for effective risk management system and corporate social and environmental responsibility. The Company also supports learning and innovation with emphasis on research and development, all of which are integral to sustainable growth of our company.

On behalf of the Board of Directors of Global Connections, I would like to express my deepest gratitude for your continuous trust and support. We owe the success of 2021 to our shareholders, customers, suppliers, financial institutions, management team and each and every employee.



(Mr. Virah Mavichak)
Chairman of the Board
Global Connections Public Company Limited

Financial Information

	31.12.19	31.12.20	31.12.21
FINANCIAL POSITION (MILLION BAHT)			
Current Assets	1,054	1,192	1,558
Total Assets	1,185	1,453	1,808
Current Liabilities	698	918	1,244
Total Liabilities	707	932	1,258
Shareholder's Equity	478	522	550
OPERATING RESULT (MILLION BAHT)			
Sales Revenue	3,610	3,597	4,989
Gross Profit	274	306	378
Operating Profit	154	176	244
Profit for the period	115	136	189
Other comprehensive income	0	0	(1)
Total comprehensive income for the period	115	136	188
FINANCIAL RATIOS			
Return on Assets (%)	9.36	10.31	11.60
Return on Equity (%)	24.72	27.22	35.30
Net Profit Margin (%)	3.18	3.78	3.79
Current Ratio (Times)	1.51	1.30	1.25
Debt to Equity Ratio (Times)	1.48	1.79	2.29
Book Value per Share (Baht)	2.39	2.61	2.75
Net Profit per Share (Baht)	0.57	0.68	0.95

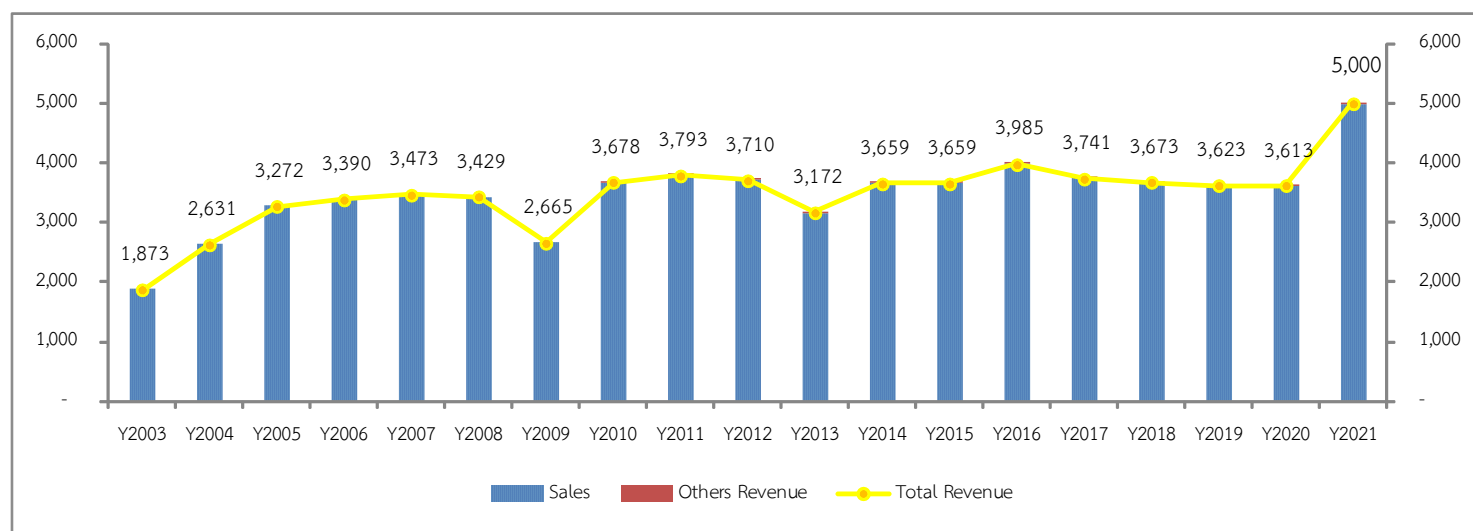
1. STRUCTURE AND BUSINESS OPERATION

1.1 Policy and Business Overview

Global Connections Public Company Limited (“the Company” or “GC”) is a distributing agent of plastics, petrochemicals, and additives, which are used in petrochemical and plastics transformation processes. GC acts as the distributing agent for more than thirty (30) companies such as GC Marketing Solutions Co., LTD., (GCM), which is a subsidiary of PTTGC, which itself is a subsidiary of the PTT group, a leader in Thailand’s Energy and Petrochemical industry. GC distributes polymer products from leading/preeminent/dominant/ companies such as ExxonMobil Chemical, Eastman Chemical,

Global Connections was established on September 27th, 1994, with an initial registered capital of two million Thai Baht, by founders with over 30 years in the petrochemical industry. Fully commercial by April 1st, 1995, their knowledge and experience helped pave the way within the rapidly emerging petrochemical industry in Thailand, leading to continuous growth for the Company.

Structure of Revenue during 2003 – 2021 (Unit: Million Baht)

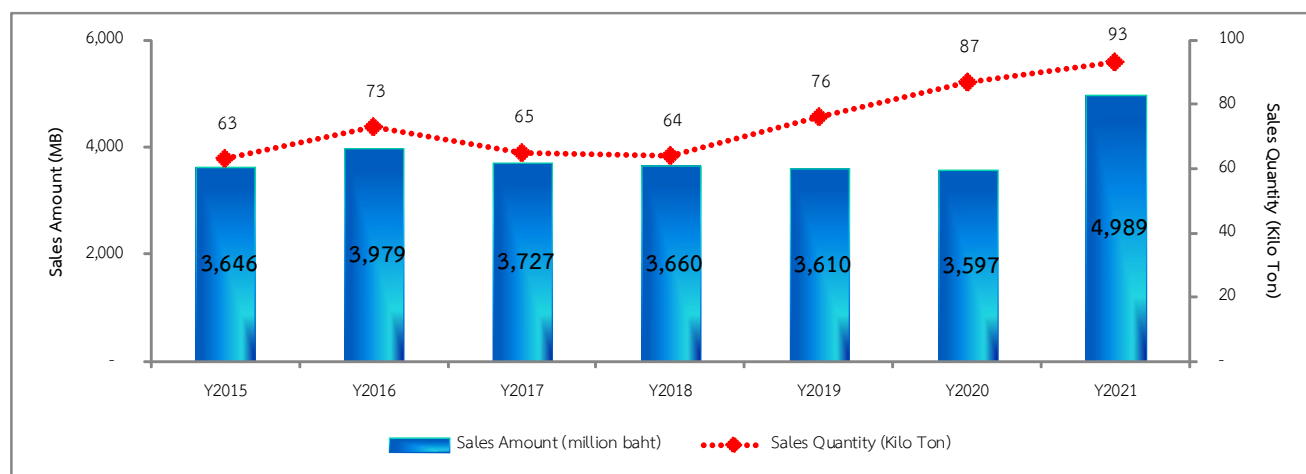


References: The Company’s information

As per diagram above:

- In 2009, The Company had Baht 2,665 Million in revenue, 22 percent decreased from Baht 3,429 Million in 2008 due to the US’s economic crisis and stock value’s decline from crude oil price fluctuation.
- During 2012-2013, company’s revenue decreased because we changed supplier from SGC to PTT.

Structure of Sales amount (Million Baht) and Quantity (Kiloton) during 2015 – 2021



References: The Company's information

In 2021, The Company's sales amount was 4,989 Million Baht, increased by 1,392 Million Baht from 2020 or by 39 percent. The increasing of sales amount was due to the higher market price for plastics products, in which increases by 20-30% for both local and import products. The raw material price increase was due to the Covid-19 situation and the supply chain disruption.

The sales quantity in 2021 was 93,000 metric tons, increased by 6,000 metric tons from 2020 or by 7 percent. The growth of sales quantity is due to the high demand for single-use packaging. In addition to that, working from home had led to an increase in demand for electrical products, household goods, and packaging for food and healthcare products.

In 2022, the global economy continues to face major risks from several different risk factors. This includes the spread of COVID-19, the rising US inflation and interest rate, and China's real-estate bubble problem. Geopolitical conflicts between countries such as China-Taiwan, and Russia-Ukraine, are affecting fuel prices. Volatile weather conditions are also affecting agricultural production. Domestically, the Thai government is implementing easier policies to help drive the economy, including investments in critical infrastructure. However, there are some challenging factors, such as the slow recovery of labor income, the decreased number of foreign tourists that have not yet returned to normal levels, and the various forms of employment changes due to the negative impacts of the COVID-19 pandemic. As a result, the purchasing power of the private sector is having difficulty recovering quickly.

Global Connections has three main product categories: (1) commodity polymers, (2) specialty and engineering polymers, and (3) specialty chemicals, intermediates, and additives. Commodity polymers are the

basic products suitable for use in applications where the mechanical properties of the material are not critical to performance. Specialty and engineering polymers are suitable for use in applications where the mechanical properties are critical, such as products that require extra strength, durability, or any other properties suitable for specific industrial applications. Specialty chemicals, intermediates, and additives can create higher value for customers' products through adding unique properties such as anti-oxidation, UV-protection, anti-Bacterial, electrostatic protection, and more.

In 2021, Global Connections recorded more than 5,000 million Thai Baht in revenue. This revenue is a calculation of sales revenue, which is 100 percent per annum (or 4,989 million Thai Baht), and other revenue, which is 0 percent per annum (or 11 million Thai Baht).

The Company's risks include bad debts, volatile exchange rates, insufficient cash flow, and fluctuations in the price of goods in the global market. The Company is aware of these risks and is working tireless to manage and mitigate their impact.

1.1.1 VISION, MISSION, COMPANY TARGETS AND STRATEGY

VISION

YOUR BEST-IN-CLASS SOLUTION FOR VALUE CREATION IN RAW MATERIALS SUPPLY

The Company recognizes the importance of having both short- and long-term vision and goals. As a result, the Board of Directors reviews and approves corporate visions, goals, and strategies on an annual basis. The Board is responsible for following the Company's performance based on the pre-determined strategies and regulates corporate governance accordingly so that it operates in-line with the Company's visions and goals.

To assist the Board in this endeavor, the Executive Committee is responsible for corporate governance and must report the Company's performance to the Board of Directors every quarter, and if any urgent issues arise, relay that information immediately.

The Company schedules management meetings every month. Meeting participants range from manager level employees to Executive Directors. The purpose of the meeting is to consider and set short, and long-term strategies to achieve Company goals. Meeting discussion topics include, but are not limited to, monthly performance, budget, technology, information disclosure policies, confidential information management, management of financial liquidity (cash flow, debts, and accounts payable), interest rates, exchange rates, and risk management. Important information from the meetings are disseminated and communicated to all employees to cultivate a culture of good corporate governance.

The 4th Board of Directors meeting in 2021 was held on the 10th of November 2021. The Company presented a vision for reconsideration and a budget for the year 2021. The Board of Directors approved the vision, which encouraged partnerships in value-creation through collaborative innovation together with suppliers and customers. The vision also Company to be a one-stop service agent that could serve as a knowledge center for any new technology from the leading manufacturers of the world, and act as a technical consultant for production and marketing information. The Company, as always, follows the collaborative principles of doing business with all customers, vendors, and financial institutions, and emphasizes long-term mutual support by setting the Company Mission, Targets, Strategy, and Operation Plan as follows:

Mission:

- ❑ Determined to continue to operate the business according to ethical standards and adhering to legal guidelines.
- ❑ Determined to build sustainable growth of profitability and revenue
- ❑ Determined to continuously develop knowledge, skills, and expertise of Company's staff. To maintain competitiveness and become the market leader.
- ❑ To be the total solution for raw material supply with new, innovative, and environmentally friendly products with access to world class suppliers.
- ❑ Determined to continue to monitor capital allocation and credit management for better effectiveness and competitiveness.
- ❑ To improve internal processes to increase efficiency.

Company's Targets:**Business Targets**

- ❑ To be a professional organization with good corporate governance principles
- ❑ To emphasize principles of systematic risk management, particularly bad debts in account receivables.

Revenue and Profit Targets:

- ❑ To keep sustainable growth of revenue and profit. The Company expects growth in sales quantity and the gross profit margin at 8 percent per annum, which is roughly 1-2 times Thailand's GDP (Gross Domestic Product).
- ❑ To manage costs efficiently and effectively.

Product Targets:

- ❑ To have a complete range of quality products from the best and largest producers of the world, to maintain consistent service for customers.
- ❑ To increase the product portfolio, as well as services and support to go along with currently existing products.
- ❑ To research and develop new products and enhance their effectiveness to serve customer needs.
- ❑ To reduce slow-moving inventory.

Business Partnership Targets:

- ❑ To focus on being responsive to customer needs rapidly to keep up at a higher competitive level.
- ❑ To build reliable relationships with customers by effective cooperation with suppliers as well as customers.
- ❑ To build reliance, and mutual respect with all stakeholders.
- ❑ To strengthen and expand the existing customer base for long-term business partnerships.

Supplier and Financial Institution Targets:

- ❑ Continue to build long-term reliable relationships with suppliers and financial institutions that emphasize transparency, as well as accurate and up-to-date information disclosure.
- ❑ To reduce costs and increase the efficiency of suppliers by becoming the total solution in sales, marketing, technical service, and logistics.
- ❑ To develop mutually beneficial business relationships with suppliers and financial institutions.

Operational Plans:

- ❑ To maintain a customer base of companies with good financial status, continuous business growth, and prospective projects that create value for the Company.
- ❑ To increase market share and expand product lines to prospective customers.
- ❑ To search for efficient producers to increase product diversity and profits.
- ❑ To develop new business units that build on the current model of business and also improve current distribution methods.
- ❑ To create projects that promotes innovation to increase sales amounts and decrease expenses.
- ❑ To increase suppliers, partners, and customers in the industry.
- ❑ To reduce costs that do not benefit Company productivity, boost working performance, and improve working capital management.

Overarching Company Strategy:

- ❑ Strengthen Market Positioning: by offering product development, product solutions, and value-creation for customers, while also maintaining strong relationships with suppliers, partners, and financial institutions. Continue to offer knowledge and technical training to increase the sales team's expertise.

- ❑ Maintain an Extensive Portfolio: of various types of plastics, chemicals, rubbers, and sustainable materials. Always source new and innovative materials.
- ❑ Maintain Disciplined Capital Allocation: by lowering risk and securing higher returns from effective credit management.
- ❑ Be a Streamlined and Adaptive Organization: by cost structure management, minimizing aging inventory, improving processes, and having adaptive and proactive teams.
- ❑ Work with Integrity: by implementing ethical business practices across the entire organization.

Company Strategy for 2022:

- ❑ Reduce Uncertainty: by performing Risk Management (for factors such as Capital Liquidity, Debt Management, Aging Inventory, and Foreign Exchange Rate Management) & Product Diversification.
- ❑ Increase Resilience: by maintaining organic growth via operational excellence, while looking to develop and innovate new products.
- ❑ Undergo a Digital Transformation: by improving efficiency incorporating automation for certain processes such as Barcode Inventory Software, to match the technological advances of the industry.
- ❑ Consider Climate Change & Sustainability: by addressing environmental concerns via methods such as Carbon Border Adjustment Mechanism (CBAM), and continuous green product sourcing.
- ❑ Encourage Inorganic Growth: by being open for M&A (Mergers & Acquisitions) activities.

1.1.2 MAJOR CHANGES AND DEVELOPMENTS IN 2021

- ❑ The Company was appointed to be the distributing agent of BASF (Thai) Limited for rubber additives.
- ❑ The Company was certified international standard ISO 9001: 2015 effective on October 23, 2021.
- ❑ Mr. Thanee Puttipanpluck requested to resign from the positions of Independent Director and Chairman of the Audit Committee on November 10, 2021. The Board of Directors appointed Mr. Virah Mavichak as the Chairman of the Audit Committee, effective on January 1, 2022.

1.2 BUSINESS CHARACTERISTICS

Global Connections Public Company Limited (“the Company” or “GC”) is a distributing agent of plastics, petrochemicals, and additives, which are used in petrochemical and plastics transformation processes. GC acts as the distributing agent for more than thirty (30) companies that are leaders in production capacity and technology. With this reputation, the Company considers itself to be the best Thai distributor that can provide the most diverse variety of petrochemicals and plastic raw materials to clients. Both the local and foreign suppliers of the Company are the top leaders in production capacity in Thailand, and globally.

The Company’s customers are rubber and plastics processing plants, and over 3,000 other producers in various business industries including, but not limited to, industrial packaging, food packaging, cosmetic packaging, personal care products, automotive parts, electronics parts, home appliances, furniture parts, sports equipment, stationary, and toys.

1.2.1 Revenue Structure

Revenue Structure	2019		2020		2021	
	Amount (Million Baht)	%	Amount (Million Baht)	%	Amount (Million Baht)	%
Total Sale Revenue	3,610	100	3,597	100	4,989	100
Other Income	13	-	16	-	11	-
Total Revenue	3,623	100	3,613	100	5,000	100
Growth rate (%)	(1%)		-		38	

Remark:

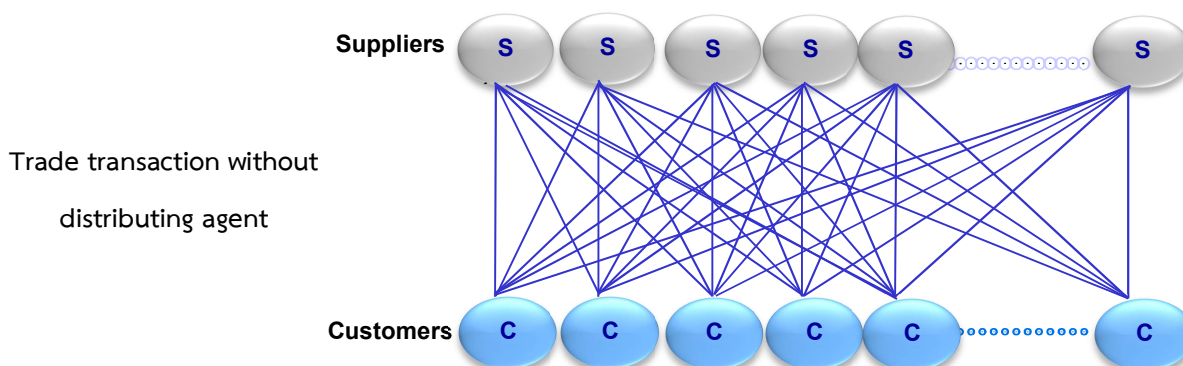
Other Income included commission income from oversea suppliers, interest income, gain on foreign exchange, and on disposal of asset.

1.2.2 Product Data

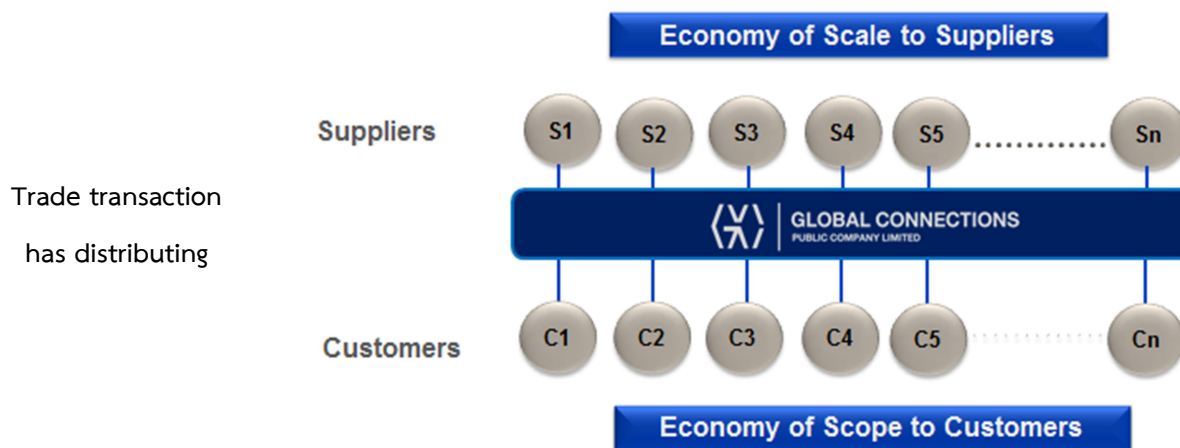
1) Product, Service and Innovation

Role of Distributing Agent

In general, large producers such as ExxonMobil Chemical, Eastman Chemical, and Chi Mei Corporation do not distribute their products directly to end-users because of the scattered location of end-users, and the high cost nature of individual trade transactions. Furthermore, end-users also use a variety of plastic raw materials in their production processes, making it complicated to buy raw materials directly from each producer. The diagram below shows how complex transactions would be, without a distributing agent such as Global Connections.



The essential function of distributing agents for the petrochemical industry is to connect and combine product ranges from various producers, to service the diverse needs of end-users and customers, all while minimizing the logistics costs of each transaction. The Company can deliver additional value to both suppliers and customers by simultaneously satisfying both the economy of scope for end-users and customers, and the economy of scale for large producers.



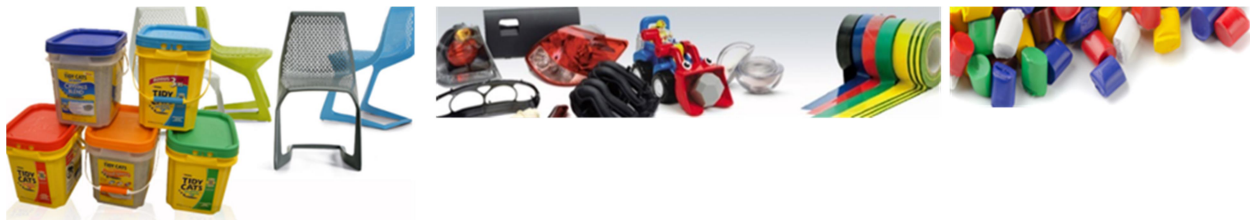
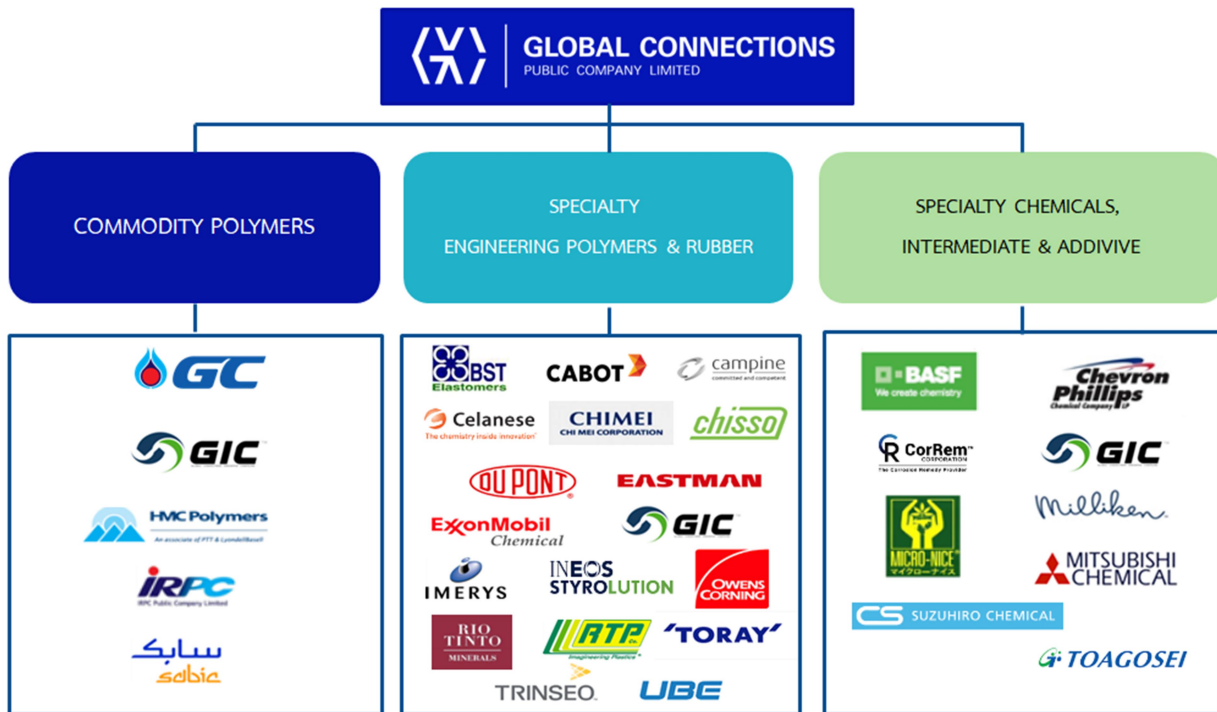
The above diagram shows the role and benefit of distributing agents in the petrochemical industry, which is similar to the role of distribution channels for consumer products which regularly generate trade transactions at supermarkets or hyper stores such as Tesco's Lotus, Makro, and BigC.

In addition, the barrier for entry for new petrochemical distributing agents is that the general practice of petrochemical producers is to appoint only one or two distributing agents in each market territory.

Global Connections Public Company Limited has three product categories as follows;

1. Commodity Polymers
2. Specialty and Engineering Polymers
3. Specialty Chemical, Intermediate, and Additive

Diagram: Producer by Product categories



- Commodity Polymers

Commodity Polymers include materials with high price fluctuation. The demand for these materials is usually at a high volume resulting in high sales amount, and with high turnover. The main local producer of these products is PTTGC. The commodities polymers can be categorized into two subgroups, general and special commodities.

- 1.1 General Commodities subgroup

The products in this subgroup include Polyethylene and Polypropylene products, commonly found in packaging industry e.g. water bottles, plastic bags, and plastic boxes.

■ 1.2 Special Commodities subgroup

The products in this subgroup are developed to have special properties but high volume demand, the turnover rate, and the price fluctuation pattern is the same as the general subgroup.

● Specialty and Engineering Polymers

Specialty and Engineering Polymers are polymers with exceptional characteristics, such as high strength, high toughness, high heat or chemical resistant, high flexibility, high water resistance, or high oxygen barriers. These products are suitable for high-valued products in automotive, electronics and appliances, or packaging industries. The specialty and engineering polymers can be categorized into two subgroups, engineering and industrial polymers.

■ 2.1 Engineering Products Subgroup

Products in this subgroup consist of four different types:

1. Engineering Plastics (PA, PET, PBT, POM, CoPE etc.)
2. Transparent and Styrene Plastics (GPPS, HIPS, ABS, ASA, SMMA, PMMA, SBC, PC, PC/ABS, etc.)
3. Black masterbatch, white masterbatch and conductive
4. Bio-base Plastics, Biodegradable plastics, and semi-durable plastics

Global Connections Suppliers Engineering polymers include:

1. DuPont Performance Specialty Products (Thailand) Limited
2. Chisso Corporation
3. Cabot Plastics
4. CHIMEI CORPORATION
5. TRINSEO
6. DENKA
7. INEOS STYROLUTION
8. RTP
9. TORAY
10. POLYALLOY
11. MISTSUBISHI CHEMICAL ADVANCED MATERIALS

■ 2.2 Industrial Products subgroup

Products in this subgroup consist of four different types:

1. Synthetic Rubber (EPDM, BR, SBR, Butyl)
2. Thermoplastic Elastomers (TPEs, TPO, TPVs)
3. Plastics for Hot Melt Adhesive and synthetic rubber additives
4. Transparent Copolyester & High Heat Copolyester
5. Minerals to enhance the properties of rubber and plastics compounds

Global Connections' Suppliers for Industrial products include:

1. ExxonMobil Chemical (Specialty Elastomer- Synthetic Rubber, Polyolefin Elastomer and Metallocene)
2. BST Elastomers (BSTE)
3. Eastman Chemical
4. Owens Corning
5. RIO TINTO MINERAL
6. IMERYS
7. THAI SYNTHETIC RUBBERS (TSL) or UBE
8. CAMPINE
9. CONTINENTAL CARBON
10. CELANESE

● Specialty Chemicals

Specialty chemical products consist of polymer additives and specialty chemicals used in petrochemical industry. The specialty chemical products can be categorized into two subgroups, additives, and petrochemical and intermediates.

■ 3.1 Additives Subgroup

Additives products are used in upstream resin manufacturer, to master batch and compounder, to downstream finish product manufacturer. Additives are use in conjunction with the petrochemical raw material to enhance specific properties. Additives that Global Connections offer include: antioxidant, recycling aid, UV stabilizer, UV absorber, antimicrobial agent, antistatic agent, nucleating agent, clarifying agent, optical brightener, slip agent, flame retardant, and volatile corrosion inhibitor.

Marketing these products required technical skills and ability to collaboratively develop the final product along with the user. Global Connections team is a part of every step from initial consultation to product testing and adjusting to fit the user's condition or preference. Global Connections work closely with suppliers and customers to create a sustainable value-creation.

Global Connections' Suppliers for additives products are:

1. ExxonMobil : Adhesive Industrial Business
2. BASF
3. MILLIKEN (Nucleating Agent & Clarifying Agent)
4. PMC BIOGENIX KOREA
5. FUJI CHEMICAL
6. CORREM
7. Suzuhiro Chemical
8. TOAGOSEI

Besides the list of suppliers above, The Company continues to source for more qualified suppliers to meet the demand of customers.

■ 3.2 Industrial Petrochemical and Intermediates subgroup

Products in this category differ from other because it required the understanding of the market and user's specification prior to searching for qualified products. The main supplier for this product is Chevron Phillips Chemical.

Products in this subgroup can be categorized into 4 different types:

1. Products for Refinery plants
2. Products for Ethylene manufacturing plants
3. Products for liquid petroleum gas (LPG)
4. Products for petrochemical industry, specifically resin, acrylic, and glue production. For example, Mercaptan. Mercaptan is a chain transfer agent, controlling the chain length during synthesis to achieve certain mechanical and processing properties. Mercaptan is useful in petrochemical industries, specifically during the polymerization process. Mercaptan that Global Connections offer are:

Tert-Dodecyl Mercaptan (TDM)	A chain modifier use in SBR, ABS, and some Adhesive manufacturing.
N-Dodecyl Mercaptan (NDDM)	A chain modifier use in Adhesive manufacturing, specifically Acrylic Resins and PS adhesive. A chain modifier use in PS and Acrylic Sheet manufacturing for sanitary ware.
N-Octyl Mercaptan (NOM)	A chain modifier use in PMMA manufacturing
2-Mercaptaethanol (BME)	A chain modifier use in the manufacturing process of Carboxylic group products. For example: Cement water reducer, Gelling Agent, and Corrosion inhibitor A Stabilizer use for Specialty PVC
Ethyl Mercaptan (EM)	An Odor Additive in Liquefied Petroleum Gas (LPG)
Tetrahydrothiophene (THT)	An Odor Additive in Natural Gas
Tertiary Butyl Mercaptan (TBM)	An Odor Additive in Natural Gas
Dimethyl Disulfide (DMDS)	An Anti-Coking agent use in Petrochemical Cracker Plants A Pre-Sulfiding agent in Aromatic Plants and Refinery Plants
Sulfolane W	A Solvent Extractor for BTX unit
Reference fuel	Including: 1. PRF-Isooctane, PRF-Octane Blends No. 80, PRF-N-Heptane, Toluene Reference Fuel use for measuring octane levels in benzene gas (gasoline) 2. Diesel Reference Fuel T and U use for measuring cetane level (CN) in diesel fuel

■ 3.3 BioChemical - Micronice Products

Biochemical products offer by Global Connections can use to serve all industries that uses water to reduce machinery's heat, require grease stain cleaning, and general cleaning. Biochemical products are made from bio-based raw materials, reducing the use of harsh chemical, reduces toxic waste, and making manufacturing plants more environmentally friendly. The benefits in using biochemical products are:

- safe for direct contact
- help maintain machine's performance and easy after care
- help save energy
- easy to separate gas and waste from water before entering water treatment storage
- assist useful microorganism to efficiently treat waste water

MICRO-NICE® is brand name of Thai natural extract products (Phytochemical: Botanical Extract from Locally Plant) that uses its natural qualities to reduce surface tension and diminishes unwanted odor. Phytochemical in MICRO-NICE® are 90% biodegradable within 30 days.

The mechanisms of MICRO-NICE® include 4 main stages:

1. Breakdown the surface to let the product penetrate and cleanse grease, scales, and other deposition.
2. Decrease surface tension allowing deposition to fall apart and out of surfaces without damaging the surface.
3. Cleanse out with clean water, MICRO-NICE® is a water based solution and is easy to wash off.
4. Eliminate odor from decayed residues.

There are three types of MICRO-NICE® products:

1. Cooling Tower Maintenance

MICRO-NICE® products help manages the water in the cooling system, ensuring its efficiency at reducing heat consistently and continuously. MICRO-NICE® products are safe for users, machinery, and the environment. The results of its performance can be measure at the Cooling tower filler heat exchanger point, oil cooler and condenser-chiller heat exchanger point, in which it can sufficiently measure energy consumption.

Cooling Tower Maintenance includes:

1. Assessing the water system of customer's plant and provide initial drawings of the system.
2. Propose pretreatment e.g. Softener, RO along with other maintenance services such as salt wash, membrane cleaning etc.
3. Products that can be used for cooling tower maintenance include:
 - MICRO-NICE® D-5 GC: slow and reduce scales new formation and eliminate old scales
 - GC OKA: slow the growth of algae
 - GC Chill Chill: Prevent rust formation for cold water system (below 20c degree)
 - GC Dynamic: Remove old scales and rust in Roller, Oil Cooler, and Machine Mold.
 - MICRO-NICE® Bio AHU: Reduce slurry, dust, oil sludge for the hot and cold coil for AHU, Chiller, and Industrial Air Conditioner

Additional service: cleaning flushing condenser of a Chiller

4. Service package include:
 - Assemble and install solution feeder and water quality measurement equipment
 - Cooler tower cleaning
 - Collecting data regarding water quality, water bills, energy usage and present before and after results.

2. Cleaning grease, rust and other unwanted residues

Products that can be used for cleaning grease, rust, and other unwanted residues:

- MICRO-NICE® Engine Cleaner
- MICRO-NICE® Bio3Mex: concentrated solution for grease removal on all surfaces except for metal
- MICRO-NICE® Bio3Mex - RP2 และ Bio3Mex - RP4: concentrated solution for grease removal on all surfaces except aluminum

3. Household cleaning

- MICRO-NICE® Clean&Clear: dishwashing solution
- MICRO-NICE® B O Clean: restroom cleaning solution
- MICRO-NICE® Bio Hand Wash
- MICRO-NICE® Bio Deodorizer

The Company received the Promotion Certificate from Thailand's Board of Investment on 9/9/2014; certificate number 2109/2557 under category 7.12 international procurement of parts or products. The benefits are listed below:

- As stated in section 25: allowing expert foreigner and partner to enter the kingdom and stay for the specified timeline based on the due diligence of the officer
- As stated in section 25: allowing expert foreigner to enter the kingdom and stay as stated in section 25, but must only perform duty based on the preapproval job description throughout the whole duration of the stay.
- As stated in section 28, import duty on machinery can be exempt based on the due diligence of the officer.
- As stated in section 36(1), import duty on raw materials and essential parts needed in production for exported goods can be exempt for one year from date of arrival.
- As stated in section 36(2) import duty are exempt on re-export products for the duration of one year from arrival.
- As stated in section 37 permitting the import or export of money in foreign currency when the company received IPO, making the Company the procurement unit that must deliver goods to customers based on customer's demand to increase customer's competitiveness as exporter.

Products List and Application

Abbreviation	Full name	Product Applications Examples
PP	POLYPROPYLENE	Heat resistant plastic bag, sack, household goods, electronics, automotive parts, straws, industrial container, car battery case
PE	POLYETHYLENE (HDPE/LLDPE/LDPE/MDPE)	Plastic bags, shrink film, packaging, plastic bottles
HDPE	HIGH DENSITY POLYETHYLENE	Rope, fishing net, bottle, pallet, plastic bags, bucket, industrial container
LLDPE	LINEAR LOW DENSITY POLYETHYLENE	Soft packaging, industrial bag, household goods
MDPE	MEDIUM DENSITY POLYETHYLENE	Injection molding products
LDPE	LOW DENSITY POLYETHYLENE	Soft packaging e.g. food packaging, re-sealable zipper storage bags, shrink film and bubble film
PVC	POLYVINYL CHLORIDE	Shampoo bottles, footwear, faux leather, construction equipment such as wire insulation and water pipes
PET	POLYETHYLENE TEREPHTHALATE	Disposable water bottle, cosmetics packaging, and single use airtight packaging.
TPC-ET	THERMOPLASTIC POLYETHER ESTER ELASTOMER	Athletic footwear parts and machinery parts.
PCT	POLYCYCLOHEXAMETHYLENE TEREPHTHALATE	Electronics parts
EPDM	ETHYLENE PROPYLENE DIENE MONOMER	Automotive parts
BUTYL	BUTYL RUBBER	Automotive parts and tires
GPPS	GENERAL PURPOSE POLYSTYRENE	Household goods and single-use products
HIPS	HIGH IMPACT POLYSTYRENE	Electrical appliances
SAN	STYRENE ACRYLONITRILE	Cosmetics packaging and lighter packaging
ABS	ACRYLONITRILE BUTADIENE STYRENE	Automotive parts, electrical appliance, electronics, toys, and plastics helmet.
TABS	TRANSPARENT ABS	Automotive parts, electronics and electrical appliances, and transparent toys.
SBS	STYRENE BUTADIENE STYRENE	Clothes hanger and transparent coffee cup
SMMA	STYRENE METHYLMATHACRYLATE	Kitchenware and footwear
PMMA	ACRYLIC POLYMER	Vehicle tail light, and electronics appliances.
PPS	POLYPHENYLENE SULFIDE	Automotive parts and electronics.
HMPS	HIGH MOLECULAR WEIGHT POLYSTYRENE	Kitchenware.

Innovation and Product Development

Global Connections considers innovation as an important part of business growth. With the support and assistance from the Company's world-class suppliers, the Company got first hand training, supporting document and new innovation to offer to customers. New Innovation can often improve the quality of end product, and some time can help customer reduce cost of production.

The Company's market development department has a plastics and polymer lab, in which it can test for physical properties of product. The Company also works collaboratively with research institutions in Thailand to study and develop products to meet the market demand. Some of our projects include: develop soft touch plastics that feels like rubber, reducing thickness while maintaining stretch-ability of raw material, PVC replacement, Melamine replacement, improving quality of recycle products etc. All of the projects listed above or any customized development are sold under the Company's own brand, GIC.

2) Marketing

Marketing Strategy

- **Company's target market**

In 2021 the Company has more than 1,350 customers, in which over 60% are repeat customers. Most of the customers purchase volume is no more than 2% of the overall sales amount. The Company's top ten customers make up 18% of overall sales amount.

The Company's customer can be categorized into three groups:

1. **Converter**

Converters are manufacturer of finished goods in variety of industries, such as: packaging, electronics and appliances, automotive, cosmetic packaging, construction, agricultural etc. Converters are accounted for 91% of Company's total sales amount and are the company main customers group.

2. **Trade Partners**

Trade partners are fellow distribution company that purchase products from Global Connections to meet the demand of their customers. Global Connections consider fellow distribution companies an ally in business and is committed to working together to satisfy market demands. Trade partners are accounted for 6.2% of the overall sales amount.

3. Compounder

Compounders are companies that have the capability to mix various different raw materials together to meet specific requirement of customers. Compounders are one of the Company co-development partners, in which supported many development and innovations to meet customers demand. Compounders are accounted for 2.8% of the overall sales amount.

The main target customers are those that are highly ranked in their specific industry, with financial stability and credibility. The Company has a Credit Management facility to help assess each customer, keeping in mind potential risks of loss. The Company also has a trade credit insurance policy since 2015 to minimize the damage of bad debt.

- **Sales Channel**

The main sales channel for the Company is through our sales representation that is specialized in specific product types. Customers can also contact the Company via Company's website, email, phone, Line application, or visit in person from 8:30-17:30 from Monday to Friday.

The Company has technical sales representative and sales support team that are able to provide technical assistance to customers. Over 90% of the sales representative graduated

with a degree in science or polymer, equipping them with knowledge and skills to assist customers with product information and appropriate application.

Additionally, the Company has partners in various different industries such as: compounder, pigment mixer, and other distributor. In which this allow Global Connections to share product knowledge and co-develop products that best meets customers' demands.

- **Warehouse's Location**

The Company location is located in a strategic area, in the eastern economic corridor allowing for delivery efficiency.

1. Most high volume customers, specifically automotive parts and packing producers are located in Samutprakarn and along the eastern sea board. The location of the company allow for fast and cost efficient delivery.
2. The location of the Company is not included in the trucking time limit, allowing for the full utilization of time to deliver to customers located in the same area.
3. The Company is also located near Lad-Krabang port, allowing for close proximity, fast delivery, and cost saving of imported goods.

Market Situation

● Market situation update

Global Connections Public Company Limited (“the Company” or “GC”) is a distributing agent of plastics, petrochemicals, and additives. Hence, the performance of the Company is correlated with plastics and chemical industry performance. The Company has summarized information about related industries from the Office of Industrial Economics (www.oie.go.th.) below.

1. Plastics Industry

The industrial production index in 2022 is expected to decrease 0.91% in comparison to 2021. Export is also expected to increase 12.14%, and import is also expected to increase 16.66% due to post-pandemic economic recovery.

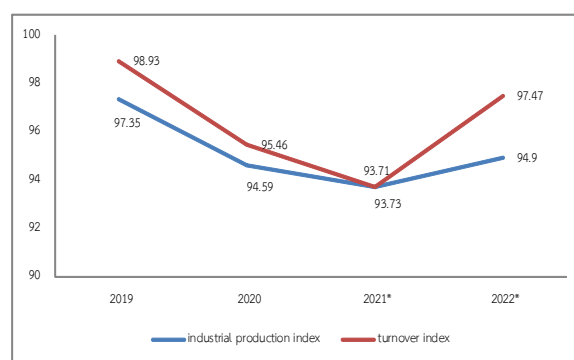
● Industrial production Index and Inventory turnover Index

Industrial Production index in 2021 is projected to decrease 0.91% in comparison to 2020. Products that is correlated with the decrease include: plastic pipes and fitting (decrease 5.99 %), plastics sack (decrease 4.16%), and other plastics bag (decrease 4.15%)

● Inventory turnover index

Inventory turnover index in 2022 is projected to decrease 1.84% in comparison to 2021. In which the turnover decrease in plastic pipes and fitting (decrease 7.40%), plastic sack (decrease 5.53%) and plastic bag (decrease 3.07)

Industrial Production and Inventory Turnover Index
for Plastics Industry Diagram



Source: Ministry of Finance and the Office of Industrial Economics

Note in 2021* และ ปี 2022* was forecasted by the Office of Industrial Economics

● Value of imported and exported plastics products

The export of Plastics product in 2021 is projected to amount to \$4,477.09 million, 12.14% increase from 2020. Products with increased export values include: sanitary ware (HS 3922) tube or pipe (HS 3917) and and film, foil and thin film (HS 3919) increase 24.17%, 21.70% and 16.60% respectively.

The import of Plastics product in 2021 is projected to amount to \$5,447.94 million increase 16.66% in comparison to 2020 Products with

increased import values include: monofilament (HS 3916), sanitary ware (3922) and tube/pipe (HS 3917) by 35.31%, 24.37% and 23.08% respectively

Plastics Industry Trend in 2022

In 2022, the Industrial Production index is projected to grow 1-2%. The Export of Plastics Products also expected to see growth of 2-3% in comparison to 2021. This is due to the post-pandemic economic recovery and US economic policies that contributes to economic improvement

2. Petrochemical Industry

The petrochemical industry in 2021 is projected to increase 8.45% in comparison to 2020. In which the export increase 42.98% and import increase 42.91% due to the post – pandemic economic recovery.

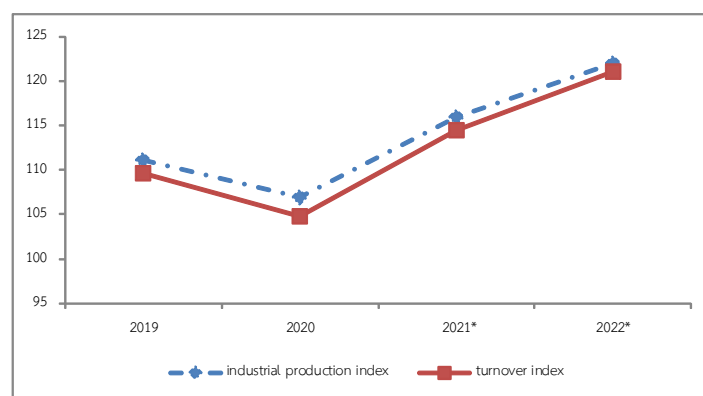
● Industrial production Index and Inventory turnover Index

Industrial Production index in 2021 is projected to increase 8.45% in comparison to 2020. Products that is correlated with the increase include: Ethylene (14%) and Polypropylene (7.6%).

Inventory turnover index in 2021 is projected to increase 8.62% in comparison to 2020. In which the turnover increases in all product type with the largest growth in upstream and downstream

product include: Propylene and Polyethylene by 20.14% and 6.7% respectively.

Industrial Production and Turnover Index for Petrochemical Industry Diagram



Source : Ministry of Finance and the Office of Industrial Economics

Note in 2021* and 2022* was forecasted by the Office of Industrial Economics

Petrochemical Import and Export Value

- The export of Petrochemical product in 2021 is projected to amount to \$13,876.87 million, 42.98% increase from 2020. Products with increased export values include: Ethylene 200.52% and PP resin 35.66%
- The import of Petrochemical product in 2021 is projected to amount to \$6,827.37 million, 42.91% increase from 2020. Products with increased import values include: Propylene 33.76% and PP resin 54.28%

Petrochemical Industry's Trend

In 2022, the Industrial Production index is projected to grow 5-10%. The export of petrochemical products also expected to growth 10 - 15% in comparison to 2021, due to government's supporting policy. However, factors such as world's economy, petroleum price, appreciation of Thai Baht, and USA removing Thailand from GSP agreement can negatively impact or diminish the growth.

- **Competitors**

Global Connections is a distributing agent of plastics, petrochemicals, and additives with the largest product coverage in Thailand. Majority of plastics product distributors focuses on Commodity Polymers, thus leaving very few competitors with similar products variety coverage. The risk of new competitor having as large of product coverage is low as it requires trust and credibility established over years of interaction with suppliers. Typically, world-class producers will only appoint 1-2 distributors per region to ensure market coverage without diminishing returns.

- **Marketing Strategy**

Products Strategy

Company's variety portfolio allow for diversification of customer base in various industries, allowing for a consistent stream of income less impacted by changes in consumer behaviors or demands. Due to the diverse customers' base, the company is not reliant on a single product or one single customer. The Company prioritizes sales from Specialty products category as it has higher profit margin, high potential for growth, and irreplaceability. The reason for the irreplaceability is due to the long period of time required to learn and understand the product, product development capabilities,

and experience is required when dealing with specialty products.

Additionally, the Company invests in researching and developing products to meet customer's need along with Compounder partners. The Company also work collaboratively with our supplier to learn and develop more sustainable and environmentally friendly products to meet the market demand.

The Company currently has a market development department and our own lab that can test, develop, and certify products to meet customer's or market's demand.

Partnership Strategy

The Company operates on the partnership mindset, in which it's applied to customers as well as suppliers. The Company's employees are able and willing to provide consultation to both customers and suppliers, leading to mutually beneficial transactions. The Company has proven its sincerity over the past 28 years, and have stand beside our customers, providing price projections and product at a fair price. The Company believes that our customer's success is also our own success.

The Company has a goal to become the total solutions service provider by providing value added services such as: product information, new innovation updates, local and international market updates, and customizing their order. The Company believes that by being the total solutions service provider will allow the company to continue to grow sustainably.

The Support and relation with financial institution allow the company to grow its business with a highly stable financial standing.

Marketing Speed Strategy

The Company has the ability to plan for delivery and services efficiently and at a fast pace. This is due to prior planning, forecast of customer's demand (quarterly, monthly, or weekly) to ensure

adequate supply. The Company also follows up with the customers closely to stay alert on the fast changing consumption trends. The Company believes that through close communications with customers and the deep understanding of changing trends can lead to a significant market advantage.

3) Products and Services

Global Connections supply products and services of world –class producers/suppliers such as:

- Asia Polymer Corporation (Taiwan)
- BASF (THAI) CO., LTD. (Thailand)
- BST Elastomers Co., Ltd. (Thailand)
- Cabot Plastics HongKong Ltd. (China)
- Chevron Phillips Chemicals International N.V. (Belgium)
- Chevron Phillips Chemical Company LP (United States of America)
- ChiMei Corporation (Taiwan)
- Denka Singapore PTE Ltd. (Singapore)
- DuPont Performance Specialty Products (Thailand) Ltd. (Thailand)
- Dyna Chisso Thai Co., Ltd. (Thailand)
- Eastman Chemical Ltd., Singapore Branch (Singapore)
- ExxonMobil Chemical Asia Pacific (Singapore)
- GC Marketing Solutions Co., Ltd. (Thailand)
- HMC Polymers (Thailand)
- Imerys Mineral Ltd. (France)
- Inabata (Thailand)
- Integrated Refinery Petrochemical Complex (Thailand) (IRPC)
- Itochu (Thailand) Ltd. (Singapore)
- Milliken Chemical (Singapore)
- Mitsubishi Chemical (Japan)
- OWENS CORNING KOREA (South Korea)
- Rio Tinto Mineral Asia Pte., Ltd. (Singapore)
- Ineos Styrolution America LLC. (United States of America)
- Technogreen Co., Ltd. (Thailand)
- Trinseo (Hongkong) Limited (Changed its name from: Styron (Hongkong) Limited) (China)
- Imerys Graphited Carbon Belgium (Belgium)
- Thai Synthetic Rubbers Company Limited (TSL), UBE Group (Thailand)
- TPSC Asia PTE Ltd. (Singapore)

Generally, imported products suppliers will only appoint 1-2 distributors in Thailand. On the other hand, domestic suppliers will have significantly more distributors. For example, GC Marketing Solutions PLC has more than 30 distributors locally.

Global Connections have the capability to keep stock in the warehouse to meet the demand of customers. However, for high volume orders, the Company will arrange direct shipment to reduce cost and process of customer.

The source of the Company's products from the year 2019-2021 is made up of 60-61% domestic products and 39-40% imported products.

(Unit: Million Thai Baht)

	2019		2020		2021	
	Amount	Percent	Amount	Percent	Amount	Percent
Domestic Purchase	1,898	60	1,922	60	2,850	61
Import Purchase	1,252	40	1,256	40	1,857	39
Total	3,150	100	3,178	100	4,707	100

During the year 2019-2021, majority of domestic purchase is from GC Marketing Solution PLC, approximately 57% of total domestic purchase, with 1% increase every year since 2019. The Company has a plan to continue to grow the customer base for PTT products along with other supplier's portfolio.

Inventory Management Policy

The Company has a policy to keep appropriate amount of inventory to meet the need of customers, approximately 17-18 days for domestic products and 60-120 days for imported products. The Company has created a purchasing plan that takes into account storage ability, lead time, and purchase forecast. The Company usually keeps stock for products with long lead time and low price fluctuation in order to meet the customer demand in a timely manner. The Company consistently tries to keep stock that matches the demand-supply situation at every time point. The system for inbound requires documentation from the producer as well as receiving documentation from the warehouse. While outbound, it must include documentation signifying that it is ready for shipment. Due to the system for inbound and outbound, all transactions are accurate and can be audit. The Company has a daily inspection of all outbound orders, randomized check of remaining stock, and 100% stock count annually.

The Company uses the FIFO (First In, First Out) system to prevent deterioration of product quality due to extended storage time. Additionally, the Company also has an ERP system that can track storage

duration of each product, allowing for easy identification and examination. However, due to the nature of the products, the recommended use date is approximately 2 years from arrival date.

The Company has over 10,000 square meter of storage area, with a capability of storing 6,000-7,000 metric tons. Products are allocated in the appropriate warehouses, separating polymer resins, color pigments, chemical, and dangerous/hazardous products.

- ❑ Polymer resins are store in a 20-25 kg bag or in a big bag (500-800kg per bag). Each bag will be place on a pallet that can be put in a stack, allowing for convenience stock count and able to separate into any specific amount customers want.
- ❑ Chemical products are store in a bag within a box and cannot be stack; hence it is stored in a specific area with temperature control and a thermometer.
- ❑ Dangerous and Hazardous Cargo are outsourced to a warehouse with a hazardous chemical permit.
- ❑ Storage for products that received subsidies from IPO (International Procurement Office) to support products purchased by customers with BOI or customers in EPZ (Export Processing Zone). The Company is a part of the subsidy project since 2015 and has clearly identified its storage area. The approval of this project has led to tax deduction, cost reduction, and allowing the Company to use its own storage instead of outsourcing.

4) Operational Assets

4.1 Main fixed asset as of 31st of December 2021

Assets	Type of Ownership	Accounting Value (MB)	Obligations or liabilities
1. Property and property improvements (head office : 13/1 Moo 2 Kingkaew Rd, Rachateva, Bangplee, Samuthprakarn 10540 : 12 rai 3 ngan 1 square wa and warehouse : 69 Moo 12 Soi Kingkaew 9, Kingkaew Rd, Rachateva, Bangplee, Samuthprakarn 10540 : 4 rai 3 ngan 68 square wa)	owned	139.32	None
2. Building	owned	143.06	None
3. Office Equipment, Furniture and fixtures	owned	20.04	None
4. Machinery and Equipment Machinery and Equipment – lease liability	owned leasehold	37.48 2.81	None See remark
5. vehicle vehicle – lease liability	owned Hire purchase	20.62 2.00	None See details in remark
Total		365.33	
Removed Accumulated Depreciation		(122.34)	
Total fixed asset		242.99	

Remarks:

As of the 31st of December 2021, The Company has a long-term warehouse vehicle lease contract of 5 years and 7 months. The contract is valid from 1st of January, 2021-31st of July 2027. The total amount to be paid is 2.81 million baht, in which will be paid monthly over the course of 7 years.

The Company has a long-term vehicle lease contract of amount 1.1 million baht, in which will be paid monthly over the course of 4 years.

4.2 Investing in subsidiary entities or joint venue policy

As of 31st of December 2021, The Company has not invested in a subsidiary entity or a joint venture.

5) Incomplete Project Transactions- Not applicable

1.3 Shareholder Structure

1) Top ten shareholders

• Top ten shareholders

Top ten shareholders comparing between 2020 -2021, as of 31 December 2021, are detailed below:

Shareholder's name	as of December 31, 2020		as of December 31, 2021		Change	
	No. of share	% of paid up Capital	No. of share	% of paid up Capital	Increase (Decrease)	%
Mr.Somchai Kulimakin*	44,499,900	22.25%	42,699,900	21.35%	(1,800,000)	(4.04%)
Mr.Sumruay Tichachol**	28,625,000	14.31%	28,625,000	14.31%	-	0.00%
Mr.Bhiya Jriyasetapong	26,125,000	13.06%	26,125,000	13.06%	-	0.00%
Mrs.Nisaporn Sirijantanan	25,780,430	12.89%	25,780,430	12.89%	-	0.00%
Ms.Varunya Chatphiriyaphan			9,981,000	4.99%	9,981,000	100.00%
Mr. Somkiat Terdtultaveedeth	7,450,700	3.73%	7,450,700	3.73%	-	0.00%
Ms. Pichamon Sirijuntanan	3,225,000	1.61%	2,185,000	1.09%	(1,040,000)	(32.25%)
Mr. Porameth Pimanvorakul	1,879,400	0.94%	2,017,100	1.01%	137,700	7.33%
Thailand Securities Depository Co., Ltd.	400	0.00%	1,780,600	0.89%	1,780,200	445,050.00%
Mr.Itsara Kulimakin	933,130	0.47%	1,774,708	0.89%	841,578	90.19%
Ms. Nawaporn Jriyasetapong	1,582,600	0.79%	1,582,600	0.79%	0	0.00%
Mr. Chanchai Rakthananon	2,010,000	1.01%	680,000	0.34%	(1,330,000)	(66.17%)
Mr. Witool Tienroongsri	1,544,100	0.77%	650,000	0.33%	(894,100)	(57.90%)
Others	57,277,870	28.64%	48,667,962	24.33%	(8,609,908)	(15.03%)
Total	200,000,000	100.00%	200,000,000	100.00%		

Remark: Included related person, under section 258 of the Securities and Exchange Act B.E. 2535

* Mrs. Boonsri Kulimakin, spouse who hold 100 shares

** Mrs. Papatsawee Thichachol, spouse who hold 1,500,000 shares

• Strategic Shareholders -None-

2) Holding company -None-

3) Shareholders' agreement -None-

4) Foreign shareholders as of 31 December 2021

The Company has five foreign shareholders, who collectively hold 1,192,300 shares (0.596%) of the registered share capital that is paid up capital.

Remark: The Company has a limit set on the percentage of equity shares held by foreign shareholders as stated in the Article of Association No. 7. Company equity shares are fully transferable, unless transferring would cause the number of shares held by foreign shareholders to exceed 49% of the Company's total shares. In those situations, the company retains the right to reject those transactions.

1.4 Amount of Shares and Fully Paid up Capital

The company has a registered share capital of 200 million Thai Baht, which is equivalent to 200 million ordinary shares at par value 1 Thai Baht. The Company fully paid up its capital of 200 million Thai Baht.

1.5 Issuing other Securities

No other Securities were issued.

1.6 Dividend Policy

The company has a dividend policy with a target payout ratio of 40% of the Company's net profit after deductions for taxes, legal reserve, and other reserve funds, unless, the Company is required to maintain cashflow for operational purposes.

Description/year	2013	2014	2015	2016	2017	2018	2019	2020	2021
Earnings per share (Baht / Share)	0.35	0.24	0.40	0.46	0.45	0.43	0.57	0.68	0.95
Dividend per share (Baht / Share)	0.32	0.23	0.35	0.42	0.40	0.40	0.50	0.58	0.75*
Dividend payout ratio (%)	91	96	88	90	89	93	87	85	79

Remark: Dividend per share calculated base on 200 million ordinary shares, par value 1 baht per share.

2. RISK MANAGEMENT

2.1 Policy and risk management plan

The Board of Directors understands the importance of risk management, despite not having a Risk Management Committee; the Board assigns management team to do an annual risk assessment. During the annual risk assessment, the management team takes into account existing risk management policies, risks relating to business strategy, operation, financial, and regulations. The risk assessment is conducted at least once a year alongside an internal auditor and reports the findings to the Audit Committee for approval.

In addition to the annual risk assessment, the management team also discusses risk management at the Management meeting monthly. The management team will take into account The Company's monthly performance and set policies or strategies to reduce foreseeable threats or issues. The management team continuously monitors identifiable risk and report progress to the Executive Committee and the Board of Directors regularly.

Risk Management Policy

The Company created the risk management system to ensure satisfactory results for all stakeholders while still adhering to good corporate governance.

The Company acknowledged the importance of risk management in building a strong and sustainable business. The Company utilizes risk management as a way to help increase business advantage, reduce chance of failures or loss, and reduce uncertainty in operational results.

Risk Management Policy includes:

- Encourage a culture of risk awareness and management. Create a systematic and measurable standard of risk management. In which the system must include method of identifying, assessing, prioritizing, managing, monitoring, reporting, and communicating about risks across the organization.
- Include subjective and objective assessment of risks. Subjective assessments include: company's reputation and image. Objective assessments include: increase in cost and decrease in income.
- Create risk limit that the Company considers to be acceptable and create a limit that requires warning signs to prevent the situation from worsening.
- Have a clearly written work procedure for all employees of the company to follow and reduce unwanted risks that may occur.

Risk Management procedures are as follow:

- Objectives Establishment
- Risk Identification
- Risk Assessment (Analysis and ordering)
- Setting measure and risk control method
- Setting risk management plan
- Monitoring, writing report and assessment

For 2021, the management reviewed all risks related to the operation along with The Company's strategy and evaluates the potential impact of the risk. The review is done in conjunction with the internal audit plan and risk management. The results of the review must be reported to the audit committee.

2.2 Risk Factors

Risk factors for company's operation

1. Risk of depending on key supplier or few suppliers

The proportion of trade goods in the past, a main supplier was a high proportion of 50-60 percent of The Company's total purchase. In the later period, The Company was terminated the role of distributor with effect some revenue and profit of The Company. At that time, The Company has risk assessment and provided supply replacement which reducing the impact to some extent.

The Company had the highest purchase amount ordered by GC Marketing Solutions Company Limited which is a subsidiary of PTT Group as a portion of 35.21 percent from total amount of purchase in 2021 that was decreased from the past which rely on sales from major domestic suppliers only. As a result above from The Company's risk management with distributed structure of sales to more diversify and looking for replacement supplier from multiple sources, both domestic and oversea with lower tariffs and competitive prices.

Risk Response Measures

1. The Company still remains diversify its product policy by expanding into a new market in many other industries as can be seen from the expansion into the rubber industry, automotive industry, packaging industry, petrochemical industry and additive industry.
2. The Company is expanding about research and development unit to develop the product within The Company's brand.
3. The Company had contracted with many new suppliers to secure variety products from the existing suppliers to achieve the appropriate balance and enhance the competitiveness in the future.

2. Risk associated with the reliability on the officers

Most of the sales turnover derived from sales representatives; therefore sales volume has direct relationship with sales representatives. The Company has risk associated with the reliability on sales representatives. If they resign, their clients may follow them that may cause the decrease of sales and profit especially commodity polymer. But selling of certain specialty products may need knowledge and expertise of sales representative and technical support from suppliers. If such sales representative resigns, The Company may encounter problem only in short term because suppliers continue to support The Company.

Risk Response Measures

1. The Company has been dealing with clients for a long time and they are impressed by Company policy so it can reduce risk from losing the clients. The Company's management has knowledge and expertise about all products
2. The Company has regular customers visit to strengthen good relation between The Company and the clients.
3. Two sales representatives are responsible for the client. If one representative resigns, the client still has another representative to help.
4. Continuous training policy therefore sales representative can be developed to replace continuously.
5. The Company has good clients database therefore new sales representative can track existing clients easily.
6. The Company is developing the Sales Support department to help sale representative for the agility process
7. When the customers of the clients approved the quality of specialty products, they shall not change to use other products unless they have necessary reason. In addition, a certain group of customers are tied up with our specialty products which cannot be changed easily making The Company less dependent on sales representatives.
8. The Company plans to develop a succession plan at all levels of management in order to strengthen the sustainability of the organization and long-term business growth.

3. Risk associated with bad debts of accounts receivable

The Company sells the goods in credit term mostly. Thus, if account receivable turns to be bad debt significantly, The Company may encounter a financial liquidity risk and affect The Company's profitability.

Risk Response Measures

1. The Company has diversified customers and sales volume per client with value not exceeding 5 percent of total sales in order to reduce risk.

2. The Company had the policy to verify the clients' credit before providing credit to customers and closely follow up financial status as well as payment capacity of the customers. The Company has setup the credit committee to consider the credit of the clients, both new and old ones and also set the credit approval system, which separate from sale department to control the Non-performing account receivable.
3. The Company manages and transfers this kind of risk to trade credit insurance continuously since 2005. The insurance covers the bad debts of customers which had been approved under conditions of the insurance company. The insurance company set insurance coverage of each client.
4. The Company sets the doubtful debt allowance according to the risk of accounts receivable according to the past experience and the present status of the clients. Then The Company compares the allowance for doubtful debt and insurance to verify if The Company needs to reserve more doubtful debt allowance.

4. Risk associated with exchange rate

The Company purchases goods from domestic and foreign suppliers. Almost specialty products were purchased from foreign suppliers in US Dollar. In 2021, The Company imported products in foreign currency at 39 percent of its total purchase. If there is currency fluctuation of Thai Baht per US Dollar, it may affect The Company's profitability.

Risk Response Measures

1. The Company follows the movement of the exchange rate of Thai Baht against US Dollar closely by asking the advice of the bank for decision making.
2. The Company use financial instrument, buy or sell the forward contracts in advance to pay foreign account payable
3. The Company has solid policy of no speculation on currency. The Company must not buy the forward contracts without the trading obligations.
4. The Company will set sales price by the exchange rate agreement contract with the clients in advance. By these reasons, The Company can prevent a certain level of risk from foreign exchange rate.

5. Risk associated with insufficient cash flow

The Company reserves sufficient inventory for delivery to the clients promptly couple with credit term to clients about 102 days which is longer than the credit term of suppliers of about 23 days. The Company has to maintain a number of working capital for operation, which has cash cycle of 79 days. If sale of The Company increases significantly, The Company may need to find more of source capital, which is more costly than the financial cost at the present.

Risk Response Measures

1. At present, The Company can purchase goods under credit period of 15 days with major suppliers such as GC Marketing Solutions Company Limited and can negotiate with the major suppliers to receive special long-term credit period which The Company's working capital cost may increase from interest rate.
2. The Company had credit facilities with many financial institutions. On 31 December 2021, the credit facilities are still available more than 52 percent of the total credit amount. The Company had the stronger working capital status and The Company's debt-to-equity ratio was 2.29 times as on 31 December 2021. Moreover, The Company is likely to get the better conditions from the financial institutions due to The Company's consistently good performance.

6. Risk associated with the fluctuations in the price of goods in the world market

The Company's product price mainly in the petrochemical industry and according to commodity which price fluctuates with demand and supply in the world market. This may lead The Company to the risk. For example, company buys the goods at the high price and then the crude oil price the world market decline which negatively affected by a drop in price of petrochemical and plastic products in the end of 2014 until year 2015 which causes The Company's profitability's lower or loss in some case.

Risk Response Measures

1. The Company keeps inventory in the properly quantity. The Company considers demand and supply trend, especially inventory has fluctuation of price
2. Monitor changing price from the global supplier's data, which is from upstream to downstream in the petrochemical industry.
3. The Company receives special price from supplier to sell customers who order big volume in advance. This way can reduce the risk.
4. For specialties products are affected a little because The Company can set the price, cost plus margin.

The Company attempted to reduce quantity of inventory which is kept at warehouse but The Company is distributor who has to keep appropriately inventory to serve the customers' demand under term of lead time. Thus, the risk cannot be avoided altogether but The Company manages to have a little impact.

7. Risk associated with terminates the distributing agent contact

The period of distributing agent contracts are either yearly basis or two years basis which is normal practice in the petrochemical industry. Thus, The Company may face the risk from termination of agent agreement if The Company could not perform following the supplier's requirement i.e. cannot achieve the sales target or cannot maintain the required infrastructure.

Risk Response Measures

1. The Company has good performance continuously and also has many regular clients, including develop new client group in various industries which satisfy the manufacturers.
2. The Company contacts and working with the producers closely to explain the progress of domestic sales and market development. Thus, the producers still renew the agreement although The Company may not achieve the sales target because they understand the reasons.
3. The Executive Management had assessment risk factors and planning business operation to mitigate the risk continuously (every month) In some cases when business policies do not align with each other or the merger creates products duplication, The Company may need to terminate from the role of distributor of some companies. For the SCG Plastics Company Limited in 2012 and BASF (Thailand) Company Limited in 2011, The Company agreed to terminate the role as the distributor.

Terminated from SCG Plastic Company Limited on 30 June 2012 could directly effect to The Company and the customers so The Company simultaneously replaced SCG Plastic Company Limited with GC Marketing Solutions Company Limited a subsidiary Company of PTT Group on 1 July 2012. Although, it cannot replace all as can be seen from sales of Commodity group which was dropped from 2012 amounting to Baht 636 million or 31 percent of total sales. In 2014 until 2015, The Company was able to adapt by expanding its customer base of Commodity Polymer group. The Company had sales amount Million 1,900 Baht which it is close with sales of the SCG Plastic Company Limited in the past.

8. Risk from power of majority shareholders that hold over 50 percent of total shares

On 31 December 2021, there was no shareholder hold more than 25 percent of total shares. The Company has no concern about majority shareholder control risk. However, for main shareholders are founder included Mr. Somchai Kulimakin, Mr. Sumruay Tichachol, Mr. Bhiya Jriyasetapong, and Mrs. Nisaporn Sirijantanon who hold 123,230,330 shares (including person under section 258) or represent 61.62 percent of total shares that was over than 50 percent of total shares. Therefore, founder group has majority vote in The Company controlled whether director nominative or other matter that requires majority vote except some special matter is required by law or Company regulation that requires a two-thirds majority or a three-quarter majority. So, minority shareholders may not balance the power of founder group.

Risk Response Measures

The founder group does not use voice voting for their benefit or advantage of the minority shareholders (Since 6 December 2005 until present.) Moreover, the Company take care all shareholders who is founder group, major shareholder, or minority shareholder equally according with principles of good governance and ethical continuously.

9. Risk from Occupational Health and Safety

The Company values the health and safety of all its employees. The purpose of the Health and Safety policies and procedures is to guide and direct all employees to work safely and prevent injury, to themselves and others. The Company is committed to the goal of providing and maintaining a healthy and safe working environment.

Risk Response Measures

1. The Company provides hygienic and safe facilities for all employees and visitors, such as: clean restroom, clean drinking water, nurse office, and warehouse that met the safety standards.
2. Health and safety in the workplace are everyone's responsibility.
3. The company encouraged all employees to participate in developing, implementing, and enforcing Health and Safety policies and procedures that can improve the work environment, allowing for a physically and mentally safe workplace.
4. The company supports all health and safety events and encourages employees' participation.
5. All supervisor level employees are held accountable for their action and should act as a good representation for others, adhering to the health and safety policies.
6. All employees must consider their safety, colleague's safety, as well as the safety of company's asset at all time.
7. All employees must maintain clean and orderly work area.
8. All employees are encouraged to show cooperation and participant for health, hygiene, and safety related projects.

In 2021, the Company encourages all employees to participate in

- No work injury program
- Personal Safety Equipment and Training for warehouse staff, including a way to monitor and notify when identified an unsafe behavior
- Annual flu vaccine offered to all employees free of charge.

10. Risk from changing of Technology and Internet Threats

Developing technology creates new innovations which promptly change and effects lifestyle and business operation. Trend of change is fast and continuous as you can see the change from Analog to Digital to Wireless can make an unlimited connection and for the corporation information security, there is changing from keeping inside company to outside by renting space called “Cloud Service” which has an increase capacity and use less money than before. However there still has risk from hackers threatening that may cause damage. It takes time to recover and disruptions to run business each day

Risk Response Measures

1. The Company limits access to information based on individual’s department and level. The rights to access information are also review annually.
2. The Company keeps information at the Company’s server room and on an outsourced cloud service as a way to increase information’s safety.
3. The Company rent a server rack space from a qualified technology company that are certified in ISO/IEC 27001 and ISO20000-1
4. The Company invested in Firewall & Security System upgrade, keeping it efficient and up to date at all times.
5. The Company has Human Resource Development to help all employees adapt and respond proactively rapid technological advances and cyber security threats.
6. The company has been audited by both internal and external audit that the IT system is sufficient, up to standard, and adheres with regulations.
7. The Company consistently monitors cyber security threats and news regarding potential threats.

Emerging Risk

Risks from Pandemic

COVID-19 outbreak has impacted the Company’s operation, as well as the world’s economy. Due to the nature of the Company’s business putting employees, customers and other stakeholders at risk of COVID-19 infection, and impacting the continuity of business transactions. The Company has created policies to address the risks below.

Risk Response measure

-Business Continuity Policy

1. Create a team to plan for Business Continuity

2. Create plans for various scenarios that may impact normal business transactions

-Employee's Care

1. Create new work procedure during COVID-19 outbreak, such as: limit amount of personnel and visitors in building, providing employees with necessary health and safety equipment (masks, alcohol spray, thermometer, and ATK-test)
2. Work from home policy is available for select positions, ensuring a smooth business operation.
3. Assigning employees to groups in case of emergency situation, in which each group will have different responsibilities.
4. Communicate policies and regulation to all employees consistently. As well as keeping visitors, stakeholders, and customers updated on the newest health and safety related policies that may impact them.

3. Sustainable Business

3.1 Sustainability Policy and Objectives

Global Connections Public Company Limited (“Global Connections”) adheres to a sustainability policy for operating our business. This policy allows us to acknowledge risks, continually improve operations at every level, and manage the short and long-term expectations of our stakeholders. We must also be cognizant of our impact on the environment, and society at large. By considering all of the information above to aid in developing our corporate strategy, this policy will help Global Connections grow sustainably in a rapidly changing world. This corporate strategy should strike the right balance between contributing to the economy, having a positive impact on society, and the environment as outlined below:

The Economy: Global Connections creates not only financial value via profits, but also constantly improves upon our ability to adapt to a rapidly changing world, while continually meeting the expectations and needs of our stakeholders. Global Connections supports its stakeholders through any circumstances that may arise, while doing so in a sustainable manner.

Society: Global Connections’ business operations are guided by moral and ethical standards. We place the safety of our employees as the utmost priority, and treating our employees fairly as individuals. We believe in being a socially responsible corporation that plays an important role as a model to promote the wellbeing of employees and our local community.

The Environment: Global Connections is determined to protect the environment by using natural resources in a responsible manner, and adapting to the impact of global warming on the environment in a way that also benefits the economy.

Global Connections’ sustainability policy is still at an early stage of development. As of the year 2021, the company has begun to implement a quality management system and was approved for ISO 9001:2015. Global Connections, under ISO 9001:2015, have set the company’s strategy that took economic, environmental, and societal connotations in mind. For the economic aspect, strategies include ways to boost the company’s financial status, business performance, and revenue. For the environmental aspect, strategies include green product sourcing, and supporting suppliers’ new environmentally-friendly innovations. For the societal aspect, the company supports the employment of local individuals and organizations to promote a more sustainable supply chain. Global Connections is determined to further investigate ways to grow

sustainably and take action upon those findings. Global Connections will begin to gather our performance on these policies in 2022. Our first sustainability report for 2021 can be viewed on our website at: <https://gc.co.th/en/sustainability-report/>

3.2 Managing Stakeholders within the Supply Chain

3.2.1 Supply Chain

Global Connections values all stakeholder partnerships and sustainable supply chain management, as well as good corporate governance. This is in line with the Company vision to be the “best-in-class solution for value creation in raw materials supply.” The Company always tries to reduce risks in the company supply chain, such as product shortages, price fluctuations, and adapting to the fast-changing needs and demands of customers.

Global Connections is committed to sustainable management of the supply chain with suppliers and customers, aligning with the new corporate slogan, “Global Connections Advancing Together.” This includes all activities from upstream of the industry, to downstream. The management of the supply chain includes efficient delivery service, customer satisfaction, and transparent management of the supply chain, good relationships, and credibility in business operations with our stakeholders.

3.2.2. Analyses of Stakeholders

The Company considers both internal and external stakeholders that have an impact on the Company’s supply chain. The Company provides opportunities for stakeholders to communicate any comments, questions, concerns, expectations, and suggestions. The Company divides stakeholders into seven main categories: (1) customers, (2) trade partners, (3) employees, (4) community and environment, (5) shareholders, (6) financial institutions, and (7) governmental regulatory bodies. Global Connections has analyzed the expectations of all these listed stakeholders in sustainability report.

3.3 Environmental Sustainability

3.3.1. Environmental Sustainability Policy

The Company always considers environmental factors, strictly following regulations regarding environmental protection. The Company acts with consideration regarding its impact on the environment, and the community, resulting in internal pollution-reduction and environmental policies.

Action Items Regarding the Environment

- 1) Adhere to legal guidelines regarding environmental protection.
- 2) Promote natural and environmentally friendly products.
- 3) Manage logistical facilities to ensure the health and safety of the employees and the community.
- 4) Encourage employees to use resources effectively, such as being energy-consumption conscious, to reduce global warming.
- 5) Provide training and education to enhance the awareness about the importance of protection the environment.

Environmental Protection Goals

The Company did not receive any complaints about its internal management of the environment, and the delivery services. Across the board, the Company has reduced internal paper-use, water consumption, and electricity consumption. The Company is working on collecting and reporting data regarding greenhouse gas emissions as listed in within the bounds of category 1 and two under the Thailand Greenhouse Gas Management Organization guidelines.

3.3.2 Current Performance of Environmental Protection Policies

In 2021, the Company focused on raising employee awareness of environmental protection, via the list below:

- 1) Prevent direct negative impacts to the environment. Utilize technology qualified for environmental standards, such as ensuring Company trucks release the least amount of greenhouse gases possible, or adherence to the Thai Department of Land Transport (DLT) without receiving any formal complaints.

- 2) Efficient use of resources:
 - a. Reuse. For example, reducing single-use paper products and separating paper from other waste for recycling purposes.
 - b. Saving Electricity. For example, turning off lights and electric devices when not in use.
 - c. Saving Water. For example, turning off faucets after every use.
 - d. Recycling.
- 3) The Company has invested in a solar rooftop for the main office building as a way to help reduce energy consumption.
- 4) The Company is working on collecting and reporting data regarding greenhouse gas emissions as within the bounds of category 1 and two under the Thailand Greenhouse Gas Management Organization guidelines..

3.4 Managing Social Sustainability

3.4.1. Policies regarding Social Sustainability

The Company policy regarding Social Sustainability is designed to comply with all laws and regulations regarding social management and human resources. The Company seeks qualified employees, and prioritizes valuable employee retention, along with providing training and skills-improvement for all employees. The skills training ensures that everyone is capable of supporting the growth of the Company and can adapt to the fast-changing industry. The Company is also interested in improving the quality-of-life, financial, social, and environmental aspects of the surrounding community at large. Global Connections has demonstrated its social responsibility by reducing negative impacts to the environment, and the community, by complying with the relevant laws and regulations. These laws are (1) human rights policies, (2) corporate social responsibility regulations, (3) health and safety regulations, and (4) anti-corruption measures. The Company created a report using the global reporting initiative as a standard.

Human Rights

The Company ensures that all employees' rights are respected in the workplace as summarized below:

- 1) The Company supports employees in exercising their constitutional rights as Thai citizens.
- 2) The Company will protect employees' private information and will not disclose it unless permitted to by the individual, unless required to by relevant governmental authorities.

- 3) The Company does not support activities that violate international human rights, nor does the Company tolerate corruption.
- 4) The Company prohibits any unlawful harassment or discrimination of and or by its employees in any form and is committed to fostering a work environment that is professional, safe, productive, and mutually beneficial to all. The Company supports differences in opinion because different viewpoints foster innovation in the workplace.

Society and Community

These are current procedures of the Company:

- 1) Strictly comply with laws and regulations regarding society and community.
- 2) Make monetary donations to strengthen the local community, such as Children's Day, or religiously affiliated holidays. The Company also provides aid in the wake of natural disasters or emergencies. This assistance is done in compliance with anti-corruption policies, regulations, and laws.
- 3) Utilize technology qualified for environmental standards, such as ensuring Company trucks release the least amount of greenhouse gases possible, or adherence to the Thai Department of Land Transport (DLT) without receiving any formal complaints.
- 4) Efficiently use resources, by reusing single-use paper products, reducing unnecessary consumption of electricity and water, and recycling.

Health and Safety

The Company is proactive regarding the health and safety of its employees and keeps up to date with all the regulations regarding the well-being of their employees. The Company also provides necessary tools and equipment to ensure employees' health and safety, such as safety equipment, or COVID-19 protective equipment.

Anti-Corruption

The Company is committed to conduct business ethically and in compliance with the relevant laws and regulations. The Company pledges to be socially responsible and prioritize stakeholders via good corporate governance. Employees cannot use Company private information or trade secrets to gain personal benefits.

Customer Relations

The Company prioritizes excellent service by providing quality products, timely deliveries, accurate information, and fair pricing. The Company values customer requests and specifications, and in cases of infeasibility, discuss alternative solutions to meet the customers' needs. Global Connections will not disclose or improperly use any customer information. The Company will provide training and services to ensure that the customer can best use its products. The Company also has feedback outlets for customers to voice their comments and concerns, regarding product quality, the safety of the products, and Global Connections services.

Supplier and Financial Institution Relations

The Company treats all suppliers and financial institutions equally and fairly, to ensure that the business relationship is mutually beneficial to all parties. Global Connections avoids business conflicts and abides by its business contracts. The Company is committed to reporting accurate information and if there are any conflicts or disagreements within contracts, do its best to communicate and negotiate with the affected parties.

Competitor Relations

Global Connections respects healthy competition in the free market and will not seek to obtain improper advantages such as the trade secrets of competitors. The Company will not take any action that may damage its own, or competitors', reputations.

Employee Relations

The Company is compliant with all laws and regulations regarding fair hiring practices. Talent scouting, recruitment, onboarding, training, transferring, promotion, and compensation determination processes are established based on the merit of the individual, and not any other external factors. To show social responsibility, the Company provides employer-matched retirement contributions to ensure the long-term wellbeing of its employees.

Shareholder Relations

The Company is obligated to present the operational status, earnings, financial statements, and other important relevant information accurately, and consistently. The Company must provide the same amount of information to all shareholders, while taking care to comply with all regulations regarding insider trading, and any other improper actions.

Society and Community Goals

- Health and Safety: Zero workplace injuries, accidents, or health hazards.
- Customer Service: Rated “Good” in customer satisfaction survey.
- Corporate Social Responsibility: Support appropriate community events and receive no complaints regarding corruption.

3.4.2 Current Performance of Society and Community Goals

Human Rights

In 2021, the Company did not receive complaints alleging any violation of human rights.

Society and Community

In 2021, the Company has donated to the following organizations:

- 1) COVID-19 Protection and Aid at Ramathibodi Hospital (200,000 THB).
- 2) Donated 100 fans to local quarantine facilities in Rayong Province.
- 3) Donated 440 fans to COVID-19 the field hospital Sang Hang Jai in Bangnatrad Road Km. 5.
- 4) Financially Supported the “Forest Parents Project” in adopting elephants.
- 5) Supported the Thai Listed Companies Association (TLCA) to help individuals impacted by the COVID-19 pandemic.
- 6) Donated alcohol disinfectant along with the Thai Plastic Industry Association to help assist medical personnel and COVID-19 infected patients.

Health and Safety

In 2021, there were no workplace injury incidents.

- The Company prioritizes safety in the workplace, and mandates “How to Drive Forklifts Safely” training sessions, to ensure proper employee use of heavy machinery. The Company holds fire drills and evacuation practices to ensure safe protocols in emergency situations. The Company provides personal safety equipment for warehouse employees.
- The Company provides annual flu vaccinations to all employees, free of charge.
- The Company created a workplace protocol to address COVID-19, which includes employee health screening (such as temperature checks), providing hand sanitizer at various locations in the workplace, encouraging self-care and preventative measures with workplace mask mandates and hand washing, and Work-From-Home capabilities for positions that can accommodate it. The Company encourages and supports COVID-19 vaccinations for its employees and provides Antigen Test Kits (ATK) for onsite personnel.

Anti-Corruption



The Company is aware of the importance of robust anti-corruption practices, and the negative impact of corruption on the social and economic structure of Thailand. The Company has shown their support in writing and action, to the government and private sector’s campaign, to be a part of the Collective Active Coalition Against Corruption (“CAC”). This concept is communicated to all employees of the Company, and everyone has a united understanding of, and stance against, corruption. For more information please visit: <https://gc.co.th/en/corporate-governance-related-policy/>

The Company was approved as a member of CAC along with a signed pledge on November 10th, 2017, and the Thai Institute of Directors (IOD) approved the renewal of Global Connections Public Company Limited's status for the CAC certificate. This certification renewal will be effective for three years, continuing from September 30th, 2020.

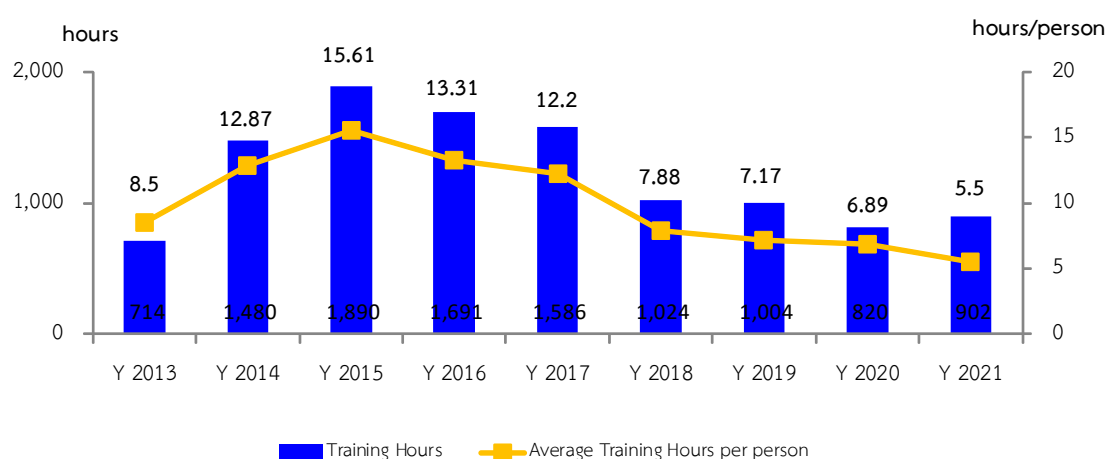
Customers

In 2021, the Company has a customer survey and evaluation of customer satisfaction was created to develop in every work process, which included sales service, order service and delivery service. Resulting of customer satisfaction is 90%.

Employees

In 2021, the Company had set a budget for employee development both inside and outside to lay the foundation for enterprise development as "Employees are smart, very responsible and good conscience to achieve the customer satisfaction.

The Company provides a comprehensive program to improve specific skills based on their position. Employee can take action immediately. The Company had average training 5.5 hours per person (total 902 hours)



More details please visit www.gc.co.th, <https://gc.co.th/en/sustainability-report/>

4. Yearly Management Discussion and Analysis

Analysis of Overall Performance

The distribution business of the plastic resins, plastic, and petrochemical related products needs relatively high working capital. The key success factors of this business depend on the inventory management, the logistic systems that meet the clients' needs in time, cost of capital, receivables management and sales revenue. Due to this business has low gross profit margin, to build up more sales revenue will result in good net profit.

Sales revenue

The Company had total sales revenue of Baht 4,988.8 million in 2021, increased Baht 1,391.3 million from Baht 3,597.5 million of 2020 or equivalent to 38.67%. This was due to the rise in demand from various industries, such as packaging products, automotive parts, electrical and electronic appliances as well as the higher of average selling price in 2021.

Financial Operating Results

In 2021, total cost of sales and operating expenses were Baht 4,756.4 million, increased by Baht 1,319.2 million from Baht 3,437.2 million of 2020 or equivalent to 38.38%. Our major expense was costs of goods sold, an increase of Baht 1,319.3 million from Baht 3,291.6 million of 2020 to be Baht 4,610.9 million in 2021 or 40.08% increased from last year's which was higher than sales increasing rate reflecting from the lower gross profit margin of 2021.

The gross profit in 2021 was increased from Baht 305.9 million to be Baht 377.8 million or equivalent to 23.53% resulting from the decline in gross profit margin from 9.05% in 2020 to be 8.00%. This was due to the lower gross profit margin in Q3/2021 derived from the severe delta variant pandemic, the prolonged lockdown measure, as well as the depreciation of Thai baht.

Total selling and administrative expenses in 2021 was Baht 145.4 million versus Baht 145.5 million in 2020 or equivalent to Baht 0.1 million or 0.08% decrease.

The interest expenses in 2021 was Baht 7.8 million, or 15.11% increased from Baht 6.8 million of 2020. This was due to the increase in short-term loan.

In 2021 the transaction in other comprehensive income was Actuarial loss less income tax effect amounting Baht 1.0 million, whereas there was no such transaction in 2020.

As a result of the discussed factors, our total comprehensive income for the year 2021 was Baht 188.1 million versus Baht 136.0 million in 2020 or equivalent to 38.26% increased.

Comparison of Financial Position (FY31.12.2021 VS 31.12.2020)

Assets: As of 31 December 2021, GC recorded total assets of Baht 1,808 million, representing an increase of Baht 355 million from Baht 1,453 million of 31 December 2020 or equivalent to 24.39% increased. The assets with major changed were as follows :

As of 31 December 2021 total current assets showed Baht 1,558 million, an increase of Baht 366 million or 30.67% from year-end 2020's. This was mainly due to the increase of both trade accounts receivable and inventory. The trade accounts receivable was increased by Baht 161 million from Baht 705 million in year-end 2020 to be Baht 866 million of ending 2021, or 22.86% increased resulting from the higher sales value.

While inventory showed Baht 651 million as of 31 December 2021, an increase of Baht 194 million from Baht 457 million of ending 2020 or 42.44% increased resulting from the higher purchasing volume to cope with sales growth and longer lead time from container shortage.

Liabilities : As of 31 December 2021, GC recorded total liabilities of Baht 1,258 million, an increase of Baht 326 million or 35.03% from the previous year-end. The major liabilities were short-term loans from financial institutions and trade accounts payable. The ending 2020 balance of short-term loan was Baht 603 million versus 872 million as of 2021 or equivalent to 44.57% increased resulting from the higher in both trade accounts receivable and inventory. The trade accounts payable as of 2021 was Baht 320 million, an increase of Baht 58 million from Baht 262 million of ending 2020 or 22.28% increased resulting from the higher purchasing volume. As a result, the Debts to Equity Ratio as of 2021 was 2.29 times compared to 1.79 times of ending 2020.

Sources of Funds : The structure of GC's funds in 2021 was not much different from those of 2020 as they were in term of short-term liabilities. The major liabilities were short-term loans from financial institutions, bank overdrafts, and trade accounts payable.

Shareholders' Equity: As of 31 December 2021, the portion of shareholders' equity amounted to Baht 550 million, an increase of Baht 28 million, or 5.39% from those of previous year-end, derived from total comprehensive income for the year 2021 Baht 188 million deducted dividend paid out of Baht 160 million.

Liquidity: In 2021 GC had better liquidity. Since after listed, GC had good fund from the IPO proceeds at the end of 2005 and the working capital from deposits redemption at the beginning of 2006. This caused a better working capital management to reduce the cost of fund.

In 2021 GC had a current ratio at 1.25 times compared to 1.30 times of ending 2020, which was due to the rise in both short-term loan from financial institutions as well as trade accounts payable.

5. General Information

Company Name	: Global Connections Public Company Limited (“The company” or “GC”)
Symbol	: GC
Business	: Distributing agent of plastic, petrochemical, and additive, which are used in petrochemical and plastic transformation process
Head Office	: 13/1 Moo 2 Kingkaew Rd., Rachateva, Bangplee, Samuthprakarn, 10540, Thailand
Registration Number	: 0107548000153
Home Page	: http://www.gc.co.th
Telephone	: +66 (0) 2763 7999
Facsimile	: +66 (0) 2763 7949, 2312 4880 - 1
Investor Relations	: +66 (0) 2763 7999 Ext. 201 and 204
Date of establishment	: 27 September 1994
Date of registration Public Company	: 17 March 2005
Date of stock listed	: 6 December 2005
Juristic person that are being hold more than 10% of their paid-up capital	: None
Registered (Paid Up) Capital	: 200,000,000 Baht
No. of Registered (Paid up)	: 200,000,000 Shares

Name of Reference

Registrar	: Thailand Securities Depository Company Limited 93 Ratchadapisek Road, Dindang, Bangkok, 10400, Thailand Tel: +66 (0) 2009 9000 Fax: +66 (0) 2009 9991
Auditor	: EY Office Limited 33 rd Floor, Lake Rajada Office Complex, 193/136-137 Ratchadapisek Road, Klongtoey, Bangkok, 10110, Thailand Tel: +66 (0) 2264 0777 Fax: +66 (0) 2264 0789

Important Information -None-

6. CORPORATE GOVERNANCE POLICY

6.1 Policy overview and guidelines for corporate governance

The Board of Directors places great emphasis on good Corporate Governance (“CG”), considering at all levels the improvement of operational processes, effective structure of leadership within the Company, and corporate responsibilities such as maintaining transparency, and business competitiveness. This involves maintaining adequate capital, and facilitating long-term shareholder value, under the framework of acting ethically and balancing the interests of both shareholders and society at large.

To promote continuous business development and maintain the trust of investors and shareholders, the Board of Directors have assigned Global Connections management to oversee the Company’s Vision, Mission, objectives, CG Policy, Code of Conduct, Employee Manual, strategic business direction, business plan, budget, information technology development, Disclosure Policy, Confidential Information management, financial liquidity and debt capacity, and sustainable operation management. GC management presents these policies, corporate information, and strategies are presented to the Board

6.1.1 Policy and guideline for Board of Directors

The Board of Directors plays a significant role in managing the Company’s long-term performances. The have obtained the trust of the Company’s shareholders and stakeholders, supporting the Company’s sustainable development. The Board of Directors is independent from the management and performed their duty responsibly, conscientiously, with integrity and strictly adheres to regulations. The Board of Directors also perform their duty with the Company’s objectives and resolutions in mind. The Company has established policies and guidelines related to the Board of Directors as follow:

The Board of Directors

The Board of Directors is composed of a minimum of 5 members. At least half of the Board must be a resident of Thailand.

- ❑ Company does not discriminate based on gender nor any other attributes.

The board is composed 3 Independent Directors.

- ❑ The board should have diverse qualifications (skills, experiences, educational background, abilities and special talents. At least one of the directors must be adequately knowledgeable or experienced

in accounting and finance. At least one non-executive director must possess experience in the core business.

- ❑ The chairman of the board should be an independent director.
- ❑ The new directors receive an orientation to understand the objectives, main goals, visions, missions, and corporate values, nature of business practices, related regulations, Good Corporate Governance Policy and other information necessary and useful for effective performance of duties.
- ❑ The Board of Directors has policy to to promote and facilitate training and education for directors and executives of the Company. In order to have continuous improvement and operation, the Company will support both internal and external training courses. All of the Board of Directors is knowledgeable or received training to understand the performance of duties as directors, committees and top executives. The Board of Directors has passed training courses with the Thai Institute of Directors Association (IOD) in the Director Certification Program (DCP), Director Accreditation Program (DAP), The Role of Chairman (RCP), and Audit Committee Program as appropriate for each director.

The Independent Director

The Independent Directors are critical for good governance. Independent Directors look after the interests of company and its shareholders by imposing checks and balances on Board decision, making decisions with regard for righteousness and free from any party's influence. The Board therefore devised definitions and qualifications of Independent Directors based on the corporate governance policy, with stricter shareholding requirements than those of SEC and SET at 0.5% of the total eligible voting shares of the Company, its parent company, subsidiaries, associates, major shareholder or controller, and Independent Directors' related parties.

Nomination and Appointment of Directors

The Company focuses on people with knowledge, capability, experience, competent career profile, leadership skills, vision, morality, ethics and good attitude toward the organization. The Company looks for an individual who can dedicate adequate time for the Company's benefit. Moreover, consideration was also given to Board diversity and Board skill matrix in which considers skills which have been missing, in compliance with the structure of Directors, and in line with the Company's strategic directions.

Board of Directors Meeting

The Company's policy is to arrange at least 4 meetings per year (In 2020: 4 times) for a Board of Directors' meeting. There shall be at least half of the directors present from the total number of directors to complete the quorum.

The secretary to the Board of Directors will inform and send the notice of the meeting to the Board of Directors. The secretary to the Board of Directors will inform and send the notice of the meeting which contains details of date, time, and place together with the agenda and related documents to the Board of Directors 7 days prior to the meeting for a review.

Term of Directorship

In every Annual General Meeting (AGM), one-third of the Directors must retire; moreover, if this number is not a multiple of three, then the number nearest to one-third. The directors who have completed their terms may be re-appointed.

The Directors and Management Remuneration

-Director's Remuneration

The Company has specified director and management's remuneration clearly and transparently. The remuneration of directors will be comparable with similar industry and will be appealing enough to attract and retain qualified directors. Moreover the director who is assigned more responsibility will obtain more appropriate remuneration accordingly

-The Management's Remuneration

The Board of Directors assigns the Corporate Governance Committee, Nomination and Remuneration Committee to nominate and consider the remuneration of directors and the remuneration of high-level executives. The compensation (monthly & meeting fees and bonuses) aligns with company's long-term strategies and goals. Such compensation is comparable to industry practices, experience, accountability and responsibility, and expected benefits from each Director that has assumed additional duties and responsibilities. The Corporate Governance Committee considers criteria and format propose to the Board of Directors.

Independence of the Chairman from Management

The Company adheres to the guidelines on Independence of the Chairman. The Chairman of the Board of Directors has been an independent director since converting to a public company and listing securities on the Stock Exchange of Thailand. However, the Company did not specify in the Company's policy that the Chairman of the Board of Directors must be an independent director, allowing for flexibility when fielding candidates for the position. . Due to the nature of the Company's business, it requires an individual with specific experience and expertise in plastics and petrochemical. In addition to being a leader with a broad vision and the chairman must have the ability to supervise the management of the Company for the best benefit to the Company and its' stakeholders.

Performance Assessment

-Assessment of Performance of the Board of Directors and Sub-committees

The Board of Directors prioritizes the importance of the Assessment of Performance of the Board of Directors and Sub-Committees. The assessment of their performance is done once a year and the results of such assessment can be linked and consider as company's short and long term performance. The Board of Directors assigns each director and sub director to assess their performance as group and individual assessment. The Company secretary will propose that agenda in the Board of Directors meeting annually so the directors can assess then compile, summarize, and inform the board in the next meeting.

-Assessment of Performance of the Chief Executive Officer

The Board of Directors determined that the Chief Executive Officer should be evaluated one-time per year (annually) by the Executive Committee. The assessment will evaluate the Chief Executive Officer's ability to perform in accordance with the Company's capabilities. The Chief Executive Officer will also be assessed based on the results of the Company operations in comparison to the annual budget/ target. After that, the Executive Committee will propose the result of the assessment to the Corporate Good Governance, Nomination and Remuneration Committee will then considers and determines the remuneration of the Chief Executive Officer and President.

Supervision of Operations of Subsidiaries and Associates – None-

6.1.2 Policy and Guidelines for Shareholders and Stakeholders

Right of Shareholders

❑ Right of Equitable Treatment

All shareholders possess equal basic rights such as rights to receive share certificates and rights to transfer shares, rights to elect and remove directors, rights to approve the appointment of auditors and rights to share in profit of the Company.

❑ Shareholders shall obtain relevant material of the Company information on a timely manner, given sufficient and appropriate amount of time for decision making

The Company has a policy to send the invitation letter together with the relevant documents and information on each agenda item to the shareholders no less than 14 days prior to the meeting.

The letter of invitation to the meeting contains information relating to the location, date, time and agenda. Details of issues for consideration, reasons, and positive and negative impacts of each agenda with the Board of Directors' opinion in each agenda will also be included.

Shareholders may request to directors to add additional agenda of meeting and may pose questions in advance to meeting date. This can be seen from the opportunity for shareholders to propose agenda for the meeting and to propose nominee for the period of three months before the end of each fiscal year with the proportion of shares held 1 percent only.

Furthermore, the Company gives an opportunity to shareholders to send questions about the Company performance or other questions in advance before the meeting within the scheduled time. The Company asks for shareholders cooperation to include their name and contact information for an opportunity to answer the question(s) fully. Shareholders can send their questions directly to the Chairman of the Board of Directors, Vice Chairman of the Board or any proper positions or directly to the Company secretary.

Channels that shareholders can communicate with the Company as follows:

- Postal mail Global Connections Public Company Limited 13/1 Moo 2 Kingkaew Rd.
Rachateva, Bangplee, Samuthprakarn 10540
- Telephone 02-7637999
- Fax 02-7637949
- E-mail manage_ir@gc.co.th

During the meeting, the Chairman of the meeting allocated sufficient time for the shareholders to express their opinions and make inquiries at the meeting. The Chairman of the Board of Directors, the Vice Chairman of the Board of Directors, the Chairmen of Sub-Committees, directors, Chief Executive Officer, Top managements, Auditors and Legal consultant should attend the meeting to answer questions pertaining to their particular functions. The shareholders were also encouraged to freely propose ideas and suggestions to the Board of Directors.

After the meeting, the Company will record the minutes of the meeting correctly and make minutes of Annual General Meeting of Shareholders to propose in the next meeting. After the minute has been approved by the meeting, the Company shall keep it in a safe place for verification by concerned party.

❑ Right to attend the meeting

Based on the Company's regulation the Company can conduct the shareholders' meetings as follow: Annual General Meeting of Shareholders

Arrange the Annual General Meeting of Shareholders (AGM) every year within 4 months after the end of each fiscal year.

■ Extraordinary general meeting of shareholders

The Board of Directors may call for an extraordinary meeting of shareholders when it deems appropriate. An extraordinary meeting of shareholders may also be called upon when a number of shareholders whose aggregate shareholdings represent no less than one fifth of the total issued shares, or at least 25 shareholders whose aggregate shareholdings represent no less than one tenth of the total issued shares, propose in writing with reasons and clear objectives specified. The Board of Directors will call an extraordinary meeting within 1 month of receipt of the requisition.

❑ Meeting date and Sending related documents to the Shareholders' meeting

■ Schedule for shareholders meeting

This is in accordance with the resolution of the first Board of Directors meeting every year

■ Summary of shareholders entitled to attend the shareholders' meeting

In each shareholder's meeting, the Board of Directors is aware of the shareholders' rights in compliance with the Company Articles of Association, pertinent legislation, and the regulations of the Stock Exchange of Thailand ("SET"). The Company has to notify the date of determining the names of shareholders entitled to attend the shareholders' meeting (Recorded Date) and compile the names of entitled

shareholders under section 225 of the Securities and Exchange Act B.E. 2535 and its amendments in the Securities and Exchange Act (No. 4) B.E. 2551 by closing the share register at the SET no less than 14 days prior to its closing date

- The Company deliver meeting notices and related documents such as
 - 56-1 One Report for the year that allow the shareholders to have adequate information on their voting rights
 - A copy of the Minutes of the Annual General Meeting of Shareholders
 - A proxy form
 - A list of documents and evidence to be presented by the shareholders at the shareholders' meeting Instructions on how to attend the annual general shareholders' meeting and the annual general shareholders' meeting
 - A map of the meeting venue

The letter of invitation to the meeting has a clear agenda and sufficient information include the Board of director opinions in each agenda and all of the above documents for decision-making at the meeting.

The notification and relevant documents were sent in advance to Thailand Securities Depository Company Limited (TSD) for further distribution to all shareholders 24 days before the Annual General Meeting of Shareholders and sent to shareholders within 21 days prior to the scheduled date.

- The shareholders' meeting information was publicized on Company website: www.gc.co.th such as
 - The Company's regulation regarding the part relating to the shareholders' meeting
 - The letter of invitation to the meeting and other documents that send to shareholders such as details of each agenda, annual report, Proxy Form, Independence directors information who are shareholders proxy, Instructions of document or evidence that shareholder need to bring in order to join the meeting and map of the meeting venue

The Company also provided notification of the shareholders' meeting and all supporting documents, especially those for decision-making at the meeting, on the Company's website, both in Thai and English, 30 days before the Annual General Meeting of Shareholders. This was to facilitate the shareholders with quick and easy access to essential information of the meeting and to allow them sufficient time for consideration before the actual documents were delivered.

❑ Facilitating and promoting the shareholders to attend the shareholder's meeting policy

The Company recognizes and respects the importance of the rights and equality of all shareholders including Thailand investors, foreign investors, retail investors and institutional investors. The Company organized the shareholders' meeting at meeting room of the Global Connections Public Company Limited. on Kingkaew Rd., Rachateva, Bangplee Samuthprakarn. As it may not be convenient for some people, the Company has provided a van to facilitate shareholders to join AGM from the place near a designated BTS station every year

In 2021, due to the Covid-19 epidemic, the Company has organized an Electronic Annual General Meeting (E-AGM) to facilitate pre-registration. There were personnel to coordinate assist shareholders for the meeting and voting. In the event that shareholders are unable to submit proxy documents to Independent Directors, they can also submit via an electronic system as well.

The Company will proceed with facilitating and promoting shareholders and investors of the institutions to attend the shareholders' meeting policy as follows :

- Reveal the resolutions of the Board of Directors including shareholder's meeting schedule and agenda through the information system of the Stock Exchange of Thailand timely or within next day after that the date of the resolution.
- Arrange the transparent and effective of the General Meeting of Shareholders in accordance with the laws and regulations of the Company.
- Ensure that shareholders get sufficient and correct information timely, such as:
 - Deliver the notice of the Annual General Meeting of Shareholders consisting of the date, time, place, agenda and information of all sessions for consideration in conformity with the laws, the regulatory of Corporate Governance, the Article of the Company and the Guidelines of the Quality Assessment General Meeting of Shareholders (AGM Checklist).
 - Disseminate the meeting document and information, both in Thai and English version through the website of the Company in advance and not less than 14 days.
 - Announce the schedule of the General Meeting of Shareholders on the daily newspaper at least 3 consecutive days and not less than 3 days prior to the meeting.
- Open shareholders' registration 2 hours prior to meeting time. The Company has provided a venue with reception center, registration tables with staffs to help assists shareholders with the registration. The Company has utilized Information Technology (IT) for registration and vote

calculation for an efficient and accurate process based on regulatory standards. In part of Information Technology for registration and calculate the voting results using a barcode reader to quickly find the list of registered voters and calculate the voting results for fast counting votes in each agenda

- Give an opportunity for the shareholders have equal rights to recommend or ask questions. The Company has allocated appropriate time and recorded significant questions and suggestions of the shareholders in the minutes completely.
 - Reveal the resolutions of the shareholders' meeting and voting results through the information system of the Stock Exchange of Thailand within the next business day after that the date of the meeting.
 - Prepare and submit the General Meeting of Shareholders' minutes to the Stock Exchange of Thailand, and even published the report via website of the Company within 14 days from the date of the meeting.
 - Assign the Company secretary and the investor relations department contact and coordinate during the Company and investors.
- Protection of the Rights of Minority Shareholders
- The Company provides opportunities for minority shareholders to propose the important matter for consideration in the agenda of the Annual General Meeting. They also have the right to nominate qualified candidates to be directors within schedule period via the Company's website (<http://www.gc.co.th>).
 - The Company delivers the proxy document in the form that the shareholders are able to set their voting in advance and give proxy to other persons to attend the meeting on their behalf. The Company has submitted the proxy in the form specified by the Ministry of Commerce, a total of 3 forms together with the invitation letter. The Company has added the options in Proxy Form B as set by the Ministry of Commerce. The shareholders can appoint the Independent Directors or other persons to attend the meeting and vote on their behalf. These conditions are simple and convenient for all shareholders to be able to proxy
 - The Company notifies a proxy procedure and document on the invitation letter for the convenience of shareholders. The proxy process complies with laws and is not intended to create complications for using a proxy.

- Before the meeting starts, the Chairman of the Board of Directors acting as the Chairman of the meeting informs the shareholders of their rights according to the Company's Articles of Association, the meeting procedures and the voting procedures.
- The Chairman of the meeting is responsible for managing the shareholders' meeting in all agendas according to the Articles of Association of the Company and must be consistent with the agendas which are sent out in the invitation letter (the notice of the shareholders' meeting).
- The Company shall ensure that no shareholder who is an executive can add any agenda items without advance notice; the same process is applicable to general shareholders. If there is a proposal to rearrange the order of agenda, the Chairman of the meeting will be able to change the order as proposed after receiving approval from no less than two thirds (2/3) of the attending shareholders.
- However, up until 2021, there has never been a request to rearrange the order of agenda, nor has there ever been a request by one third (1/3) of the votes to introduce other matters not previously listed in the agenda. Moreover, the Company has never added any other items to the agenda apart from those indicated in the notification of the meeting.
- The Company has specified the voting procedure should be by the use of ballots in every agenda. In the election of directors, a majority vote must be obtained in accordance with "One share per one vote"

The majority of votes must be received in accordance with the rules and procedures as follow:

- Shareholder vote for each director individually
- In voting for each director under Clause 1, one shareholder shall have one vote for each share held by him/her.
- The sequence of appointment announcement starts from the director that received the highest votes, the rest shall be appointed respectively. However, when there are two or more persons getting the same amount of votes, exceeding the sum of appointing or electing of directors in that period, the decision of the Chairman of election shall prevail.

In case that the Company has special transactions or related-party transactions. The Company has a clear policy and guideline when transactions that may cause conflict-of-interest arises. These transactions must be dealt with the utmost caution and must strictly follow the Company ethics and code of conduct to ensure that it will benefit the Company and all stakeholders.

- The Company shall explicitly disclose shareholders information on related party transactions, which include the names and relationships of the related persons, pricing policies, and transaction values, as well as the Board's opinions relating to such transactions.
- Normally when the Company has transactions that require the approval of shareholders by the regulations of the Stock Exchange of Thailand, the Company shall disclose information and reason of doing the transaction to shareholders first.
- The Company shall have a verification process regarding transactions which may cause conflicts of interest to ensure that there is a fair transaction which is a normal trading business. (Fair and at arms' length)

■ Information Usage

The Company's policy is to uphold ethics, conduct its business with integrity and follow regulations and code of conduct. Utilizing confidential information or business secrets by the executives or employees for personal gain poses a conflict of interest; these actions are serious misconduct and disciplinary punishment may be taken.

The Company will notify the Board of Directors and executives to refrain from trading their shares of the Company one week before and 24 hours after financial statement has been revealed to the public and prohibit disclosure of internal information to others.

The Company has instructed its directors and executives to report any change in their holding of securities of Company in accordance with section 59 and provisions on penalties section 275 stipulated of Securities and Exchange Act B.E 2535 and the regulations of the SET including to their spouses and children less than 20 years of age. The directors and executives must submit one copy of the securities disclosure report to the Company and the Securities and Exchange Commission on the same day.

Rights of Stakeholders

The Company believes in good relationship and cooperation between the Company and the stakeholders will enable the Company to bring sustainable growth. Therefore, the Board of Directors prioritizes the rights of stakeholders by defining their rights in the Ethics and Code of Conduct and announcement to directors, management and employees to always follow the practice in the annual meeting of the Company. The Company also makes it a point to educate new employees about ethics and code of conduct. . The details are as follow: <https://gc.co.th/en/corporate-governance-related-policy/>

□ Corporate Values

The foundation of corporate governance leading to a sustainable growth is based on the corporate value as follows;

1. Ethics and Integrity
2. Professionalism/Focus
3. Partnerships
4. Strive for the Better
5. Sustainability

□ Policies related to the Rights of stakeholders

Policies related to the rights of stakeholders are acknowledged to employees, management, and directors and disclosed on the Company's website <https://gc.co.th/en/corporate-governance-related-policy/>

- Policies and practices to shareholders
- Policies and practices to employees
- Policies and practices to customers
- Policy and practice to partners and/or creditors
- Policies and practices against competitors
- Policy and practice to social responsibility and community
- Environment, health, and safety
- The business operations under the environmental standards policy
- Policy on Use and Disclosure of Inside Information
- Anti-Corruption

6.2 Business Ethics

The Company adheres to the principles of equal treatment under fair competition and business operations, on the basis of obtaining fair returns to both parties or to all parties. The Company is committed to provide truthful and accurate information, negotiate and find a fair a solution based on mutual business relationships and compliance with contracts. This is stated in the Company's Code of Business Conduct and disclosed on the Company's website: <https://gc.co.th/en/corporate-governance-related-policy/>

6.3 Major changes in the past year

6.3.1 Changes and developments in the review of corporate governance policies and practices in the past year

The Board of Directors recognizes that improving the level of good corporate governance of the Company is of importance. After the announcement of the policy, The Board of Directors also assigns the management to be responsible for monitoring and supervising all employees to comply with the Company's guidelines and report on performance in all aspects to the Board of Directors annually. For any criteria that have not yet been established as a policy or have not been implemented, the management will report to the Corporate Governance Committee for review annually before submitting to the Board of Directors for further approval.

In 2021,

- The Company Corporate Governance was evaluated by the Thai Institute of Directors Association (IOD) which the Company was rated “Excellent” (5 STAR) benchmark.
- The Company AGM was evaluated and scored 100 by Thai Investors Association

6.3.2 Corporate Governance Code (CG Code)

❑ CGR (Corporate Governance Report of Thai Listed Companies) assessment in 2021

The Boards of directors mainly performed within CGR guidelines for good governance, but there are some non-observance;

Sector 1 Right of Shareholders

- Boards of directors hold shares in total more than 25 percent (bonus point).
- The Company has free float share in total of less than 40 percent (On 31st December 2021, the Company has free float 34.40 percent).

Cause: This is normal for small business regarding free float balance and Securities and Exchange Commission (SEC)’s criteria that the Company must have free float in total of more than or equal to 15 percent. The investors can be confident that the founders still care about company and continue to manage for positive profit and return. In which they can see return in a form of growth of dividend.

Sector 2 Equitable Treatment of Shareholders

- The Company did not specify the vote method for the directors via cumulative voting.

Cause: The Company is a small business. The voting is based on “One-Share One Vote” are appropriate and can avoid complications for counting the director’s score.

- The Company did not set policy to director and executives to notify about buying and selling the stock 1 day before the transaction.

Cause: The Company avoids the buying and selling asset 7 days before a disclosure of the financial statement to public. It is a sufficient amount of transparency and cover the 1 day notice prior to buying and selling. In the case that directors or executives are unable or unwilling to sell after the notification, it may cause further complications and confusion of the accuracy of the report.

Section 3 Right of Stakeholders

- The Company did not do an integrated report (Bonus point)

Cause: The Integrated report already exist in the form of an annual report in the section of risk management performance, social responsibilities and against corruption policy for practical sustainable communication.

Section 4 Information Disclosure and Transparency

- The Company did not disclose details of the CEO’s compensation.

Cause: Disclosure of information will impact the labor market.

Section 5 Responsibilities of Boards

- Directors did not set limit of listed companies in corporate governance policy (directors are not allowed to take position more than 5 companies).
- Directors did not set limit of listed companies in corporate governance policy (directors are not allowed to take position more than 3 companies). (Bonus point)
- Directors did not set year limit for the position of independent director (less than 9 years).
- Directors did not set year limit for the position of independent director (less than 6 years). (Bonus point)

- Nomination and remuneration committees did not comprise of independent director of more than 50 percent (Independent Directors are 33.33 percent of the Company Board of Directors).
- Nomination and remuneration committees are not comprise of all Independent Directors.

Cause: The Company is small business in a complicated industry, hence the Independent Directors must have an extensive knowledge and experience in the industry. Having more than 50 percent of Independent Directors will be a crucial limitation in the recruitment process. Moreover, the corporate governance, nomination and remuneration committees can perform well on, and proven their performance in their positions.

However, The CGNR committee have considered enhancing the corporate governance through presenting the plans to the board of directors. In order to consider the policy that directors are limited to take position in more than 5 listed companies.

- The Company has no compliance unit. (Bonus point)

Cause: The Company has internal audit and company secretary. It is sufficient for the business and has proven their efficiency. Moreover, the executive committees always monitor all sections of operation. The Company considered that it is not necessary to set up this sector at this point.

- Directors did not use professional search firm or director pool to search for new director. (Bonus point)

Cause: The Company use board skill matrix and seek to nominate directors with skills that the current Board of Directors do not have and is identify as a necessary skill and expertise at the time.

- The Company did not set minimum quorum policy that the directors must participate more than 2/3 in total of directors.

Cause: The Company follows the law, in which the required more than half of the directors present.

- Directors did not set up risk management committee

Cause: Risk management is a part of the agenda within the management meeting which were held every month. In order to create an effective strategy, the management team had taken into account the risks the Company faces. The main risks that the management team took in consideration are: bad debts, volatile exchange rate, insufficient cash flow, and fluctuations in the price of goods in the world market.

- Independent Directors consist of women (Bonus point).

The Company has considered that gender should not be a factor in nominating directors. The Company welcomes diversity of skills and qualifications when nominating directors.

- Remuneration committees are not composed of more than 50 percent Independent Directors.
- Nomination committees are not composed of all Independent Directors. (Bonus point).
- Nomination committees are not composed of more than 50 percent Independent Directors.

Cause: Remuneration committees composed of 33.33 percent Independent Directors. The Company considered it to be appropriate.

6.3.3 Other Practices with the good Corporate Governance

The Company determines and intends on good Corporate Governance (“CG”).

- The Company Corporate Governance was evaluated by the Thai Institute of Directors Association (IOD) which the Company was rated “Excellent” (5 STAR) benchmark.

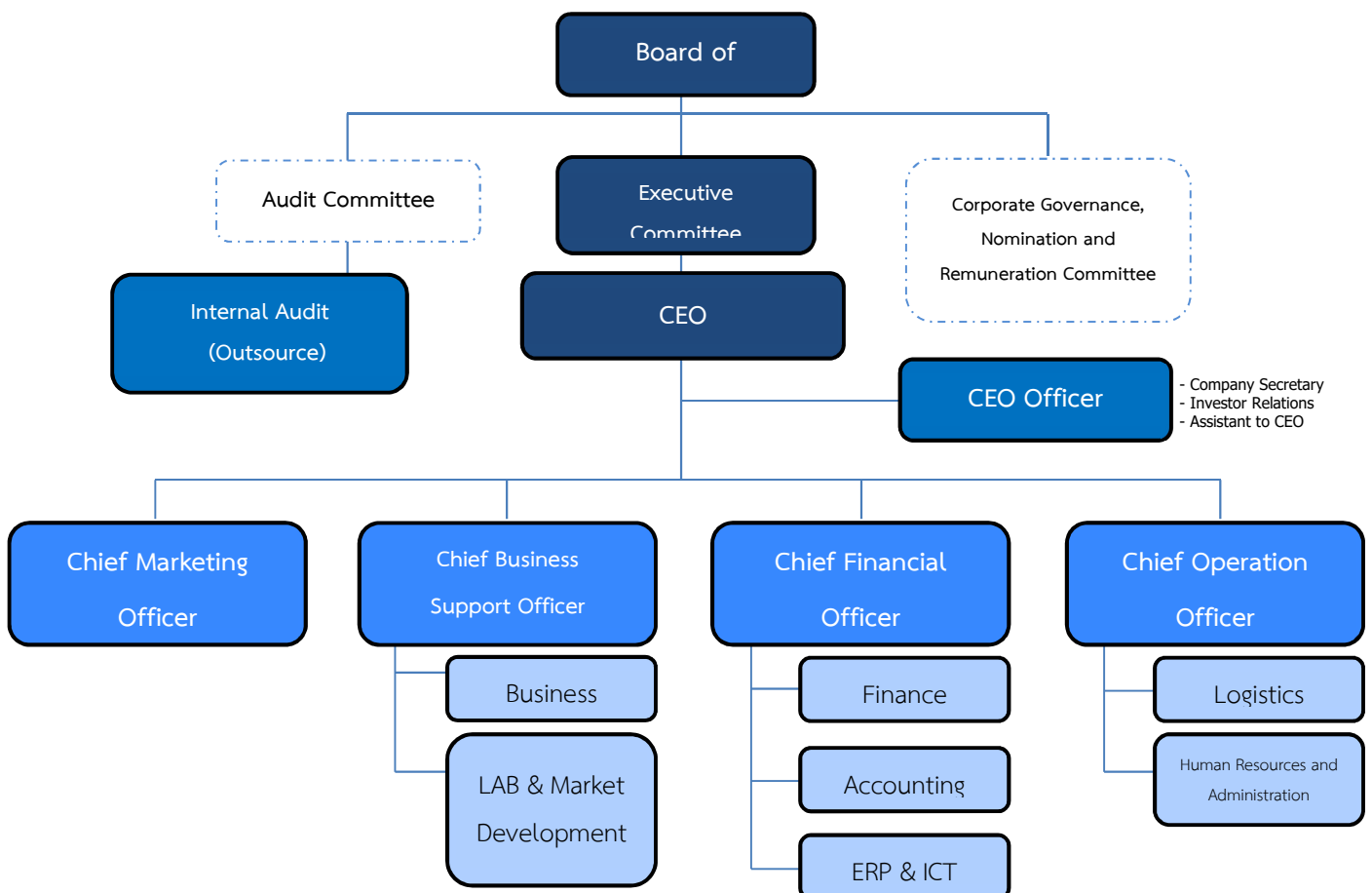
- The Company AGM was evaluated and scored 100 by Thai Investors Association.

7. Corporate Governance Structure and important information about the board, Sub-committees, executives, employees

7.1 Corporate Governance Structure

Corporate Governance Structure of the company consists of 4 committees, which include the Board of Directors, the Executive Committee, the Audit Committee, and the Corporate Governance, Nomination and Remuneration Committee. Details are as follow:

Organization chart as of December 2021



7.2 The Board of Directors

As at 31 December 2021, the Board of Directors included 8 persons as follow:



Mr. Virah Mavichak
Independent Director and Chairman of the Board



Mr. Somchai Kulimakin
Vice Chairman



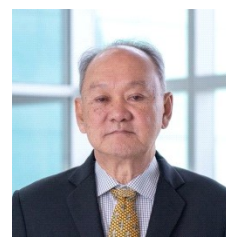
Mr. Sumruay Tichachol
Director



Mr. Bhiya Jriyasetapong
Director



Mrs. Nisaporn Sirijuntanan
Director



Mr. Thanee Puttipanpluck
Independent Director and
Chairman of Audit Committee



Mr. Suchart Suphayak
Independent Director and
Member of Audit Committee



Mr. Chanitr Chanchainarong
Independent Director and
Member of Audit Committee

Company secretary is Ms Aroonjit Treesittichate.

Securities holding of the Board of Directors as of 31 December 2021

Member List	Shares		
	1 January 2021	31 December 2021	+/(-) during the year
1. Mr.Virah Mavichak	-None-	-None-	-
2. Mr.Somchai Kulimakin	44,499,900	42,699,900	(1,800,000)
3. Mr.Sumruay Tichachol	28,625,000	28,625,000	-
4. Mr.Bhiya Jriyasetapong	26,125,000	26,125,000	-
5. Mrs.Nisaporn Sirijuntanan	25,780,430	25,780,430	-
6. Mr.Thanee Puttipanpluck	-None-	-None-	-
7. Mr.Suchart Suphayak	-None-	-None-	-
8. Mr.Chanitr Chanchainarong	100,000	100,000	-

7.2.1 The Board Composition

- The Board's consist of diverse set of skills that matches the company's business strategies, which are identified through Board Skill Matrix preparation.
- As of 31 December 2021, there are 8 directors.
- The Chairman cannot be the same person as the CEO.

7.2.2 The Board Information

Member List		Position	Appointment Date
1. Mr.Virah	Mavichak	Independent Director and Chairman of the Board	17 March 2005
2. Mr.Somchai	Kulimakin	Vice Chairman	17 March 2005
3. Mr.Sumruay	Tichachol	Director	17 March 2005
		Member of the Corporate Governance, Nomination and Remuneration Committee	
4. Mr.Bhiya	Jriyasetapong	Director	17 March 2005
		Member of the Corporate Governance, Nomination and Remuneration Committee	
5. Mrs.Nisaporn	Sirijuntanan	Director	7 May 2018
6. Mr.Thanee	Puttipanpluck	Independent Director and	4 April 2015
		Chairman of Audit Committee	
7. Mr.Suchart	Suphayak	Independent Director	17 March 2005
		Member of Audit Committee and	
		Chairman of the Corporate Governance, Nomination and Remuneration Committee	
8. Mr.Chanitr	Chanchainarong	Independent Director and	9 August 2019
		Member of Audit Committee	

The Authorized directors:

1. Mr.Somchai Kulimakin
2. Mr.Sumruay Tichachol
3. Mr.Bhiya Jriyasetapong
4. Mrs.Nisaporn Sirijuntanan

Two of forth of these directors jointly signs and affixes the company's seal.

7.2.3 The Board of Director's Role

Authorities, duties, and responsibilities of the Board of Directors are as follow:

1. To authorize, approved and manage the business in accordance with the laws and principles to ensure that objectives are met. Such objectives include strategies in short and long-term, business directions, financial and liquidity management, risk management, information technology management, security of technology system and creating an innovation-centered culture to achieve objectives and main goals of the company. In addition, the Board of Directors are responsible to exercise and monitor executives including a Chief Executive Officer (CEO) and the Executive Committee for the proper performance of their duties.
2. To regulate the overall management to comply with the Corporate Governance Policy for efficiency practice of directors executives and all employees and responsible to shareholders ensure the accuracy and completeness of the information disclosures e.g. Code of business conduct, Anti-corruption policy, Practice towards the stakeholders, Fair Operating Practices, Human Rights, Society and environment responsibility in regard to a well-known reporting form, disclose important information and reflect practice that lead to add sustainable value of the company, confidentiality system/the control of internal information Follow consider the connected transactions of conflicts of transactions, Reporting conflicts of interest by regulate executives to perform their duties as assigned.
3. To manage the company's financial reporting process to ensure accuracy, adequate disclosure, on-time and according to the related law and practice by regulation to a Chief Financial Officer (CFO), an accountant, an internal auditor, a company secretary and an investor relation staff.
4. To manage the executive to designate a person or department to perform the "investor relations or IR" function to communicate with outsiders appropriately and timely such as shareholders, institutional investors, individual investors, analysts, or related government agencies.
5. To encourage shareholders to exercise their rights to make decisions on any significant corporate changes.
6. To monitor the management of human resources and ensure that it is done so in accordance to the company policy. In which it should increase knowledge and skills of employees, treat all employees with respect and fairness, and able to retain valuable and highly skilled employees.
7. To set up a provident fund for employees to have adequate retirement saving and encourage them to enhance knowledge about financial management. Provident fund can be selected based on age, expected return, and risk appetite.

8. To promote continuous development and relevant education of the Chief Executive Officer and key executives. Develop a succession plan for the Chief Executive Officer and key executives. Assign the Corporate Governance, Nomination, and Remuneration Committee to report the succession plan to the Board of Directors at least once a year.
9. To ensure Board members have allocated sufficient time to perform their duties and are able to access necessary information. Moreover, to ensure that a company secretary had adequate knowledge and experience to support the Board of Directors.
10. To regulate the nomination and selection of Board members in a transparent and clear manner. In order to obtain qualified a directors in accordance with the composition of the Board as stipulated.
11. To review the charter, structure of the organization, size and composition, proportion of Independent Directors, and role/responsibility annually to appropriately achieve the objective and goals of the company.
12. To determine the efficiency of remuneration and performance assessment as follow:

- Board of Directors

The Corporate Governance, Nomination and Remuneration Committee considers in the first step before proposes to the Board of Directors. After that, the Board considers a structure and remuneration which appropriate to their responsibilities and to motivate them to lead the company to achieve both short and long-term goals.

- Chief Executive Officer

To assign the Corporate Governance, Nomination and Remuneration Committee sets evaluation criteria and responsible for assessment and consider a compensation and assign the Chairman of Executive Committee to communicate result and any addition improvement issues to the Chief Executive Officer annually.

All this must be assigned to the directors, sub-committee which is relate to the task, and/or the management who has privilege to operate under the Board of duties excepting for the approval of the shareholders' meeting such as:

1. On matters that require approval by shareholder meetings
2. Regulations require a shareholders' approval for certain transaction (including conflict-of-interest transactions and material transactions)

The decision on whether the director has a conflict of interest with the company or its subsidiaries, will not able to vote on such matter.

Authorities, duties, and responsibilities of the Chairman of the Board as follows ;

1. To regulate the Board of Directors to perform their duties efficiently, and achieve in objectives and goal of the company.
2. To encourage knowledge of ethics and policies to directors, executive, and employees and practice into the company's ethics culture and corporate governance.
3. To strengthen good corporate governance standards to the Board of Directors
4. To appoint the Board of Directors meeting, supervising delivery of the meeting invitation letter and other related documents and ensure that the Board of Directors receive such documents which are information to support adequate and timely. Moreover, performing as the Chairman of the Board meeting.
5. To be the Chairman who controls the shareholders' meeting to comply with the regulations and the agenda
6. To be the conductor who controls the effective communication between directors and shareholders.
7. Strengthen the good relationship between the Board of Directors and Executives.
8. Performing the duties prescribed by law, especially the duty of the Chairman.

Meetings of the Board of Directors

Directors should attend the Board of Directors' meeting regularly to receive information and joint decision about the matters of business operation. The meeting are held at least five times per year which is determined the schedule meetings in advance and is informed all directors in the early of the year for planning. Moreover, there may be additional meetings to consider urgent matters.

The Chairman of the Board and the Chief Executive Officer jointly set and consider the meeting agenda of the Board. However, directors are able to present other matters or ideas as the agenda.

In 2021, there are four meeting of the Board of Directors and the directors attended the meeting average at 100 percent. The company submits documents for the meeting to each director advance 7 days before the meeting in order for directors review and study such documents

In consideration of each agenda, the Chairman of the Board has duty to allocate sufficient meeting time and give opportunity to directors in order to express their opinions. For resolution of the meeting, the company holds the majority vote which is one person one vote and directors who have conflict of interest will not attend the meeting. If the votes are equal, the Chairman of the meeting shall have one more vote as a casting vote.

The Chief Executive Director will join to the Board of Directors meeting to give helpful information and acknowledge policy for efficiency work except for some meeting which especially for the Board of Directors or Non-Executive directors to be free to consider matters.

In addition, the Board of Directors emphasizes the management of the conflict of interest of the related parties carefully, fairly and transparently, and fully discloses the information on such matters. The Board determines to directors have to inform their related transactions with the company at least one time in the year and record information in the minute of the Board. If there is a case where any director has an interest in the subject matter which is considered, the director shall not participate in making decisions and vote on the matter.

The guidelines for the directors have to report the related transactions with the company at the 3 following time periods as follows:

1. The first appointment to be the directors which should inform their conflicts of interest.
2. Directors have to inform their conflicts of interest annually or changing.
3. Directors have to inform their conflicts of interest prior to the consideration agenda which the director is not independent and has related transactions with the matter. The director shall refrain from participating in such agenda.

The company records the conflict of interest/ the related transactions in the minute of the Board.

At the end of the meeting, the secretary of the Board has duty to write a meeting minute and propose to the Board of Directors for an approval in the second agenda of the next meeting then the Chairman of the Board certified true copy. So that the directors can express opinions and modify a meeting minute and the final approved the Board meeting minutes should be kept securely in the office.

Furthermore, Non-Executive directors should be able to meet, as necessary, among themselves without the management team which should be held at least 4 times. In 2021 there were held 4 times and at the end of the meeting, the secretary of the Board has duty to write a meeting minute and propose to the Non-Executive directors for an approval in the second agenda of the next meeting then the Chairman of the Non-Executive certified true copy.

For Non-Executive directors meeting minutes, the company always makes copies and sends to the directors and the Chief Executive Officer.

Authorities Duties and Responsibilities of Chief Executive Officer as follows:

1. Devise the Company's vision, mission, strategies, annual master operating plan, annual budget, goals, and policies to propose to Management Team for approval. Once approved, present it to the Board of Directors for approval.
2. Manage and monitor business operation to secure highest benefit and ensuring adherence to company's vision, mission, strategies, and annual budget pre-approved by the Board of Directors.
3. Monitor and audit the company's performance to secure highest possible benefit. Consistently report progress to management and Board of Director, while also finding ways to improve and grow the business sustainably.
4. Ensure that the company has a transparent and accurate financial reporting system that adheres to all related regulations.
5. Manage corporate risks and consistently report potential risks and ways to mitigate risks to the Audit Committee.
6. Approve and authorized contracts, operational documents, and business transactions within the Board of Director's pre-approved monetary bounds.
7. Ensure that all Company's business transaction adheres to the legal and legislative guidelines of the Securities and Exchange Commission (SEC) and Thailand's Stock Exchange (SET). Including but not exclusive to related entity transactions policy, asset transactions policy and Board's approved Company's policies.
8. Establish and implement policies, guidelines, and announcements to further the corporate mission. Ensure compliance with good corporate governance, legal guidelines, and anti-corruption policies to work towards company success.
9. Support research of new projects, new innovation, and its financial benefit. Assist in conducting due diligence and presenting it to Board of Management or Board of Directors (in some case) for approval.
10. Represent the Company in communicating with the public, shareholders, customers and all stakeholders. Ensuring a positive image of the Company.
11. Support the Board of Directors in communicating with shareholders consistently, appropriately, and providing transparent and accurate information about the Company.
12. Perform the CEO duties as delegated by the Board of Directors or sub-Committees.

7.3 Sub Committee

7.3.1 Board of Directors structure

Shareholders appoint the Board of Directors and a management structure which is comprised with 3 committees as follows;

1. The Executive Committee

Authorities, duties, and responsibilities of the Executive Committee as follows;

1. To determine policies, directions, strategies, work plans, annual budget plan, organizational structure, management structure of major-lines and sub-lines for business process to be consistent with the economic situation and market competition. After that, proposes to the Board of Directors for consideration and approval.
2. To follow the implementation of policies, directions, strategies, work plan, management plan to major- lines and sub-lines to be effective and conducive to the business operation.
3. To define risk management policy in accordance with the goal of the company. The executive will review the policy annually and consider risk assessment including external and internal factor, together with evaluating the level of risk opportunity, impact, risks rating, providing risk management plan by corporate with the Internal Audit department. The significant risks are strategies, operational, financial, and regulatory compliance.
4. To monitor and evaluate the effectiveness of risk management annually and the result shall be submitted to the Audit Committee and the Board of Directors, respectively.
5. To take consideration for approval of auctions/hire of work, commitment contracts period 1-3 years, expenses, special remuneration for employees including bonus, salary/wages increase, investment, financial sources for acquisition of fixed assets/ equity, or debt obligations for refinance the outstanding liabilities under the better terms and conditions with the budget scope which is not exceed Baht 150 Million and/or accordance with the budget which approved by the Board of Directors
6. To report any performances to the Board of Directors at least once a year and if there are any urgent issues, can report immediately.
7. To recruit or dismiss the company's employees in management level excluding the Chief Executive Officer and Executives serving as directors.

8. To sign the withdrawal from the bank account of the company in accordance with the conditions and limits authorized which are assigned by the Board of Directors.
9. To perform other duties which are assigned by the Board of Directors.

However, the Executive Committee may delegate to management level for approving of one or more financial matters under the authorized as may be deemed appropriated by the Executive Committee.

The assignment is under the law and regulation of the company. In case, there is benefit in the operation process or having conflict of interest of the Executive director(s) or other parties (according to the Notification of the SEC), The Executive director(s) or the parties are not entitled to cast the vote for such matter in the Board of Directors

Any transactions which are a relation transaction or the receiving or disposal assets of the company or a subsidiary (according to the Notification of SEC), are approved from the Shareholders' meeting and/or in accordance with the rules/principles prescribed in such notification and to be consistent of the SET.

Meetings of the Executive Committee

The Executive directors should attend the Executive Committee meeting on a monthly basis which is set a schedule meeting in advance and is informed to the Executive early in the year, to acknowledge the performance, result of credit management, risk assessment of the company, finding the solution of problem issues in the past month, adjusting working plan to the company achieve objective and target. In 2020, the company has the Executive Committee meeting more than 12 times

2. The Audit Committee

The Audit Committee consists of Independent Directors who have knowledge, experience in accounting and financial, and in reviewing the reliability of the financial statements. The main duties of the Audit Committee is to review and ensure that operation process comply with the policy, principle, law, and regulation, and to review and ensure that are suitable and efficient internal control, internal auditing process and risk assessment process. They are able to perform their duties and express opinions independently.

Authorities, duties, and responsibilities of the Audit Committee as follows;

1. To review the company's financial reporting and disclosure in the financial statement in accordance with a generally accepted accounting principles sufficiency and accuracy. In addition, to coordinate with the external auditors and the management who is responsible for preparing the financial report quarterly and annually. The Audit Committee may recommend/suggest to the external auditor for reviewing and auditing some significant matters during auditing period.

2. To review the company's internal control and internal auditing process together with the external auditor and the internal auditor to ensure that they are appropriate and effective.
3. To consider the independence of the internal audit department and to approve the appointment, transferring, and dismissal of the head of an internal audit department or other department that is responsible for internal audit.
4. To review the company's practice in accordance with the Securities and Exchange Act. and the regulation of the Stock Exchange of Thailand, or the law which is related the company's business.
5. To review the company's related transaction or conflict of interest transaction in accordance with the law and regulation of the Stock Exchange of Thailand and to ensure that such transactions are reasonable and beneficial to the company
6. To consider and advise the appointment, transfer and dismissal of the external auditors including the audit fee by considering the independence, creditability, the adequacy of its resources, the firm's audit engagements, and the experience of its supervisory and professional staff, as well as to attend a non-management meeting with an auditor at least once a year.
7. To review the accurateness of references document and the anti-corruption self-assessment.
8. To supervise all directors, executives, and employees shall strictly abide by the anti-corruption policy.
9. To perform any other tasks as assigned by the Board of Directors and the Audit Committee agrees them such as reviewing the policy of a financial management and a risk management, the compliance with the Code of Ethics of the management, a significant reports which are disclosed to the public accordance with the law (e.g. Management Discussion and Analysis - MD&A)
10. To prepare the Audit Committee report which is disclosed in the annual report of the company and is signed by the Chairman of the Audit Committee.

The report contains the following information;

- Comments on the company's financial reporting process and the disclosure of its financial information, which must be correct, sufficient, and credible.
- Comments on the adequacy of the company's internal control systems.
- Comments on the adequacy of the company's risk management systems.
- Comments on compliance with the Securities and Exchange Acts, Regulations of the SET, and any other relevant laws.

- The reason to believe that the external auditor is appropriate to be appointed as the company's auditor.
- Comments on related transactions or conflict of interest transactions.
- The number of the Audit Committee meetings and attendance of each member of the meeting.
- An opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter.
- Other statements that shareholders and general investors deem to be considered under the scope of the functions and responsibilities assigned to them by the Board of Directors.

Under the scope of authority, the Audit Committee has authority to call or order the management, the head of department, or employees who are related transactions to attend meetings or submit documents deemed necessary, is able to seek independent opinions from other professional consultants as deemed necessary by the company is responsible all expenses.

The Audit Committee is directly responsible to the Board of Directors. The Audit Committee is subject to three years term. Nevertheless, a retiring director is eligible for re-election in accordance with the Board of Directors deems appropriate. The Audit Committees performs duties within the scope of duties and responsibilities assigned by the Board of Directors who is responsible directly to the shareholders, stakeholders, and other person.

3. The Corporate Governance, Nomination and Remuneration Committee

The Chairman of the Corporate Governance, Nomination and Remuneration Committee must be an independent director.

Authorities, duties, and responsibilities of the Corporate Governance, Nomination and Remuneration
as follow:

1. To elect or consider a qualified persons to serve as a member of the Board of Directors, sub- committee, or in case where the position of director is vacant accordance with the definition and qualification of the directors criteria together the board skill matrix and the evaluation performance annually. Then, propose the opinions to the Board of Directors consider, and will be proposed to the Shareholders' meeting for appointment

2. To consider and advise a committee structure appropriately to the Board of Directors, sub- committees, and the Executive committee about size, qualification (such as knowledge, ability, experience, etc.) and refer to the Board Skill Matrix.
3. To plans and elects for the succession of the Chief Executive Officer and the top management, then propose to the Board of Directors.
4. To review the appropriateness of the remuneration structure and the criteria use to determine the remuneration of the Board of Directors, the Chairman of the Board, the top management, and other level. Then, consider the appropriateness of monetary remuneration and other benefits by refer to other factors such as the remuneration in the same industry, a result of operation compare to the company's goal and benefit of the shareholders
5. To consider an appropriate remuneration or other benefit of the Board of Directors, Chief Executive Officer, a top management, and employees in all level and assigned to the Executive Committee considers in level of a top management and employees by reference to the budget which was approved by the Board of Directors.

The remuneration or other benefits of the Board of Directors shall propose to the Board meeting for consideration. Then, it is submitted to the shareholders meeting for approval by consider from 3 factors as follows ;

5.1) Best practice in industry for considerate remuneration.

5.2) Performance and size of the company.

5.3) Responsibility, knowledge and experience of directors.

6. To consider the remuneration appropriately to motivate in long-term work life of the Executive and to be consistent with the company's performance and the benefits to shareholder.
7. To propose guidelines about policies, ethics to be consist of the Corporate Governance to the Board of Directors and the Executive consider and define as a standard practice of the company.
8. To supervise, consult, evaluate and review policies in accordance with the Corporate Governance principles and business ethics to develop and upgrade the corporate governance system of the company.
9. To prepare the Corporate Governance, Nomination and Remuneration Committee ("the CGNR") report which is signed by the Chairman of the CGNR and propose to the Board of Directors for disclosure in the annual report.

10. To disclose the remuneration policy and other benefits in the form of the Corporate Governance, Nomination and Remuneration Committee report in the annual report.
11. Perform other duties according with assignment from the Board of Directors.

The Corporate Governance, Nomination and Remuneration Committee is directly responsible to the Board of Directors. In addition, the Chairman and members of the Corporate Governance, Nomination and Remuneration Committee have a term of three years. Nevertheless, a retiring director is eligible for re-election in accordance with the Board of Directors deems appropriate.

The delegation of authority to the Corporate Governance, Nomination and Remuneration Committee is not included the approval transactions which may cause a conflict of interest with the company or member of the CGNR or a related person of the CGNR according to the SET's regulations. However, the conflict of interest is required to the Board of Directors and/or the Shareholders' meeting considers and approves such transaction in accordance with the company's Articles of Association or relevant laws, except the approval of transactions in the normal course of business which are already covered by existing guidelines approved by the Board of Directors.

7.3.2 Member of Sub Committee

1. The Executive Committee

Members of the Executive Committee as of 31 December 2021 included four individual as follow:

- | | |
|-------------------------------|---------------------------------|
| 1. Mr. Somchai Kulimakin | Chairman of Executive Committee |
| 2. Mr. Sumruay Tichachol | Executive Committee |
| 3. Mr. Bhiya Jriyasetapong | Executive Committee |
| 4. Mrs. Nisaporn Sirijuntanan | Executive Committee |

All Members of the Executive Committee are no forbidden as follow:

- ☐ Never dishonestly committed an offence against property.
- ☐ Never entered into any transaction which may cause conflicts of interest against the company during the year.

2. The Audit Committee

The Board of Directors appoints the Audit Committee which is composed of highly qualified directors who are independent from the management and major shareholders of the company.

Members of the Audit Committee as of 31 December 2021 include three individuals as follow:

- | | | |
|----|-----------------------------|-----------------------------|
| 1. | Mr. Thanee Puttipunpluck | Chairman of Audit Committee |
| 2. | Mr. Suchart Suphayak | Audit Committee |
| 3. | Mr. Chanitr Charnchainarong | Audit Committee |

Acting in as Secretary to the Audit Committee is Ms. Aroonjit Treesittichate.

All Members of the Executive Committee are no forbidden as follow:

- Never dishonestly committed an offence against property.
- Never entered into any transaction which may cause conflicts of interest against the company during the year.

The Audit Committee consists of Independent Directors who have knowledge, experience in accounting and financial, and in reviewing the reliability of the financial statements. The main duties of the Audit Committee is to review and ensure that operation process comply with the policy, principle, law, and regulation, and to review and ensure that are suitable and efficient internal control, internal auditing process and risk assessment process. They are able to perform their duties and express opinions independently.

3. The Corporate Governance, Nomination and Remuneration Committee

Members of the Corporate Governance, Nomination and Remuneration Committee consist of 3 people as of 31 December 2020 as follows:

- | | | | |
|----|-------------|---------------|--|
| 1. | Mr. Suchart | Suphayak | Chairman of the Corporate Governance,
Nomination and Remuneration Committee |
| 2. | Mr. Sumruay | Tichachol | The Corporate Governance, Nomination
and Remuneration Committee |
| 3. | Mr. Bhiya | Jriyasetapong | The Corporate Governance, Nomination
and Remuneration |

Secretary to the Corporate Governance, Nomination and Remuneration Committee is Ms. Pornpimol Torpailboon.

The Chairman of the Corporate Governance, Nomination and Remuneration Committee must be an independent director.

THE BOARD OF DIRECTORS AND MANAGEMENT



CHAIRMAN OF THE BOARD AND INDEPENDENT DIRECTOR

Mr. Virah Mavichak

Age : 78

Gender : Male

Percent of Shareholding : None

Education Background

- Master degree (Chemical Engineering), University of Texas, USA
- Bachelor degree (Engineering), Chulalongkorn University

Training Program

- Director Certification Program (DCP) Class 26/2003, Thai Institute of Directors (Thai-IOD)
- Role of the Chairman Program (RCP) Class 17/2007, Thai Institute of Directors (Thai-IOD)

Training Program in 2021

-None-

EXPERIENCE

Listed Companies in the Stock Exchange of TI

2008 - Present	Chairman of the Board and Independent Director	Global Connections Public Company Limited
2004 - 2008	Chairman of Audit Committee	Global Connections Public Company Limited
2009 - Present	Independent Director	Srivichai Vejvivat Public Company Limited

Non-Listed Companies in the Stock Exchange of Thailand

2008 - 2011	The Senator	Senate of Thailand
2008 - 2009	Chairman of the Board	TPT Petrochemical Public Company Limited
2001 - 2003	Director-General	Department of Industrial Works
2000 - 2001	Deputy permanent secretary	The Permanent Secretary Office of Ministry of Industry
1998 - 2000	Chief of Inspector General	The Permanent Secretary Office of Ministry of Industry

Other businesses that may have conflicts of interest

-None-

Appointed the First Director Date : 17 March 2005

Period : 16 Years 10 Months



CHAIRMAN OF THE AUDIT COMMITTEE AND INDEPENDENT DIRECTOR

Mr. Thanee Puttipunpluck

Age : 69

Gender : Male

Percent of Shareholding : None

Education Background

- Bachelor degree (Civil Engineering),
Chulalongkorn University

Training Program

- Directors Certification Program (DCP) Class 229/2016,
Thai Institute of Directors (Thai-IOD)

Training Program in 2021

-None-

EXPERIENCE (5 Years latest)

Listed Companies in the Stock Exchange of Thailand

Aug 2019 – Present	Chairman of Audit Committee	Global Connections Public Company Limited
2016 – Present	Audit Committee	Global Connections Public Company Limited

Non-Listed Companies in the Stock Exchange of Thailand

-None-

Other businesses that may have conflicts of interest

-None-

Appointed the First Director Date : 1 January 2016

Period : 6 Years - Month



CHAIRMAN OF THE CORPORATE GOVERNANCE, NOMINATION AND REMUNERATION, AUDIT COMMITTEE AND INDEPENDENT DIRECTOR

Mr. Suchart Suphayak

Age : 64

Gender : Male

Percent of Shareholding : None

Education Background

- Master degree (Business Administration),
Chulalongkorn University
- Bachelor degree (Accounting), Assumption University

Training Program

- Director Certification Program (DCP) Class 72/2006,
Thai Institute of Directors (Thai-IOD)
- Audit Committees Program (ACP) Class 14/2006,
Thai Institute of Directors (Thai-IOD)
- Director Diploma Examination Class 20/2006,
Thai Institute of Directors (Thai-IOD)

Training Program in 2021

-Risk Management Program for Corporate
Leaders (RCL) Class 24/2021 Thai-IOD

EXPERIENCE (5 Years latest)

Listed Companies in the Stock Exchange of Thailand

2008 – Present	Chairman of the Corporate Governance, Nomination and Remuneration	Global Connections Public Company Limited
2006 – Present	Audit Committee	Global Connections Public Company Limited
2020 – Present	Chairman of Risk Management Committee	Muangthai Capital Public Company Limited
2020 – Present	Audit Committee	Muangthai Capital Public Company Limited
2021 – Present	Nomination and Remuneration Committee	Muangthai Capital Public Company Limited

Non-Listed Companies in the Stock Exchange of Thailand

2019 – Present	Director	Fill up Network Company Limited
2017 – Present	Chairman of the Audit Committee	Advance Power Conversion Company Limited
2011 – Present	Associate Judge	Juvenile and Family Court of Prachinburi

Other businesses that may have conflicts of interest

-None-

Appointed the First Director Date : 22 February 2006

Period : 15 Years 11 Months



AUDIT COMMITTEE AND INDEPENDENT DIRECTOR

Mr. Chanitr Charnchainarong

Age : 58

Gender : Male

Percent of Shareholding : 100,000 Shares , 0.05%

Education Background

- Master degree Electrical Engineering, Purdue University, USA
- Bachelor degree Electrical Engineering, Purdue University, USA

Training Program

- Director Certification Program (DCP) Class 52/2004, Thai Institute of Directors (Thai-IOD)
- Senior Executives of Justice Administration, Class 19/2014, Office of the Judicial Training Institute
- Advanced Management Program (AMP), Class 185/2013, Harvard Business School, Harvard University, U.S.A.
- Public Economics Management for Executives, Class 9/2011, King Prajadhipok's Institute
- Capital Market Academy Leader Program, Class 2/2006, Capital Market Academy

Training Program in 2021

-None-

EXPERIENCE (5 Years latest)

Listed Companies in the Stock Exchange of Thailand

Aug 2019 - Present Independent Director

Global Connections Public Company Limited

2020 – Present Independent Director/Audit Committee/Nomination Committee / Risk management committee/ CG&CSR committee

Asia Plus Group Holdings Public Company Limited

2018 - Present Chairman of Audit Committee and Independent Director

Northeast Rubber Public Company Limited

2015 – Present Independent Director/ and Audit Committee

GMM Grammy Public Company Limited

Non-Listed Companies in the Stock Exchange of Thailand

Sep 2021 – Present Director

Synphaet Company Limited.

2016 – Present Independent Director

Strategic Property Investors Company Limited

2016 – Present Senior Executive Vice President Development

Central Group Company Limited

2015 – Present Chairman of Risk Oversight Committee and Independent Director United Overseas Bank (Thai) PLC.

Other businesses that may have conflicts of interest -None- Appointed the First Director Date : 9 August 2019

Period : 2 year and 5 Months



VICE CHAIRMAN, CHAIRMAN OF EXECUTIVE COMMITTEE, and Authorized Director

Mr. Somchai Kulimakin

Age : 64

Gender : Male

Percent of Shareholding : 42,699,900 Shares (21.35%)

(Included related person, under section 258)

Education Background

- Bachelor degree (Business Administration), Assumption University

Training Program

- CEO Networking 2016 : The 4 disciplines of execution, The Stock Exchange of Thailand and PacRim Group
- Capital Market Academy Leader Program 11/2010, Capital Market Academy
- Leadership and CEO Succession Planning 4/2006, Thai Institute of Directors (Thai-IOD)
- Director Certification Program (DCP) Class 62/2005, Thai Institute of Directors (Thai-IOD)
- Finance for Non-Finance Director (FND) Class 2/2003, Thai Institute of Directors (Thai-IOD)

Training Program in 2020

-None-

EXPERIENCE

Listed Companies in the Stock Exchange of Thailand

1995 – Present	Vice Chairman and Chairman of Executive Committee	
2013 - 2017	Corporate Governance, Nomination, and Remuneration Committee	Global Connections Public Company Limited

Non-Listed Companies in the Stock Exchange of Thailand

1988 – 1995	Assistant Managing Director	Liack Seng Trading Company Limited
1985 – 1988	Assistant General Manager	Central Pacific (EX-IM) GmbH, Germany
1979 – 1985	Sales Manager	Metro Company Limited

Other businesses that may have conflicts of interest -None-

Appointed the First Director Date : 17 March 2005

Period : 16 Years 10 Months



DIRECTOR AND DIRECTOR OF THE CORPORATE GOVERNANCE, NOMINATION AND REMUNERATION

Mr. Sumruay Tichachol

Age : 64

Gender : Male

Percent of Shareholding : 28,625,000 Shares (14.31%)

(Included related person, under section 258)

Education Background

- Bachelor degree (Economics), Thammasat University

Training Program

- Asia IoT Business Platform 2560, Ministry of Digital Economy and Society.
- Driving Company Success with IT Governance (ITG) Class 3/2016, Thai Institute of Directors (Thai-IOD)
- Director Certification Program (DCP) Class 72/2006, Thai Institute of Directors (Thai-IOD)
- Finance for Non-Finance Director (FND) Class 15/2005, Thai Institute of Directors (Thai-IOD)

Training Program in 2021

-None-

EXPERIENCE

Listed Companies in the Stock Exchange of Thailand

2013 – Present	Member of the Corporate Governance, Nomination and Remuneration Committee	Global Connections Public Company Limited
1995 – Present	Executive director	Global Connections Public Company Limited

Non-Listed Companies in the Stock Exchange of Thailand

1994 – 1996	Sales Representative	Siam Brother Import-Export Company Limited
1989 – 1994	Direct Sales Manager	Thai Polyethylene Company Limited
1986 – 1988	Sales Representative	Siam Cement Trading Company Limited
1981 – 1986	Sales Manager	Metro Company Limited
1980 – 1981	Officer	Bangkok Steel Industry Public Company Limited

Other businesses that may have conflicts of interest

-None-

Appointed the First Director Date : 17 March 2005

Period : 16 Years 10 Months



DIRECTOR, DIRECTOR OF THE CORPORATE GOVERNANCE, NOMINATION AND REMUNERATION

Mr. Bhiya Jriyasetapong

Age : 61

Gender : Male

Percent of Shareholding : 26,125,000 Shares (13.06%)

Education Background

- Bachelor degree (Business Administration),
Assumption University

Training Program

- Director Certification Program (DCP) Class 69/2006,
Thai Institute of Directors (Thai-IOD)
- Finance for Non-Finance Director (FND) Class 15/2005,
Thai Institute of Directors (Thai-IOD)
- Director Accreditation Program (DAP) Class 30/2004,
Thai Institute of Directors (Thai-IOD)

Training Program in 2021

-None-

EXPERIENCE

Listed Companies in the Stock Exchange of Thailand

2017 – Present	Member of the Corporate, Governance Nomination and Remuneration Committee	Global Connections Public Company Limited
1995 – Present	Executive director	Global Connections Public Company Limited

Non-Listed Companies in the Stock Exchange of Thailand

1989 – 1995	Sales Manager	Liack Seng Trading Company Limited
1983 – 1989	Sales Manager	Metro Company Limited

Other businesses that may have conflicts of interest

-None-

Appointed the First Director Date : 17 March 2005

Period : 16 Years 10 Months



Director

Mrs. Nisaporn Sirijuntanan

Age : 55

Gender : Female

Percent of Shareholding : 25,780,430 shares (12.89%)

Education Background

- Bachelor Degree in Polymer Engineering, Rajamangala Institute of Technology

Training Program

-None-

Training Program in 2021

-None-

EXPERIENCE

Listed Companies in the Stock Exchange of Thailand

2018 – Present	Director	Global Connections Public Company Limited
----------------	----------	---

Non-Listed Companies in the Stock Exchange of Thailand

2012 – Oct. 2018	Director	Integrity Plastics Co., Ltd.
1993 - 1995	Instructor	Engineering Faculty, Mahidol University
1987 – 1993	Scientist	Faculty of Environment and Resource Studies, Mahidol University

Other businesses that may have conflicts of interest

-None-

Appointed the First Director Date : 17 March 2005

Period : 3 Years 8 Months

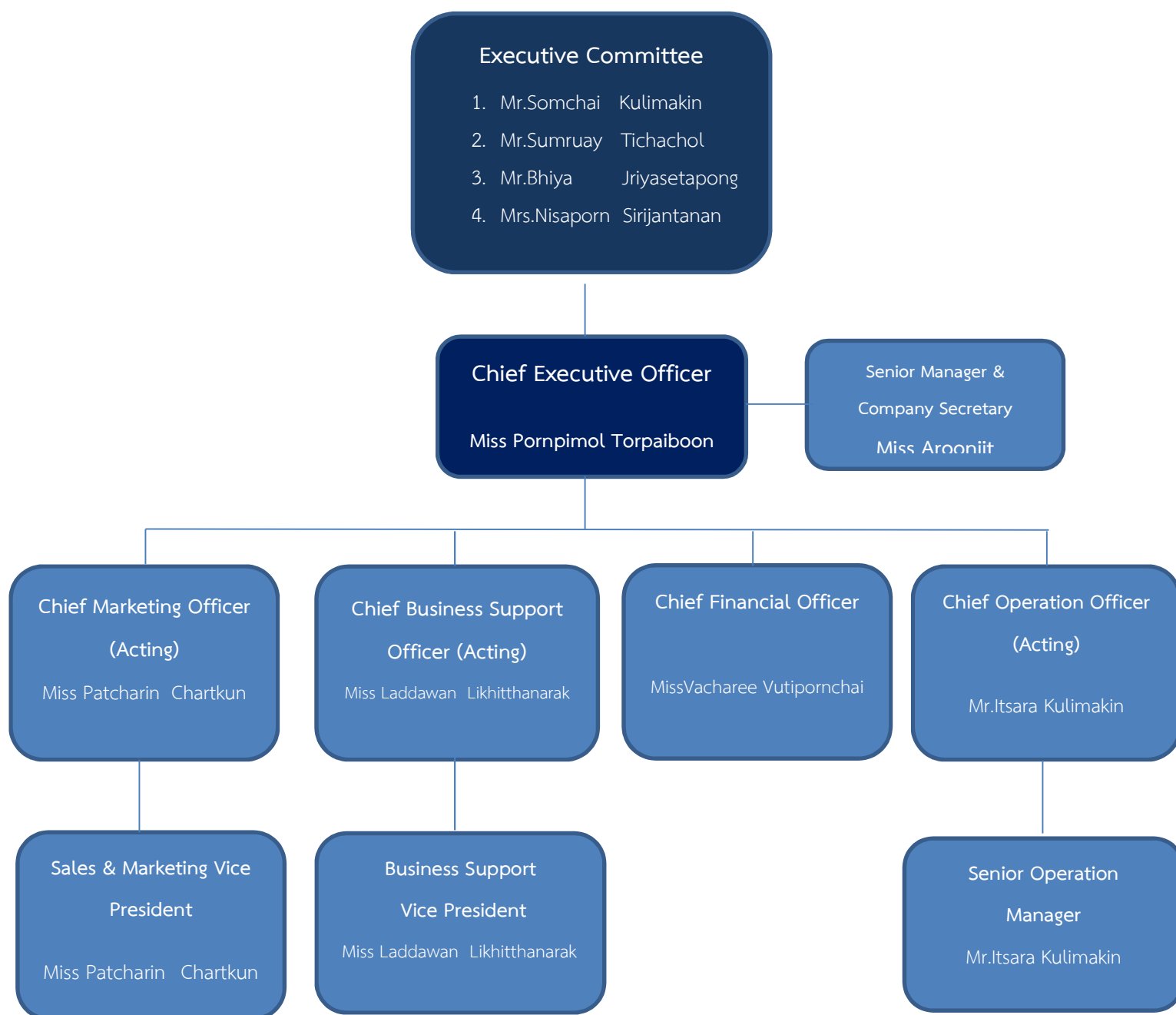
7.4 Management

7.4.1 Members of Management

The Company has imposed a clear separation of duties between the Board of Directors and Management. Management is responsible for managing day-to-day business, ensuring adherence to company policies, legal obligations, and Board decisions. Management must operate under a strict, pre-determined budget, prioritizing the benefits of the Company and its shareholders. Management must report the Company's financial and operational status to the Board of Directors once every three months. Listed below is the Management team roster:

Member		Position
1. Miss Pornpimol	Torpai boon	Chief Executive Officer
2. Miss Vacharee	Vutipornchai	Chief Financial Officer
3. Miss Laddawan	Likhitthanarak	Business Support Vice President
4. Miss Patcharin	Chartkun	Sales & Marketing Vice President
5. Miss Aroonjit	Treesittichate	Senior Manager and Company Secretary
6. Mr. Itsara	Kulimakin	Senior Operations Manager

Management Organization 31 December 2021





Chief Executive Officer

Ms. Pornpimol Torpaiboon

Age : 48

Gender : Female

Percent of Shareholding : 144,018 Shares (0.07%)

Education Background

- Master degree (Corporate Governance), Chulalongkorn University
- Master degree (Technology Management), Thammasat University
- Bachelor degree (Finance and Banking), Thammasat University

Training Program in 2021

- Policy to support low-carbon business operations

Training Program

- The Future of Plastic 2020
- ISO 9001 : 2015 Requirement
- TLCA IR Conference 2019 Engaging your stakeholders through effective communications
- How to Transform Your Business to Become an Exponential Company in a Digital Era
- Director Certification Program (DCP) 240/2017, Thai Institute of Directors (IOD)
- Executive Development Program (EDP) Class 6/2010, Thai Listed Companies Association
- Mini Certified Investment & Securities Analyst Program (Mini CISA) by Securities Analysts Association
- Board Reporting Program (BRP) 1/2009, The program emphasizes on enhancing the skills in prepare the data and information of meetings, Thai Institute of Directors (Thai-IOD)

EXPERIENCE

Listed Companies in the Stock Exchange of Thailand

2018 – Present	Chief Executive Officer	Global Connections Public Company Limited
2013 – Present	Vice President Logistics	Global Connections Public Company Limited
2005 – 2020	Company Secretary and Investor Relations	Global Connections Public Company Limited

Non-Listed Companies in the Stock

2001 – 2005 Investment Banking Manager SCMB Company Limited

Other businesses that may have conflicts of interest

-None-



CHIEF FINANCIAL OFFICER

Ms. Vacharee Vutipornchai

Age : 55

Gender : Female

Percent of Shareholding : 215,902 Shares (0.10%)

Education Background

- Bachelor degree (Accounting), Ramkhamhaeng University

Training Program in 2021

- Next move on for importers exporters
- ISO 9001 : 2015 Internal Audit
- TLCA CFO Professional Development Program 2/2021
- How to manage the Company's finance & accounting and communicate with stakeholder during covid-19 crisis
- Financial Reporting Trends 2021
- Finance Transformation : Consolidation and Reporting (by LucaNet)
- What's trending in the capital market? By EY
- Sustainability, ESG and Company's reporting
- 56-1 One Report Function in SETLink

Training Program

- The accounting guidelines for COVID-19 situation
- The accounting guidelines to help businesses who are effect due to spread of COVID-19
- Thai Financial Reporting Standards (TFRS) 2021
- Financial for SMEs
- ISO 9001:2015 Requirement (Inspector)
- TFRS 9 and 16 Guidelines for Supervision and effect of Listed Companies

- Strategic Financial Leadership Program (SFLP)
- New lease agreement (TFRS 16)
- Krungsri Premier Learning : Digital Economy for Accounting Management 2018
- CVC : The new investment strategies Stimulate Innovation Bring up to date 2018
- Enhance Efficiency and Growth through Process Innovation 2018
- IT Future for Capital Market 2/2018 The Era of Artificial Intelligence : How will AI affect your industry 2018
- The impact of financial reporting standards TFRS9 to the risk management for business 2018
- IT Future for Capital Market 1/2018 "INNOVATION Towards Possibilities" 2018
- Risk Management 2017
- Financial management strategies 2017
- Technical analysis and risk management for investment projects In order to create value for the business sustainably 2017
- Crack your comfort zone 2017
- Financial for sales executive 2017
- Debt collection strategies, enable customers to return in the long run 2016
- Debt Collection Act B.E. 2558

EXPERIENCE (5 Years Latest)

Listed Companies in the Stock Exchange of Thailand

2019 – Present	Chief Financial Officer	Global Connections Public Company Limited
2016 - 2018	Vice President Finance and Accounting	Global Connections Public Company Limited
2003 – 2015	Financial and Accounting Senior Manager	Global Connections Public Company Limited

Non-Listed Companies in the Stock Exchange of Thailand

-None-

Other businesses that may have conflicts of interest

-None-



Sales & Marketing Vice President

Ms. Patcharin Chartkun

Age : 41

Gender : Female

Percent of Shareholding : 139,667 Shares (0.07%)

Education Background

- Master degree (Operations Management), NIDA
- Bachelor degree of Engineering (Petrochemicals and Polymeric Materials), Silpakorn University

Training Program in 2021

- ISO 9001:2015 internal Audit

Training Program

- ISO 9001:2015 Requirement
- TLCA Executive Development Program (EDP) 15/2017
- Risk Management 2017
- Be Proactive : Leader Leading to Success 2017
- Crack your comfort zone 2017

EXPERIENCE

Listed Companies in the Stock Exchange of Thailand

2019 – Present Sales & Marketing Vice President Global Connections Public Company Limited

2013 – 2018 Sales & Marketing Senior Manager Global Connections Public Company Limited

Non-Listed Companies in the Stock

-None-

Other businesses that may have conflicts of interest

-None-



Business Support Vice President

Ms. Laddawan Likhitthanarak

Age : 49

Gender : Female

Percent of Shareholding : 189,878 Shares (0.09%)

Education Background

- Strategic Innovation Management Training Program 2019
- Master of Business Administration Program, Mahanakorn University of Technology
- Bachelor degree of Engineering (Plastic Technology), Rajamangala University of Technology Thanyaburi

Training Program in 2021

- ISO 9001:2015 Internal Audit

Training Program

- ISO 9001:2015 Requirement
- Risk Management 2017
- Be Proactive : Leader Leading to Success 2017
- Crack your comfort zone 2017
- Leadership 2016
- TLCA Executive Development Program (EDP) 14/2014

EXPERIENCE

Listed Companies in the Stock Exchange of Thailand

2019 – Present	Business Support Vice President	Global Connections Public Company Limited
2010 – 2018	Business Support Senior Manager	Global Connections Public Company Limited
1997 – 2009	Sales Manager	Global Connections Public Company Limited

Non-Listed Companies in the Stock

2009 – 2010	Sales Manager	Samsung Chemical Paint (Thailand) Company Limited
1995 – 1997	Research & Development	Thai Plastic and Chemicals Company Limited
1993 – 1995	Quality Control	Government Pharmaceutical Organization (GPO)

Non-Listed Companies in the Stock / Other businesses that may have conflicts of interest -None-



Senior Manager and Company Secretary

Ms. Aroonjit Treesittichate

Age : 45

Gender : Female

Percent of Shareholding : 111,804 Shares (0.05%)

Education Background

- Bachelor degree (Technology for Rural Development),
Thammasat University

Training Program in 2021

- AGM Checklist 2021
- How to arrange E-AGM
- SD Professional Sharing 1/2021
- ISO 9001 : 2015 Internal Audit
- TBCSD : Cooperation power Towards a low-carbon
- Low Carbon for sustainable development
- Company Secretary Professional Development Project 1/2021
- ESG Risk & Investment for Asset Manager and Market Participants
- CGR Workshop 2/2021
- How to write an Effective MD&A
- Corporate Sustainability 4/2021
- Workshop for Sustainability Report by Industry 2021

Training Program

- Fundamental for organizational suitability
- IOD Open house for company secretary
- ISO 9001:2015 Requirement
- ESG Investment Forum 2019

- Fundamentals for Company Secretary 2019
- Engaging your stakeholders through effective communications 2019
- Fundamentals for Investor Relations 2019
- Set Portal/Strategic Shareholders/FSCOM 2019
- Preparation of the AGM 2019
- Smart Disclosure Program (SDP) 2019

EXPERIENCE (5 Years Latest)

Listed Companies in the Stock Exchange of Thailand

2020 - Present	Company Secretary	Global Connections Public Company Limited
	Investor Relations and	
	Head of compliance	
2019 – 2020	Logistics Senior Manager	Global Connections Public Company Limited
2001 – 2018	Logistics Manager	Global Connections Public Company Limited

Non-Listed Companies in the Stock

-None-

Other businesses that may have conflicts of interest

-None-



Senior Operation Manager

Mr.Itsara Kulimakin คุณีเมชิน

Age : 35 ปี

Gender : Male

Percent of Shareholding : 1,774,708 หุ้น (0.89%)

- **Education Background** Bachelor degree International Business Mahidol University International College
- Master degree Business Enterprise and Entrepreneurship Middlesex University (UK)

Training Program in 2021

- ISO 9001:2015 Internal Audit
- Logistic & Supply chain Warehouse & Distribution
- Business opportunities in Thailand in New Normal era

Training Program

- ISO 9001 : 2015 Requirement
- Integration Evolution
- Digital Industrial
- Eco Packaging
- Protection Act 2019
- Warehouse Management : Hi-Tech
- Cyber security and Personal Data Protection :Get Ready for New Business Standards
- WATS FORUM
- Brand, Technology and Commercial – Strategy
- Supervisor get up to speed
- Insight Financial Management : Professional financial management
- Crisis to create the Thai economy : Do or Die
- Succession Planning
- Agile Ready? Transform your ways of working

- M&A IN ACTION, FINANCIAL & PRICING STRATEGIES IN MERGERS & ACQUISIT
- Digital HR Forum 2020
- Enhancing Sustainable Development Towards Thrivability

- **EXPERIENCE (5 Years Latest)**

Listed Companies in the Stock Exchange of Thailand

Jan 2021 – Present	Senior Operation Manager	Global Connections Public Company Limited.
2019 – 2020	Manager – New Business Development & Human Resource	Global Connections Public Company Limited.
2017 – 2018	Senior Officer New Business Development	Global Connections Public Company Limited

Non-Listed Companies in the Stock

2021 – Present	Director	PRXE CO., LTD.
2020 – Present	Director	STONEGOAT GROUP CO., LTD.

Other businesses that may have conflicts of interest

-None-

7.4.2 Policy and Remuneration for the Directors and Management

Policy and Practice for Remuneration for the Directors and Management

The Board of Directors assigned the Nomination and Remuneration Committee to consider compensation of directors. The directors' remuneration should be comparable with similar organization and taken into account the performance of the Company based on the policy that set by the Company's Board of Directors in both long-term and short term. The compensation for directors include, salary, annual bonus, and Long-term Reward in conjunction with the performance of the Company and each individual director's performance.

The Board has appointed the Nomination and Remuneration Committee to consider the guidelines for the compensation of GC's Board of Directors and members of the committees to propose to the Board. The compensation criteria are:

- 1) The compensation is divided into three portions, monthly pay meeting allowance and bonus (no other compensation or benefits in other forms, either monetary or non-monetary, are to be paid to the directors).
- 2) The compensation is based on the responsibilities and performance of the directors and GC's performance. It should be comparable to similar companies with a comparable size and business risks that can attract directors whose qualifications suit GC's businesses to be its director.
- 3) The scopes of work and assigned responsibilities of the directors and sub-committee members are also considered.

The compensation of the Board and subcommittee members must be approved in the shareholders' meeting. The 2021 Annual General Meeting was held on April 2, 2021. Total monetary not over 5 million baht per year.

7.4.3 Total the Board of Directors and management's remuneration

Remuneration	2020		2021	
	number	Amount (MB)	number	Amount (MB)
Salary & Bonus	9	27.32	10	28.89
Provident fund	9	0.80	10	0.90
Vehicle allowance*	9	2.72	10	2.99
Total	9	30.84	10	32.78

*Besides monetary remuneration, the Executive must choose car or car allowance.

7.5 Employee

Number of Employees and Remuneration

As of 31 December 2021, The Company has a total of 137 employees, including 106 permanent employees and 31 physical labor workforce. Employees are classified by departments as follow :

Department	Number of employee (Person) as of 31		
	December		
	2019	2020	2021
1. Management	9	9	10
2. Sales and marketing	34	33	33
3. Logistics and warehousing	25	27	27
4. Financial and accounting	14	14	14
5. Business support	21	21	18
6. Administration and others	6	7	4
7. Logistic (Physical labor workforce)	26	33	31
Total	135	144	137

Remuneration for the year 2019, 2020 and 2021 as follows;

Remuneration (Million Baht)	2019	2020	2021
Salary	55.38	57.26	58.22
Wage - Blue collar worker	4.84	5.60	5.39
Bonus	14.31	19.87	22.16
Provident fund	2.60	2.83	2.91
Others such as vehicle allowance, living cost, overtime, food allowance for blue collar worker EJP etc.	16.20	16.21	17.14
Compensation	2.71	2.00	2.4
Total	96.04	103.77	108.22

Besides monetary remuneration, the Company has other benefits such as car allowance for employee in some position.

Regulation of employee's welfare

The Company recognizes that employees as family members, thus providing a better welfare than the minimum requirements of the government regulations. Which the welfare includes: the basic requirements, training and development, work-life balance, and retirement plan.

Detail of employee benefit as follows:

- Basic welfare such as living cost, medical expenses, dental care, uniform, assistance in case of a natural disaster or funeral support (father, mother, spouse, or children of employee), home loan, marriage, maternity, annual health check-up, and vehicle benefit in some positions - sales staff etc.
- Training and development such as a scholarship, in-house and public training, visiting foreign country, a gift to motivate English Language skills - employees with TOEIC scores of 700 will receive a 1,000 Baht raise in salary per month.
- Work-Life balance such as a recreation room (entertainment room), fitness center, sports sponsorship (yoga, badminton, and football), birthday leave, annual leave 6-12 days, and a special leave (visiting maternity leave for husband, take leave to ordain as a monk) etc.
- Reward gift included 2 categories as follows;
 - 1) Gift for employees who work 10 years and 15 years with the Company
 - 2) Retirement gift, such as provident fund and retirement benefit

- Employee Joint Investment Program (EJIP): The Board of Directors Meeting No. 5/2561 held on 7th November 2018 has passed the resolution to approve the Employee Joint Investment Program Year 2019 -2021. The program is created for employees and executives of the Company. EJIP is eligible to those who meet the Company criteria. It is done by investing in the Company shares in each month by using Dollar Cost Average and at the participants' chosen rate of the basic salary. The Board of Directors has passed the resolution to approve the EJIP No.2 on 10th November 2021.

The Company and employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530 on 1 January 2000. Both employees and the Company contributed to the fund monthly at the rate of 4 to 15 percent of basic salary. It will be paid to employees upon termination in accordance with the fund rules.

Moreover, the Company emphasizes and supports employees to save money for retirement by giving an opportunity to save more money (Not over 15 percent of salary) into the provident fund account, which is effective in 2017 .

The Company allows employees to choose the investment policy in provident fund by themselves ("Employee's Choices") based on own risk and return on investment.

The Company has 6 schemes of investment policy as follow:

1. Domestic Bond Policy
2. Domestic private Bond Policy
3. Foreign Bond Policy
4. Equity Domestic Policy
5. Equity Foreign Policy
6. Alternative Asset Policy

Labor dispute

The Company has no a labor dispute since it was founded because the Board of Directors have adhered to the law and regulations strictly.

In addition, the Company provided welfare is better than the minimum required by the law and regulations because the Company recognizes employees' happiness is important for the Company's sustainability.

7.6 Others key Information

7.6.1 Responsible Executive

Company Secretary

Under the Securities and Exchange law (Articles 89/15 and 89/16), Board Meeting No. 1/2020 appointed Ms. Aroonjit Treesittichate, Senior Manager as Company Secretary, effective from 1 March 2020.

Accounting Supervisor

The Company assigned Ms. Wandee Kaeoprasertsuk, Accounting supervisor to be directly responsible for the supervision of accounting, effective from January 26, 2021.

Head of Internal Audit

The Company has appointed BK IA & IC Co., Ltd. as the internal auditor. The Company BK IA & IC Co., Ltd. has assigned Miss Boonnee Khusionsopit to be the Company's internal auditor. The Audit Committee has considered the qualifications of the Company, BK IA & IC Co., Ltd. and Miss Boonnee Khusionsopit to be sufficient. Miss Boonnee is experienced in performing the internal audit. Moreover, transfer and dismissal of the incumbent head of the internal audit department of the Company is a decision that must be approved by Global Connection's audit Committee.

Head of Compliance

The Company assigned Ms. Aroonjit Treesittichate, Company Secretary, to be a responsible for company's compliance.

7.6.2 Responsible for Investor Relations.

The Company has assigned Ms. Aroonjit Treesittichate, Senior Manager, to be a responsible for Investor Relations. Investors and related parties can make queries or comments to the Company's by Tel. 0 2763 7999 ext 201 or Email address: manage_ir@gc.co.th.

7.6.3 Audit Fee

The audit fee is totaled Baht 1,050,000 which is constant from the accounting period ended on 31 December 2020. The Company has no other charges such as a non-audit fee that is paid to individual or official or the parties that is involved in the audit and the office where the auditor is affiliated.

8. Highlights of Corporate Governance

8.1 Performance of the Board of Directors

8.1.1 Recruitment, Development and Performance Assessment of the Board of Director

Recruitment and development

The Company has set criteria and method for recruiting members of the Board of Director and Sub-Committees in the Company's policy. More details please visit: www.gc.co.th/en/ir-good-gov-relate The Company provides opportunities for minority shareholders to nominate individuals for directors' position at the Company by submitting their name to the Company prior to the annual general shareholders meeting.

Assessment of Performance of the Board of Directors

The Board of Directors assigns each director to assess their performance as a group and an individual once a year (annually). The Company secretary will propose that agenda in the Board of Directors meeting annually so the directors can assess then compile and summarize the results to inform the board in the next meeting.

1. Individual Director assessment for the Board's structure and qualification, director's meeting, director's role and responsibility : 97.7%
2. The Board of Directors assessment for the Board's structure and qualification, director's meeting, director's role and responsibility, relationship between the Board of Directors and Management team, and Self-improvement of Directors and Executives : 97.3%
3. Sub-Committees assessment for roles and responsibilities :
 - Audit Committee : 100%
 - The Corporate Governance, Nomination and Remuneration Committee : 96%
 - The Executive Committee : 96%

Assessment of Performance of the Chief Executive Officer

The Board of Directors determined that the Chief Executive Officer should be evaluated one-time per year (annually) by the Executive Committee. The assessment will evaluate the Chief Executive Officer's ability to perform in accordance to the Company's capabilities. The Chief Executive Officer will also be assessed based on the results of the Company operations in comparison to the annual budget/ target. After that, the Executive Committee will propose the results of the assessment to the Corporate Good Governance, Nomination and Remuneration Committee will then considers and determine the remuneration of the Chief Executive Officer and President.

8.1.2 Meeting attendance and Remunerations of individual directors.

In 2021, The Board of Directors held 4 meetings, including 4 meetings with only Independent Directors. The agenda during the meetings include the review of the corporate vision and assessment of the business circumstances. The Board of Directors has reviewed the Company's Vision, mission and core values, and determined that it shall remain unchanged.

Summary of Board and Sub-Committees meeting attendance

Names	Position	Meeting attendance/total (times)			
		BOD	AC	CGNR	AGM
1 Mr.Virah Mavichak	Chairman of the Board & Independent Director	4/4	4/4		1/1
2 Mr.Thanee Puttipanpluck	Chairman of Audit Committee, Director and Independent Director	4/4	4/4		1/1
3 Mr.Suchart Suphayak	Chairman of the Corporate Governance, Nomination and Remuneration Committee, Director, Audit committee and Independent Director	4/4	4/4	2/2	1/1
4 Mr.Chanitr Chanchainarong	Director, Audit committee & Independent Director	4/4	4/4		1/1
5 Mr.Somchai Kulimakin	Vice Chairman	4/4			1/1
6 Mr.Sumruay Tichachol	Director and the Corporate Governance, Nomination and Remuneration Committee	4/4		2/2	1/1
7 Mr.Bhiya Jriyasetapong	Director and the Corporate Governance, Nomination and Remuneration Committee	4/4		2/2	1/1
8 Mrs.Nisaporn Sirijantanan	Director	4/4			1/1

Board Remuneration

The Board has appointed the Nomination and Remuneration Committee to consider the guidelines for the compensation of GC's Board of Directors and members of the committees to propose to the Board.

The compensation criteria are:

1. The compensation is divided into three portions, monthly pay meeting allowance and bonus (no other compensation or benefits in other forms, either monetary or non-monetary, are to be paid to the directors).
2. The compensation is based on the responsibilities and performance of the directors and GC's performance, and it should be comparable to other companies within the industry, with a comparable size and a potential to attract GC's directors.
3. The scopes of work and assigned responsibilities of the directors and sub-committee members are also considered.
4. The compensation of the Board and subcommittee members must be approved by the shareholders' meeting. The 2021 Annual General Meeting held on April 2, 2021, monetary value of not over 5 million baht per year.

Monthly Remuneration

Monthly Remuneration for Independent Director as follow:

Director	Monthly Remuneration (Baht/person)
- Chairman of the Board & Independent Director	35,000
- Chairman of Audit Committee	30,000
- Independent Director	25,000

Meeting allowance

Meeting	Meeting allowance (Baht/time/person) (only for attending director)
1. Board of Director	
- Chairman of The Board of Director	50,000
- Vice Chairman	20,000
- Chairman of Audit Committee	20,000
- Director	15,000
2. Audit Committee	
- Chairman of Audit Committee	20,000
- Member of Audit Committee	15,000
3.The Corporate Governance Nomination and Remuneration Committee	
- Chairman of the Coporate Corporate Governance, Nomination and Remuneration Committee	15,000
- Member of the Coporate Corporate Governance, Nomination and Remuneration Committee	10,000

Monetary for Directors

Remuneration	Year 2020	Year 2021
Monthly	1,380,000	1,380,000
Meeting allowance	930,000	930,000
Bonus	2,690,000	2,690,000
Total (Baht)	5,000,000	5,000,000

In 2021, the individual remuneration of Directors was as follows:

Director's Name	Position	Remuneration (Baht)		
		Monthly	Meeting Allowance	Total
1 Mr.Virah Mavichak	Chairman of the Board & Independent Director	420,000	200,000	620,000
2 Mr.Thanee Puttipanpluck	Chairman of Audit Committee, Director and Independent Director	360,000	160,000	520,000
3 Mr.Suchart Suphayak	Chairman of the Coporate Corporate Governance, Nomination and Remuneration Committee, Director, Audit committee and Independet Director	300,000	150,000	450,000
4 Mr.Chanitr Chanchainarong	Director, Audit committee & Independet Director	300,000	120,000	420,000
5 Mr.Somchai Kulimakin	Vice Chairman	-	80,000	80,000
6 Mr.Sumruay Tichachol	Director and the Coporate Corporate Governance, Nomination and Remuneration Committee	-	80,000	80,000
7 Mr.Bhiya Jriyasetapong	Director and the Coporate Corporate Governance, Nomination and Remuneration Committee	-	80,000	80,000
8 Mrs.Nisaporn Sirijantanan	Director	-	60,000	60,000
Total		1,380,000	930,000	2,310,000

* Directors' remuneration excluding bonus of 2.69 million baht, which was allocated later

8.1.3 Corporate Governance for Subsidiary Company and Related Company

-None-

8.1.4 Monitoring Compliance of Corporate Governance Policy and Guidelines

Policy

The Company has established its corporate governance policy and published it on the Company's website: <https://gc.co.th/en/corporate-governance-related-policy/>. The corporate governance policy acts as a practical guideline for all directors, management, and employees to follow.

Communication

The Company mandates all supervisory level employees to communicate the GC Corporate Governance Policy and Code of Conduct to their team to ensure a uniform compliance with the policies.

Measures and Guidelines

- ❑ All employees are required to undertake a test annually on corporate governance and anti-corruption policy. They must receive a certain score to pass. The test is conducted to ensure proper understanding of the Company's ethical practices.
- ❑ Political neutrality without rendering assistance to any political party, directly or indirectly.
- ❑ Donation is strictly for charity, including sponsorship for the Company's business; it is not to be used as excuses for corruption and requires clear documented proofs in line with the Company's regulations.
- ❑ No acceptance of gifts or objects of any value on all occasions. No acceptance of and no giving of entertainment and other unnecessary and inappropriate expenses to government officials or those dealing with the Company's business.

Internal Control and Risk Management

To monitor the compliance of corporate governance policy, the Company organized an internal control, risk management, and internal audit systems for key business functions, such as procurement and accounting. The Company also closely monitored the progress of risk management plan on a regular basis as detailed under section 9.1 Internal Control.

Audit

The Internal Audit team creates the annual audit plans and report audit findings to the Audit Committee for acknowledgment as detailed under section 8.2 Report of the Audit Committee).

Anti-Corruption

The Global Connections Corporate Governance policy defines all manners ethical pitfall to avoid, and best anti-corruption practices, and continuously communicates this information to employees through all available channels. The Company also creates policies to make it explicit that Global Connections is to strictly adhere to laws and regulations at all times, and will not tolerate any form of corruption or violation of those policies. The policy is applicable to all employees, including Board of Director members, and the management suite.

Compliance with corporate governance for listed companies

The Stock Exchange of Thailand (SET) has established “The principles of Good Corporate Governance for Listed Companies 2012”. The Securities and Exchange Commission (SEC) issued its “Corporate Governance for listed companies 2017”, which contains eight major practical guidelines. The Company mainly follows in the CGR for good governance, but there are some non-observances:

Sector 1 Right of Shareholders

- Boards of directors hold shares in total more than 25 percent (bonus point).
- The Company has free float share in total less than 40 percent (On 31st December 2021, the Company has free float 34.40 percent)

Cause: This is normal for a small business regarding free float balance. Securities and Exchange Commission (SEC)’s criteria stated that the Company must have a free float percentage of more than or equal to 15 percent.

The investors can be confident that the founders still care about company and continue to manage for positive profit and return. In which shareholders can see a return in a form of growth of dividend.

Sector 2 Equitable Treatment of Shareholders

- The Company did not specify the voting method for the directors and it is done via cumulative voting.

Cause: The Company is a small business. The voting is based on “One-Share One Vote” system, which is deemed an appropriate system and can help avoid complications when counting directors’ score.

- The Company did not set policy to director and executives to notify about buying and selling the stock 1 day before the transaction.

Cause: The Company avoids the buying and selling asset 7 days before a disclosure of the financial statement to public. It is a sufficient amount of transparency and covers the 1 day notice prior to buying and selling. In the case that directors or executives are unable or unwilling to sell after the notification, it may cause further complications and confusion of the accuracy of the report.

Results of Quality Assessment for AGM: 100 points and listed as “Excellent”. The evaluation was conducted by Thai Investors Association (TIA).

Section 3 Right of Stakeholders

- The Company did not integrated report (Bonus point)

Cause: The Integrated report is already exists in the form of 56-1 One Report, in the section of risk management performance, social responsibilities and against corruption policy for practical sustainable communication.

In order to encourage stakeholders, both in and outside the Company, to participate in the corporate governance principles, should employees or stakeholders suspect any unlawful activities or those in violation of the law, rules, regulations, code of business conduct, or corporate governance principles, they can ask, undertake whistle-blowing or file complaints with detailed evidence to the Company or relevant agencies via the following channels:

- The office of president/secretary of the Company who is responsible the corporate governance directly
- Independence Directors
- Directors
- Supervisors/ Responsible Department

Sending Channels

- Postal mail: Global Connections Public Company Limited 13/1 Moo 2 Kingkaew Rd., Rachateva, Bangplee, Samuthprakarn 10540
- Fax no. +66-2763-7949

- Tel +66-2763-7999 ext 201
- E-mail: compliance@gc.co.th (The office of president/secretary of the Company)

In 2021, the Company did not receive any reports of whistleblowing or complaints.

Section 4 Information Disclosure and Transparency

- The Company did not disclose details of the CEO's compensation.

Cause: Disclosure of information may impact the labor market.

Section 5 Responsibilities of Boards

- Directors did not defined:
 - Limit of listed companies in corporate governance policy that directors are allowed to take position of no more than 5 companies.
 - Limit of listed companies in corporate governance policy that directors are allowed to take position no more than 3 companies. (Bonus point)
 - Limit to take position of independent director for less than 9 years OR 6 years (Bonus point).
- Nomination and remuneration committees are not make up of more than 50% Independent Directors (Independent Directors make up 33.33 percent of the Board of Directors).
- Nomination and remuneration committees are not comprised of all Independent Directors.

Cause: The Company is small business in a complicated industry, hence the Independent Directors must have an extensive knowledge and experience in the field. Having more than 50 percent of Independent Directors will be a crucial limitation in the recruitment process. Moreover, the corporate governance, nomination and remuneration committees can perform well and has proven their performance in their positions.

However, The CGNR committees have considered enhancing the corporate governance through presenting the plans to the board of directors. Specifically to consider the policy that directors are limited to take position in no more than 5 listed companies

- The Company has no compliance unit. (Bonus point)

Cause: The Company has an internal audit team and a company secretary. It is sufficient for the business and has proven their efficiency. Moreover, the executive committees always monitor all areas of operation. The Company considered that it is not necessary to set up this sector at this point.

- Directors did not use professional search firm or director pool to search for new director. (Bonus point)

Cause: The Company use board skill matrix and seek to nominate directors with skills that the current Board of Directors do not have and is identify as a necessary skill and expertise at the time.

- The Company did not set minimum quorum policy that the directors must participate more than 2/3 in total of directors.

Cause: The Company follows the law, in which the required more than half of the directors present at every meeting.

- Directors did not set up risk management committee

Cause: Risk management is a part of the agenda within the management meeting which were held every month. In order to create an effective strategy, the management team had taken into account the risks the Company faces. The main risks that the management team took in consideration are: bad debts, volatile exchange rate, insufficient cash flow, and fluctuations in the price of goods in the world market.

- Independent Directors consist of female directors (Bonus point).

The Company has considered that gender should not be a factor in nominating directors. The Company welcomes diversity of skills and qualifications when nominating directors.

Conflict of interest

The basis of the “conflict of interest” is that directors, executive and employees avoid any investment or benefits in any form that may impact negatively the reputation of the Company or the employees themselves.

All members of the Company have a duty to prioritize the benefits of the Company over private interests and to maintain the confidentiality of information in any situation that might cause a conflict of interest.

Conflicts of interest may arise if an employee showed or displays behaviors below:

- Increase personal wealth, due to access to confidential information.
- Have another job that negatively impacted the performance of their duty at the Company.

- Receive gift or remuneration based on the performance of their duty at the Company from others without permission of the Company.
- Buy or sell shares of the Company or its subsidiaries or affiliates, based on the information that is not publicly available.
- Disclosure of business secrets, that is not publicly available to others

The Company's proprietary information

All employees must abide by the rules and guidelines set forth by the Company including data protection and non-infringement of intellectual property or copyright. Employees shall not disclose or use any proprietary information of the Company or other information that the Company has received. Under the confidentiality agreement it is necessary to disclose certain information to perform duties as employees of the Company or upon written authorization from the Company only. The use or storage of information must be done carefully to prevent information leakage.

The Company has recorded and received a certificate of registration of trade secret information that carries information no. 776 as of 11 December 2007, which is protected by law of trade secrets in 2545.

The competition information

Practices on the collection of the competition information

All employees of the Company followed the guidelines relating to the pursuit of a competitive business, production information, and technical specifications. These guidelines determine the appropriate behavior that all employees must follow as they must collect and use information on behalf of the Company. The Company do not entice or tolerate any illegal or unethical methods (such as theft, bribery) to obtain information from business competitors.

Information Usage

The Company's policy is to uphold ethics, conduct its business with integrity and follow regulations and code of conduct. Utilizing confidential information or business secrets by the executives or employees for personal gain poses a conflict of interest; these actions are serious misconduct and disciplinary punishment may be taken.

The Company will notify the Board of Directors and executives to refrain from trading their shares of the Company one week before and 24 hours after financial statement has been revealed to the public and prohibit disclosure of internal information to others.

The Company has instructed its directors and executives to report any change in their holding of securities of Company in accordance with section 59 and provisions on penalties section 275 stipulated of Securities and Exchange Act B.E 2535 and the regulations of the SET including to their spouses and children less than 20 years of age. The directors and executives must submit one copy of the securities disclosure report to the Company and the Securities and Exchange Commission on the same day.

Anti-Corruption

The Company is committed to conduct business ethically and in compliance with the relevant laws and regulations. The Company pledges to be socially responsible, and prioritize stakeholders via good corporate governance. The Company is aware of the importance of robust anti-corruption practices, and the negative impact of corruption on the social and economic structure of Thailand. The Company has shown their support in writing and action, to the government and private sector's campaign, to be a part of the Collective Active Coalition Against Corruption ("CAC"). This concept is communicated to all employees of the Company, and everyone has a united understanding of, and stance against, corruption. For more information please visit: <https://gc.co.th/en/corporate-governance-related-policy/>.

The Company was approved as a member of CAC along with a signed pledge on November 10th, 2017, and the Thai Institute of Directors (IOD) approved the renewal of Global Connections Public Company Limited's status for the CAC certificate. This certification renewal will be effective for three years, continuing on from September 30th, 2020.

8.2 Report of the Audit Committee

Audit Committee Report

To: The shareholders

The audit committee of Global Connections Public Company Limited has been appointed by the board of director's meeting. The committee consists of three Independent Directors as follows;

- | | | | |
|----|-------------|-----------------|-----------------------------|
| 1. | Mr. Thanee | Puttipanpluck | Chairman of audit committee |
| 2. | Mr. Suchart | Suphayak | Audit committee |
| 3. | Mr. Chanitr | Charnchainarong | Audit committee |

In 2021, the committee performed their duties cautiously and independently without the restriction to access the Company's information. The committee held total of four meetings which joined the discussion with the internal auditor and the external auditor, as summarized as follows;

1. The committee reviewed quarterly and annual financial statements for the year 2021 included the external auditor. The committee concluded that the financial statements had complied with Thai Financial Reporting Standards and had disclosure adequately, completely, and reliable information, and commented that the external auditor had performed their duties appropriately according to the auditing professional standards.
2. The committee reviewed and approved the annual internal audit plan for the year 2022 and commented that the plan was prepared appropriately and covered with business operation and significant risk factors in accordance with the Company's risk assessment that was reviewed and approved by the audit committee.
3. The committee reviewed the internal audit tasks to ensure that comply with the audit plan and had meeting with the internal auditor independently to inquiry and give suggestions that are useful to the Company. Moreover, the committee had followed significant internal audit issues continuously. Finally, the committee concluded that the Company's internal audit system is appropriate for the operating business.
4. The committee reviewed and provided recommendations on developing the internal control and risk which may arise with the Company. However, the committee concluded that the internal controls are able to protect and reduce the significant risk, and ensued that the Company complies all internal controls.

5. The committee reviewed compliance with a regulation of the Securities and Exchange Commission, the Stock Exchange of Thailand, and other laws which related to the Company's business. The committee concluded that the Company complies with a related laws and regulations and did not found error.
6. The committee reviewed the connected transactions or the potential conflicts of interest transactions and the disclosure of certain transactions. The committee concluded such transactions had reasonability, compliance with the normal operating business, and disclosure in accordance with the regulations of the Stock Exchange of Thailand.
7. The committee considered and proposed the appointment, transfer, and dismissal the external auditor. Also determine and approve auditor's fee. However, the committee considered the performance, independence, and qualification of the auditors which they must to get approval from the Securities and Exchange Commission. After that proposed to the Board of Directors and will in turn submit in the AGM. In 2022, the Committee recommended the appointment EY Office Limited as the Company's external auditor. There are three persons as follows;
 - 1) Ms. Sumesa Tangyoosuk, Certified Public Accountant (Thailand) no. 7627 and/or
 - 2) Mr. Chatchai Kasemsrithanawat, Certified Public Accountant (Thailand) no. 5813 and/or
 - 3) Ms. Chonlaros Suntiasvaraporn, Certified Public Accountant (Thailand) no. 4523

Any one of the Company's external auditor for the year ended 31 December 2022.

On the whole, the committee had performed and fulfilled according to the Audit Committee Charter which was approved by the Board of Directors. The committee agreed that the Company had an accurate accounting and financial reporting practices and the disclosure connected transactions, an appropriate the internal control system, a compliance with good corporate governance, laws and regulations related to the Company's business, and with an ongoing operating system development plan for quality enhancement appropriate for the Company's environment and business.

-Signed-

(Mr. Thanee Puttipanpluck)

Chairman of Audit Committee

Global Connections Public Company Limited

8.3 Summary of Sub-Committee

Corporate Governance Nomination and Remuneration Committee Report

To: The Shareholders

In 2021, Corporate Governance, Nomination and Remuneration (“the CGNR”) Committee consists of three directors as follows :

1. Mr. Suchart Suphayak (Independent Director)	Chairman of CGNR Committee
2. Mr. Sumruay Tichachol	CGNR Committee
3. Mr. Bhiya Jriyasetapong	CGNR Committee

In 2021, the CGNR Committee performed their duties cautiously as assigned by the Board of Directors. The CGNR Committee held totally 2 meetings to consider the issues in their responsibility as summary as follow:

Corporate Governance:

1. The committee reviewed the result of corporate governance rating and corporate governance policies and Code of Ethics, anti-corruption in order to develop and enhance the Company corporate governance level
2. Consider the guideline and policy recommendation the code of conduct, according to good corporate governance and propose to the Board of Directors for approval. In order to define the procedures of the Company’s practices to be standardized and correct approach.
3. Prepare the corporate governance report/the performance of the CGNR to the Board of Directors.

Nomination:

4. Consider re-appointing the retiring directors by rotation and propose to the Board of Directors. In this regard, the CGNR considered that the retiring directors have suitable qualification and properly perform their duties as the directors. Including, giving comment and suggestion that benefit the Company operation and shareholders.
5. Consider to create succession plan of chief executive.

Remuneration:

6. Consider and propose the remuneration of directors and other sub-committees to the Board of Directors.
7. Consider the remuneration of the Chief Executive Officer for proposed in the Board of Directors.
With regard to the responsibilities assigned, performance and overall of the Company performance.

In 2021, the CGNR has performed the assigned duties with transparency, carefulness, integrity and independently pursuant to corporate governance principles by always taking into consideration the maximum benefits of the Company and all stakeholders

-Signed-

(Mr. Suchart Suphayak)

Chairman of the Corporate Governance,
Nomination and Remuneration Committee
Global Connections Public Company Limited.

9. Internal Control and Related Transactions

9.1 Internal Control

Board of Directors' Opinion on the Company's Internal Control System

Board of Directors and Executive management recognizes that internal control system is an important mechanism that aid risk management and increases efficient business operation. Internal control can assist with appropriate resource allocation and achieving the objective of the Company.

Board of Directors has assigned the Audit Committee to review the appropriateness and effectiveness of internal control system. Internal control system are assessed based on their ability to manage operational risks, protect the Company's assets from lost or used by unauthorized person, comply with laws and regulations, and correctness and assurance of the financial statement.

In addition, the Audit Committee considers the independence of the internal audit department, and considers the appropriateness and adequacy of personnel in such department. The Audit Committee also has the duty to approve the appointment and dismissed an internal audit manager when needed.

In 2021, the Company has outsourced their internal audit department to BK IA & IC Co., Ltd. BK IA & IC Co., Ltd. has assigned Miss Boonnee Khusonsopit to be the Company's internal auditor. Miss Boonnee is experienced in performing accounting and auditing in a business or industry. Moreover the Company assigned Miss. Aroonjit Treesittichate as the Audit Committee secretary. Miss Aroonjit task is help coordinate auditors, employees and hold an audit committee meeting at least four times a year. The Company considers the auditor's advices and aim to use it to improve the working process.

Furthermore, the external auditor, EY Office Limited audited the Company's financial statement for the year ended 2018, have joint meetings with Audit Committee and expressed that the internal control system of the Company was satisfactory and no significant error/weakness to be concerned about.

In the Board of Directors meeting No. 4/2021 as of 10 November 2021, Audit Committee attended the meeting. Board of Directors has assessed the adequacy of internal control system annually by the Securities and Exchange Commission's form in accordance with COSO (The Committee of Sponsoring Organizations of the Tradeway Commission). COSO form includes five main areas: the control environment,

the risk management, the control activities, the information and communication, and the monitoring activities. Board of Directors agreed that the Company performed according to COSO's guideline appropriately.

Different opinions during the Audit Committee and the Board of Directors Committee

- None -

Risk Management process

The Company has applied COSO's (The Committee of Sponsoring Organization of the Treadway Commission) guideline to manage risks. The Board of Directors manages and monitors the risks closely, holding a meeting on a monthly basis.

Information of head of internal audit and compliance department

The Company has appointed BK IA & IC Co., Ltd. as the internal auditor. The Company BK IA & IC Co., Ltd. has assigned Miss Boonnee Khusonsopit to be the head of company's internal auditor. The Audit Committee has considered the qualifications of the Company, BK IA & IC Co., Ltd. and Miss Boonnee Khusonsopit find it to be sufficient. Miss Boonnee has sufficient experience in performing internal audits. Moreover, transfer and dismissal of the incumbent head of the internal audit department of the Company must approved by company's audit Committee.

9.2 Related transactions

9.2.1 Related transactions for the year ended 2019, 2020 and 2021

(Unit : Million Baht)

Related Company /Person	Description of Relations	Description of Transactions	Size of Transactions			Necessity and Reasons of Transactions
			2019	2020	2021	
Integrity Plastics Company Limited	Mrs. Nisaporn Sirijuntanan (The shareholder and director of the Company.) is the major shareholder of such company	The Company sold the instant petrochemical products. As of 31 December 2019, 2020 and 2021 the Company has accounts receivable amounted to Baht 0.24 Million, Baht 0.34 Million and Baht 0.28 Million, respectively.	1.98	1.41	1.74	These transactions were Normal business between the Company and our customers. Audit Committee considers that they were normal business and selling prices were the related market prices **
	** Mrs. Nisaporn Sirijuntanan was a former major shareholder and director of such company but she resigned from director on 25 October 2018. However, she still be a major shareholder of such company.	The Company hired mix-product, As of 31 December 2019, 2020 and 2021, the Company had accounts receivable amounted to Baht 0.83 Million, Baht 0.71 Million, and Baht 0.26 Million, respectively.	5.40	5.89	6.58	The Company must to hire mix-product to meet our customer's satisfaction and to develop products. Such company agreed to keep confidential the formula. Audit Committee considers that they were normal business and selling prices were the related market prices
Integrity Plastics Company Limited (Continued)	Mrs. Nisaporn Sirijuntanan (The shareholder and director of the Company.) is the major shareholder and director of such company ** Mrs. Nisaporn Sirijuntanan	As of 31 December 2019, 2020 and 2021, the Company had advance payment for goods amounted to Baht 0.00 Million, Baht 0.00 Million and Baht 0.00 Million,	0.04	0.02	0.01	A supplier defines selling policy that it must to sale products to converter only and cannot sale to agent. Thus, the Company will purchase its product through Integrity Plastics Company

(Unit : Million Baht)

Related Company /Person	Description of Relations	Description of Transactions	Size of Transactions			Necessity and Reasons of Transactions
			2019	2020	2021	
	was a former major shareholder and director of such company but she resigned from director on 25 October 2018. However, she still be a major shareholder of such company.	respectively.				Limited who is converter. Such company provides selling price at cost plus margin. Audit Committee considers that they were normal business and selling prices were the related market prices.
Director and management are two persons included 1 Mr. Bhiya Jriyasetapong 2. Mrs.Nisaporn Sirijantanan	The Company's directors and management.	The Company sold car in the position to director and management who had right to purchase according to the Company's regulation effective since 2006.	0.00	2.04	0.00	Audit Committee considers that such transactions are according to the Company's regulation.

9.2.2 Procedure of approval related transactions

For normal business, the Company's policy defines that the transactions should be considered by Audit Committee or External Auditor or Independent Specialist regarding the reasonable price and transactions.

For the related transactions that may occur in the future, the Board of Directors should consider and control to comply with the laws and regulations of the Securities and Exchange Act or the announcement and regulations of the Stock Exchange of Thailand. As well as compliance with the disclosure of related transactions and the acquisition or disposal of significant assets of the Company or the subsidiary in accordance with the Accounting Standards of Federation of Accounting Professions (FAP).

For the abnormal business of related transactions, the Audit Committee considers appropriateness of the transactions. If the related transactions are complex, the Audit Committee will invite a professional or the external auditor of the Company to consider together. Furthermore, the Company had disclosed related transactions in note of financial statement which was certified by external auditor of the Company.

Stakeholders who have benefit in the transactions cannot vote or approve such transactions

9.2.3 Policy and trend to have related transactions in the future

In the future, the Company related transactions will be regarding purchase and selling transactions of goods. In which it must comply with the procedure of approval related transaction based on Article 9.2.2

FINANCIAL STATEMENT

ENDING 31 DECEMBER 2021

Global Connections Public Company Limited
Report and financial statements
31 December 2021

Independent Auditor's Report

To the Shareholders of Global Connections Public Company Limited

Opinion

I have audited the accompanying financial statements of Global Connections Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2021, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Global Connections Public Company Limited as at 31 December 2021, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for the matter are describe below.

Revenue recognition for sales of goods

Revenue from sales of goods is one of the Company's key accounts because the amounts recorded directly affect the Company's profit or loss. Moreover, the Company has a large number of customers and various types of distribution methods. There are therefore risks with respect to the amount and timing of revenue recognition.

I examined the revenue recognition of the Company by assessing and testing the Company's internal controls with respect to the revenue cycle. On a sampling basis, I also examined supporting documents for sales transactions occurring during the year and near the end of the accounting period. In addition, I reviewed credit notes that the Company issued after the period-end and performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

I am responsible for the audit resulting in this independent auditor's report.

Chatchai Kasemsrithanawat
Certified Public Accountant (Thailand) No. 5813

EY Office Limited
Bangkok: 15 February 2022

Global Connections Public Company Limited**Statement of financial position****As at 31 December 2021**

		(Unit: Baht)	
	<u>Note</u>	<u>2021</u>	<u>2020</u>
Assets			
Current assets			
Cash and cash equivalents	7	34,228,351	27,456,317
Trade and other receivables	6, 8	866,389,904	704,840,484
Inventories	9	651,494,086	457,392,956
Other current assets		6,020,217	2,721,976
Total current assets		<u>1,558,132,558</u>	<u>1,192,411,733</u>
Non-current assets			
Investment property	10	3,453,087	3,576,420
Property, plant and equipment	11	242,995,373	254,128,500
Deferred tax assets	18	3,201,611	3,142,895
Other non-current assets		170,500	170,500
Total non-current assets		<u>249,820,571</u>	<u>261,018,315</u>
Total assets		<u><u>1,807,953,129</u></u>	<u><u>1,453,430,048</u></u>

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

Global Connections Public Company Limited**Statement of financial position (continued)****As at 31 December 2021**

(Unit: Baht)

	<u>Note</u>	<u>2021</u>	<u>2020</u>
Liabilities and shareholders' equity			
Current liabilities			
Bank overdrafts and short-term loans			
from financial institutions	12	872,071,256	603,220,729
Trade and other payables	6, 13	350,649,637	292,370,487
Current portion of lease liabilities	14	873,952	971,516
Income tax payable		17,397,190	19,601,985
Other current liabilities		<u>3,041,852</u>	<u>1,882,630</u>
Total current liabilities		<u>1,244,033,887</u>	<u>918,047,347</u>
Non-current liabilities			
Lease liabilities, net of current portion	14	3,032,573	3,906,525
Provision for long-term employee benefits	15	<u>11,008,053</u>	<u>9,714,473</u>
Total non-current liabilities		<u>14,040,626</u>	<u>13,620,998</u>
Total liabilities		<u>1,258,074,513</u>	<u>931,668,345</u>

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

Global Connections Public Company Limited**Statement of financial position (continued)****As at 31 December 2021**

(Unit: Baht)

	<u>Note</u>	<u>2021</u>	<u>2020</u>
Shareholders' equity			
Share capital			
Registered			
200,000,000 ordinary shares of Baht 1 each		<u>200,000,000</u>	<u>200,000,000</u>
Issued and fully paid-up			
200,000,000 ordinary shares of Baht 1 each		200,000,000	200,000,000
Share premium		56,034,035	56,034,035
Retained earnings			
Appropriated - statutory reserve	16	24,000,000	24,000,000
Unappropriated		<u>269,844,581</u>	<u>241,727,668</u>
Total shareholders' equity		<u>549,878,616</u>	<u>521,761,703</u>
Total liabilities and shareholders' equity		<u>1,807,953,129</u>	<u>1,453,430,048</u>
		-	-

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

Directors

Global Connections Public Company Limited

Statement of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

	<u>Note</u>	<u>2021</u>	<u>2020</u>
Profit or loss:			
Revenues			
Sales		4,988,800,690	3,597,486,095
Other income		<u>11,130,539</u>	<u>15,549,886</u>
Total revenues		<u>4,999,931,229</u>	<u>3,613,035,981</u>
Expenses			
Cost of sales		<u>4,610,985,792</u>	<u>3,291,626,707</u>
Reduction of inventory to net realisable value (reversal)		<u>(1,000,000)</u>	<u>1,000,000</u>
		4,609,985,792	3,292,626,707
Selling and distribution expense		35,566,328	33,073,280
Administrative expenses		<u>110,856,516</u>	<u>111,461,152</u>
Total expenses		<u>4,756,408,636</u>	<u>3,437,161,139</u>
Profit from operating activities		243,522,593	175,874,842
Finance cost		<u>(7,803,371)</u>	<u>(6,778,943)</u>
Profit before income tax expenses		235,719,222	169,095,899
Income tax expenses	18	<u>(46,590,549)</u>	<u>(33,051,465)</u>
Profit for the year		<u>189,128,673</u>	<u>136,044,434</u>
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial loss		(1,300,000)	-
Less: Income tax effect	18	<u>260,000</u>	<u>-</u>
Other comprehensive income for the year		<u>(1,040,000)</u>	<u>-</u>
Total comprehensive income for the year		<u>188,088,673</u>	<u>136,044,434</u>
Earnings per share	20		
Basic earnings per share		<u>0.95</u>	<u>0.68</u>

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

Global Connections Public Company Limited
Statement of changes in shareholders' equity
For the year ended 31 December 2021

(Unit: Baht)

		Issued and fully paid-up	Share premium	Retained earnings Appropriated - statutory reserve	Unappropriated	Total
	Note	ordinary shares				
Balance as at 1 January 2020		200,000,000	56,034,035	24,000,000	197,683,142	477,717,177
Profit for the year		-	-	-	136,044,434	136,044,434
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	136,044,434	136,044,434
Dividend paid	23	-	-	-	(55,999,944)	(55,999,944)
Interim dividend paid	23	-	-	-	(35,999,964)	(35,999,964)
Balance as at 31 December 2020		<u>200,000,000</u>	<u>56,034,035</u>	<u>24,000,000</u>	<u>241,727,668</u>	<u>521,761,703</u>
						-
Balance as at 1 January 2021		200,000,000	56,034,035	24,000,000	241,727,668	521,761,703
Profit for the year		-	-	-	189,128,673	189,128,673
Other comprehensive income for the year		-	-	-	(1,040,000)	(1,040,000)
Total comprehensive income for the year		-	-	-	188,088,673	188,088,673
Dividend paid	23	-	-	-	(79,999,920)	(79,999,920)
Interim dividend paid	23	-	-	-	(79,971,840)	(79,971,840)
Balance as at 31 December 2021		<u>200,000,000</u>	<u>56,034,035</u>	<u>24,000,000</u>	<u>269,844,581</u>	<u>549,878,616</u>

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

Global Connections Public Company Limited**Cash flow statement****For the year ended 31 December 2021**

	(Unit: Baht)	
	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Profit before tax	235,719,222	169,095,899
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities :		
Depreciation	13,321,483	15,461,458
Reversal of allowance for expected credit losses	-	(1,200,000)
Reduction of inventory to net realisable value (reversal)	(1,000,000)	1,000,000
Gain on sales of motor vehicles and equipment	(479,857)	(2,268,557)
Loss on write-off of equipment	51	11,663
Unrealised gain on exchange	(435,905)	(59,157)
Long-term employee benefit expenses	1,100,000	2,000,000
Interest expenses	<u>7,803,371</u>	<u>6,778,943</u>
Profit from operating activities before changes in operating assets and liabilities	256,028,365	190,820,249
Operating assets (increase) decrease		
Trade and other receivables	(161,549,420)	(111,900,763)
Inventories	(193,101,130)	(49,589,913)
Other current assets	(3,298,241)	(2,493,669)
Other non-current assets	-	1,500,000
Operating liabilities increase (decrease)		
Trade and other payables	58,686,441	135,820,468
Other current liabilities	1,159,222	(4,115,588)
Cash paid for long-term employee benefits	<u>(1,106,420)</u>	<u>(1,146,437)</u>
Cash flow from (used in) operating activities	(43,181,183)	158,894,347
Cash paid for interest expenses	(7,716,221)	(6,759,574)
Cash paid for corporate income tax	<u>(48,594,060)</u>	<u>(27,437,761)</u>
Net cash flows from (used in) operating activities	<u>(99,491,464)</u>	<u>124,697,012</u>

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

Global Connections Public Company Limited**Cash flow statement (continued)****For the year ended 31 December 2021**

	(Unit: Baht)	
	<u>2021</u>	<u>2020</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(2,069,007)	(137,962,509)
Proceeds from sales of motor vehicles and equipment	<u>483,791</u>	<u>2,268,711</u>
Net cash flows used in investing activities	<u>(1,585,216)</u>	<u>(135,693,798)</u>
Cash flows from financing activities		
Increase in bank overdrafts and short-term loans		
from financial institutions	268,850,526	82,309,870
Cash paid for lease liabilities	(1,030,052)	(4,966,115)
Dividend paid	(79,999,920)	(55,999,944)
Interim dividend paid	<u>(79,971,840)</u>	<u>(35,999,964)</u>
Net cash flows from (used in) financing activities	<u>107,848,714</u>	<u>(14,656,153)</u>
Net increase (decrease) in cash and cash equivalents	6,772,034	(25,652,939)
Cash and cash equivalents at beginning of year	<u>27,456,317</u>	<u>53,109,256</u>
Cash and cash equivalents at end of year	<u><u>34,228,351</u></u>	<u><u>27,456,317</u></u>
	-	-
Supplemental cash flow information:		
Non-cash transaction:		
Increase in right-of-use assets - Tools and equipment	-	3,528,000
Increase in right-of-use assets - Motor vehicles	-	2,009,490

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

Global Connections Public Company Limited
Notes to financial statements
For the year ended 31 December 2021

1. General information

1.1 General information of the Company

Global Connections Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the wholesale of plastic and plastic-related products. The registered office of the Company is at 13/1 Moo 2 King-Kaew Road, Rachateva, Bangplee, Samuthprakarn.

1.2 Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

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

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

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

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

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2022

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

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

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

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

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.2 Cash and cash equivalents

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

4.3 Inventories

Inventories are valued at the lower of cost (under the weighted average method) and net realisable value.

4.4 Investment property

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

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 30 years. Depreciation of the investment properties is included in determining income.

4.5 Property, plant and equipment and depreciation

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

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings	-	10, 20, 30, 34 years
Office equipment	-	3, 5 years
Furniture and fixtures	-	5, 10 years
Tools and equipment	-	5, 23 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land, land improvements and assets under construction.

4.6 Leases

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

The Company as a lessee

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease.

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

Tools and equipment	-	7 years
Motor vehicles	-	5 years

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are presented as part of property, plant and equipment in the statement of financial position.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term or a change in the lease payments.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.7 Related party transactions

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

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

4.8 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.9 Impairment of non-financial assets

At the end of reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, right-of-use assets and investment property whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.10 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

4.11 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.12 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.13 Financial instruments

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

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost. The classification of financial assets at initial recognition is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

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

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

Classification and measurement of financial liabilities

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

Recognition and derecognition of financial instruments

Financial assets are recognised or derecognised on the trade date, i.e., the date on which the Company becomes a party to contractual provisions of the instrument. This includes regular way trades.

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has transferred control of the asset.

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

Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not measured at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company recognises a loss allowance based on lifetime ECLs at each reporting date. ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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

5. Significant accounting judgements and estimates

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

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts, financial situation of customer and forecasts of future economic conditions to determine expected credit losses in the accounting period.

Reduction of inventory to net realisable value

In determining a reduction of inventory to net realisable value, the management needs to make judgement and estimates based upon, among other things, slow-moving inventories and net realisable value.

Post-employment benefits under defined benefit plans

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

6. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

	(Unit: Million Baht)		
	<u>2021</u>	<u>2020</u>	<u>Transfer pricing policy</u>
<u>Transactions with related companies</u>			
Sales of finished goods	2	1	Similar to market price
Compound service	7	6	Similar to market price
<u>Transactions with management and directors</u>			
Sales of assets	-	2	At a rate set in the Company's regulation

As at 31 December 2021 and 2020, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
<u>Trade receivables - related party (Note 8)</u>		
Integrity Plastics Company Limited	279	335
Total	<u>279</u>	<u>335</u>
<u>Trade payables - related party (Note 13)</u>		
Integrity Plastics Company Limited	262	711
Total	<u>262</u>	<u>711</u>

Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Company had employee benefit expenses of its directors and management as below.

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	38,177	35,872
Post-employment benefits	1,757	1,466
Total	<u>39,934</u>	<u>37,338</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Cash	60	60
Bank deposits	34,168	27,396
Total	<u>34,228</u>	<u>27,456</u>

As at 31 December 2021, bank deposits in saving accounts carried interests between 0.01 and 0.10 percent per annum (2020: between 0.01 and 0.10 percent per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Trade receivables - unrelated parties		
Aged on the basis of due dates		
Not yet due	693,291	546,683
Past due		
Up to 1 month	154,612	145,344
1 - 3 months	17,860	12,343
Over 12 months	22,367	22,622
Total	888,130	726,992
Less: Allowance for expected credit losses	(22,600)	(22,600)
Total trade receivables - unrelated parties, net	865,530	704,392
Trade receivables - related party		
Aged on the basis of due dates		
Not yet due	279	335
Total trade receivables - related party	279	335
Total trade receivables, net	865,809	704,727
Other receivables - unrelated party	581	113
Total trade and other receivables, net	866,390	704,840

9. Inventories

	(Unit: Thousand Baht)					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Finished goods	508,683	325,629	(5,000)	(6,000)	503,683	319,629
Goods in transit	147,811	137,764	-	-	147,811	137,764
Total	656,494	463,393	(5,000)	(6,000)	651,494	457,393

During the current year, the Company reversed the write-down of cost of inventories by Baht 1 million, and reduced the amount of inventories recognised as expense during the year (2020: The Company reduced cost of inventories by Baht 1 million to reflect the net realisable value).

10. Investment property

The net book value of investment property on condominium unit as at 31 December 2021 and 2020 is presented below.

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Cost	3,700	3,700
Less: Accumulated depreciation	(247)	(124)
Net book value	<u>3,453</u>	<u>3,576</u>

The fair value of investment property as at 31 December 2021 amounted to Baht 3.5 million (2020: Baht 3.6 million) which has been assessed by the management using the market approach, based on the value of condominium units with similar areas, characteristics and locations. The fair value measurement was categorised within Level 2 of the fair value hierarchy, using other observable inputs for assets, either directly or indirectly.

11. Property, plant and equipment

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Net book value:		
Property, plant and equipment	238,500	248,394
Right-of-use assets (Note 14 a))	4,495	5,735
Total	<u>242,995</u>	<u>254,129</u>

Movements of property, plant and equipment for the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Land and land improvements	Buildings	Office equipment, furniture and fixtures	Machines, tools and equipment	Motor vehicles	Assets under construction	Total
Cost:							
1 January 2020	54,315	95,042	16,248	25,256	27,348	15,826	234,035
Reclassify to right-of-use assets	-	-	-	-	(10,397)	-	(10,397)
Additions	85,000	36,345	4,835	9,414	2,369	-	137,963
Transfers	-	11,670	316	3,840	-	(15,826)	-
Disposals/write-off	-	-	(1,022)	(995)	(740)	-	(2,757)
31 December 2020	139,315	143,057	20,377	37,515	18,580	-	358,844
Additions	-	-	641	26	1,402	-	2,069
Disposals/write-off	-	-	(974)	(57)	(1,034)	-	(2,065)
31 December 2021	139,315	143,057	20,044	37,484	18,948	-	358,848
Accumulated depreciation:							
1 January 2020	-	58,175	14,337	16,366	22,478	-	111,356
Reclassify to right-of-use assets	-	-	-	-	(8,948)	-	(8,948)
Depreciation for the year	-	4,625	1,887	2,942	1,333	-	10,787
Depreciation on disposals/write-off	-	-	(1,021)	(984)	(740)	-	(2,745)
31 December 2020	-	62,800	15,203	18,324	14,123	-	110,450
Depreciation for the year	-	5,355	1,869	3,135	1,600	-	11,959
Depreciation on disposals/write-off	-	-	(974)	(54)	(1,033)	-	(2,061)
31 December 2021	-	68,155	16,098	21,405	14,690	-	120,348
Net book value:							
31 December 2020	139,315	80,257	5,174	19,191	4,457	-	248,394
31 December 2021	139,315	74,902	3,946	16,079	4,258	-	238,500
Depreciation for the year							
2020 (included in selling and administrative expenses)							10,787
2021 (included in selling and administrative expenses)							11,959

As at 31 December 2021, certain items of equipment were fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 46 million (2020: Baht 41 million).

12. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)	<u>2021</u>	<u>2020</u>
Bank overdrafts	Market rate	477	-
Promissory notes	Market rate	785,000	525,000
Trust receipt payable	Market rate	86,594	78,221
Total		<u>872,071</u>	<u>603,221</u>

As at 31 December 2021, the bank overdrafts and short-term credit facilities of the Company which have not yet been drawn down amounted to Baht 948 million (2020: Baht 1,206 million).

13. Trade and other payables

(Unit: Thousand Baht)

	<u>2021</u>	<u>2020</u>
Trade payables - unrelated parties	320,328	261,955
Trade payables - related party	262	711
Accrued expenses	30,060	29,705
Total trade and other payables	<u>350,650</u>	<u>292,371</u>

14. Leases

The Company has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 4 - 7 years.

a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Buildings	Tools and equipment	Motor vehicles	Total
1 January 2020	19,796	-	1,449	21,245
Additions	-	3,528	2,009	5,537
Adjustments from lease modification	(16,497)	-	-	(16,497)
Depreciation for the year	(3,299)	(210)	(1,041)	(4,550)
31 December 2020	-	3,318	2,417	5,735
Depreciation for the year	-	(504)	(736)	(1,240)
31 December 2021	-	2,814	1,681	4,495

b) Lease liabilities

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Lease payments	3,979	5,009
Less: Deferred interest expenses	(73)	(131)
Total	3,906	4,878
Less: Portion due within one year	(873)	(972)
Lease liabilities - net of current portion	3,033	3,906

c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Depreciation expense of right-of-use assets	1,240	4,550
Interest expense on lease liabilities	58	30
Expense relating to short-term leases	367	1,898
Expense relating to leases of low-value assets	505	446

d) Others

The Company had total cash outflows for leases for the year ended 31 December 2021 of Baht 1.9 million (2020: Baht 7.3 million), including the cash outflow related to short-term lease and leases of low-value assets.

15. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company, was as follows:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Provision for long-term employee benefits at beginning of year	9,714	8,861
Included in profit or loss:		
Current service cost	930	1,800
Interest cost	170	200
Included in other comprehensive income:		
Actuarial loss arising from		
Demographic assumptions changes	(2,503)	-
Financial assumptions changes	2,918	-
Experience adjustments	885	-
Benefits paid during the year	(1,106)	(1,147)
Provision for long-term employee benefits at end of year	11,008	9,714

The Company expects to pay Baht 2.3 million of long-term employee benefits during the next year (2020: Baht 1 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 14 years (2020: 9 years).

Significant actuarial assumptions used for the valuation are summarised below:

	(Unit: Percent per annum)	
	<u>2021</u>	<u>2020</u>
Discount rate	1.9	2.4
Salary increase rate	7.0	3.0 - 5.0
Turnover rate	0 - 24.0	0 - 21.0

The result of sensitivity analysis for significant assumptions that effect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

	(Unit: Million Baht)			
	2021		2020	
	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(0.5)	0.5	(0.8)	0.9
Salary increase rate	0.5	(0.5)	1.0	(0.9)

	(Unit: Million Baht)			
	2021		2020	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Turnover rate	(0.5)	0.6	(0.9)	0.6

16. Statutory reserve

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

17. Expenses by nature

Significant expenses classified by nature are as follow:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Salaries and wages and other employee benefits	106,916	103,768
Depreciation	13,321	15,461
Rental expenses	872	2,344
Purchase of inventories	4,772,068	3,235,886
Changes in inventories of finished goods	(183,054)	35,457

18. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Current income tax:		
Current income tax charge	46,389	33,422
Deferred tax:		
Relating to origination and reversal of temporary differences	201	(371)
Income tax expense reported in profit or loss	<u>46,590</u>	<u>33,051</u>

The amount of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Deferred tax relating to actuarial loss	<u>(260)</u>	<u>-</u>

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Accounting profit before tax	<u>235,719</u>	<u>169,095</u>
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	47,144	33,819
Effects of non-deductible expenses	86	204
Effects of additional expense deductions allowed	(519)	(645)
Others	<u>(121)</u>	<u>(327)</u>

Income tax expenses reported in profit or loss	46,590	33,051
--	--------	--------

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Deferred tax assets		
Reduce cost of inventories to net realisable value	1,000	1,200
Provision for long-term employee benefits	2,202	1,943
Total	<u>3,202</u>	<u>3,143</u>

19. Promotional privileges

The Company has received promotional privileges from the Board of Investment for the manufacture of solar power installed on roof, pursuant to the investment promotion certificate No. 59-1300-0-13-2-2. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax until 8 December 2022 and a 50% reduction of corporate income tax on income derived from the promoted operations until 8 December 2027.

In 2021, the Company has the revenues from promoted operations amounting to Baht 0.9 million (2020: Baht 0.9 million) which included in other revenue.

20. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

The following table sets forth the computation of basic earnings per share:

	<u>2021</u>	<u>2020</u>
Profit for the year (Thousand Baht)	189,129	136,044
Weighted average number of ordinary shares		
(Thousand shares)	200,000	200,000
Earnings per share (Baht/share)	0.95	0.68

21. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company is principally engaged in the distribution of commodity polymers and special additive products. In addition, since 2016, the Company added the segment of production and distribution of solar power installed on roof, from which revenue is not material. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

For the years 2021 and 2020, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

22. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contributed to the fund monthly at the rate of 4 to 15 percent of basic salary. The fund, which is managed by Bangkok Capital Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to approximately Baht 3 million (2020: Baht 3 million) were recognised as expenses.

23. Dividends

Dividends declared in 2021 and 2020 and already recorded consist of the followings:

(Unit: Baht)			
	Approved by	Total dividends	Dividend per share
Dividends for 2020	Annual General Meeting of the shareholders on 2 April 2021	79,999,920	0.40
Interim dividends for 2021	A Meeting of the Company's Board of Directors on 13 August 2021	79,971,840	0.40
Total for 2021		159,971,760	0.80
Dividends for 2019	Annual General Meeting of the shareholders on 3 April 2020	55,999,944	0.28
Interim dividends for 2020	A Meeting of the Company's Board of Directors on 31 July 2020	35,999,964	0.18
Total for 2020		91,999,908	0.46

24. Commitments and contingent liabilities

24.1 A commitment under trade credit insurance policy

The Company has entered into a commitment under trade credit insurance policy with an insurance company. As at 31 December 2021, the Company had commitment to pay the minimum insurance premium amounting to approximately Baht 1 million in 2022 (2020: Baht 1 million).

24.2 Guarantees

As at 31 December 2021, there were outstanding bank guarantees of approximately Baht 80 million (2020: Baht 60 million) issued by the banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These are letters of guarantee to guarantee payments due to creditors.

25. Financial instruments

25.1 Financial risk management objectives and policies

The Company's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, short-term loans, trade and other payables. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables

The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored, and the Company has trade credit insurance covering the bad debts of customers which are under conditions of the insurance company. In addition, the Company does not have high concentration of credit risk since it has a large customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Market risk

Foreign currency risk

The Company's exposure to the foreign currency risk relates primarily to its purchase transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into foreign exchange forward contracts from time to time. Generally, the forward contracts mature within one year.

As at 31 December 2021, the Company had foreign currency-denominated trade accounts payable of USD 4.3 million and had outstanding forward exchange contracts as presented below.

	Amount	Maturity date	Contractual exchange rate
	(million)		(Baht per 1 foreign currency unit)
Buy			
US dollar	0.5	24 February 2022 - 1 December 2022	32.92 - 33.90

As at 31 December 2020, the Company had foreign currency-denominated trade accounts payable of USD 4.5 million and had outstanding forward exchange contracts as presented below.

	Amount	Maturity date	Contractual exchange rate
	(million)		(Baht per 1 foreign currency unit)
Buy			
US dollar	0.2	4 - 5 January 2021	29.96 - 29.98

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its short-term borrowings. However, since short-term borrowings bear fixed interest rates which are close to the market rate and most of the Company's financial assets and liabilities bear non-interest, the interest rate risk is expected to be minimal.

Liquidity risk

The Company monitors the risk of a shortage of liquidity through the use of loans from financial institutions. At present, the Company has credit facilities received from many financial institutions; therefore, it has an adequate working capital. As at 31 December 2021, the Company has remaining credit facilities which have not yet been drawn down as described in Note 12 to the financial statements.

25.2 Fair values of financial instruments

Since the majority of the Company's financial assets and liabilities are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

26. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2021, the Company's debt-to-equity ratio was 2.29:1 (2020: 1.79:1).

27. Event after the reporting period

On 15 February 2022, the meeting of the Company's Board of Directors passed a resolution to propose to the 2022 Annual General Meeting of shareholders to consider and approve matters as follows:

- a) A resolution was passed to propose the change in the par value of ordinary shares from Baht 1 per share to Baht 0.50 per share, resulting in an increase of 200,000,000 ordinary shares, from 200,000,000 ordinary shares to 400,000,000 ordinary shares, and the amendment of the Memorandum of Association to be consistent with the change in the par value.
- b) A resolution was passed to propose a dividend payment. The details are as follows:
 - Distribute the share dividend of the Company at 10 ordinary shares for 1 dividend share, not exceeding 40,000,000 shares at a par value of Baht 0.50 each to the shareholders of the Company or equivalent to a dividend rate of Baht 0.05 per share. In the event that any shareholder has a fraction of existing shares after the share dividend allocation of less than 10 shares, the Company shall pay a cash dividend instead of a share dividend at Baht 0.05 per share.
 - Pay partial cash dividend at the rate of Baht 0.125 per share, totaling Baht 50 million.
- c) A resolution was passed to propose an increase in the Company's registered capital of Baht 20 million, from Baht 200 million to Baht 220 million, by issuing 40,000,000 new ordinary shares at a par value of Baht 0.50 each to support share dividend, and the amendment of the Memorandum of Association to be consistent with the capital increase.
- d) A resolution was passed to propose the allotment of the newly issued ordinary shares of the Company to support share dividend.

The Company will change the par value of ordinary shares, dividend payment, increase in registered capital and allotment of the newly issued ordinary shares after obtaining approval from the Annual General Meeting of the shareholders.

28. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 15 February 2022.



GLOBAL CONNECTIONS
PUBLIC COMPANY LIMITED

YOUR BEST-IN-CLASS SOLUTION
FOR VALUE CREATION IN RAW MATERIALS SUPPLY

GLOBAL CONNECTIONS

ADVANCING TOGETHER