



**STARFLEX**

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Annual Report 2022

(56-1 One Report)

Starflex Public Company Limited

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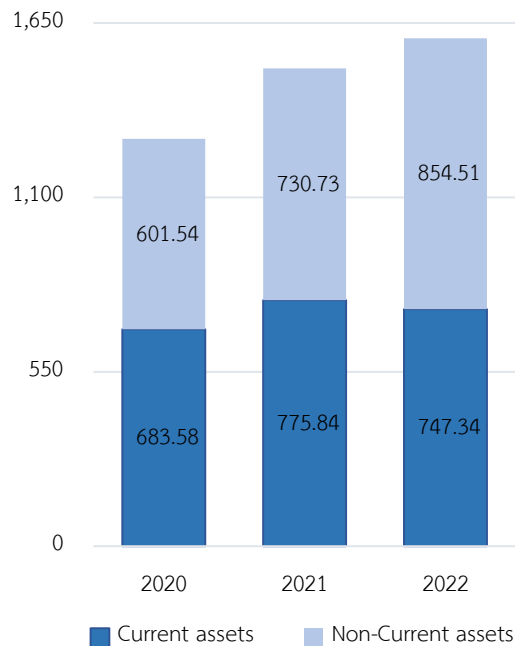
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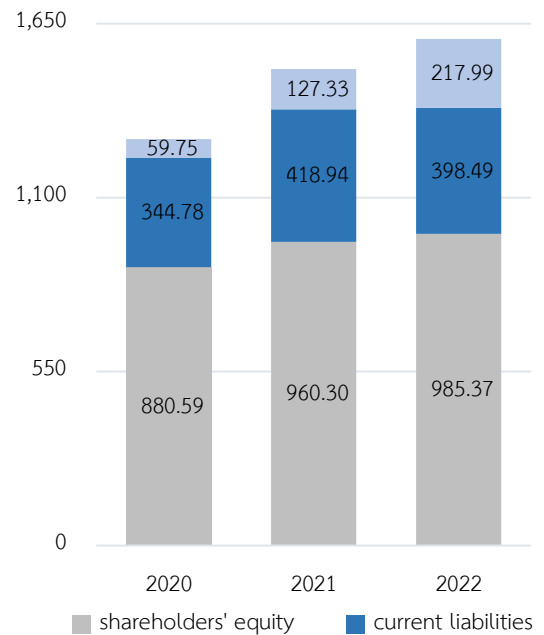
## Financial status and operating results 2022

### Important financial information

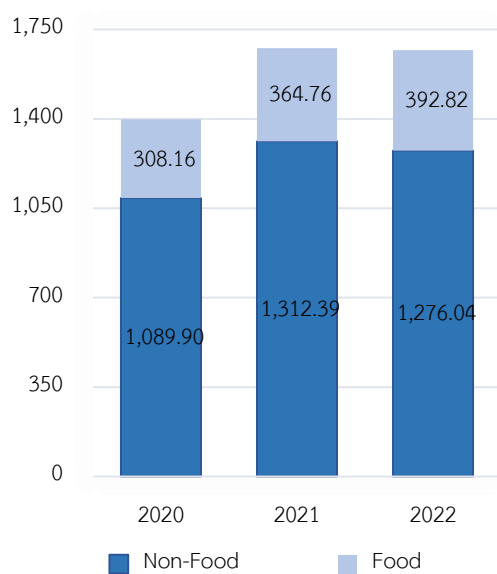
#### Assets (million)



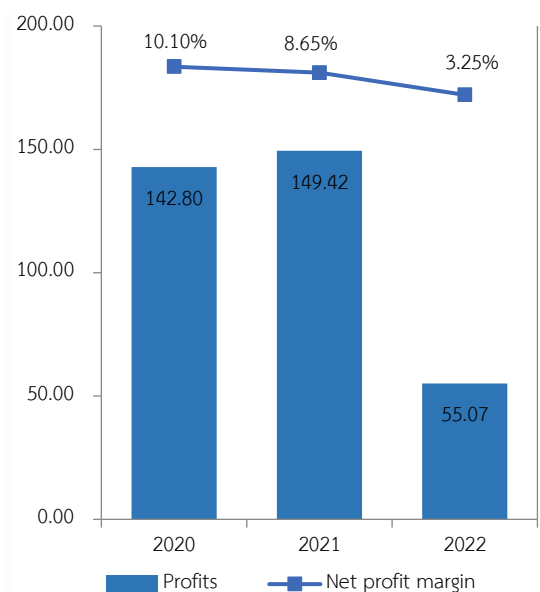
#### Liabilities and shareholders' equity (million)



#### Revenues (million)



#### Profits and Net profit margin (million)



Statement of financial and Statement of comprehensive incomes	2020	2021	2022
Total assets	1,285.11	1,506.57	1,601.85
Total liabilities	404.52	546.27	616.49
Shareholders' equity	880.58	960.30	985.36
Sales revenues	1,398.05	1,677.15	1,668.86
Total revenues	1,415.02	1,727.31	1,696.09
Profit before finance cost and income tax expenses	175.28	160.81	67.62
Total comprehensive income for the year	145.05	149.42	61.96

Ratios	2020	2021	2022
Net Profit Margin (%)	10.09	8.65	3.25
Total Assets Turnover (%)	10.63	10.7	3.54
Current Ratio	1.98	1.85	1.88
Debt Ratio	0.46	0.57	0.63

## Message from the Chairman of the Board of Directors and the Chairman of the Executive Committee

In 2022, Thailand economic situation continued to show a slow growth due to the COVID-19 epidemic crisis which has had a wide impact. However, the epidemic situation is likely to improve which will lead to an increase in the demand for consumer products due to the fact that they are necessary for daily life. Consequently, there would be a growth in demand for various products and services. The increase in production efficiency for the industrial sector throughout its supply chain would surely result in higher demand for packaging. However, many factors still need to be monitored closely including increasing energy and raw material prices, the mutation of the COVID-19 virus, and the state of war between Russia and Ukraine that will continue to affect the global economy.

SFLEX is committed to its long-term business strategy which is to become a leader in the Flexible Packaging business in CLMV countries. We have implemented a plan to cope with the impact of economic fluctuations carefully with a strategy to expand manufacturing bases and the business and aiming to increase our strength through cooperation with strategic partners to increase manufacturing efficiency and meet customers' needs.

SFLEX will also continue to try to improve and increase the efficiency of manufacturing processes and operations by adopting new technology to respond to customers' demand, to enhance competitiveness and to improve continually work efficiency, including liquidity management in line with business conditions.

Besides delivery of value through quality products and services and meeting the needs of customers and consumers, we have also given attention to the creation of a corporate culture, the promotion of innovations that create mutual benefits for all stakeholders, the improvement of the quality of services, and the development of human resources. We have also considered the environment and social responsibility aspect to balance between business profits and social returns. By integrating and applying the philosophy of sufficiency economy and sustainable development goals (SDGs), we have created a good practice for business operations while reducing risks for environmental, social and business operation with good governance in all relevant business processes (Environmental / Social / Governance & Economic or ESG). This will strengthen our operational strategy that focuses on balancing the development and growth of the company, good corporate governance, risk management, operational efficiency improvement, and value creation with our stakeholders.

The Board of Directors would like to thank the shareholders, business partners, customers and all related parties who have always kindly supported our operations. We also would like to thank all our staff and employees for their dedication that help SFLEX achieve its goals and to be accepted by all sectors. With ESG as the key to strengthening our business, stability and sustainability, SFLEX is committed to develop the company

to become an international entity by working closely with all stakeholders, enhancing the quality of our products and services, being ready to become a leader in the Flexible Packaging business, and moving forward as a leader in CLMV countries,.



Mr. Pakorn Malakul Na Ayudhya

Chairman of Board of Directors  
Starflex Public Company Limited



Mr. Printorn Apithanasriwong

Chairman of Executive Committee  
Starflex Public Company Limited

## Awards and Pride



Humanization Organization  
Award 2022  
  
From  
the secretariat of the Senate



Moral Business Award 2020  
  
From  
Culture Ministry



Happy Family Good Practice Award  
2018  
From  
Thai Health Promotion  
Foundation



Happy Workplace Award 2018  
from Thai Health Promotion  
Foundation



Samutprakarn Drug Prevention  
2017 from Samutprakarn Province



Star Quality Award 2016  
from Best Quality 2016 from WIN  
CHANCE FOODS Co. Ltd





Unilever SSQR Award 2010  
Best Supplier Awards 2010 from  
Unilever



Unilever SSQR Award Night 2007  
Best Supplier Awards 2007 from  
Unilever



Unilever SSQR Award 2006  
Best Supplier Awards 2006 from  
Unilever



Unilever TPM Advance Special  
Award 2007 from Unilever



First Day Trade 2019  
from SET



Finansia Initial Public Offering 2019  
from FINANSIA



Green Industry from Ministry of Industry

Certificate of Drug Prevention and Correction  
Standards in the workplace from Samutprakhar  
Province



(GHP, Good Hygiene Practice)

(HACCP, Hazard Analysis and Critical Control Point System)

(FSSC 22000)

## Part 1 Business Operation and Operating Results

## Organizational structure and operation of the group of companies

### Company Profile

<b>The Company name</b>	STARFLEX PUBLIC COMPANY LIMITED		
<b>Abbreviation</b>	SFLEX		
<b>Head Office</b>	189/48-49 Moo 3, Bangprieng, Bang Bo, Samut Prakarn 10560		
<b>Type of Business</b>	Manufacturing and distribution of flexible packaging for both food and non-food products in the form of made to order. The products can be divided into two forms which are roll form and pre form pouch.		
<b>Registration No.</b>	0107562000092		
<b>Contact</b>	Telephone:	0-2708-2555	
	Fax number:	0-2708-2355	
<b>Website</b>	<a href="http://www.starflex.co.th">www.starflex.co.th</a>		
<b>E-mail</b>	contactus@starflex.co.th		
<b>Registered Capital</b>	Registered Capital:	502,250,000	Baht
	Paid-up Capital:	410,000,000	Baht
	Registered ordinary shares of:	1,004,500,000	shares
	Paid up ordinary shares of:	820,000,000	shares
	Issued and paid up preference shares:	-None-	
	Par value of Baht	0.5	per share
<b>Registrar</b>	Thailand Securities Depository Company Limited		
	93 Ratchadaphisek Rd, Khwaeng Din Daeng, Khet Din Daeng, Bangkok 10400		
	Telephone: 0-2900-9000 Website: <a href="http://www.set.or.th/tsd">www.set.or.th/tsd</a>		

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## Policy and Business Overview

With over 34 years of extensive experience in packaging industry, Mr. Printhorn Apithanasriwong had foreseen changing trend in packaging industry. Most local consumer product suppliers have focused on product cost efficiency, which also relates to the packaging costs. As such, trend to move from rigid paper or rigid plastic to use soft plastic packaging (so called “Flexible Packaging”), because its perfect properties of barrier which can prevent air, moisture, sunlight, and odor, and can maintain quality of product contained in the package as well as its low costs per unit. In 2003, STARFLEX Company limited (“SFLEX”) had been founded to produce and distribute flexible packaging, and its major shareholder was Star Print Public Company Limited (STARP). SFLEX’s main factory site was located in Bang Saothong district, Samut Prakarn, initially the Company started its business by manufacturing flexible packaging only in roll form, and selling to mainly local consumer product’s suppliers. To be more transparent, STARP had gradually reduced its stake in SFLEX, due to STARP mainly has its commercial activities in paper packagings, i.e., liquor box, detergent box, toothpaste box, soap box.

In 2005, after awarded certification of ISO 9001: 2005 Standard and GMP Standard, the Company began to produce and distribute flexible packaging for consumer products. Regarding continual growth of its business, in 2010, SFLEX’s main production site had been moved to Bang Phriang sub-district, Bang Bo district, Samut Prakan province with areas of 18 rai 3 ngan 86 square wah, to enhance business opportunities in future. In the mean time, the Company also continued investing in machinery with aim to diversify to as many as Pre Form Pouch forms, i.e., Stand-up Pouch, 3-Sided Seal Pouch, Center Seal Pouch, 4-Sided Seal Pouch, Flat Bottom Pouch and Free Shape Die Cut to fully meet its customer requirements.

With regard to product quality, the Company has continually developed its production process to meet most of the quality standards as well as the customer demands. Recently, SFLEX has been awarded by several standard certifications, including FSSC 22000 (Food Safety System Certification 22000), GHPs (Good Hygiene Practice), HACCP (Hazard Analysis and Critical Control Time), and URSA (SEDEX). SEDEX, which is usually required from multinational customers, is a certification of the code of conduct in labor area. All these are strong evidence to proof of SFLEX’s product quality.

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## Vision Mission and Corporate Culture

### Vision

“To become a leader of the flexible packaging business in the CLMV cluster”

### Mission

1. Drive new technology and innovations
2. Establish trust for customers through the manufacturing of high quality products that meet international standards
3. Generate returns to shareholders and expand the business for continuous growth
4. Determined to social responsibility, Caring for the environment by Good Governance
5. Develop the potential of employees to drive the Company towards becoming and organization of learning

### Targets of the Business Operations

The Company intends to be a leader in the flexible plastic packaging in Thailand and CLMV group with the following essential business strategies:

1. Focus on product development to meet the various demands of customers, develop new innovations to be a market leader in new products that are aligned with market trends of recyclable raw materials and/or using natural biodegradable raw materials to make them more environmentally friendly.
2. Boost production capacity to reinforce future growth, including continuous development of production processes to become more effective and cut losses during production, and magnify efficiency in production cost management.
3. Broaden business to soft plastic packaging used for food products, by developing production processes and technology for food product packaging.
4. Expand market in CLMV group by assigning a sales team to study and analyze the market of soft plastic packaging in CLMV group, including establishing business alliances in the same region.

### Values

*S - Sustainable Growth* : Sustainable growth and development

*P - Passion to Win* : Committed to our goals

*I - Innovative Thinking* : Curious, enterprising, creative for further development

*R - Responsibility* : Recognizing our roles and responsibilities

*I - Integrity* : Remaining in a transparent framework

*T - Teamwork* : Caring for one another. Working as a team

## Significant Changes and Development

Significant Changes Developments of the Company History were as follows:

<b>2003</b>
<ul style="list-style-type: none"> <li>Registered as "Star Flex Company Limited" on 20 August 2003</li> </ul>
<b>2004</b>
<ul style="list-style-type: none"> <li>In February 2004, a Factory Operation License (Ror Ngor. 4) was transferred from Starprint Public Company Limited, and a new factory was located at 128/345 and 128/240 Soi Thai Insurance, Thepharak Road, Moo 1, Bang Sao Thong, Samut Prakan</li> <li>Started its operations to produce and distribute soft packaging in "Roll form" to customers, whose businesses were in consumer products</li> </ul>
<b>2005</b>
<ul style="list-style-type: none"> <li>Certified by GMP (Good Manufacturing Practice) and ISO 9001: 2005 certified by Bureau Veritas</li> </ul>
<b>2006</b>
<ul style="list-style-type: none"> <li>Started a new bag making production line, which can making two types of the bags: stand-up pouch and 3-sided seal pouch</li> </ul>
<b>2010</b>
<ul style="list-style-type: none"> <li>Relocated the factory location from 128/345 Soi Thai Insurance, Thepharak Road, Moo 1, Bang Sao Thong, Samut Prakan to 189/48-49 Moo 3, Bang Phriang, Bang Bo, Samut Prakan. This is the current location of the factory. The land and office building was rented from Bang Phriang Pattana Company Limited, which has no relationship with the Company</li> </ul>
<b>2013</b>
<ul style="list-style-type: none"> <li>Started a new bag making production line, which can develop a 4-Sided Seal Pouch</li> </ul>
<b>2014</b>
<ul style="list-style-type: none"> <li>Certified by FSSC 22000 from SGS (Thailand)</li> <li>Certified by GMP (Good Manufacturing Practice) from SGS (Thailand)</li> <li>Certified HACCP Codex Alimentarius certified by SGS (Thailand)</li> </ul>

2015
<ul style="list-style-type: none"> <li>■ Purchased the land and buildings used as the factory and office building of the Company (previously rented) from Bang Pheriang Phatthana Company Limited, which has no relationship with the Company. The purchased assets consist of 5 lots of land, with the total area of 18 rai 3 ngan, 86 square wah, the factory, and 2-story office building</li> </ul>
2017
<ul style="list-style-type: none"> <li>■ In order to support business expansion in the future, the Company invested in 4 lots of vacant land, with the total area of 13 rai and 28 square wah. The land is located next to the factory. The land was purchased from Miss Fah Sae-Lue, which has no relationship with the Company</li> </ul>
2018
<ul style="list-style-type: none"> <li>■ Certified by FSSC 22000 UKAS, United Kingdom</li> <li>■ Increased the registered capital by Baht 50 million from the previous registered capital Baht 250 million, to Baht 300 million, by issuing new ordinary shares in the amount of 500,000 shares with a par value of 100 Baht, offered to the existing shareholders. For the purpose of increasing working capital in the business.</li> <li>■ The Company paid out dividends in 2018 in the amount of Baht 133.33 million, with the following details: <ul style="list-style-type: none"> <li>- The Board of Directors meeting 2/2018, on 26 February 2018, had a resolution to approve interim dividend payment at the rate per share of 31.11 Baht, totaling to Baht 77.78 million .</li> <li>- At Board of Directors meeting 13/2018 on 11 October 2018, the Board approved the payment for interim dividends at the rate per share of 22.22 Baht per share, totaling to Baht 55.55 million.</li> </ul> </li> </ul>



**2019**

- On 18 March 2019, Annual General Meeting of Shareholders in 2019 approved the Company to proceed as follows:
  - Transformed into a public company
  - Change the par value per share from Baht 100 to Baht 0.50.
- Increase registered capital amount by Baht 110 million, from the previous registered capital of Baht 300 million to Baht 410 million, by issuing new ordinary shares in the amount of 220 Million shares with a par value of 0.50 Baht with the following details.
  - (1) New ordinary shares of 198 million shares offered to the public (IPO).
  - (2) New ordinary shares in the amount of 22 Million shares offered to the Directors, Executives and employees of the Company.

If there are any residual shares from the offering to the Directors, Executives and employees, the remaining new ordinary shares will be offered to the public.
- Lease a new factory and office buildings, located at 470/3-4 Moo 5, Phraeksa, Mueang, Samut Prakan, total area of 5,300 square meter (factory No. 2) from NSPK Company Limited. The Company also purchased machinery and equipment with a value of Baht 38.85 million, from Holy Plas Company Limited
- Started production of soft plastic packaging at the factory No. 2 in May 2019
- The Extraordinary General Meeting of Shareholders 2019, on 26 September 2019, approved the Company to change the par value per share from Baht 0.50 to Baht 1.00. After including the par value, the Company increased its capital for selling to IPO, Directors, and employees. The details are shown as follows:
  - (1) New ordinary shares of 99,000,000 shares for selling to the Initial Public Offering (IPO)
  - (2) New ordinary shares of 11,000,000 shares for selling to the Directors, Executives, and employees of the Company.
- The Company paid dividends in the year 2019 in the amount of Baht 105 million, with details as follows:
  - The Board of Directors Meeting 1/2019 on 28 February 2019 approved the dividend payment from the annual operating results 2018 at the rate per share of 30 Baht, totaling Baht 90 million.
  - The Board of Directors Meeting 5/2019 on 11 September 2019 approved the payment of dividends at the rate per share of 0.025 Baht, totaling Baht 15 million.
- On 19 December 2019, the Company's stock has officially been traded in the Stock Exchange of Thailand.

**2020**

- Invested in a Blown film machine, which can produce either Linear low-density polyethylene (LLDPE), or Low-density polyethylene (LDPE) films sized 1,800 millimeter at 500 kilogram per hour.
- The Board of Directors approved to construct a new factory sized 13,595 square meters.
- The Board of Directors approved to install Solar power on the roof, of which capacity is 1,000 Kilowatt.
- The Company has been granted by Board of Investment Thailand (BOI) approved on measure of improvement of production efficiency under Multilayer Plastics packaging business.
- On 26 September 2019, The Extraordinary General Meeting of Shareholders 2019 approved the Company to change the par value per share from Baht 1.00 to Baht 0.50. As such, the ordinary share of the Company changed from 410,000 to 820,000 shares.
- The Company set up a new subsidiary, PS Plus Consulting Company limited (“PS+”), with paid up capital of Baht 2 million. PS+ aims to do business on buy and sell (import & export) all merchandizes including Film and Foil.
- The Company paid dividends in the year 2020 with the amount of Baht 94.30 million, with details as follows:
  - The Board of Directors Meeting 4/2020 approved the dividend payment from the annual operating results 2019 at the rate Baht 0.15 per share, totaling to Baht 61.50 million.
  - The Board of Directors Meeting 7/2020 approved the payment of dividends at the rate 0.08 Baht per share, totaling Baht 32.80 million.

**2021**

- Certified by GHPs (Good Hygiene Practice) from SGS (Thailand)
- The Extraordinary General Meeting of Shareholders 1/2021 approved the issuance and allocation of warrants to purchase the newly issued ordinary shares of Starflex Public Company Limited No. 1 (SFLEX-W1) 82 million units and No. 2 (SFLEX-W2) 102.5 million units, total not exceeding 184.5 million units, details are as follows:
  - Issuance and allocation of warrants to purchase the newly issued ordinary shares of Starflex Public Company Limited (SFLEX-W1)
 

No. of warrants :	Up to 82,000,000 units, to the existing shareholders of the Company on a pro rate basis to their respective shareholdings (Right-offering) at no cost
Allocation ratio :	10 existing ordinary for 1 unit of the SFLEX-W1 warrants
Term of Warrants :	18 months

Exercise ratio: 1 unit of SFLEX-W1 warrants for 1 ordinary share at exercise price 4.50 Baht per share

Exercise rights under SFLEX-W1 warrants for the first time on the last business day of the end of the first 6 months after the issuance date of the warrants.

- In 2021, the Company had paid dividends in total of Baht 69.70 Million, and the details are shown as follows.
  - The Board of Directors Meeting 1/2021 approved the dividend payment from the annual operating results 2020 at the rate per share of 0.045 Baht per share, totaling to Baht 36.90 million and paid to shareholders on 8 April 2021.
  - The Board of Directors Meeting 3/2021 approved the dividend payment from the operating results ending on 30 June 2021 at the rate 0.040 Baht per share, totaling to Baht 32.80 million and paid to shareholders on 10 August 2021. Issuance and allocation of warrants to purchase the newly issued ordinary shares of Starflex Public Company Limited (SFLEX-W1)
    - No. of warrants : Up to 102,500,000 units, to the existing shareholders of the Company on a pro rate basis to their respective shareholdings (Right-offering) at no cost
    - Allocation ratio : 8 existing ordinary for 1 unit of the SFLEX-W2 warrants
    - Term of Warrants : 4 years
    - Exercise ratio: 1 unit of SFLEX-W1 warrants for 1 ordinary share at exercise price 10.00 Baht per share
- Exercise rights under SFLEX-W2 warrants on the last business day that the warrants expire 4 years after the warrant issuance date.
- The Company registered the change in the number of ordinary shares by issuing 184.5 additional ordinary shares pending to the exercise of the warrants SFLEX-W1 and SFLEX-W2.
- PS+, subsidiary company, has increased its registered capital from Baht 2 million to Baht 20 million with Baht 6.5 million paid-up capital.

The Board of Directors has approved to set up a joint venture company, where the Company and Thai Union Graphics Co., Ltd., subsidiary of Thai Union Group PLC, will collaborate to develop flexible packaging company.

**2022**

- Registered a joint venture company "Star Union Packaging Co., Ltd." registered capital of 1 million baht.
- Registered capital increase Star Union Packaging Co., Ltd. from a registered capital of 1 million baht to 250 million baht to manage and operate the company's business.
- Appoint the Corporate Governance and Sustainability Development Committee
- Participate in declaration of intent "Anti-corruption and corruption"
- Approved the share repurchase project for financial management (Treasury Stock).
- The company has paid dividends in 2022 totaling 36.90 million baht with the following details:
  - The Board of Directors' Meeting No. 1/2022 approved the dividend payment as a result of operations ended December 31, 2021 at the rate of 0.045 baht per share, totaling 36.90 million baht. on May 6, 2022

## Utilization of Proceeds

With respect to SFLEX initial public offering (IPO) of 110,000,000 shares, at the selling price of Baht 3.88 per shares, in which the Company received the net proceeds in the amount of Baht 426.80 million after deduction of expenses relating to IPO from the initial process of Baht 407.95 million Up to the issuance date of this report, the Company has used proceeds from the share of Baht 397.61 million offering as follows:

(Unit: THB million)

Objectives	Proceeds Utilization Plan	Use of Proceeds as of December 31, 2022	Remaining of Proceeds as of December 31, 2022
1. Sealant film production	62.10	52.26	9.84
2. Warehouse construction	50.00	50.00	-
3. Loan repayment	95.00	95.00	-
4. Use as a working capital	130.15	130.15	-
5. Machineries to improve efficiency and capacity	70.70	70.20	0.50
<b>Total</b>	<b>407.95</b>	<b>397.61</b>	<b>10.34</b>

## Nature of Business

### Revenue Structure

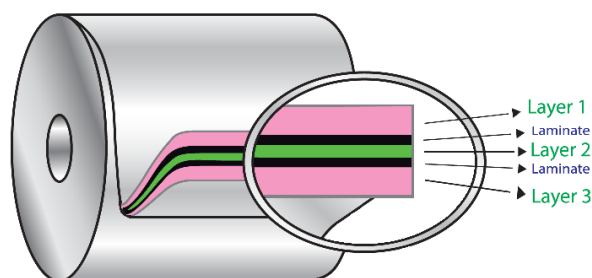
Revenue Types	2020		2021		2022	
	THB million	Percent	THB million	Percent	THB million	Percent
-Roll form products	1,031.22	72.88	1,048.42	60.70	1,139.85	67.20
-Pouch From (Pre Form Pouch)	290.61	20.53	611.66	35.41	490.11	28.90
<b>Total Revenue from sales of soft plastic packaging</b>	<b>1,321.83</b>	<b>93.41</b>	<b>1,660.08</b>	<b>96.11</b>	<b>1,629.96</b>	<b>96.10</b>
Other sales revenue <sup>1)</sup>	76.22	5.39	17.07	0.99	38.91	2.29
Total sales revenue	1,398.05	98.80	1,677.15	97.10	1,668.87	98.39
Other revenue <sup>2)</sup>	16.97	1.20	50.16	2.90	27.23	1.61
<b>Total revenue</b>	<b>1,415.03</b>	<b>100.00</b>	<b>1,727.31</b>	<b>100.00</b>	<b>1,696.10</b>	<b>100.00</b>

Remarks : 1) Other sales revenue includes revenue from sales of raw materials and revenue from film coating services.

2) Other income is revenue from sales of film scraps, income from sales of trial production (sample for sale), product compensation income, income from rental, profit from exchange rate, etc. In this regard, the product compensation income consists of compensation received from suppliers, concerning damage from using raw materials to produce the Company's products and compensation received from customers in case when the production order exceeds the demand.

## Characteristics of our products

The Company produces and distributes soft plastic packaging (flexible packaging), for both liquid and dry goods according to customer orders (Made to Order). Soft plastic packaging is a multilayer film), splicing from 2-5 layers using glue or resin as binding material, resulting in rigid, and resistant to heat and high pressure, lightweight, and available to print graphic patterns on the surface. In addition, the packaging property can prevent air, sunlight, and odor ingress, and to maintain the quality of the products contained in the package efficiently.



The type of soft plastic packaging under production and distribution of the Company is divided into 2 categories, depending on the needs of customers as follows:

### 1. Roll form products

The majority of the Company's revenue derives from the distribution of film roll packaging. Our soft plastic packaging is a roll of film processed through printing and laminating. After that, the roll of such film is split up to the width specified by the customer in which the maximum width of the film roll at the Company's slitting machine can be supported up to 1,080 millimeters. The film roll is mainly distributed to consumer product manufacturers that have their own pouch forming machines. The film roll packaging must have the physical properties suitable for the pouch forming machine of the customer i.e. the width, the smoothness of the film surface. Since it affect the operation of the pouch forming machine, the production of film roll packaging requires skills and expertize in adjusting the film formula and other raw materials such as glue and ink, in order to achieve a suitable film roll that meets customer requirements and can be used with each pouch forming machine at the customer's site efficiently. There are several groups of roils as follows:

Groups in direct contact with the product (first primary packaging) The composition have a single layer (Mono layer film) and 2 or more splicing films, such as a roll of fabric softener, laundry detergent, dishwashing liquid, Instant noodles, ice cream, seasoning and medical equipment.

Groups that do not come into direct contact with internal products (Secondary packaging) are mostly single-layer films. And then be printed such as label rolls on milk bottles, label rolls for drinking water bottles, etc.



## 2. Pouch Form (Pre Form Pouch)

Pre Form Pouch is produced by forming the printed and coated film roll into a finished pouch ready for packaging. Customers who order Pre Form Pouch are manufacturers of consumer products that do not have their own pouch forming machines or customers who have a pouch forming machine, but cannot properly support the film material used in the production of the pouch. Pre Form Pouch can be produced in various forms depending on the needs of customers which includes the following.

### (1) Stand-up Pouch, Stand-up Pouch with Zip, Stand up pouch with Spout

Packaging in the form of a pouch that can be used to contain products with large volume or weight. It can be placed on a display shelf for product visibility such as fabric softener, laundry detergent, dishwashing detergent, liquid soap, etc. We can also add a zip lock to increase the ease of use such as pet food packaging or food packaging, etc. Included is a sealed envelope with a pour-over top (Spout) that is suited for non-sticky liquids like fabric softener, laundry detergent, cleaning solution and sugar syrup, it can work and sealed well.





## (2) 3-Sided Seal Pouch, 3-Sided Seal Pouch with Zip

This type of packaging is in the form of a pouch with a seal covering either the 3-side of the opening or the bottom of the pouch for inserting the goods and then sealing. It can be added a tear (V-Cut) for easy use, a display hanging bar, or adding a zip lock feature for the convenience in multiple uses of opening and closing. It can also extend the shelf life of products and suitable for food product packaging such as candy.



## (3) Center Seal Pouch, Center Seal & Gusset Pouch

Packaging that is in the form of a pouch with a seal in the center and top of the pouch, with an opening at the bottom of pouch to insert the products. This type of pouch is commonly used in products that are not heavy in food product packaging such as snack, ice cream, candies, frozen food, etc. It can also be made into a pouch with a seal in the middle of the back side. Both sides are folded to enlarge usage space. This type is recommended for heavier products such as animal food packaging, etc.



## (4) 4-Sided Seal Pouch

The pouch is sealed on all 4 sides of the product. This is rigid package, suitable for heavy products that required a large space. The 4-sided seal pouch is popular among food products such as roasted coffee, instant coffee, animal food.



### (5) Flat Bottom Pouch

Flat bottom pouch is a stand-up pouch with a flat base with creases on the side, to increase the usage space. Due to the flat base, it allows the product to be placed on a shelf steadily and suitable for light or powder content such as cocoa powder, tea or sugar sachet. It can also be added with zip lock feature.



### (6) Free Shape Die cut

Packaging in the form of a pouch that can be designed in any shapes as customers' desires. As such, it is so varieties and good for running a sales promotion. The packaging is cut by 'Die cut', so it can make so many types of pouchs, for example, stand-up pouch, extraordinary shape of pouch, etc.



## Research and Development

The organization understands the value of superior product research and development. With effective cost management, be able to adapt to the needs of a wide range of clients. This is a crucial aspect of differentiating the firm and increasing its competitiveness. The Company's research and development Conduct research and development efforts with the product innovation and research department of the organization. and external agency research, which can be characterized as follows:

### Research and Development by the Innovation and Development Department

#### 1. Product Development

The Company has developed new products to meet the needs of various customers, which will be developed together with customers. The customer will determine the features. (Specification) of the desired product and the Company will develop the formula and raw material structure. Including procuring raw materials from manufacturers or distributors of raw materials. In addition, in order to reach new clients, the Company has produced new items such as retort pouches (which can be sterilized by a high-pressure boiler), spout pouches (which include a lid).

## 2. Raw Material Development

In addition to developing new products The Company is also developing new raw material formulas. to expand the range of raw materials available. It also helps reduce production costs. Furthermore, The research and development department is also preparing for the development of raw materials to support the changing trend of plastic packaging in accordance with the trend of environmental conservation, such as the development of organics biodegradable film, which will be degraded by microorganisms in the environment. Formulation of film compositions that are easily recyclable The development of formulations of recycled plastic pellets and resins can be mixed with pure plastic pellets and resins by arranging the film molecules by MDO (Machine Direction Orientation) and Biaxial Orientation, by which the formula is suited for the product structure, etc.

### Research and Development with Outside Organizations

Besides the research and development by the Innovation and Development Department, the Company also collaborates with The Office of National Higher Education Science Research and Innovation Policy Council (NXPO). To fund research and development for the development of high technology in the biorefinery process for the production of bio-innovative goods from agricultural biomass and agro-industry, Kasetsart University's Faculty of Agro-Industry, with the goal of developing packaging from agricultural and industrial waste materials, adding value to agricultural products, notably waste materials from agriculture and agro-industry, and developing compostable packaging.

The below table shows the spending budget of the Company's R&D within the past 3 years

Year	Spending budget in R&D
2020	THB 7,912 thousand
2021	THB 10,014 thousand
2022	THB 7,248 thousand

## Competitive Strategy

### 1. Creating business partnership with customers

The key to our business is to establish relationships as a business partnership with customers. The Company has a policy to build long-term relationships with customers, by collaborating under business alliance concept. In addition to trading products, the Company will work closely with customers to develop and design packaging that responds to customers' needs and the changing market situation promptly and efficiently. The Company prepared together with customers the pre-delivery plan. There is a pre-delivery plan concerning the quantity of products and delivery schedules to assure the customers of punctual deliver of products. In addition, sales and marketing staff will attend the meeting with customers on a monthly basis to exchange news and business plans in accordance with customer needs as well as providing prompt services to customers. Such relationship will create benefits for both parties, resulting in a stable and long-term business relationship with

partners. All of the above actions result in trust and acceptance the Company that has been given by customers. Especially the customers that are leading organizations in the country and has given the opportunity to develop new products. The Company also continuously developing new product offerings for its customers. This also result in the Company's sales growth proven by the SSQR Awards (Superior Supplier Quality Relationship Award), which is considered from 3 aspect including Cost Competitive, Excellence Service and Innovation from Unilever Thai Holding Ltd. who has been our major long-time client.

## 2. Quality Control of the Products

The Company focuses on quality of the products to meet the demand of customers, by implementing a product quality control system in every production process starting from the selection and procurement of raw materials from quality manufacturers and distributors. The Company will check the main suppliers of raw materials annually. When receiving the raw materials, the Quality Assurance Department will check the certificate of analysis from sellers, including checking quality of raw materials in the Company's analysis room. In addition, the Company also inspects and controls the quality of the product in every process from printing, laminating, slitting, and bag making. All of the operations as mentioned above are to ensure that the manufactured products are of high quality and standards, and meet customer needs. Various standards that the Company has received is a proof of our quality. For example, FSSC 22000 (Food Safety System Certification), Good Hygiene Practice; General Principles of Food Hygiene, HACCP (Hazard Analysis and Critical Control Point).



In addition to the quality of the products mentioned above, the appearance of packaging is another significant factor that attracts consumers to purchase. Therefore, the Company gives attention to the presence of the printed images on film, both in terms of the sharpness of the lines, distinctive colors and shades that perfectly match the needs of customers. The printing appearance depends on several processes: design printing color steps, mold production, and printing processes. Our technicians are skilled in analyzing and arranging color groups using in the mold production process. Furthermore, they are also skilled at color-mixing for the appropriate proportion as well as controlling all machine operations.

### **3. Efficient management of production cost**

Production costs are the main expenses that will affect the Company's profitability and competitiveness therefore, the Company puts great importance to the raw material selection process by assigning a team that has an expertise in selecting raw material manufacturers. The manufacturers must pass the inspection of the production process to ensure the quality standards of the raw materials and minimize the loss of production resulting from the use of non-standard raw materials. This supports the Company's policy to control the rate of loss from production (waste) at an appropriate level.

In addition, the Company has developed and improved machinery or equipment that will enhance production efficiency. For example, installing an ink dispensing to assure fast and precise color mixing process as demanded by customers, installing CCTV to track waste generated in the production area. Furthermore, the product development research department is responsible for the development of new film formulas to offer more options and support competent cost management.

### **4. Continued development of products**

The Company rates the importance of persistent development of new types of packaging and being able to produce soft plastic packaging to meet the varied request among customers, both the form and purpose of use such as shrink film, packaging that can be sterilized with a high-pressure boiler (Retort Pouch), pouches with lid (Spout Pouch). The Company has purchased flat bottom pouch forming machine to produce a pouch with flat base which be placed steadily on the display shelf despite of the light weighted contents or a small quantity. Flat Bottom Pouch is suitable for placing products in a well visible area that and easy to store. It also saves the shelf space in the supermarket by having the shape of a tall bag and narrower compared to other types of packaging.

### **Customer types and target groups**

The Company distributes soft plastic packaging which is mainly used in consumer products packaging therefore, the main customer are a manufacturer of consumer products. Our major customers who are leading manufacturers of consumer's products in Thailand are such as Neo Factory Company Limited, Perfect Companion Group Company Limited, Unilever Thai Holding Company Limited, Lion (Thailand) Company Limited, IP Manufacturing Company Limited and Taokaenoi Food & Marketing Public Company Limited.

When considering the proportion of revenue from the sales of soft plastic packaging, the main revenue of the Company is from packaging for consumer products which accounts 75%-80% while packaging for food products accounts 20%-25%.

	2020		2021		2022	
	THB million	Percent	THB million	Percent	THB million	Percent
Packaging for Consumer Products	1,089.89	77.95	1,309.26	78.21	1,258.10	76.20
Packaging for Food Products	308.16	22.05	364.77	21.79	392.82	23.80
<b>Total Revenue from sales of soft plastic packaging</b>	<b>1,398.05</b>	<b>100.00</b>	<b>1,674.03</b>	<b>100.00</b>	<b>1,650.92</b>	<b>100.00</b>

The types of products for soft plastic packaging are as follows

Non-Food Packaging	Food Packaging
<ul style="list-style-type: none"> <li>● Fabric softener</li> <li>● Dish washing detergent</li> <li>● Laundry detergent</li> <li>● Liquid laundry detergent</li> <li>● Floor cleaner</li> <li>● Liquid soap</li> <li>● Shampoo</li> <li>● Medical equipment</li> </ul>	<ul style="list-style-type: none"> <li>● Ice-cream</li> <li>● Vermicelli</li> <li>● Frozen food</li> <li>● Snack</li> <li>● Sauces and seasoning</li> <li>● Flour</li> <li>● Coffee</li> <li>● Pet Food</li> <li>● Instant noodles</li> <li>● Rice</li> </ul>

### Pricing policy

The Company has in place a cost plus margin policy to determine selling price based on factors such as product type, order quantity, and competitive conditions in the market. The Company reviews selling price every 6 months to ensure that it is appropriate and competitive. When the cost is increased significantly, the Company will negotiate with both the raw material distributors and customers to adjust the price to accommodate the increased cost.

### Distribution and distribution channels

Mainly, the products are distributed within Thailand through sales and marketing team who is responsible for contacting customers directly. In general, packages of consumer products are constantly adjusted to be more attractive and to promote the image of the product. Therefore, our sales and marketing staff will closely follow the situation and discuss with customers concerning the request in order to present the samples for consideration without delay. The sales and marketing department conduct customer satisfaction assessment on a quarterly basis concentrated on 3 factors namely punctual delivery of products, product quality, and overall service performance to develop and improve services and create highest satisfaction among customers.

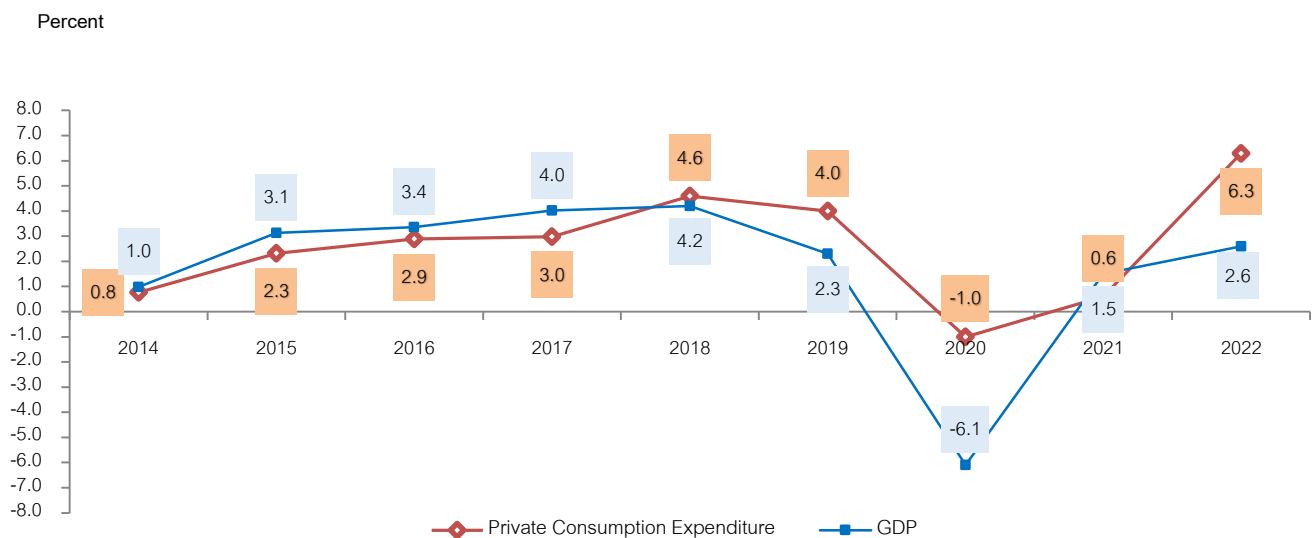
	2020		2021		2022	
	THB million	Percent	THB million	Percent	THB million	Percent
Revenue from domestic sales	1,396.76	99.91	1,677.15	100.00	1,668.86	100.00
Revenue from oversea sales	1.29	0.09	-	0.00	-	0.00
<b>Total sales income</b>	<b>1,398.05</b>	<b>100.00</b>	<b>1,677.15</b>	<b>100.00</b>	<b>1,668.86</b>	<b>100.00</b>

## Industrial situation

### Thai Economy Overview

The growth rate of Gross Domestic Product (GDP) in 2022 grew by 2.6% increase of 1.1% from 2021, as a result of the recovery of the tourism sector and the continuous improvement in domestic demand in both private consumption and investment. On the expenditure side, exports of services accelerated. Private consumption and private investment grew satisfactorily and public investment returns to expand. Meanwhile, merchandise exports and government consumption expenditure declined. On the production side, agriculture and construction sectors returned to expand. Accommodation and food service sectors, wholesale and retail sectors, repair of automobiles and motorcycles sectors and transportation and storage sectors expanded satisfactorily in line with the recovery of the tourism.

The graph showing the growth rate of Gross Domestic Product (GDP)



Source: Office of the National Economic and Social Development Council

Thai economic outlook for the year 2023 is expected to expand in the range of 2.7 -3.7%, supported by (1) The recovery of the tourism sector (2) The expansion of both private and public investment (3) The continued growth of consumption domestic consumption, and (4) Favorable expansion of the agricultural sector. Private consumption is expected to grow by 3.2%, while private investment and public investment are expected to grow by 2.1% and 2.7%. The value of goods exports in US dollar term is expected to by 1.6% ,headline inflation averaged in the range of 2.5 -3.5% and the current account surplus of 1.5% of GDP.



## Retail industry in Thailand

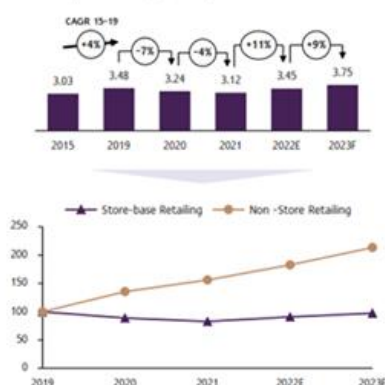
From the Company's business, SFLEX is manufacturing and selling flexible plastic packaging to its customers, who are manufacturers and distributors of consumer products. All the consumer products are usually distributed through various retail stores. Therefore, the growth of the retail industry can be another way to indicate its market trend as well as the Company's market trend. The retail industry is considered as one of the most important industries driving the country's economy and reflecting the whole country's spending. This is because the retail businesses act as an intermediary linking between producers and consumers. In 2022, the retail business is likely to gradually recover. Following a gradual recovery in spending confidence and purchasing power of consumers. There are positive factors from the return to normal daily life from the relaxation of disease control measures and the government's economic stimulus measures. Coupled with the rapidly increasing purchasing power of groups with purchasing power. Including the recovery of agricultural income. Reflected from the retail value of Thailand and the retail index that tends to grow in the past.

The direction of the recovery of retail operators in various categories has a tendency to improve from the past. Consumer products tend to recover and grow more prominently than other groups because they are essential products for consumption. In addition, operators continue to expand their branches to meet the needs of consumers to cover more areas. Including health and beauty products. the health products benefit from paying more attention to cleanliness and health care. As a result, many health products have continued to grow in sales. At the same time, the beauty category may recover gradually from spending more time at home. As a result, there is no need to use products in the beauty category. However, there are still factors to watch out for such as inflation, household debt and unemployment that will affect consumer confidence and purchasing power.

### Retail Market Value

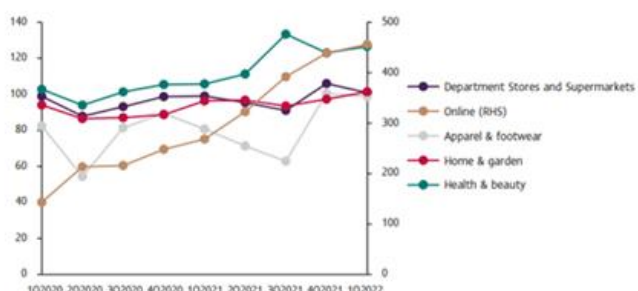
Trillion baht (top)

Index (2019=100) (down)



### Retail Sales Index

Index (2019=100)



- Selling products through online channels has continued to grow in the past and will continue to grow due to changing consumer behavior.
- Products that respond to the trend and demand of consumers such as health products and home-related products have seen good sales growth.

Source: EIC analysis based on data from Euromonitor, Department of Business Development, Bank of Thailand, company information and news agencies.

### The Annual production, sales, import value, and packaging export value

		2019	2020	2021	2022
Plastic packaging	Production volume (tonne)	1,317,482	1,394,113	1,716,331	1,650,207
	YoY (Percentage)	-7.22	5.82	23.11	-3.36
	Sales volume (tonne)	953,022	991,770	1,245,479	1,198,440
	YoY (Percentage)	-6.92	4.07	25.58	-3.20
	Import value (THB million)	23,292	25,532	29,140	31,156
	YoY (Percentage)	-7.03	9.62	14.13	6.92
	Export value (THB million)	39,811	40,042	43,391	50,533
	YoY (Percentage)	-2.85	0.58	8.36	16.46
Paper packaging	Production volume (tonne)	2,252,445	2,216,501	2,358,066	2,290,733
	YoY (Percentage)	2.35	-1.60	6.39	-3.48
	Sales volume (tonne)	2,234,522	2,201,002	2,440,758	2,395,522
	YoY (Percentage)	1.53	-1.50	10.89	-1.85
	Import value (THB million)	5,123	6,244	7,485	9,193
	YoY (Percentage)	3.22	21.88	19.89	22.83
	Export value (THB million)	8,140	7,521	9,480	10,587
	YoY (Percentage)	-5.06	-7.60	26.05	11.58

Source: The Office of Industrial Economics., Thai Customs, Ministry of Commerce

### Plastic Packaging Industry in Thailand

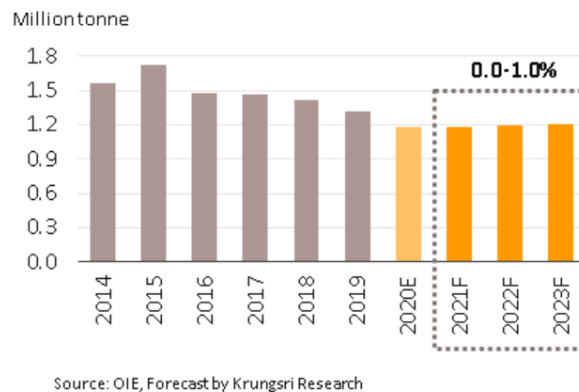
Production and sales volume of plastic packaging in 2022 totaled 1,650,207 tons and 1,198,440 tons, respectively, a decrease of 3.36 and 3.20% respectively compared to the previous year. This was due to the decline in the production of plastic film, plastic sacks and plastic bags in the second half of 2022. In addition, the production of plastic pellets at the end of the year decreased due to the reduction of production capacity for maintenance of plastic pellets producers. The export value of plastic packaging grew very well compared to the previous year at 16.46 percent, while the value of plastic packaging imports also increased compared to the previous year at 6.92%.

According to the survey results on plastic packaging industry carried out by Smithers Pira, it is expected that from 2020 to 2024, the global plastic packaging market will grow at an average of 2.8 percent per year, to be worth USD 1.1 trillion in 2024, up from USD 0.9 trillion in 2019. Research firm Markets and Markets expects

2022 the market value of flexible packaging for consumer goods to be USD 130 billion up from USD 97 billion in 2016.

Krungsri Research expected that the production of plastic packaging in Thailand would increase by 1.0% per year from a contraction of 1.0-2.0% in 2020. Many industries tend to spending more on plastic packaging, such as the food and beverage industry, pharmaceuticals and cosmetics retails, and e-commerce sectors. As the spreading of the COVID-19, people have been increasing their demands on plastic packaging to keep things more hygienically. This may consider as a positive trend on soft plastic packagings, such as plastic bags, plastic sacks, plastic sheets and plastic film. However, the development of bioplastics that are environmentally friendly may cause the need to use soft plastic packaging may slow down.

**Figure 17: Plastic Packaging Productions**



### Flexible Plastic Packaging Industry

According to a survey by Forst & Sullivan, the plastic packaging market in Thailand in 2024 is expected to be worth approximately USD 9.1 billion or approximately Baht 273 billion, up from Baht 189 billion in 2018, of which the proportion is of the soft plastic packaging is about 50-53% for the flexible plastic packaging industry. It's a fast growing industry. Due to the ease of use, low cost and the ability to preserve packaged products. Today's lifestyles are more concerned with health. Increasing demand for small soft plastic packaging in order to pack more food products while the value and cost of producing flexible plastic packaging create demand for home care products (Source: Euromonitor). However, the Covid-19 outbreak has increased the demand for flexible packagings in more forms, especially in food and beverages and medical applications.

## Competitions

From the database of the Department of Business Development Ministry of Commerce. In 2021 the plastic packaging market has a total of 1,608 operators, comprising 1,320 small sized, 196 medium sized and 92 large manufacturers. Small and medium-sized manufacturers have a combined market share of 35.73% and large manufacturers have a market share of 64.27%.

**A table showing proportion of manufacturers in plastic packaging market**

Manufacturer size	Number (entity)	Total revenues (THB million)	Net profit (THB million)	Market share (Percentage)
Small manufacturer	1,320	20,071.80	167.21	10.13
Medium manufacturer	196	50,752.42	1,673.53	25.60
Large manufacturer	92	127,405.05	6,951.60	64.27
<b>Total</b>	<b>1,608</b>	<b>198,229.27</b>	<b>8,792.34</b>	<b>100.00</b>

Source: Department of Business Development, Ministry of Commerce

Remark: 1) Criteria for calculating the size of a business as follows:

- 1.1) Small business group means a legal entity with income not exceeding Baht 100 million.
- 1.2) Medium-sized business group means a legal entity with income of more than Baht 100 million but not more than Baht 500 million.
- 1.3) Large business group means a legal entity with income more than Baht 500 million.

Plastic packaging industry is considered very high competitive business, due to its varieties of product categories, as well as, so many different sizes of manufacturers, offering abundant choices for customers. Flexible packaging has been categorized as one of the products in this plastic packaging industry. However, manufacturer in each group has different customer base. For instance, small manufacturers focus on price strategy rather than quality, while medium manufacturers concentrate on standardized quality. Hence, the competition is among the manufacturers who target in the same customer groups. According to the definition of the Office of Small and Medium Enterprise Promotion, the Company is classified as a large manufacturer which can produce quality flexible plastic packaging. Our products are certified for the international standard which are FSSC 22000 (Food Safety System Certification 22000), GHPs (Good Hygiene Practice) and HACCP (Hazard Analysis and Critical Control Point), URSA (SEDEX) which is a certification on the code of conduct regarding labor, the requirement for an international entity. Our machines are imported from abroad, such as Taiwan, Italy, China, and we use the Rotogravure printing process to enhance 10 colors creating impressive product colors. Since our customers are large manufacturers of consumer products, the selection of packaging is very important. Packaging is another crucial factor that create the difference and outstanding feature on their products. Furthermore, the Company concentrates on pre and post sales services to create advantages over rivals. The main rivals in the same market are as following:

**Revenue from sales and services of flexible packaging manufacturers**

(Unit: THB million)

Name of the Company	2018	2019	2020	2021
1. Amcor Group 1), 2)	5,524.47	6,094.09	6,189.95	5,891.02
2. Huhtamaki (Thailand) Company Limited	4,499.55	4,625.47	4,948.10	5,234.41
3. Fuji Ace Company Limited 3)	4,567.68	4,077.44	4,114.17	3,529.74
4. Dai Ichi Packaging Company Limited	2,030.13	2,203.59	2,296.89	2,316.15
5. Huhtamaki (Thailand) Company Limited	1,981.67	2,108.90	2,064.33	2,204.25
<b>6. Star Flex Public Company Limited</b>	<b>1,361.18</b>	<b>1,255.64</b>	<b>1,415.03</b>	<b>1,650.92</b>
7. Film Master Company Limited	1,422.81	1,512.59	1,391.25	1,429.53
8. Master Company Limited Print	1,432.59	1,233.61	1,220.50	1,335.78
13 other companies that conducting flexible packaging business	7,351.66	7,993.27	8,168.77	8,673.23
Total revenue from sales and services of flexible packaging manufacturers	24,647.28	31,104.60	31,808.99	32,265.02

Source : Information about manufacturers of flexible plastic packaging is collected when the sales and service revenue was the content in Business Online

Remarks : 1) The Amcor Group consists of Amcor Flexible Bangkok PCL, Amcor Flexible Chonburi Co., Ltd. Amcor Flexible Petchaburi Co., Ltd. and Amcor Flexible Rayong Co., Ltd.

2) Accounting period beginning as of 1 July and ending as of 30 June

3) Accounting period beginning as of 1 April and ending as of 31 March

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## Product Procurement

### Production

At present, the our plant is located at no. 189/48-49, Village No. 3, Bangpriang sub-district, Bang Bor district, Samut Prakarn on an area about 18 rai, 3 ngarn. Flexible plastic packaging are made to order and all machines are imported from abroad such as Taiwan, Italy, China. With the Rotogravure printing process which can create 10 colors, which involves engraving the image onto an image carrier. In gravure printing, the image is non-printing surface is flat and smooth. Because gravure is capable of transferring more ink to the paper than most other printing processes, it is noted for its remarkable density range. With computerized detection and camera that detect waste during printing process, the system helps reducing waste from production process and quality control perfectly and

### Raw material supply

The Company considers the following factors for procuring raw materials for production process.

#### 1. Quality of raw materials

The Company focuses on quality of products, and purchases only fine quality raw materials from potential manufacturers or distributor with potential to deliver the raw material as requested in scheduled time. The Company has in place the approved vendor list to screen quality manufacture and distributor. In addition, the Company have quality inspection procedures of raw materials, including the visit to a new vendor before approval. Every 6 months, the Company will review the assessment result based on quality and delivery record. The Quality Assurance Division will random test raw materials at every deliver from manufacturer and/or distributor to ensure the quality of raw material.

#### 2. Lead time for delivery of raw materials

Purchase of raw materials in the country will have 20-30 days for deliver, depending on types of raw materials. The purchase of raw materials from abroad will have approximately 45-90 days due to the varied transportation time from each original country.

#### 3. Price and trend of raw material prices

In particular film, the main raw materials for packaging production which the price is varied by oil price in the world market. Therefore, in each purchase of raw material, the Company will consider quantity of raw materials to purchase and the duration while monitors the situation and trend of raw material closely to effectively manage the cost of raw material.

#### 4. Independence from a certain manufacturer

The Company has in place the policy to procure raw materials which include film, ink, glue from at least 2 manufacturer or distributor to reduce risk from relying on a certain manufacturer and/or distributor. This also enhance negotiation power with them in terms of prices and delivery time.

**A table showing proportion of raw materials purchased from Thailand and abroad**

Raw materials purchased	2020	2021	2022
Thailand	64.69	82.91	83.59
Abroad	35.31	17.09	16.41
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

**Details of main raw materials of the Company is as follows.**

### **1. Film**

Film is a main raw materials used in printing and laminating process, which account 61.54 percent, 68.20 percent and 62.10 percent of total raw materials purchased in 2020 – 2022 respectively. The Company orders films from manufacturers/distributors in Thailand and abroad, depending on types of the film and specification and purpose of usage. STARFLEX has collaborated with many manufacturers in developing more than 40 formulas of films to meet the different demand of each customer. At present, the film used in flexible plastic packaging is divided in 3 groups by its properties as follows.

- 1.1 The printable film can absorb ink well, resulting in vivid color without staining from the mold. This type of film are such as OPA, PET and OPP.
- 1.2 The film with barrier contain featured property for protection product inside from the sunlight, moisture and air, help preserving and maintain product quality inside. This film type are such as MPET and aluminum foil.
- 1.3 Sealant film is the most used by the Company. With low melting point when exposed to the heat 100 -200 Celsius, the film is easily sealed and formed. Such property is applied as the innermost layer contact to the product inside. Therefore, the film must be food grade or the type that allowed to have direct contact to the food which are such as LLDPE, WLLDPE, CPP, MCPP and MOPP

### **2. Ink**

All inks are ordered from 6-8 manufacturers and distributors in Thailand. The specifications of ink from each manufacturer is different. For instance, viscosity, pigment resolution, adhesion. Hence, when purchasing inks, the Company will consider the proper viscosity level for the film and required properties for each work to create a product that meet customers' demand.

### **3. Adhesive**

Adhesive is a raw material used for bonding between film layers in lamination process. The Company orders adhesive from 7-10 local manufacturer and distributors. Each vendor can supply adhesive with similar properties and in the standard acceptable by the Company

#### 4. Solvent

Solvent is a chemical mixed with ink to create viscosity in required level. The solvent we use are such as Ethyl Acetate, Toluene, IPA. At present, the Company orders solvents from 6-7 main manufacturers and distributors.

Other than the raw materials mentioned above, the cylinder is the production equipment that significantly affect quality of printing. From the file received from customers, the image development department will divide color group into layers by using computer program. Each layer, when put together will create the image as set by customer. The printing model from such process is then used as a mold. The Company hires external company to manufacture mold. At present, there are 7 mold manufacturers that the Company has ordered based on delivery time and price.

#### Impacts to environment

Flexible plastic packaging process contains chemical contamination waste which are ink, adhesion and solvent. These are generated when using solvent in rinsing the ink and adhesion from equipment. The waste is treated in refinery process and resulted in liquid and solid solution. For liquid solution, the Company reuses for cleaning equipment and tools. For solid solution, the Company hires Better World Green PCL for disposal service proceeded under the law.

In addition, the Company has prepared occupational health annually by hiring C.E.M. Technology (Thailand) Co., Ltd., for monitoring environment quality which includes air quality monitoring, impurities in the air released from the chimney, light concentration monitoring, noise level monitoring and inspecting the heat level in establishment. According to the result, all fields are under standard as stipulated by law.



## Assets Used in Business Operations

As at December 31, 2022, the Company has major fixed assets that it uses for its business and its subsidiaries' business operations as follows.

Assets	Type of Ownership	Encumbrance	Net book value (THB million)
Land - Company's factory Title Deed No. 35455 35456 35457 35460 35461, Bang Bo District, Samut Prakan Province. Total area 18 rai 3 ngan 86 square wah	Owned	Loan collateral	98.62
Land (beside the factory) Title deed no. 35458 35459 35462 35463 Bang Bo District, Samut Prakan Province. Total area 13 rai 28 square wah	Owned	Loan collateral	54.20
Building	Owned	Loan collateral	64.12
	Lease	Right of Use	2.94
Building improvement	Owned	Loan collateral	32.04
	Owned	-	14.90
Machinery and equipment	Owned	Loan collateral	49.34
	Owned	-	162.56
	Hire purchase	Financial lease	33.36
	Lease	Right of Use	13.97
Furnishings and office equipment	Owned	-	5.47
Computer	Owned	-	3.39
	Hire purchase	Financial lease	0.59
Vehicle	Owned	-	3.36
	Hire purchase	Financial lease	4.01
	Lease	Right of Use	0.58
Construction in progress	Owned	-	251.44
Total			794.89

## Securities and Shareholder Information

### Shareholders

First 10 major shareholders as at 26 December 2022 are as following:

Major Shareholders	Number of shares	Shareholding (%)
1.Mr. Printhorn Apithanasriwong	196,673,200	23.99
2.Mr. Ek Picharnchitra	78,974,500	9.63
3.BTS Group Holdings Public Company Limited	55,000,000	6.71
4.Ms. Kotchakorn wanichanuwat	42,915,300	5.23
5.Mr. Thiraphong chansiri	20,000,000	2.44
6.Thai NVDR Company Limited	15,197,316	1.85
7.Ms. Chanyaporn Valyasevi 1)	13,716,200	1.67
8.Mrs. Chantip Vanich	12,950,000	1.58
9.Mr. Sura Kanittaweekul	11,874,800	1.45
10.Ms. Boonsri Praprakamol	9,723,000	1.19

Remarks: 1) Ms.Chanyaporn Valyasevi is the older sister of Mr. Sompote Valyasevi.

2) Other minority shareholders have a total of 362,975,684 shares, equivalent to 55.73 percent.

### Subsidiary Shareholders

PS Plus Consulting Company Limited

List of shareholders as at 31 December 2022 are as following:

Major Shareholders	Number of shares	Shareholding (%)
Starflex Public Company Limited	200,000	100%

**Shareholders' agreements in matters affecting the issuance and offering of securities or the Company's management.**

-None-

**Persons presenting a potential conflict of interest if they hold shares in subsidiaries or associated companies adding up to more than 10% of the votes in that company.**

-None-

## Amount of registered and paid-up capital

As of 31 December 2022, the Company has a registered capital of Baht 502.25 million and has issued and paid-up capital of Baht 410 million, divided into (1) 820 million ordinary shares with a par value of 0.5 Baht per share and (2) ordinary shares 184.5 million shares that have not yet been issued.

184.5 million unissued ordinary shares can be divided into:

1. 82 million unissued shares with a par value of 0.5 Baht per share to support the exercise of 82 million units of SFLEX-W1 warrants.
2. 102.5 million unissued shares with a par value of 0.5 Baht per share to support the exercise of 102.5 million units of SFLEX-W2 warrants.

## Convertible securities

1. Warrants to purchase ordinary shares of StarflexPublic Compant limited No. 1 (SFLEX-W1)

Issuance Date	14 January 2022
Expiration Date	13 July 2023
Exercise Ratio	1 unit of Warrants shall be entitled to purchase 1 new ordinary shares
Exercise Price	Baht 4.50 per share
Exercise Date	On 13 July 2022 and 2023 through the term of Warrants
Notification Period for the Intention	During 8:30 hrs. until 15:30 hrs. within the period of to Exercise the Warrants 5 Business Days prior to each Exercise Date except the last exercise shall be during 8:30 hrs. until 15:30 hrs. within the period of 15 Business Days prior the last Exercise Date.
Number of warrants issued	81,999,956 units
Number of the newly issued ordinary shares reserved to accommodate the exercise of Warrants	81,999,956 shares

## 2. Warrants to purchase ordinary shares of StarflexPublic Compant limited No. 2 (SFLEX-W2)

Issuance Date	21 January 2022
Expiration Date	20 January 2026
Exercise Ratio	1 unit of Warrants shall be entitled to purchase 1 new ordinary shares
Exercise Price	Baht 10 per share
Exercise Date	On 20 January 2026
Notification Period for the Intention to Exercise the Warrants	During 8:30 hrs. until 15:30 hrs. within the period of 15 Business Days prior to Exercise.
Number of warrants issued	102,499,398 units
Number of the newly issued ordinary shares reserved to accommodate the exercise of Warrants	102,499,398 shares

### Subsidiary Investment Policies

Starflex Public Company Limited ("the Company") will consider investing in businesses that share its major business objectives, or businesses that invest in a profitable or business that can help the Company's main business operations become more comprehensive. To boost the firm's competitiveness. The Board of Directors may decide to invest in firms that are not related to the Company's primary business or in other operations. The investment will be made if the Board of Directors believes that such a firm has potential and that such an investment will benefit the Company and its shareholders as a whole.

### Company's Dividend Policy

The Company has a policy to pay dividend at a rate of not less than 40% of net profit after deducting corporate income tax and legal reserve based on the Company's separates financial statement. Such dividend payment is subjected to change due to performance, financial status, its liquidity and necessities in using working capital, investment plan, and economic situations.

However in, 2022 the company had once paid dividend at 0.045 Baht per share, approved by the 2022 annual general meeting of shareholders.

### Dividend Policy of Subsidiaries

The dividend policy for subsidiaries must be considered and approved by the Board of Directors every year. The exception is for interim dividend payments, which the Board of Directors of the subsidiary can approve from time to time if the Board believes that the subsidiary has sufficient profits to do so under the legal framework of the country in which the subsidiary or associated company is located. In addition, the Board of Directors of the subsidiary must report the decision in the next shareholders' meeting of the subsidiary. To consider the dividend payment, the Board of Directors of the subsidiary needs to consider various factors, mainly

for the shareholders' benefit. These factors include operating results, financial structure and financial position, liquidity, additional investment needs, investment plans, business expansion, provision for repayment of borrowings or working capital within subsidiaries, the conditions and limitations stipulated in any loan agreement, and other factors involved in the management of the subsidiary, determined by the Board of Directors and/or the shareholders of the subsidiary company, as appropriate.

### Investments in Subsidiaries and Associates

As at 31 December 2022, the Company has investments in subsidiaries and associates directly as following:

Name	Principal Business	Head office	Telephone	Fax Number	Type of Shares	Issued and Paid-up Shares (Baht million)	Number of Paid-up Shares (Shares)	Name of Shares Held by the Company (Shares)	Total Direct /Indirect Holding (Percent)
<b>Subsidiaries</b>									
PS Plus Consulting Company limited	Production and distribution of raw materials and soft packaging	189/48-49 Moo 3, Bangprieng, Bang Bo, Samut Prakarn	02-7082555	02-7082355	Ordinary share	11	200,000	200,000	100
<b>Associates</b>									
S digital asset Company limited	Invest in digital assets	1 Udomsuk 45, Bang Chak Subdistrict	-	-	Ordinary share	0.125	5,000	5,000	50
		Phra Khanong District, Bangkok							
Star union packaging Company limited	Production and distribution of raw materials and soft packaging	255 Samae Dam Road, Samae Dam	-	-	Ordinary share	31.625	1,250,000	1,250,000	50
		Bang Khun Thian District, Bangkok							

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## Risk Management

The spread of COVID-19 as well as the changing trends of the world which has changed rapidly, they have affected the business operations of the company both in terms of volatility and uncertainty. Risk management is therefore an important mechanism for driving the organization and expanding the businesses with steady, stable, creating appropriate returns for shareholders. Starflex Public Company Limited, therefore, has provided a risk management structure and announced the risk management policy to ensure that the company has an efficient and effective risk management system throughout the organization and applies the risk management system in line with international standards. Risk Management Committee (RMC) had been set up in order to govern a risk management plan that covers all activities, including promoting knowledge, continuously creating awareness of risk management among officers, having a risk tracker, and setting various measures to manage the risk to be at the appetible level.

### 1. Risk Management Policy

Starflex Public Company Limited has given precedence to and supported the establishment of a concrete risk management system. The board of directors assigned the RMC to supervise the risk management of the organization. They are responsible for considering and reviewing policies, guidelines, and risk management frameworks to supervise and support the implementation of enterprise risk management in line with business strategies and goals so that the risk management system is effective in a concrete manner. Risk management plan has been considered on the suitability for both external and internal environments that cause risks and affect the company and continuously has been applied to assess, monitor and supervise risks. To achieve the above objectives, the company has established the following enterprise risk management policies:

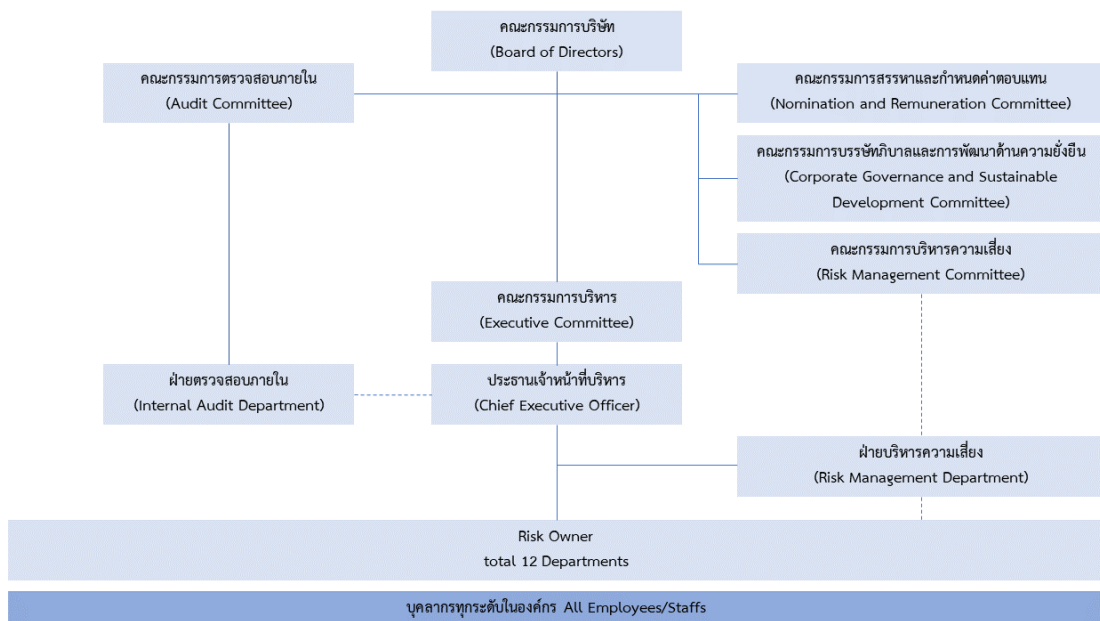
- (1) Executives and all officers are aware and responsible to manage operational risks in their departments and organization by participating in the development of risk management processes to prevent and mitigate potential impacts to be at the adequate and appropriate level.
- (2) The RMC defines risk management processes by considering the appetite risk level of each important risk of the organization, supports and promotes efficient risk management, including applying the risk management system as part of the decision-making in strategic planning, work plans, investments, and business operation of the organization.
- (3) The RMC determines guidelines for preventing and mitigating risks that affect business operations, monitors, and summarizes the results of risk management, and evaluates the results of risk management, including reviews and improvements to achieve the goals.
- (4) Encourage executives and all officers to access information sources for improving the enterprise risk management process to meet international standards, and to develop a system for reporting the results of risk management to the executives, the RMC, and the board of directors efficiently and effectively.

## 2. Risk Management Framework

The Company has the Enterprise Risk Management Framework under the COSO Enterprise Risk Management; Integrating with Strategy and Performance; 2017 edition to reduce the likelihood and impact of risks which consists of:

### (1) Supervision of corporate culture

The company has set up a risk management structure chart as shown in the diagram. The RMC is responsible for defining and reviewing the policy framework and risk management guidelines of the Company appropriately according to international standards, in line with the direction and strategic plans of the organization as the changing circumstances, and supervising and monitoring the results of risk management in line with business operations constant change to ensure that risk management is carried out effectively covering all processes of the organization and ability to manage significant risks to be at an acceptable level.





## (2) Strategies and Objectives

The company has established an organizational strategy that considers internal risk factors, business environment, and related risk factors according to the scope and type of risk associated with the organization, which have been determined from criteria and level of appetible risk in all 8 types of risk; 1) Financial; 2) Reputation; 3) Enviroment; 4) Economic; 5) Social; 6) Operational; 7) Ethic & Compliances and 8) Strategy



## (3) Risk Management

The company's operations have followed the Enterprise Risk Management Manual. The process can be divided into 4 steps as follows:

**1) Risk Identification** The department, which is the risk owner, assesses the level of risk by identifying sources or causes that are likely to lead to risk events from various sources considering Risk Factors, Internal Factors, and External Factors.

**2) Risk Assessment** Considering the severity of the risk by applying the risk assessment criteria to assess both the impact and the likelihood of each risk, which considers both the current risk level and the risk level expected.

**3) Risk Response and Control Activities** Providing a risk treatment plan that is significant level to keep those risks at an appetible level and the risk assessment is reviewed periodically by coordinating with department management or risk managers to improve the risk database and record to be up-to-date and accurate.

**4) Implementation and follow-up** This has to be done on a regular basis due to the fact that risks. and risk plans or management measures include objectives that can be changed at any time. Therefore, the risk management process must be reviewed, monitored, and assessed on a regular basis to ensure that risk management and risk plans or management measures still responding effectively to change.

## (4) Risk Information, Communications, and Reports

The company has reported risk reporting and results of risk management on a regular basis following the risk management structure, i.e., the board of directors' meeting, executives meeting, risk working team meeting, and department meeting, and has provided training continuously to raise awareness of risk management through "SFLEX ERM Sharing" activities.

### **(5) Measurement of risk management effectiveness**

The Risk Management Committee has supervised the reporting of major risk management progress and the results of reviewing the effectiveness of the risk management system and has monitored the risk management plan from the risk owner or the person assigned to report the results periodically to monitor progress and review the suitability of the plan. If the risk factors change or are likely that the plan will not be successful, including the event of a new risk event appearing, the risk owner must review the risk assessment and work plans to be appropriate.

### **3. Risk factors for business operations and risk management**

The company has identified emerging risks including the risks that the company manages present in accordance with ESG guidelines, and has identified potential impacts and guidelines for risk management so that the risk is at an appetible level. That will affect operation and company reputation as the following details.

#### **3.1 Emerging Risks**

##### **(1) Risk from the spread of COVID-19**

Due to the ongoing situation of the COVID-19 epidemic, the company has prepared in various ways and has increased strictness for the implementation of the company's measures, i.e., liquidity management, measures to prevent the spread of employees and third parties, guidelines for disease control with the bubble and sealed principle of the Department of Disease Control, Ministry of Public Health, includes simulation exercises according to the business continuity plan which simulates both normal events to the most severe events. We have communicated and prepared a raw material management plan, and sourcing plan for suppliers who support manufacturing in case of emergency, including improving the business continuity management plan of the organization to be in line with the current situation in order to be able to cope with crises both in the short term and in the long term.

##### **(2) Risk from government measures on environmentally friendly plastic packaging**

The company has given precedence to environmental problems and has prepared to support the changing behavior of both producers and consumers of environmentally friendly products. The company's product research and development department has realized the importance of such matters and therefore has focused on developing new products which are environmentally friendly, both types that can be naturally degraded and that is the same type of raw material which can be recycled and has prepared for such changes by supporting product research and development for Faculty of Agro-Industry, Kasetsart University, to develop biodegradable packaging. This demonstrates the readiness to develop flexible plastic packaging to meet the needs of customers and continually comply with the government's environmental policy.

### 3.2 ESG risks

#### (1) Risk of reliance on major customers

The company has plans to maintain current customers and expand the market to cover a wider base of new customers for consumer goods packaging by penetrating the market for new products, i.e., medical equipment, etc., including expanding the market to more consumer goods packaging groups to support customers who are entrepreneurs in the group of consumer goods mainly, and has taken care and followed up to provide services to customers closely and continuously for meeting the needs of a variety of customers, i.e., Shrink Film Retort Pouch Spout Pouch, etc., with a research project in collaboration with educational institutions to develop a model and modern products to meet the needs of customers and the consumer market which help the company to expand our customer base to new customer groups as well.

#### (2) Risk from the price volatility of main raw materials

In 2022, raw material prices in the global market are highly volatile due to the uncertain situation of stopping the spread of COVID-19, which causes volatility to adjust in line with the situation from fluctuations in prices of raw material, petrochemical, and plastic pellets resulting in the film's price being quite volatile as well. Therefore, the company has the policy to purchase raw materials directly from manufacturers. It will make a good relationship with the manufacturer, the power to negotiate prices, and be able to follow up the situation of price trends very well. Currently, the company can reserve sufficient raw materials for manufacturing which is an effective cost management for purchasing raw materials. However, the company has closely monitored the situation in order to assess the risk from fluctuations in the price of main raw materials continuously.

#### (3) Risk of having a high level of inventory

The company has a policy to control and manage inventory both in terms of raw materials and finished products to be in line with the annual sales plan by preparing inventory aging analysis reports and finished products movement reports at the end of each month to report to the relevant executives to analyze and plan for the proper distribution of products for preventing the deterioration and obsolescence of the products. Additionally, a Dashboard system has been prepared as a tool for executives to view real-time inventory data, which helps executives analyze data, make decisions, and plan the operation quickly for the purchase of raw materials. The planning department and the warehouse department will consider the raw materials available in the warehouse together with the demand for use according to customer orders. If the number of raw materials remaining is less than the minimum set by the company, therefore ordering to maintain the sufficient number of raw materials for manufacturing. As a result of such company's operation, the company can control the number of inventories more appropriately.

#### (4) Risk of reliance on key management positions

The company has appointed the Nomination and Remuneration Committee to consider compensation and screening of persons to be appointed as managers, executives, and senior executives to be consistent with the company's business strategies and ensure that the person who will become a manager, executive, and senior

management has knowledge, capability, and experience that is suitable for the business. Moreover, the company has provided officer management processes for important positions of the company in accordance with the policy on the promotion and development of officers to have quality, skills, and expertise so that officers have the knowledge and a variety of skills suitable for the succession of important positions. Moreover, the company has a system for evaluating performance and remuneration, including considering appropriate welfare benefits to motivate employees who continue to work with the company in the long term.

(5) Risk of reliance on skilled labor

Manufacturing for flexible packaging requires highly skilled and expert workers for manufacturing, especially for the analysis and color grading of primary colors, and color combinations to match customer needs, including machine control in the printing process which is a manufacturing process that will affect the beauty of the printed image on the film. Therefore, in the case where the company lacks skilled workers in such manufacturing, it must find replacement workers, and it is difficult to find skilled workers in time for work. The company, therefore, has provided skills and expertise development through training from both internal and external experts, including providing on-the-job training continuously and a Supervision/IDP/Succession Plan, which is a development plan for each employee to have knowledge, skills, and behavior according to the specified competency to enhance the competence of officers and organizations, which is an officers development plan in order to continuously train and practice employees, encourage officers to have a high level of skills and capabilities and go forwards and be able to grow continuously in the organization. Also, the company has a good welfare system and a clear goal to motivate employees to continue working with the company in the long term. Moreover, the company has provided an operating manual and a policy to use machinery to help maintain the standard of products even more, namely Ink Dispensing, which makes the process of mixing colors clear, fast, and precise for matching the color that customers want and be able to reduce the dependence on the skills and expertise of the officers.

(6) Risk from foreign exchange rate

The company has a policy to determine product prices by considering the risk of exchange rate fluctuations. This will allow the company to set the selling price appropriately and consistently with the cost of the product to a certain extent. Additionally, the company has closely monitored news and movements of foreign exchange rates and considered hedging to purchase foreign currencies (Forward Contract) to be in line with the situation and volatility of the world market.

(7) Risk from competition in the flexible packaging industry

The company has given precedence to the development of product quality and new products to meet the needs of customers continually and keep up with changes that occur by working together with various departments, i.e., sales and marketing departments, innovation, product research and development, manufacturing department, procurement department, and quality assurance department, includes business partners who are main raw material manufacturer. The sales and marketing department will answer customer

needs and closely monitor market trends in order for relevant agencies to be prepared to study and develop products to meet the needs of customers or the changing market. Additionally, the company has also focused on providing fast service with close to customers by constantly monitoring customer satisfaction and holding regular meetings to jointly plan with key customers in order to resolve any problems that may arise and prepare manufacturing plans, and adjust business strategies to be in line with competitive market conditions that may change in a timely manner as the company's quality policy stated that:

**“The company is committed to continuously developing the quality of products and services with safety and lawful to satisfy customers and respond appropriately to stakeholders.”**

(8) Risk of fraud and corruption

The company is aware of the risk of fraud and corruption which is a serious problem and an obstacle to the development of the company it may cause negative effects in terms of money including others, e.g., reputation, credibility, and image of the company, with a commitment to conducting business with transparency and focusing on the prevention of all forms of corruption. The company has emphasized conducting business legally to make benefit society and encourage officers to work with morality and ethics, and instill values of honesty. We have revised the code of conduct (SFLEX's Code of Conduct), Anti-Corruption Policy, and other related policies and have communicated with officers to be acknowledged. Moreover, the company has also announced our intention to join the Collective Action Coalition Against Corruption (CAC). In this regard, the company has established communication channels for stakeholders to be able to report clues, suggestions, and complaints about corruption (Whistleblower) directly to the Audit Committee or the internal audit department via E-mail: [auditcom@starflex.co.th](mailto:auditcom@starflex.co.th). In 2022, the company **“does not find any complaints about the internal corruption”**.

# การขับเคลื่อนธุรกิจเพื่อความยั่งยืน Sustainable Development





## Sustainable Development

Starflex Public Company Limited believes that not only delivery of value through quality products and services and meeting the needs of customers, we also gives precedence to the creation of corporate culture, promotion for the creation of innovations that create mutual benefits among all stakeholder groups, improvement of service quality, development of the human resource, considering the environment, and social responsibility in order to balance between business profits and social returns.

Moreover, Starflex Public Company Limited is committed to sustainably operating the business beyond compliance with rules and regulations by following the international sustainability principles, e.g., UN Global Compact, UN Guiding Principles on Business and Human Rights (UNGPR), and N Sustainable Development Goals (UN SDGs).

### About this Sustainable Development report

Sustainability Report	Objective	Scope of Operation
The first Sustainability Report 2022 that was published to the public on March 31, 2023	The objective of this report is communicate the commitment to conducting business to sustainability, both economic, social and environmental	This report has presented the performance of all activities of the company. From 1 January until December 31, 2022
Report framework	The Operation Progress Report	
The company created this sustainability report. According to the sustainability report manual for listed companies, Stock Exchange of Thailand and the standard of the Global Reporting Initiatives (GRI) by revealing data in accordance with the core options	The company has presented continuously the progress of the United Nations Global Compact. And upgraded transparency as a progress report 21 items in accordance with the principles of the United Nations world agreement	
Goal of Sustainable Development Goal: SDGs	Contact Us	
The company is committed to operating in accordance with the Sustainable Development Goal (SDGS) goals in all 17 goals continuously (Please see more at attachment 7)	For more information, please contact Risk Management Department STARFLEX PUBLIC COMPANY LIMITED Address : 189/48-49 Moo 3, Bangprieng, Bang Bo, Samut Prakarn 10560 Telephone : (+66) 2 708-2555, (+66) 2 708-2888 Email : <a href="mailto:contactus@starflex.co.th">contactus@starflex.co.th</a> <a href="https://www.starflex.co.th">https://www.starflex.co.th</a>	

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## **Sustainability Management**

### **(1) Sustainability Policy and Guideline**

Starflex Public Company Limited (“the Company”) is well aware of responsible business operation and taking into account all groups of stakeholders, namely customers, officers, partners, society, and communities, including focusing on business development towards sustainability by integrating and applying Sufficiency Economy Philosophy and Sustainable Development Goals (SDGs) as a good practice in business operations. Also, they are able to reduce environmental, social, and business risks with good governance (Environmental / Social / Governance & Economic or ESG) in all related business processes by integrating into the company's operational strategy that focuses on balancing the development and growth of the company, good corporate governance, risk management, improving operational efficiency and mutual creating value with the company's stakeholders. In this regard, the company has set a management framework as a guideline following international standards with the following operational policies:

#### **Economic Aspects**

1. Apply good corporate governance and operate ethically the business, respect rights, and be responsible to stakeholders and shareholders in order to make and maintain good profits, and build stability and financial sustainability for the company.
2. Commit to the good development of products and services to meet and make a satisfying for customers, focus on managing the relationship with customers.
3. Develop the strategy for quality growth by focusing on increasing the efficiency of supply chain management and good internal management, applicable under various changing conditions.

#### **Environmental Aspects**

1. Manage sustainably the natural resources and environment, give precedence to the use of the natural resources, and take care of the environment throughout the process of business operations by applying the appropriate technologies to prevent impacts on the environment that may arise from business operation.
2. Promote the cultivation of consciousness about environmental conservation to officers, allow the officers to participate in managing and taking care of the environment that creates an atmosphere of participation and be a method for officers to show their energies and awareness of environmental conservation.

#### **Social Aspects**

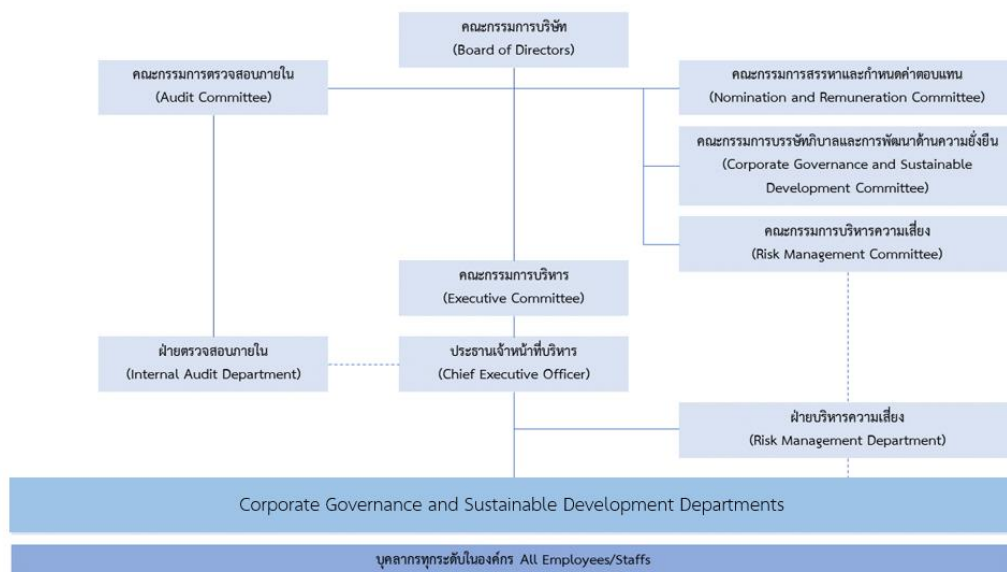
1. Operate the business with social responsibility through the activities organized effectively with the maximum effectiveness and that leads to living together in society happily along with value creation to the business together with all stakeholders for the better quality of life.
2. Give precedence to take care of officers, develop the potential of officers, and promote the potential of human capital to support company's strategy in other fields.



## (2) Sustainability Governance Structure

For carrying out continuously the corporate governance and sustainable development of the company and achieving the set goal, board of directors, therefore, has the resolution to appoint the Corporate Governance and Sustainable Development Committee in the Board of Directors Meeting No. 2/2022 on August 10, 2022 as the following structure, duties and responsibilities:

### Sustainable Development Structure











### Duties and Responsibilities

- 1) Set goals, policies and operational plans for Sustainable Development (SD) of the company covering environmental aspect, social aspect and business operation with good governance (Environmental / Social / Governance & Economic or ESG), and build a long-termed value to stakeholders, including communication to presentation with board of directors.
- 2) Give advice and support the company's operations to be in line with the sustainable development policy to achieve the goals set, and encourage the board of directors, executives and officers to efficiently comply with the company's sustainable development guidelines.
- 3) Assess and review goals, policies and plans for sustainable development to suit business condition and comply with laws or international best practice and recommendations of various institutions, and consider relevant proposals of shareholders and their responses.
- 4) Supervise, follow up and evaluate the results of sustainable development operations to be balanced and efficient for maximum benefit to the company and its stakeholders, and report intermittently the progress of the action to the board of directors for acknowledgment.










- 5) Set policies on good corporate governance and business ethics and presented to the board of directors for approval along with giving advice and encouraging to action at all levels, and review such policies to be appropriate, compliance with international laws and best practices annually, and provide the evaluation and reporting of compliance with the policy on good corporate governance and business regularly.
- 6) Supervise the disclosure of information about the sustainable development of the company to stakeholders together with performance result of Corporate Governance and Sustainable Development Committee indicating in the annual report and the company's annual sustainability report.




### (3) Sustainability goals 2022 - 2032

#### Environmental Dimensions







Important Issue	2022 Goals	2027 Goals	2032 Goals	
<b>1. Climate Change Management</b>				
1.1 Policies and guidelines on climate change have been announced	Announce policies and communicate them to stakeholders			 
1.2 Percentage of energy consumption reduction per production unit compared to the base year 2021				 
1.3 Percentage of greenhouse gas emission reduction per production unit compared to the base year 2021				
<b>2. Environmental Management</b>				
2.1 Announcement of policies and practices related environmental issues	Announce policies and communicate them to stakeholders			 
2.2 Number of complaints from outside communities or events that violate environmental laws	0	0	0	
2.3 Percentage of waste reduction from the total production process compared to the base year 2021				









## Social Dimensions

Important Issue	2022 Goals	2027 Goals	2032 Goals	
1. Human Capital and Development				
1.1 Percentage of Individual Development Plan : IDP				  
1.2 Percentage of leaders and employees who have completed training and development in sustainability knowledge				
2. Human Rights and Labor Practices				
2.1 Human rights policies and guidelines have been announced	Announce policies and communicate them to stakeholders			   
2.2 Comprehensive risk assessment from Human Rights Due Diligence (HRDD) and have preventive measures in place	Assessment and review of risks from violations of human rights annually			
2.3 Lost Time Injury Frequency Rate : LTIFR (cases per 200,000 hours worked)	0	0	0	
3. Product Responsibility				
3.1 Percentage of customer satisfaction assessment				
3.2 Number of incidents or complaints about consumer rights violations				

Important Issue	2022 Goals	2027 Goals	2032 Goals	
<b>4. Stakeholders Engagement and Corporate Social Responsibility</b>				
4.1 Announcement of policies and guidelines for participation with stakeholders	Announce policies and communicate them to stakeholders			 
4.2 Number of disputes or complaints with communities and society surrounding the company	0	0	0	
4.3 Percentage of assessment of the satisfaction of all stakeholders in all groups				

## Governance and Economic Dimensions

Important Issue	2022 Goals	2027 Goals	2032 Goals	
1. Corporate Governance & Risk Management				
1.1 Disclosure of corporate governance and sustainability development through the company's sustainability report	Disclosure of corporate governance performance and sustainability development annually			 
1.2 Percentage of employees who have trained and tested ethics and business ethics	100	100	100	
1.3 Number of cases of violation of business ethics or corruption	0	0	0	
1.4 Assessing risks and opportunities from sustainability issues (ESG risks), including emerging risks	Assessment and Review of Sustainability Risk Issues and new risk issues annually			
2. Innovation Development and eco-friendly Packaging				
2.1 Announcing policies and guidelines for innovation development	Announce policies and communicate them to stakeholders			  
2.2 Percentage of new product sales compared to total product sales				
2.3 Percentage of sales of eco-friendly products compared to total sales				

Important Issue	2022 Goals	2027 Goals	2032 Goals	
<b>3. Cyber Security and Data Protection)</b>				
3.1 Announcement of cyber security policies and practices	Announce policies and communicate them to stakeholders			 
3.2 Percentage of employees who received cyber security training	100	100	100	
3.3 The number of incidents or cases where the company has been attacked by cyber attacks	0	0	0	
3.4 Number of incidents or cases of personal data leakage	0	0	0	
<b>4. Supply chain Management</b>				
4.1 Announcement of Business Partner's Code of Conduct	Declaration of Supplier Code of Conduct and communicated to stakeholders			 
4.2 Percentage of key suppliers who have signed the Code of Conduct and have been assessed for sustainability	-	100	100	
4.3 Percentage of new suppliers who pass the sustainability assessment	-	100	100	 

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#### (4) Materiality Assessment Process

Starflex Public Company Limited has determined the content and quality of this report on the basis of the organization's operations and important issues that affect the economy, society and environment under the perspective of stakeholders to be one of the channels for communicating with stakeholders to acknowledge the commitment and performance result according to the strategic sustainability framework. The company has adopted the international sustainability report providing guideline, i.e., GRI Sustainability Reporting Standards, Core Option, as a framework for preparing report by considering both internal and external factors related to operation to assess important sustainability issues. Various processes and procedures to assess sustainability issues under the 10 key principles of the GRI Standards which consist of:

1. Participation in the report process for stakeholders (Stakeholder Inclusiveness)
2. Consideration of sustainability context (Sustainability Context)
3. Evaluation of important sustainability issues (Materiality)
4. Completeness of information (Completeness)
5. Review of reporting quality; auditing the accuracy of the disclosed information (Accuracy)
6. Balance of performance result for both positive and negative (Balance)
7. Clarity and easy understanding of information to all groups of stakeholders (Clarity)
8. Availability of comparable information to show trends of previous operations (Comparability)
9. Reliability of information and content (Reliability)
10. Scope of reporting time as the information for stakeholders' decision-making (Timeliness)

The important processes and procedures to assess sustainability issues consist of:

##### **1. Identification of key points**

Study, analyze, collect and identify important issues related to business sustainability of Starflex Public Company Limited by taking into account the diversity of related industries. The procedures to identify important issues comprising the important issues from:

- Holding the Corporate Governance and Sustainability Development Committee's meeting and board of directors' meetings including gathering information of business partners to mutually consider.
- Comparison of sustainability issues of companies in related industries which comprises the Stock Exchange of Thailand, Sustainable Development Goals (SDGs), UN Global Compact, Business Council for Environment World Business Council for Sustainable Development (WBCSD), Dow Jones Sustainability Index.
- Identification of stakeholder groups based on business partner survey, information of the company's stakeholders and the stakeholder group information from the standard system of social responsibility (CSR) which divided into 8 groups.
- Gathering important issues of the company in the same industry where the sustainability report is provided and the addition forum to listen to opinions with stakeholders other than survey is arranged.



## **2. Prioritization**

- Holding the Corporate Governance and Sustainability Development Committee's meeting to consider information on important issues on sustainability by classifying based on stakeholder groups which is the information of survey result, and significant issues of the company.

- Providing online survey for opinions of officer's representatives, executives and stakeholder's representatives.

- Prioritizing the significant issues of the meeting and opinion polls by stakeholders as the following processes:

1. Fix weighted mean of the company
2. Fix weighted mean for each of stakeholder group
3. Calculate score for the important of stakeholders
4. Calculate score for the important of business operation
5. Provide Materiality Matrix

## **3. Auditing the accuracy and reliability**

Auditing the sustainability report preparation process according to the principles of reporting on the key issues of the GRI standard completely for all 4 processes. The processes for auditing the accuracy and reliability comprise:

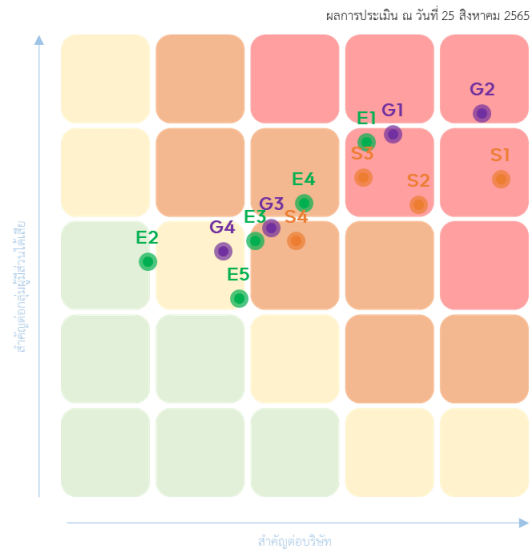
1. Interview the external stakeholders about the company's sustainability issues includes other comments to develop a sustainability report.

2. Consider and approve significant issues and priorities by the executives, the Corporate Governance and Sustainability Development Committee includes the Board of Directors.

## **4. Continuous development**

Due to the fact that the company is ready to hear everyone's opinions for the sustainability reporting development in the future to meet the expectations of stakeholders, the various contact channels is available.

## Sustainability Materiality Assessment Results



E	Climate Change Management
	E1 Energy Management and Efficiency
	E2 Green House Gas Emission
S	Climate Change Management
	E3 Pollution Prevention
	E4 Waste Management
G	E5 Water Stewardship
	S1 Human Capital and Development
	S2 Human Rights and Labor Practices
G	S3 Product Responsibility
	S4 Stakeholders Engagement and Corporate Social Responsibility
	G1 Corporate Governance & Risk Management
G	G2 Innovation and Sustainable Packaging
	G3 Cyber Security and Data Protection
	G4 Supply chain Management

The significant issues about the sustainability were agreed by the Corporate Governance and Sustainability Development Committee, at the meeting no. 2/2022 on November 3, 2022, and approved by the board of directors, at the meeting no. 4/2022 on November 9, 2022.

## Management of impact on stakeholders in the business value chain

### 1. Value Chain

The company has realized the importance of all processes to increase value to the production factors by use of raw materials, production, distribution, delivery, including after-sales service to make the customers to make the highest satisfaction for customers. Main activities, therefore, is divided into 5; each of which has a relationship with each group of stakeholders as follows:

#### Primary Activities



(1) **Raw material process and supply chain management** is a process that the company has given precedence to. There are the procedures for procurement of raw materials that focuses on products or services with eco-friendly, the creation of relationship and strengthening together with business partners, includes a warehouse system that stores in FIFO format with a warehouse that controls the quality of raw materials to maintain the best condition ready for production. There are management system to store data into the system to calculate the age of raw materials and system for assessing the turnover of the warehouse (Inventory Turnover) by managing the warehouse to the most rotation of raw materials in order to achieve the efficient cost which effect to the competitive price in the market.

(2) **Innovation development process and research for development** these are focusing on use of natural resources in the value chain and increase the efficiency for managing the expired raw materials or products to be a renewable resource in the system with appropriate processes under the 3Rs principle, joint developing products between customers and producers/distributors of raw materials to get products that meet

the needs of customers and also developing to be an innovation center for packaging excellence as a source of knowledge and techniques for exchanging with each other.

**(3) Manufacturing process** there are modern machines that manufacturable to meet the needs, excellent management system which reduce energy consumption, control 24 hours by executives and officers with skills, knowledge, expertise and work experience. Also, there are training to develop knowledge and skills continuously, create innovation for manufacturing in order to support the manufacturing with automation, includes product quality assurance with Quality Management System.

**(4) Logistics and delivery process** there are systems for sorting, loading to the car by applying the simulation system showing the space inside container to achieve the most cost-effective use of space, reduce the risk of product damage, includes an accurate system tracking the container, and focusing on applying alternative energy in transportation.

**(5) Sale and marketing process** committed to offer quality products along with standardized services and the efficiency for protecting interests, caring and responsible for customers equally, build customer engagement with excellent services together with analyzing competitors to develop products and services of the company continually.

#### Stakeholders involved in each business value chain

Business value chain	Stakeholders	
Process of raw material and supply chain management	<ul style="list-style-type: none"> <li>○ Supplier</li> <li>○ Customer</li> <li>○ Business Partner</li> </ul>	<ul style="list-style-type: none"> <li>○ Competitor</li> <li>○ Employee</li> </ul>
Process of innovation development and research and development	<ul style="list-style-type: none"> <li>○ Customer</li> <li>○ Employee</li> <li>○ Financial Institution</li> </ul>	<ul style="list-style-type: none"> <li>○ Government authority</li> <li>○ Supplier</li> <li>○ Business Partner</li> </ul>
Process of production	<ul style="list-style-type: none"> <li>○ Customer</li> <li>○ Employee</li> <li>○ Supplier</li> </ul>	<ul style="list-style-type: none"> <li>○ Community</li> <li>○ Financial Institution</li> <li>○ Business Partner</li> </ul>
Process of logistics and delivery	<ul style="list-style-type: none"> <li>○ Customer</li> <li>○ Business Partner</li> </ul>	<ul style="list-style-type: none"> <li>○ Employee</li> <li>○ Community</li> </ul>
Process of sales and marketing	<ul style="list-style-type: none"> <li>○ Customer</li> <li>○ Employee</li> <li>○ Business Partner</li> </ul>	<ul style="list-style-type: none"> <li>○ Shareholder and Investor</li> <li>○ Financial Institution</li> </ul>

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## Support Activities

It is an activity that supports the main activities to achieve the goals set. The company has given precedence to and carried out to develop continually and comply with rules, regulations appropriately for human resource management, information technology system development, internal audit and the preparation of accounting and financial systems.

## 2. Analysis of stakeholders in the business value chain

Starflex Public Company Limited (“the Company”) has always precedence to the treatment of the Company's stakeholders as considered by commitment for operating the business with moral and clinging to social responsibility, includes being a good citizen, having principles of good governance that guide the management of the organization and having guidelines for the sustainability of the company, and respecting for the rights and treating stakeholders fairly, hearing the opinions or concerns, includes building understanding with stakeholders, promoting constructive cooperation in areas that stakeholders are interested to, includes mutual developing society and environment to sustainable business operation of the company. The guideline for treating with stakeholders comprises:

### 1. Defining, Classifying and Analyzing Stakeholders

Identify, classify and group stakeholders clearly according to the company's relevance to be able to analyze risks and impacts, both direct and indirect, on each group of stakeholders completely and clearly, develop a stakeholder mapping to identify stakeholders and those related, recognize the perspectives of stakeholders, potential impact, includes the expectations of each group of stakeholders.

### 2. Defining communication strategies

Communicate closely and build regularly understanding with stakeholders to achieve a correct understanding by setting communication strategies, methods, formats, and sequences of steps appropriate to stakeholder groups, situations, period, and cultures, which may be considered from the degree of damage that may occur or benefits that may be lost if ignored.

### 3. Disclosure

Disclose information with accurate, unambiguous, transparent, and covering to ensure that the information is sufficient, regular, and up-to-date. There is a transparent process for reporting information to stakeholders. In this regard, it must be considered to the suitability and compliance with the company's information disclosure policy.

### 4. Participation

Allow stakeholders to participate in matters that affect them, provide channels for receiving suggestions, matters of problems, and complaints from stakeholders, give precedence to and glad to hear and exchange ideas with stakeholders constructively, includes provide the initial information prior to discussion, prepare a report on the results of the discussion, and be able to collect of received information.

## 5. Risk management for treating with stakeholders

Anticipate, identify and prioritize risks based on the treating with stakeholders to prepare contingency plans and deal with risks that may arise from constructively exchanging ideas with stakeholders.

## 6. Review and report

Examine and evaluate the results of the treating with stakeholders systematically in order to continually improve the treating with stakeholders, includes reports on treating with stakeholders covering what has been affected and the scope of operation, includes showing the linkage between the benefits derived from the treating with stakeholders and the company's operating results.

In 2022, the company classified stakeholders into 8 groups, consisting of (1) executives and officers (Employee) (2) suppliers that deliver products and raw materials (Supplier) (3) Shareholders and investors (Shareholder and Investors), (4) customer (Customer and Consumer), (5) community and social (Community and Social), (6) business partner (Business Partner), (7) finance institute (Financial Institute) and (8) local regulatory and government authorities (Government authority), each of which may be affected by the company's business operations. Therefore, it is available for analyzing demand and expectation of stakeholders, communication channels, including the company's response guidelines with the following details:

Stakeholders	Need / Expectation	Communication channel	Response
Employees	<ul style="list-style-type: none"> <li>- Remuneration, benefits and welfare</li> <li>- Career advancement</li> <li>- Working environment safety and hygiene</li> <li>- Development of Reskill / Upskill</li> <li>- Human rights and equal treatment</li> </ul>	<ul style="list-style-type: none"> <li>- Joint meeting between executives and employees</li> <li>- Suggestion box or get comments</li> <li>- Employee happiness assessment form in the organization</li> <li>- Email / Social Media / Website</li> <li>- Open a receiving channel complaints or suggestions</li> </ul>	<ul style="list-style-type: none"> <li>- Treat employees according to human rights principles and Thai labor standards</li> <li>- Continuously develop the potential of employees</li> <li>- Retain skilled employees and good system development</li> <li>- Define policies and guidelines for safety, occupational health and working environment.</li> </ul>

Stakeholders	Need / Expectation	Communication channel	Response
Supplier	<ul style="list-style-type: none"> <li>- Operate business with transparency</li> <li>- Equality in doing business</li> <li>- Promotion of business partners' potential</li> <li>- Human rights and labor practices throughout the supply chain</li> <li>- Security of personal information</li> </ul>	<ul style="list-style-type: none"> <li>- Meeting with partners</li> <li>- Training courses for partner development</li> <li>- Collaborative project co-creating innovation</li> <li>- Assessment, consulting and academic services</li> <li>- Open a receiving channel complaints or suggestions</li> <li>- Email / Social Media / Website</li> <li>- Annual Report 56-1 One Report</li> </ul>	<ul style="list-style-type: none"> <li>- Continuously develop cooperation projects with partners by organizing courses to enhance potential in partner development</li> <li>- Develop supplier audit requirements in line with sustainable sourcing policy</li> <li>- Communicate to partners to understand the various requirements</li> <li>- Treat all trading partners with equality according to the agreement and business ethics</li> </ul>
Shareholder and investor	<ul style="list-style-type: none"> <li>- Good Corporate Governance</li> <li>- Disclosure of information completely, transparently and quickly</li> <li>- Increase business competitiveness and business direction</li> </ul>	<ul style="list-style-type: none"> <li>- Shareholders meeting 1 time/year</li> <li>- Email / Social Media / Website</li> <li>- Annual Report 56-1 One Report</li> </ul>	<ul style="list-style-type: none"> <li>- Conduct business according to the law, good governance and articles of association</li> <li>- Listen to opinions from shareholders and investors, cooperate with related agencies to improve operational efficiency.</li> </ul>
Customer and consumer	<ul style="list-style-type: none"> <li>- Good product quality and reasonable price</li> <li>- Product safety</li> <li>- Product traceability</li> <li>- product information and after sales service</li> <li>- Security of personal information</li> </ul>	<ul style="list-style-type: none"> <li>- Customer service center</li> <li>- Open a receiving channel complaints or suggestions</li> <li>- Satisfaction survey and interview</li> <li>- Meet customers, visit the area</li> <li>- Email / Social Media / Website</li> <li>- Annual Report 56-1 One Report</li> </ul>	<ul style="list-style-type: none"> <li>- Develop products and services that meet both quality and safety standards</li> <li>- Communicate to customers and consumers to understand the product and services through product labels and maintain customer confidentiality</li> <li>- Develop product traceability system</li> </ul>

Stakeholders	Need / Expectation	Communication channel	Response
Community and Social	<ul style="list-style-type: none"> <li>- The impact of business operations on the community and environment</li> <li>- Participation in promoting community quality of life</li> <li>- Fair complaints process</li> <li>- Fast and transparent operational communication</li> </ul>	<ul style="list-style-type: none"> <li>- Listen and poll opinions 1 time/year</li> <li>- Open a receiving channel complaints.</li> <li>- Social Media / Website</li> <li>- Annual Report 56-1 One Report</li> </ul>	<ul style="list-style-type: none"> <li>- Supervise the efficiency of the pollution prevention system</li> <li>- Support to increase the quality of life and generate income for the community</li> <li>- Leverage company capabilities as a tool to create positive impact and mitigate negative effects.</li> <li>- Support and participate in various activities with people in the community</li> </ul>
Business Partner	<ul style="list-style-type: none"> <li>- Operate business with transparency</li> <li>- Equality in doing business</li> </ul>	<ul style="list-style-type: none"> <li>- Meeting together</li> <li>- Joint development projects</li> <li>- Open a receiving channel complaints.</li> <li>- Email / Social Media / Website</li> <li>- Annual Report 56-1 One Report</li> </ul>	<ul style="list-style-type: none"> <li>- Follow the rules/ethics of good competition</li> <li>- Organize a course to increase potential in developing business alliances</li> </ul>



Stakeholders	Need / Expectation	Communication channel	Response
Financial Institute	<ul style="list-style-type: none"> <li>- Complete and on time payments</li> <li>- Accurate and discreet financial information</li> </ul>	<ul style="list-style-type: none"> <li>- Letter to the financial institution</li> <li>- Open a receiving channel complaints.</li> <li>- Email / Social Media / Website</li> <li>- Annual Report 56-1 One Report</li> </ul>	<ul style="list-style-type: none"> <li>- Provide complete and accurate financial information</li> <li>- Strictly comply with contract conditions</li> <li>- Pay debts on time</li> </ul>
Stakeholders	Need / Expectation	Communication channel	Response
Government authority	<ul style="list-style-type: none"> <li>- Impact of business operations on society, community and environment</li> <li>- Comply with conditions, rules and laws</li> </ul>	<ul style="list-style-type: none"> <li>- Meeting , meet on various occasions</li> <li>- Collaborate and support to develop projects and activities that benefit</li> <li>- Open a receiving channel complaints.</li> <li>- Email / Social Media / Website</li> <li>- Annual Report 56-1 One Report</li> </ul>	<ul style="list-style-type: none"> <li>- Follow up and strictly comply with relevant laws and regulations</li> <li>- Cooperate and support development initiatives projects and activities</li> <li>- Communicate and disclose operational information completely, transparently, quickly, listen to suggestions to improve operational plans</li> </ul>

## Environmental sustainability management

Starflex Public Company Limited has realized the importance of environmental sustainability by operating the business under the concept of using natural resources for the benefit with appreciating the value along with natural and environmental resources in order to achieve the mission for commitment to social responsibility, conserving the environment through good governance under the environmental policy framework and management for energy and efficiency enhancement. Therefore, environmental sustainability goals are set with the following details:



Climate Change Management



Environmental Management



Water Stewardship

In 2022, the company had carried out continuously in the environmental dimension. The performance result for 2022 can be summarized by comparing with the following goals:

Important Issue	Performance 2022	Goals 2022	Goals 2032
<b>1. Climate Change Management</b>			
1.1 Announcement of policies and guidelines on climate change	Announce policies and communicate them to stakeholders		
1.2 Percentage of energy consumption reduction per production unit compared to the base year 2021	-	5	10
1.3 Percentage of greenhouse gas emission reduction per production unit compared to the base year 2021	-	10	20

Important Issue	Performance 2022	Goals 2022	Goals 2032
<b>2. Environmental Management</b>			
2.1 Announcement of relevant environmental policies and practices	Announce policies and communicate them to stakeholders		
2.2 The number of complaints from the outside community or environmental law violations	0	0	0
2.3 Percentage of waste reduction from the total production process compared to the base year 2021	8	10	10

### (1) Climate Change Management

Under the challenge of climate change impact, Starflex Public Company Limited has foreseen the opportunity from change to create a driving force and support management to reduce the amount of greenhouse gas from using energy and resources throughout the business chain which is a major cause of climate change and global warming and may affect business operations in the future.

The company is committed to reduce greenhouse gas emissions and have continuous measures for monitoring and participate in reducing the impact on the environment on a large scale, adhere to relevant international principles, integrate into business operating principles that focus on impact of climate change.

## Key Performance 2022

### Policy Announcement

**“Policies and guidelines on climate change”**

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### Guidelines for climate change management

Starflex Public Company Limited has realized and given precedence to global climate change due to various activities. Climate change is regarded as a global agenda and tends to significant impacts in terms of economy, society and environment. Therefore, the following guidelines have been established to protect, prevent, mitigate, and adapt to the impacts that may cause climate change and make the temperature of the world higher (Global Warming):

- (1) Set the short-term and long-term target for reducing the emission of greenhouse gas along with cooperating with business partners and business alliances for manufacturing includes transportation and distribution in order to reduce greenhouse gas emissions throughout the value chain.
- (2) Control, prevent and reduce environmental impacts by using sustainably resources according to eco-efficiency principles (Eco-Efficiency) to maintain biodiversity and ecosystems, focus on pollution prevention at source, improve efficiency for using the energy, mitigate and adapt to support the impacts of climate change, increase the proportion of renewable energy and clean energy by moving towards a low carbon society, and follow up continuously on operation to evaluate the effectiveness.
- (3) Promote and drive all sectors to improve the efficiency for using the energy and carrying out various activities related to business operation along with promoting the use of natural resources with appreciating the value for maximum efficiency, and developing new innovations or measures to reduce overall energy consumption.
- (4) Study, analyze and evaluate risks arising from climate change and provide plan for mitigating the impact that may arise in order to cope with those risks.
- (5) Communicate with company's officers to make them having knowledge and understanding for creating the awareness and participation in reducing greenhouse gas emissions from operation, includes promote the exchange of related knowledge at all levels.
- (6) In case of natural disaster, prepare the plan for business continuity in order to operate business continuously and get the least impact.
- (7) Disclose climate change performance result through the international sustainability index comparing to the target in order to report the status of the progress of operation to the stakeholders.
- (8) Collaborate with external agencies, e.g., government sectors, private sectors, educational institutes, communities and other agencies, to jointly solve national or global climate change problems.

Starflex Public Company Limited has realized that energy conservation is important and that is the duty of all employees for cooperating to manage energy continuously and sustainably. Therefore, the energy management system has been applied and energy conservation policies have been established as a guideline for energy operation to promote efficient use of energy for maximum benefit. In this regard, the company has established the following policies:

- (1) The company will operate and develop an appropriate energy management system complying with laws and other related regulations by defining energy conservation as part of the company's operation.
- (2) The company will improve continuously the efficiency for energy resource utilization of the organization to suit the business, applied technologies, and best practices.
- (3) The company will set plans and targets for energy conservation each year and communicated with all officers to understand and perform correctly.
- (4) The company has considered that energy conservation as the duty and responsibility of the executives and all levels officers of the company to cooperate in compliance with the specified measures, monitor, examine, and report to the energy management working team.
- (5) The company will support personnel resources, budget, working time, training and participation in presenting ideas to develop energy work.
- (6) The management and the energy management working team will review and update annually the policy, targets and plans about energy.

#### Projects and activities to support climate change response operations

Solar Rooftop installation project, size 1,000 kw.	
Project Objectives	<ol style="list-style-type: none"> <li>1. To save electricity and reduce the cost of electricity of the company</li> <li>2. To comply with company policy on energy conservation</li> </ol>
Project Plan	<ol style="list-style-type: none"> <li>1. Determine the size of the system to be installed</li> <li>2. Provide operators and compare prices</li> <li>3. Choose a provider and install it</li> <li>4. Test the system and deliver</li> <li>5. Follow up after delivery and compare electricity costs after installation</li> </ol>
Project Measurement	<ol style="list-style-type: none"> <li>1. Compare the electricity cost after installation</li> <li>2. Follow the recommended system</li> </ol>



Printer installation project with energy saving heating system (E-Saver)	
Project Objectives	Install a printer with energy saving heating system (E-Saver) or dual heat-cooling system
Project Plan	<ol style="list-style-type: none"> <li>1. Study the operation of the energy-saving heating system (E-Saver) or dual heating-cooling system</li> <li>2. Summary the specifications of the energy-saving heating system (E-Saver)</li> <li>3. Proceed to order printers from the machine manufacturers ( Caida No. 1 )</li> <li>4. Install the printer and test the operation</li> </ol>

Coating machine 2 systems installation project : Solvent-Based and Solvent-Free	
<b>Project Objectives</b>	Installed 2 coating machines, Solvent-Based and High Speed Solvent-Free to increase the flexibility of coating especially the Solvent-Free system. And increase the efficiency of the coating work
<b>Project Plan</b>	<ol style="list-style-type: none"> <li>1. Study the operation of 2 high-speed coating machines</li> <li>2. Summary the specifications of 2 high-speed coating machines: Solvent-Based and Solvent-Free</li> <li>3. Proceed to order the coating machine from the machine manufacturer ( Bobst )</li> <li>4. Install the machine and test the operation</li> </ol>

## (2) Environmental Management

Starflex Public Company Limited is well aware that guaranteeing for manufacturing and consuming the products of people is absolutely necessary due to the fact that the company's products contribute to driving the country's economy and enhancing the well-being of the people. Therefore, the company must strictly monitor the use of resources in the right way with environmental management measures, applying management concepts based on the 3R (Reduce, Reuse, Recycle) and the Circular Economy Principles, for planning the business operation, decision making process to improve improvement of manufacturing

processes and creation of innovations with a goal for reducing environmental impacts throughout the supply chain by reducing the chance of pollution from the beginning of surveillance and following up to prevent problems with consciousness of “adherence to social responsibility”

### Key Performance 2022

#### Policy Announcement

“Environmental policies and practices”

No environmental complaints

from outside community

#### Guidelines for environmental management and pollution prevention

Starflex Public Company Limited is committed to operate the business with ecologically sound for sustainable development by focusing on the development and improvement of the manufacturing process and continuous environmental management, includes responsibility to communities and society both internal and external of the organization. To increase the potential to control pollution from the activities of the company, therefore, the following environmental policies are announced:

- (1) Commit to prevent and reduce the impact of products and manufacturing processes on the environment by adhering to standard practices and applying best technology.
- (2) Review, develop and continuously improve in order to reduce the impact on the environment.
- (3) Conserve natural resources and energy, including reduce the amount of waste by finding ways to recycle or reuse or convert into energy or other materials.
- (4) Comply with environmental laws and other related regulations.
- (5) Coordinate with government agencies and relevant organizations, includes the community to improve the environment.
- (6) Prepare a plan to deal with emergency conditions from operation which has an impact on the environment and can be operated effectively.



- (7) Cultivate all officers to be aware of their responsibility towards the environment by providing training and participation in various activities related to the environment.
- (8) Raise awareness to use of energy and resources with economical, effective and maximize benefits.

### Waste Management

Starflex Public Company Limited has given precedence to management for industrial waste and factory waste by managing waste inside the organization systemically, applying the 5Rs principles (Reduce, Reuse, Recycle, Reinvent Reeducate) to management, includes compliance with current legal requirements. We have carried out continuously according to the electronic authorization system (unused material management) comprising Sor Kor. 1, Sor Kor. 2 and Sor Kor. 3. Therefore, there is nothing of environmental complaint from surrounding communities.

### Projects and activities to support environmental management operation.

#### (1) Activity for delivery of waste materials to organize DIY activities

Raise awareness of resource utilization for maximum benefit by using waste materials, e.g., paper cores, can lids and jar lids, which will be invented a piggy bank, for delivering to officers and Sirindhorn Anthropology Center (Public Organization) to organize a DIY activity “Piggy Bank, For Future, For Environment”.





## (2) Improve the landscape and relaxation corner inside the organization

Plant trees, arrange gardens and Sufficiency Farmhouse, make a shady, improve the relaxation corner for officers.



### (3) Water Management

The half of world's population are experiencing water shortages, if the use of extravagant water is continued. Moreover, World Economic Forum stated that issues about water resources is the important environmental issues in 2017. Therefore, Natural Resource Security, especially clean water, is the issue required the private sectors to focus on. Charoen Pokphand Produce Company Limited and its group companies have given precedence to the management of water resources

which is an important fundamental factor for running a business and also support to the 6<sup>th</sup> goal of the Sustainable Development

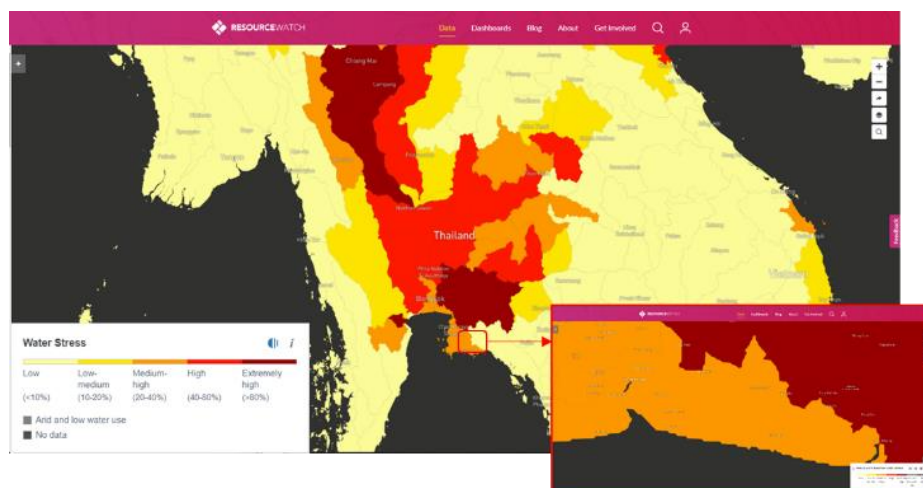
## Key Performance 2022

Water reduction project and  
continually build up the mindset

### Guidelines for integrated water risk evaluation to plan for water management throughout the supply chain

Starflex Public Company Limited has applied a framework for water resource risk evaluation as a management guidelines by evaluating together with considering various risks from amount of water used by each sector and baseline water stress through use of Aqueduct Water Risk Atlas of World Resource Institute (WRI), which is accepted internationally. Then, the evaluated results will be rated for water scarcity at 3 levels in order to develop a water management plan.

As the result of water risk evaluation, it was found that in the area of Samut Prakan Province, it is in the group of medium-high water stress (20-40%). Therefore, the project has been established to help reduce water consumption by applying the 3Rs principle, includes monitoring the water usage inside the company continually.





## Projects and activities to support environmental management operation

### (1) Reused air-conditioner water, take care vegetable garden

Raise awareness of resource utilization for maximum benefit by bringing the wastewater from the air conditioner around 800 liters per day for utilization, e.g., watering vegetables at the Sufficiency Farmhouse, watering the lawn, using water in toilet, washing cars and others to reduce costs tangibly and sustainably.



## Summary of Sustainability Indicators (ESG Metrics) on the Environment: Fundamental Indicators

No	Code	GRI Standards	SDGs	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
E1 Policies and compliance with environmental management standards												
1	E1.1C	GRI 103	-	Policies and compliance with	Policies and guidelines for environmental management	Yes/No	Core	Yes	Yes	Yes	Yes	
2	E1.2C			environmental management standards	The number of cases or incidents that violated the law or creating environmental impacts along with explaining the corrective measures	Number of cases	Core	0	0	0	0	
E2 Energy management												
3	E2.1C	GRI 302	Goal 7:	Energy management	Energy management plan	Yes/No	Core	Yes	Yes	Yes	Yes	
4	E2.2C		Affordable and Clean Energy		Energy consumption (electricity)	Kilowatt hours (kWh)	Core	7,847,000	7,127,746	7,824,000	7,208,000	
5	E2.3C				Energy consumption (Replacement)	kilowatt hours (kWh)	Core	1,132,440	1,376,740	100,810	-	Start using Dec 2020

No	Code	GRI Standards	SDGs	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
6	E2.5R				Energy consumption per unit (Energy Intensity)	Kilowatt hours (kWh)/unit	Recommended	-	-	-	-	
E3 Water management												
7	E3.1C	GRI 303	Goal 6: Clean	Water management	Water management plan	Yes/No	Core	Yes	-	-	-	
8	E3.2C		Water and Sanitation		Water consumption	Cubic meter	Core	14,712	22,579	-	-	Start using Dec 2021
E4 Garbage and waste management												
9	E4.1C	GRI 306	Goal 12: Responsible Consumption and Production	Garbage and waste management	Garbage and waste management plan	Yes/No	Core	Yes	-	-	-	
10	E4.2C				Amount of garbage and waste - hazardous waste	Ton	Core	186.12	183.57	179.05	-	
11	E4.2C				Amount of garbage and waste – non hazardous waste	Ton	Core	1,620.56	1,693.82	1,251.50	-	
12	E4.3R				Garbage and waste management goal	Kilogram	Recommended			-	-	

No	Code	GRI Standards	SDGs	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
<b>E5 Greenhouse gas management</b>												
13	E5.1C	GRI 305	Goal 13: Climate Action	Greenhouse gas management	Greenhouse gas management plan	Yes/No	Core	Yes	-	-	-	
14	E5.2C				Total greenhouse gas emissions of Scope 1 and Scope 2	Tons of carbon dioxide equivalent (tCO <sub>2</sub> e)	Core	-	-	-	-	Start using Jul 2021
15	E5.3C				Verification of greenhouse gas emissions data by external agencies	Yes/No	Core	No	-	-	-	Review Schedule Oct 2023
16	E5.6R				Greenhouse gas emissions per unit (Carbon Intensity)	Tons of carbon dioxide equivalent (tCO <sub>2</sub> e)	Recommended	-	-	-	-	Start using Jul 2021

## Summary of Sustainability Indicators (ESG Matrics) on the Environment: Indicators by industry group (packaging group)

No	Code	GRI Standards	SDGs	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
PAC-E2 Environmentally friendly products												
1	PAC-E2.3	Disclosure 416-1	Goal 12: Responsible Consumption and Production	Environmentally friendly products	Percentage of sales of eco products to total product sales	%	Recommended	-	-	-	-	
					- Number of environmentally friendly products	Item	-	-	-	-	-	
					- Sales value of environmentally friendly products	Million baht	-	-	-	-	-	
					- Sales value of all product	Million baht	-	-	-	-	-	



No	Code	GRI Standards	SDGs	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
PAC-E5 Air pollution												
2	PAC-E5.1	Disclosure 305-7	Goal 12: Responsible Consumption and Production	Air pollution	Amount of air pollution from business operations at 4 measurement points		Recommended					Safety / Environmental measurement report
(1) Measuring point PT 01-03 (value shown is the average of 3 points)												
- Carbon dioxide (CO <sub>2</sub> )						%		0.19	0.57	0.72	0.00	
- Oxygen (O <sub>2</sub> )						%		18.38	18.83	17.50	21.00	
- Total Suspended Particulate (TSP)						mg/m <sup>3</sup>		10.41	16.01	5.13	22.88	
- Xylene						ppm		0.18	5.22	0.44	9.20	
- Toluene						ppm		0.11	5.95	0.35	11.48	
- Ethyl acetate (EA)						ppm		0.03	1.26	0.49	7.28	

No	Code	GRI Standards	SDGs	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
PAC-E5 Air pollution												
2	PAC-E5.1	Disclosure 305-7	Goal 12: Responsible Consumption and Production	Air pollution	(2) Extrusion measuring point							
					- Carbon dioxide (CO <sub>2</sub> )	%		0.14	0.58	0.72	0.00	
					- Oxygen (O <sub>2</sub> )	%		18.61	17.11	18.12	21.00	
					- Total Suspended Particulate (TSP)	mg/m <sup>3</sup>		10.29	14.86	3.96	24.61	
					- Xylene	ppm		0.18	4.41	0.95	6.71	
					- Toluene	ppm		0.14	5.66	0.85	7.11	
					- Ethyl acetate (EA)	ppm		0.06	1.86	1.28	3.86	
					(3) Laminate 01-04 measurement points (values shown are mean of 4 points)							
					- Carbon dioxide (CO <sub>2</sub> )	%		0.18	0.38	0.79	0.00	
					- Oxygen (O <sub>2</sub> )	%		18.80	17.25	18.58	21.00	
					- Total Suspended Particulate (TSP)	mg/m <sup>3</sup>		10.38	19.79	8.86	19.86	
					- Xylene	ppm		2.69	4.73	0.59	8.49	
					- Toluene	ppm		0.15	4.78	0.48	6.65	
					- Ethyl acetate (EA)	ppm		0.10	1.16	0.38	5.06	

No	Code	GRI Standards	SDGs	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
PAC-E5 Air pollution												
2	PAC-E5.1	Disclosure 305-7	Goal 12: Responsible Consumption and Production	Air pollution	(4) Caida measuring point (Measurement start in 2021)							
					- Carbon dioxide (CO <sub>2</sub> )	%		0.19	0.25	-	-	
					- Oxygen (O <sub>2</sub> )	%		18.47	17.96	-	-	
					- Total Suspended Particulate (TSP)	mg/m <sup>3</sup>		10.24	24.66	-	-	
					- Xylene	ppm		0.14	6.86	-	-	
					- Toluene	ppm		0.1	6.91	-	-	
					- Ethyl acetate (EA)	ppm		0.06	2.21	-	-	

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### Social sustainability management

Starflex Public Company Limited has recognized the importance of social sustainability. We have operated the business under the concept of officers and social development to connect with the economic dimension of the organization by giving rights and opportunities to be taken care and to receive the fair benefits, providing communication channels with stakeholders, having the transparency with verifiability, creating surrounding societies to be a quality society that is accepted by society and communities. Indoctrination existing in the activities for people in organization is communicated through the brand and products of the organization. To achieve the vision of being a leader in the Flexible Packaging business in CLMV countries under the visions, missions and policies, therefore, the social sustainability goals are also set.



Human Capital and Development



Human Rights and Labor Practices



Product Responsibility



Stakeholders Engagement

And Corporate Social Responsibility

In 2022, the company has continued to operate in the social dimension. The performance of the year 2022 can be summarized by comparing with the goals as follows:

Important Issues	Performance 2022	Goal 2022	Goal 2032
<b>1. Climate Change Management</b>			
1.1 Percentage of Individual Development Plan (Individual Development Plan : IDP)	95	97	99
1.2 Percentage of leaders and employees who have completed training and development in sustainability knowledge	100	100	100
<b>2. Environmental Management</b>			
2.1 Announcement of human rights policies and practices	Policies are announced and communicated to stakeholders.		
2.2 Comprehensive Human Rights Due Diligence (HRDD) risk assessment in business operations with preventive measures	Human rights violations are assessed and reviewed annually.		
2.3 Lost Time Injury Frequency Rate : LTIFR (cases per 200,000 hours worked)	0	0	0
<b>3. Product Responsibility</b>			
3.1 Percentage of customer satisfaction assessment results	90	92	95
3.2 Number of incidents or complaints about consumer rights violations	0	0	0
<b>4. Stakeholders Engagement and Corporate Social Responsibility</b>			
4.1 Announcement of policies and guidelines for participation with stakeholders	Policies are announced and communicated to stakeholders.		
4.2 Number of disputes/complaints with communities and society surrounding the company	0	0	0
4.3 Percentage of satisfaction assessment results of all groups of stakeholders	90	92	95

## (1) Human Capital and Development

Starflex Public Company Limited has established a missions, visions, directions and strategies to handle changes for stepping to be "Leader of the Flexible Packaging Business in CLMV Countries". We have focused on mainly developing the potential and increasing the competence of "officers". The company has given precedence to make a readiness for the officers in order to handle various changes inside the organization with efficiency and drive the company's human resource strategy to connect with global standards.

The company is committed to creating engagement and channels to participation of increased officers at all levels to retain talented officers staying with the company, becoming the new generation leader, accumulating experience, jointly learning and growing together with the company.

### Key Performance 2022

**100 percent** of leaders and employees through training and development of sustainability knowledge

Average training hours of all employees  
**5.08 hours/person/year**

## Guidelines for human resource management

Starflex Public Company Limited has believed that "all officers" are the most valuable assets and they are important forces for driving operation to achieve the set aspirations. Especially, nowadays, the company is focusing on business development to grow and expand the investment to new businesses which making a challenge for creating "Leader of the new generation" to carrying on the values of the organization along with the preparation of officers, developing the officers from various departments for knowledge, required skills, and attitude to cope and adapt with changes, promoting experiences for officers to be proud for being a part of the company's success.

Therefore, the company has adopted the "Human Resource Strategy Workforce 4.0" as the core of human resource management, consisting of 5 main strategies, which focusing on creating new generation leaders through experiential learning, covering the recruitment of good talented people, learning from consultants in various practices, developing and planning the professional for good talented people, and adjusting the organization to be an organization with a flexible structure to be in line with the changes in business and the changes that appear on generation difference for people.

### Guidelines for human developing management

Building an effective team is the another matter that the company has given precedence. The effective team is considered as a key driving force for leading the organization to achieve its set goals. The principles for instructing people are as follows:

- 1.) Behave as a role model to demonstrate commitment to the company's values and business ethics.
- 2.) Develop the team through coaching to bring out the highest potential of the team to for working towards achieving goals and living with a successful life.
- 3.) Communicate effectively to build trust and relationship with people in the organization includes key stakeholders.
- 4.) Build an atmosphere for success at work.

### Projects and Activities to Support Employee Development Operations

SMART SUPERVISOR Training Project	
<b>Objectives</b>	<p>To develop skills and knowledge in thinking, decision-making, communication, planning, follow-up and systematic team development.</p> <p>Build quality consciousness and love the organization consciousness to work to achieve the goals of the organization</p>
<b>Plan</b>	<ol style="list-style-type: none"> <li>1. Meeting to explore the target audience, analyze courses, close skill gaps</li> <li>2. Approval of budget for training</li> <li>3. Provide speakers and training site</li> <li>4. Follow up and evaluate the training results</li> <li>5. Summarize the results and present to the executives</li> </ol>
<b>Measurement</b>	<ol style="list-style-type: none"> <li>1. Evaluation of speakers</li> <li>2. Evaluate the quality of training arrangements</li> <li>3. Follow up and evaluate the actual performance by the supervisors</li> </ol>





## (2) Human Rights And Labor Practices

Starflex Public Company Limited has given precedence to and focused on promoting human rights to all groups of people by adhering to the basic principles of equality, rights and liberties, for both thoughts and actions that cannot be violated, and respecting the local laws of each country in order to be in line with the way of life, traditions, culture and compliance with good governance by avoiding involvement in all forms of human rights violations.

The company has expected to treat each other with equality in labor of suppliers or stakeholders of the supply chain in all dimensions related to human rights, includes periodic human rights risk assessments, includes the commitment to create engagement and channels of participation for the increased officers at all levels to retain talented officers staying with the company, becoming the new generation leader, accumulating experience, jointly learning and growing together with the company.

### Key Performance 2022

100 percent

Human Rights Impact  
Assessment

Policy announcement  
Human rights and labor practices

### Guidelines for managing the human rights and fairly treating with labors

Starflex Public Company Limited (“the Company”) has an ideology in conducting business with integrity, adhering to social responsibility and all groups of stakeholders in accordance with corporate governance and business ethics. In terms of human rights protection, the company has strictly complied with the law and has committed to respect human rights according to internationally accepted standards, especially supporting and complying with the Universal Declaration of Human Rights (UDHR), (United Nation Global Compact (UNCG), United Nations Guiding Principles on Business and Human Rights (UNGP) and the International Labor Organization Declaration on Fundamental Principles and Rights at Work Right at Work (ILO), including has committed to comply with the code of conduct and various policies that the Company has announced and the following practices about the labors:

- (1) Respect human rights, treat each other with respectful, respect each other, and treat each other equally with all stakeholders and vulnerable groups without discriminating to physical, mental, nationality, origin, ethnic group, religion, gender, language, age, skin color, education, social status, culture, custom or any other matter.
- (2) Exercise caution in performing duties to prevent risks arising from human rights violations in business operations and commit to preventing all forms of harassment, whether it be sexual harassment or other forms of harassment. The company is committed to non-discrimination, anti-harassment and will not tolerate any form of harassment, whether sexual or non-sexual harassment. Any complaints

received by the company will be considered seriously, kept them the confidential, will have sympathy. If the such allegation is confirmed, remedial measures, disciplinary action, termination of employment, or legal prosecution will be taken.

- (3) Communicate, disseminate policies, educate, understand, set guidelines and provide any other support to employees, partners/business partners in the value chain in order to participate in business with ethics. respect for human rights and treat everyone as human rights principles, and regularly recheck their understanding, and training on human rights includes discrimination and harassment in the workplace to all employees and those involved.
- (4) Supervise the respect for human rights, not neglect or ignore. When finding an action that violates human rights related to the company, report to supervisors or responsible persons and cooperate in investigating various facts. If there is any questions or inquiries, consult with the supervisor or the person responsible to the various channels specified.
- (5) Provide fashionable and efficient channels for whistleblowing and have a process to raise the level of incidence reporting to be higher, provide fairness and protection to those who report human rights violations by taking measures to protect complainants or those who cooperate in reporting human rights violations as whistleblowing policies the company has defined.
- (6) Continuously develop and implement the Human Rights Due Diligence Process starting from investment or mergers and partnership in order to identify and assess the risks and impacts of human rights abuses, define affected groups or individuals that cover all stakeholder groups, plan and determine solution and preventive measures, resolve and prevent human rights violations to be in line with corporate risk management guidelines which covers risks in related industries and countries, and follow-up by providing appropriate remedies and mitigation processes, in case of human rights violations.
- (7) The company is committed to creating and maintaining an organizational culture that adheres to respect for human rights.
- (8) For human rights violations includes discriminatory behavior or harassment is an offense against the business ethics. The company will have to take a solution or consider taking disciplinary action as the company's regulations, if the action is illegal.
- (9) The company is committed to communicating, reporting and disclosing the information about human rights performance, relief and remedy includes incidences of discrimination and harassment publicly and transparently.

## Guidelines for management of employee care

As quoting that “People are the souls that make an organization alive.”, Starflex Public Company Limited has respected and appreciated the value of all persons in the organization. We have cultivated and developed to be good and talented people in an excellent team which will be a role model for those surrounding at workplace, family and society as a whole that leading to love, relationship with nation and the organization with the following operational guidelines:

Creating a working society	Mental and spiritual care	Building stability in life
<ul style="list-style-type: none"> <li>•Value officers, focus on capabilities, assign valuable and challenging task</li> <li>• Make people in the organization understand their roles, treat colleagues with respect, understand the difference, respect and build good relationships with each other in the team.</li> <li>• Encourage to form club groups based on the interest to build good relationships with each other.</li> <li>•Encourage people in the organization to be generous, help and care for each other, both on-and-off work, includes sharing knowledge, experience and others with those in need appropriately, create a feeling of belonging to one family.</li> </ul>	<ul style="list-style-type: none"> <li>•Encourage virtue in the mind.</li> <li>• Promote mindfulness for living (Mindfulness)</li> <li>• Promote Gratitude (Grateful and Repaying a favor</li> </ul>	<ul style="list-style-type: none"> <li>•Encourage officers to have good mental and physical health.</li> <li>• Encourage people to apply “rationality, moderation, immunity, knowledge together with virtue” to create stability in life and family</li> <li>•Extend the approach for building a stability in life to families and communities of people in the organization.</li> </ul>

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**Guidelines for managing the occupational safety, health and environment**

Star Flex Public Company Limited has realized and given precedence to Occupation Safety, Health and Environment (SHE) of officers, which is an important human resource that helps the company to achieve its objectives or goals, includes apply it as a guideline which be in line with the Occupational Safety, Health and Environment Act B.E. 2554. Therefore, the company has announced the following policies:

- (1) The company provides protection on occupational safety, health and environment by focusing on preventing danger to officers and workplaces are free from incidents that may cause danger from work.
- (2) The company promotes and supports to arrange workplace with safe and hygienic working conditions and working environment, including promotes and supports the performance of employees to be safe in all dimensions.
- (3) Officers at all levels have a duty to cooperate for strict compliance with rules, regulations, official requirements, safety standards and policies and regulations of the company, including maintain the working environment complying with the standards set to ensure the safety for life, physical, mental, and health
- (4) Comply strictly with rules, regulations, announcements, orders and standards on occupational safety, health and environment as specified by the government.
- (5) The company continuously supports and promotes occupational safety, health and environment by allocating the budget sufficiently and appropriately.
- (6) The company promotes safety by providing training to educate, review, and practice as well as organizing various forms of activities to strengthen awareness of safety for officers and enterprise continually and to always be ready.
- (7) The company prepares and procures personal protective equipment to officers for using or wearing to protect as appropriate for the nature of their work and operations.
- (8) Provide a survey for inspection on safety matters and strict officers to comply with safety regulations, including strictly pay attention, supervise officers to wear and use personal protective equipment as defined by the company.
- (9) Always elevate and improve the environment inside the company which is the workplace and the cleanliness around the company to ensure safety, hygienic environment, a good quality of work life and good health.
- (10) Determine the safety in work and have a procedure for correct and safe work operation which is set to be duties of officers and supervisors at all lever to comply and be responsible.
- (11) All officers are required to participate in the prevention of work-related hazards and maintaining a good environment. The company will receive various suggestions and opinions of officers and take them to consider for resolving and adjusting various deficiencies as appropriate in order to create safety and a good environment for officers.

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### Process for hazard identification and risk assessment

The company has given precedence to manage the occupational safety, health and environment not less than product quality. Therefore, all processes must be safe, not affect the health of officers and not affect the environment. Hence, there are processes for identifying hazards and assessing the risks of all work activities. Also, when there is a new activity or a new machine, hazard identification and risk assessment must be performed before every work start to be aware of the dangers that will occur along with finding ways to improve, resolve and prevent.

- (1) Assign all executives to carry out hazard identification and risk assessment for all activities.
- (2) Cooperate with supervisors and safety officers, engineering officers identify dangers by applying JSA, Fault Tree Analysis, Why Why Analysis.
- (3) Cooperate with supervisors and safety officers, engineering officers to conduct risk assessments according to the specified criteria.
- (4) Assess the risk at level 1-2, providing safe working instructions (WI), educating officers and annual reviewing (OJT). Supervisors have to check for complying with procedures every day.
- (5) Assess the risk at level 3-4, providing a work plan to resolve and decrease a risk to be at level 1-3.

### Occupational Accident Reporting and Investigation Process

Due to the fact that the company has given precedence to management for occupational safety, health and environment, a process for reporting incidents and accidents is available by defining that a reporting is the duties of all officers at all levels through various channels. Processes for reporting and investigating accidents are as follows:

- (1) Once the accident appears, have the victims or their supervisors record the information in the accident reporting form or property accident report form or motor vehicle accident report depending on what the cause is and which object, among people, property or vehicles, affected is, then send it to safety officer.
- (2) Division director, division manager and professional safety officers will analyze accidents by applying Fishbone Chart, Why Why Analysis to investigate and record details into the accident analysis report form, then, present to the chairman of the safety committee for consideration.
- (3) Chairman of the Safety Committee will consider to operate by ordering or making suggestions as their discretion and details in report for further action, then, notify division director or division manager to acknowledge and take corrective action.
- (4) Professional safety officers continue to follow up on the progress of improving as the recommendations, which receive from the accident investigation, until completion.

## Projects and activities to support human rights and fair labor practices

Moral business organization	
Objectives	To encourage and support personnel to adhere to basic morality : Sufficiency, Discipline, Honesty, Volunteer, Grateful to be used in a sustainable life
Plan	<ol style="list-style-type: none"> <li>1. Set goals, announce working groups, set plans</li> <li>2. Request for budget approval</li> <li>3. Public relations</li> <li>4. Implement the plan</li> <li>5. Follow up and evaluate</li> <li>6. Summarize the results and present to the executives</li> </ol>
Measurement	<p>Happy Workplace Index Score</p> <p>Criteria: Target scores in the 85-100% level is to create the most enviable happiness in this organization.</p>





### (3) Product Responsibility

Starflex Public Company Limited is committed to increasing customer satisfaction by analyzing, researching and understanding customer needs which mainly focusing on the needs of customers. Moreover, the company has also set a method for communicating to officers inside the organization to understand the needs of customers for meeting them completely through the process of collecting, analyzing and measuring customer satisfaction which decides on the basis of facts and efficiency.

## Key Performance 2022

90 percent

Customer Satisfaction  
Assessment Results

0 story

Number of incidents or  
complaints about the violation  
of consumer rights



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### Guidelines for managing the responsibility to products, goods and services

The company is committed to increasing customer satisfaction by analyzing, researching and understanding customer needs which mainly focusing on the needs of customers. Moreover, the company has also set a method for communicating to officers inside the organization to understand the needs of customers for meeting them completely through the process of collecting, analyzing and measuring customer satisfaction which decides on the basis of facts and efficiency.

The company has set policies and objectives of the organization by considering the needs of all parties and allowing everyone has a participation in set clear and appropriate directions and goals, includes supporting the performance of officers to encourage employees to participate in continuous improvement under the policy defined that:

**"The company is committed to developing products and services to be consistently quality as safety criteria specified to create customer satisfaction and return appropriately to stakeholders."**



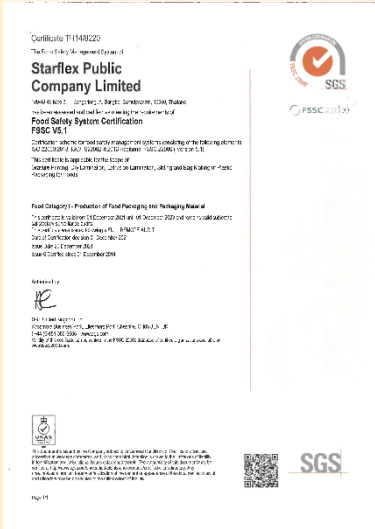
The company still has a policy to conduct business with suppliers to jointly respond the customer needs quickly and use resources for the most value. The company has established a working process to achieve the goals set out efficiently by managing resources and activities in a process to focus and prioritize improvements. The systematic management process is provided in relation to other processes which comprises quality management, leadership, planning, organizational resource management, manufacturing, monitoring, measurement, analysis, and assessment and improvement.

In this regard, the company is committed to take good hygiene management practices for manufacturing (GHPs) as Codex standards applying inside the company with the objectives for ensuring that manufacturing the flexible packaging for packing consumer goods has a quality and safety for users. Therefore, the company will proceed as the following policies:

- (1) Comply strictly with the requirements for Good Manufacturing Practices (GHPs) as Codex standards.
- (2) Regularly arrange for inspection, monitoring and corrective action system to prevent problems that may affect to a good hygiene in manufacturing.
- (3) Encourage a training for officers to have knowledge and be able follow correctly



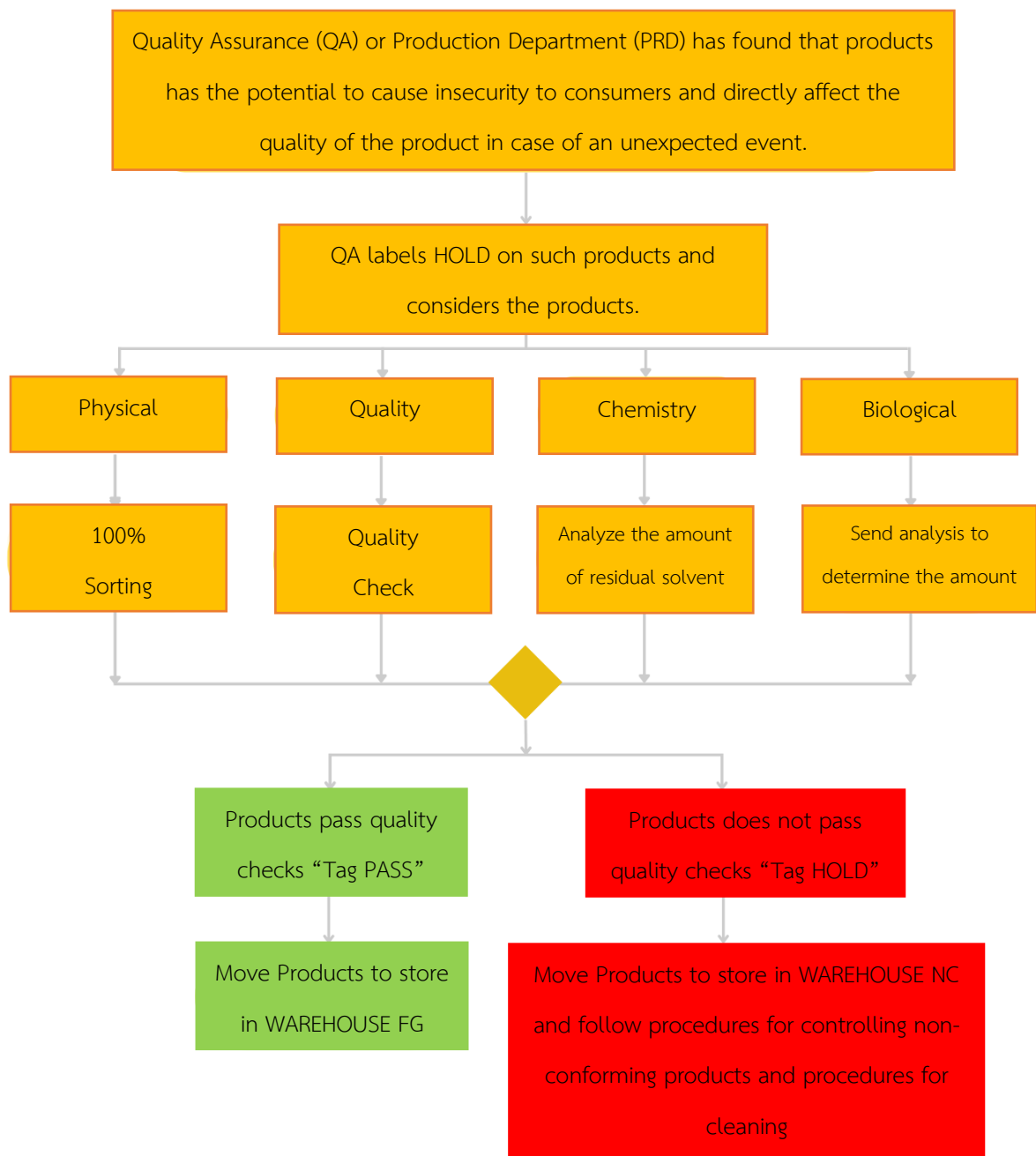
The scope of certification is as follows.

GHPs	HACCP	FSSC22000
<p>Production of flexible packaging</p> <p>Manufacturing Process : Printing, Laminating, Roll cutting, Pouch making, Spout mounting</p>	<p>The production of flexible packaging for food packaging covers 2 product groups: General Performance &amp; Medium Performance.</p> <p>Manufacturing Process : Receiving raw materials and Art work, Storage, Printing, Laminating, Roll cutting, Pouch making, Spout mounting, Product storage and delivery.</p>	<p>The production of flexible packaging for food packaging covers 2 product groups: General Performance &amp; Medium Performance.</p> <p>Manufacturing Process : Receiving raw materials and Art work, Storage, Printing, Laminating, Roll cutting, Pouch making, Spout mounting, Product storage and delivery.</p>
		

## Guidelines for managing product recalls and the likelihood of unsafe products for consumers (Recall and Incident Products)

### Product recalls and the chance of unsafe products for consumers

In the event that the product is expected to be unsafe for consumers and directly affect health.



## Product recalls and the chance of unsafe products for consumers

In the case of finished products being exported to customers causing insecurity to consumers.

Sales and Marketing or the quality assurance department receives information about product problems sent to customers that are unsafe for consumers.

The Quality Assurance department collects product inspection results and takes action. (1) Hold products in the production line  
(2) Pick up goods in case of remaining in the finished warehouse.

Invite relevant parties and gather information (1) Sales and Marketing Department to check with customers (2) Supply Chain Department to check the remaining products in the finished warehouse. (3) Planning department to check on-going production information. (4) QMR department to follow up on quality information.

Notify the Chief Executive Officer

Physical hazards, inspect such products in the factory.

Chemical hazards, take a sample to determine the amount of residual solvent.

Biological hazards, send external samples for analysis.

Unfounded

Founded

QA pulls the HOLE sign and attaches the PASS and move the product from WAREHOUSE NC to WAREHOUSE FG

MAJOR severity includes chemical or biological hazards.

Chief Executive Officer (CEO) / Executive Chairman Notify customers to recall products. In the event that the product goes to the public, it must be notified through the media so that the consumer accepts respect and recalls the product for destruction.

MINOR severity is physical contamination.

The person assigned to notify the customer to send the product back for sorting.

Relevant persons follow the steps as follows:

(1) QA Department follows the procedures for controlling non-conforming products.

(2) The head of the PRD department or the authorized person Issues a request for approval of offset production and sends the original to the Planning Department/Quality Assurance Department/Sales and Marketing Department/Accounting and Finance Department to sign for acknowledgment and a copy of the document is sent to the relevant department.

In the event that the returned product has a TRADE MARK, the customer must take a photo of the destruction  
Of the product as evidence and send it to the customer.

อ้างอิง QP-QAD-06 REV.11

การเรียกคืนผลิตภัณฑ์และโอกาสที่จะเกิดผลิตภัณฑ์ไม่ปลอดภัยต่อผู้บริโภค (MOCK RECALL)

#### (4) Stakeholders Engagement and Corporate Social Responsibility

The board of directors is confident that good corporate governance is an important factor for Starflex Public Company Limited to enhance its competitiveness and lead the Company towards sustainable growth. Moreover, it adds value to stakeholders in the long term. Good corporate governance manifests itself in having an efficient, transparent and verifiable management system that builds trust among all stakeholders in the value chain which is required commitment and cooperation from officers at all levels with the board of directors and senior executives to promote and support to so that corporate governance takes place in a concrete manner.

## Key Performance 2022

**No complaints** or disputes with communities and society around the company

**Announce** Stakeholder Engagement Policy

#### Guidelines for managing stakeholder participation

Starflex Public Company Limited (“the company”) has always given precedence to treatment the company’s stakeholders. That can be seen from the commitment to conduct business with integrity and adherence for social responsibility, includes being a good citizen, having a code of conduct as a guideline for the performance of officers, having principles of good governance that guide the management of the organization, and having guidelines for the sustainability of the Company, respecting the rights and treating with stakeholders fairly, hearing opinions or concerns, includes building understanding with stakeholders, promoting constructive cooperation in areas of interest to stakeholders, includes participating in social and environmental development so that the Company able to operate business sustainably.

#### Group of stakeholders of the Company



## Guidelines for hearing the voices of stakeholders

Starflex Public Company Limited has collected issues and opinions of stakeholder which covering economic, social and environmental dimensions as well as setting the priorities of such issues. Additionally, we have interviewed with representatives of the stakeholders on their perspectives for the company's sustainable development and have applied the significant issues to determine the approach to respond to the needs of the stakeholders and create consistent engagement in the same direction throughout the organization by covering direct interviews, use of survey, and data survey made by consulting firms to receive clear and significant issues.

Building the participation with stakeholders in each area is important to help build a foundation to become a sustainable organization by the company's stakeholders, i.e., people who have gotten both positive and negative impacts from business operation covering both inside and outside the organization. The company is very pleased to hear voices from stakeholders through various channels and will take those opinions and suggestions to be analyzed for understanding expectations and needs before responding with ways that can manage other important issues for both business and all stakeholders appropriately.

## Process for making an engagement with stakeholders



## Guidelines for managing the social responsibility

Starflex Public Company Limited has operated business with social responsibility to reduce impacts in various fields arising from business operation by adhering to the principles of transparency, accountability, ethics and respecting for human rights. We have focused on the needs and expectations of stakeholders, have committed to manufacture high quality products and provide good services making customers satisfy and be safe for customer, have considered for participation, community development, environmental protection, have focused on the maintenance of religion, education, community and society and taking care of the use of resources to be worthwhile by complying with the laws, regulations, customs of local and communities in which the company operates, or related international practices, including have committed to develop and improve for building a foundation of social responsibility on a continuous and sustainable basis.

### Projects and activities to support operations

#### Participation with stakeholders and responsibility for society and community

##### Adult Don't Fall

Objective: Deliver wheelchairs, blood pressure monitors, walking sticks, non-slip bars, diapers, consumer items to help parents and families of officers.



##### Donating Computer to children of the Mirror Foundation

Objective: Donate computers and consumer items to support and assist activities of the Mirror Foundation.





## Scholarship Support

Objective: To help and support schools that lacking of their capital.



## Deliver the Pan Suk Pavilion to Wat Bang Phriang School

Objective: To relaxation of students. It was built from the company's materials.



## Summary of Sustainability Indicators (ESG Metrics) on Social: Fundamental Indicators

No	Code	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
S1 Human rights										
1	S1.1C	Human rights	Human Rights Policy and Guidelines	Yes / No	Core	Yes	Yes	Yes	Yes	
2	S1.2R		Comprehensive Human Rights Due Diligence (HRDD) risk assessment in business operations with preventive measures	Yes / No	Recommended	Yes	-	-	-	
3	S1.3R		Number of incidents involving human rights violations along with corrective and remedial measures	Number of cases	Recommended	0	0	0	0	



No	Code	ESG Issues	ESG Indicators	Unit		Reporting Guide	2022 (2565)		2021 (2564)		2020 (2563)		2019 (2562)		Note
S2 Fair Labor Practices															
4	S2.1C	Employment	Total number of employees (by gender, age range, position level and domicile)	Person		Core	Male	Female	Male	Female	Male	Femal e	Male	Female	
			Employee statistics classified by age range	Male	Female		568	555	-	-	Start collecting data 2021				
			- Younger than 30 years old				95	62	91	29	-	-	-	-	
			- 30-50 years old				214	162	206	204	-	-	-	-	
			- Over 50 years old				25	10	17	8	-	-	-	-	
			Employee statistics classified by position level	Male	Female		568	555	-	-	Start collecting data 2021				
			- Top Management (CEO,Level SM4,SM3)				10	2	9	2	-	-	-	-	

No	Code	ESG Issues	ESG Indicators	Unit		Reporting Guide	2022 (2565)		2021 (2564)		2020 (2563)		2019 (2562)		Note
			- Middle Management (Level SM2 SM1)				3	0	3	0	-	-	-	-	
			- Middle Management (Level MM3 MM2 MM1)				11	15	10	14	-	-	-	-	
			- Staff (Level M2 M1 P1-P4 T1-T3)				310	217	292	225	-	-	-	-	
4	S2.1C	Employment	Employee statistics classified by domicile	Male	Female		568		555		-		-		
			- Domiciled in Samut Prakan Province				47	52	41	37	-	-	-	-	
			- Other domicile				289	190	273	204	-	-	-	-	
5	S2.2C	Employment	Number of employees	Person		Core	7		5						
6	S2.2C		with disabilities and/or the elderly				5	2	3	2					
7	S2.3C	Employee Compensation	The total amount of compensation of the employee	Million baht		Core	240.93		245.57		-		-		

No	Code	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)		2021 (2564)		2020 (2563)		2019 (2562)		Note
8						140.40	100.53	138.93	106.63	-	-	-	-	
9	S2.4C		Percentage of employees who are provident fund members	%	Core	51.76		69.55		-		-		Start collecting data 2021
10						26.94	24.82	38.38	31.17	-	-	-	-	
11	S2.6C	Employee development	Work plans or activities related to employee development	Yes / No	Core	Yes		Yes		Yes		Yes		
12	S2.7C		Average number of training hours for employees	Number of training hours/person/year	Core	5.08		5.02		5.50		-		
13	S2.8R		The employee development plan is part of the annual employee performance appraisal.	Yes / No	Recommended	Yes		Yes		Yes		Yes		

No	Code	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
<b>S2 Fair Labor Practices</b>										
13	S2.8R	Employee development	The employee development plan is part of the annual employee performance appraisal.	Yes / No	Recommended	Yes	Yes	Yes	Yes	
14	S2.9R		Employee development goals	Yes / No	Recommended	Yes	Yes	Yes	Yes	
15	S2.10R		Amount of expenses for employee development	Baht	Recommended	539,547	172,262	642,077	441,635	
16	S2.12C	Safety, Occupational Health and Working Environment	Work plans or activities related to the development of safety, occupational Health and working environment	Yes / No	Core	Yes	Yes	Yes	Yes	
17	S2.13C		The number of incidents or cases of work-related injury to the point of absenteeism	Number of times	Core	10	13	5	7	

No	Code	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
18	S2.14R		Development goals for safety, occupational health and work environment	Yes / No	Recommended	Yes	Yes	Yes	Yes	
19	S2.15R		Lost Time Injury Frequency Rate (LTIFR)	Number of times/200,000 working hours	Recommended	0.87	1.13	-	-	Start collecting data 2021
20	S2.16C	Promoting relationships and engagement with employees	Employee Engagement and Retention Development Plan	Yes / No	Core	Yes	Yes	Yes	Yes	
21	S2.17C		Percentage of employees who voluntarily leave	%	Core	23.24	27.03	-	-	Start collecting data 2021
22	S2.18C		Number of major labor disputes with corrective measures	Number of cases	Core	0	0	0	0	

No	Code	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
23	S2.19R		Goals for developing employee engagement and retention	Yes / No	Recommended	Yes	Yes	Yes	Yes	
24	S2.20R		Evaluation results of employee engagement to the organization	Yes / No	Recommended	Yes	Yes	Yes	Yes	
			Evaluation results of employee engagement to the organization	%	-	85.6	86.7	84.9	83.3	
S3 Responsibility to Customers/Consumers										
25	S3.1C	Consumer rights	Policies and guidelines on customer privacy protection	Yes / No	Core	Yes	Yes	Yes	Yes	
26	S3.2C		Number of customer data breaches with corrective measures	Number of cases	Core	0	0	0	0	

No	Code	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
27	S3.3C		Number of incidents or complaints related to violations of consumer rights with corrective measures	Number of cases	Core	0	0	0	0	
28	S3.4R		Channels that the company receives complaints from customers/consumers	Yes / No	Recommended	Yes	Yes	Yes	Yes	
29	S3.6R		Customer satisfaction improvement goals	Yes / No	Recommended	Yes	Yes	Yes	Yes	
30	S3.7R		Customer satisfaction evaluation results	Yes / No	Recommended	Yes	Yes	Yes	Yes	
			Customer satisfaction evaluation results	%	-	86.99	84.5	83.91	83.1	

No	Code	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
<b>S4 Community/Social Responsibility</b>										
31	S4.1C	Community/ Social Responsibility	Policy on development and involvement with communities/societies that may be affected by business	Yes / No	Core	Yes	Yes	Yes	Yes	
32	S4.2C		Plans to promote development and involvement with communities/societies that may be affected by the business	Yes / No	Core	Yes	Yes	Yes	Yes	
33	S4.3C		Number of disputes with the community/society with corrective measures	Number of cases	Core	0	0	0	0	
34	S4.6R		The total amount spent on projects or activities for development and helping the community/society.	Baht	Recommended	137,000	-	-	-	



## Summary of Sustainability Indicators (ESG Matrics) on Social: Indicators by industry group (packaging group)

No	Code	GRI Standards	SDGs	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
PAC-S1 Local employment												
1	PAC-S1.1	Disclosure 202-2	Goal 8: Decent Work	Local employment	Policies and guidelines for hiring local workers	Yes / No	Recommended	Yes	Yes	Yes	Yes	
2	PAC-S1.2		and Economic Growth		Percentage of employees coming from the local community	%	Recommended	16.99	14.05	-	-	Start collecting data 2021
PAC-S2 Respect for differences and equality												
3	PAC-S2.1	Disclosure 405-1	Goal 8: Decent Work and Economic Growth	Respect for differences and equality	Policies and guidelines on respect for differences and equality within the organization and supply chain regardless of gender, age, nationality, disability, religion, or other	Yes / No	Recommended	Yes	Yes	Yes	Yes	

No	Code	GRI Standards	SDGs	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)		2021 (2564)		2020 (2563)		2019 (2562)		Note
4	PAC-S2.2	Disclosure 405-1	Goal 8: Decent Work and Economic Growth	Respect for differences and equality	Total number of employees (Classified by gender and nationality)	Person	Recommended	Male	Female	Male	Female	Male	Female	Male	Female	Start collecting data 2021
					- Thai			59	41	57	43	-	-	-	-	
					- Myanmar			0	0	0	0	-	-	-	-	
					- Cambodia			0	0	0	0	-	-	-	-	
					- Laos			0	0	0	0	-	-	-	-	
					- Others			0	0	0	0	-	-	-	-	
5	PAC-S2.3	Disclosure 406-1	Goal 8: Decent Work and Economic Growth	Respect for differences and equality	Number of incidents or complaints about rights violations, equality and unfair treatment of labor along with corrective and remedial measures	Number of cases	Recommended	0		0		0		0		

No	Code	GRI Standards	SDGs	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)		2021 (2564)		2020 (2563)		2019 (2562)		Note
PAC-S3 Promoting women workers																
6	PAC-S3.1	Disclosure 405-1	Goal 5: Gender Equality	Promoting women workers	Policies and guidelines for equal promotion of women in the workplace	Yes / No	Recommended	Yes		Yes		Yes		Yes		
7	PAC-S3.2		Goal 8: Decent Work and Economic Growth		Total number of female employees (classified by position level)	Person	Recommended	Male	Female	Male	Female	Male	Female	Male	Female	Start collecting data 2021
					- Top Management (CEO,Level SM4,SM3)			10	2	9	2	-	-	-	-	
					- Middle Management (Level SM2 SM1)			4	0	3	0	-	-	-	-	
					- Middle Management (Level MM3 MM2 MM1)			8	6	10	14	-	-	-	-	
					- Staff (Level M2 M1 P1-P4 T1-T3)			314	227	292	225	-	-	-	-	

No	Code	GRI Standards	SDGs	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
PAC-S4 Monitoring and assessing the impact on the community												
8	PAC-S4.2	Disclosure 413-2	Goal 12: Responsible Consumption and Production	Monitoring and assessing the impact on the community	Number of disputes or complaints about community rights violations along with corrective and remedial measures	Number of cases	Recommended	0	0	0	0	

## Corporate Governance and Economic Sustainability Management

Starflex Public Company Limited has realized the importance of economic sustainability by operating business under the concept of corporate growth in the view of a continuous stable economy in the long term. We have a planning process, a clear goal that would like to achieve, work processes which is efficiency and support for the risks that arise. We have developed new innovative products that leads to sustainability and be accepted by customers, have instilled in the activities of people in the organization to communicate to the brand and products of the organization to achieve the vision of being a leading company in integrated agribusiness and agro-industry. Under the vision, mission and policy framework, we, therefore, have set the corporate governance and economic sustainability goals which consist of:



Corporate Governance & Risk Management



Innovation and Sustainable Packaging



Cyber Security and Data Protection



Supply chain Management

Note: Corporate Governance The report is in Part 2 Corporate Governance: Corporate Governance Policy Page 164

Risk Management The report is in Part 1 Business Operations and Results: Risk Management Page 46

In 2022, the company has continued to operate in the economic dimension. The performance of the year 2022 can be summarized as follows:

Important Issue	Performance 2022	Goals 2022	Goals 2032
1. Climate Change Management			
1.1 The results of corporate governance and sustainability development are disclosed through the Company's Sustainability Report	Performance on corporate governance and sustainability development is disclosed annually		
1.2 Percentage of employees who have completed training and testing on business ethics and ethics	100	100	100
1.3 Number of cases of violation of business ethics or corruption	0	0	0
1.4 Assessing risks and opportunities from sustainability issues (ESG risks), including emerging risks	Sustainability risks and new risk issues are assessed and reviewed annually		
2. Innovation and Sustainable Packaging			
2.1 Announcement of policies and guidelines for innovation development	Policies are announced and communicated to stakeholders.		
2.2 Percentage of New Product Sales compared to total sales	10	10	10
2.3 Percentage of sales of eco-friendly products compared to total product sales	10	10	10
3. Cyber Security and Data Protection			
3.1Announcement of cybersecurity policies and practices and protection of personal information	Policies are announced and communicated to stakeholders		
3.2 Percentage of employees who received cybersecurity training and protection of personal information	100	100	100
3.3 The number of incidents or cases where the company has been attacked by cyber attacks.	0	0	0
3.4 Number of incidents or cases of personal data leakage	0	0	0

Important Issue	Performance 2022	Goals 2022	Goals 2032
<b>4. Supply chain Management</b>			
4.1 Business Partner's Code of Conduct	Supplier Code of Conduct has been announced and communicated to stakeholders		
4.2 Percentage of key suppliers who have signed the Code of Conduct and have been assessed for sustainability	-	100	100
4.3 Percentage of new suppliers that pass the sustainability assessment	-	100	100

### (1) Innovation And Sustainable Packaging

The challenge of business in the 4.0 era is the rapid change in technology and innovation to be able to respond and be in line with changing consumer behavior which requires improvement and creation of new things, including giving precedence to responsibility for social and environment. Therefore, innovation is the matter that Starflex Public Company Limited giving precedence to in terms of investment in infrastructure development, improvement of officers who involved to research and development, and we have believed that it will help driving the business forward sustainably amidst rapid changes, including creating value for society and the environment at the same time.

## Key Performance

# 2022

**Announcement** of policies and guidelines for innovation development

**7.25 million baht**

Innovation development expenses research and development

### Guidelines for managing to develop the innovation and environmentally friendly packaging

Starflex Public Company Limited (“the company”) has realized that innovation is important to drive business to meet a wide range of customer needs with efficient cost management which is considered as the important factor to make a difference and increase the competitiveness of the company as well as enhancing the potential of officers to create valuable new things and new innovative ideas for the company which be in line to the corporate values. To achieve this objective, the company therefore has set the following innovation policy:

- (1) Be a leader for creating, promoting and developing organizational culture for officers having innovative ideas to develop new innovations that continuously promote economic, social and environmental results.
- (2) Be a leader for promoting and pushing officers, creating the innovation through various activities or projects that help increasing efficiency and reducing manufacturing costs continuously.
- (3) Be a leader for promoting innovation that creates value for the economy, society, environment and stakeholders through improving, changing, developing, applying or creating of new things continuously.
- (4) Be the person who initiate or engage with customers, outside agencies for goods and product development to meet the needs of customers continuously in line with the trend of changing the use of plastic packaging and environmental conservation trends.
- (5) Be the person who follow, evaluate, and disseminate innovations created inside the company includes including experience and knowledge by exchanging, sharing, expanding customer groups covering to all stakeholders.
- (6) Be the person who support appropriate resources for innovation development and encourage the registration of patents and petty patents.

#### Projects and activities to support the operation for developing innovation and environmentally friendly packaging

Biodegradable packaging development cooperation project	
Objectives	Developed biodegradable detergent pouch packaging
Plan	<p>1. Determine the scope of cooperation and sign an agreement with Kasetsart University.</p> <p>2. Study the properties of the barrier layer film and the heat sealing layer.</p> <p>3. Study the properties of ink and glue used for forming products.</p> <p>4. Experiment and collect data on the printing process. multilayer film splicing and product forming</p> <p>5. Test and collect data on product properties and natural degradation.</p> <p>6. Test the actual use of the product and test the shelf life.</p> <p>7. Present products to customers for consideration and follow up.</p> <p>8. Summarize results for trial lot approval</p> <p>9. Summarize results for commercial approval</p>
Measurement	<p>1. Obtained a barrier layer film and a heat-sealed layer that can be naturally degraded.</p> <p>2. Obtained a qualified Detergent pouch package can be naturally degraded and can actually be used at the commercial scale level</p>



Lion Customer's stand-up Pouch Mono-material Development Project	
<b>Objectives</b>	Developed a stand-up pouch as a Mono-material that can be reused to meet customer needs and sustainable growth prospects
<b>Plan</b>	<ol style="list-style-type: none"> <li>1. Approval for the development of a new stand-up pouch with Mono-material</li> <li>2. Study the properties of the customer's stand up pouch</li> <li>3. Study the properties of the Mono-material</li> <li>4. Experiment and collect data on the process of printing, coating, making pouch</li> <li>5. Experiment and collect data on the properties of the stand-up pouch obtained from the developed Mono-material</li> <li>6. Send samples to customers for testing and follow up on the test results</li> <li>7. Summarize results and approval for trial lot production</li> <li>8. Summarize results and approval for commercial use</li> </ol>
<b>Measurement</b>	<ol style="list-style-type: none"> <li>1. Stand up pouch from Mono-material can be recycled 100%</li> <li>2. Stand up pouch from Mono-material passed the test of Lion customers</li> <li>3. Stand up pouch from Mono-material are produced for continuous distribution (commercial)</li> </ol>

Unilever Customer's Mono-material Development Project for Omo Detergent Pouch	
<b>Objectives</b>	Developed Omo detergent pouch as a new structure Mono-material that can be recycled
<b>Plan</b>	<ol style="list-style-type: none"> <li>1. Unilever sends details of raw materials for use in the project</li> <li>2. Study the properties of Mono-material</li> <li>3. Experiment and collect data on the process of printing, coating, making pouch, detergent pouch obtained from the developed Mono-material</li> <li>4. Experiment and collect data on properties of detergent pouch obtained from the developed Mono-material</li> <li>5. Send samples to customers for testing and follow up on the test results.</li> <li>6. Summarize results and approval for trial lot production</li> <li>7. Summarize results and approval for commercial use</li> </ol>
<b>Measurement</b>	<ol style="list-style-type: none"> <li>1. Detergent pouch Mono-material can be recycled 100%</li> <li>2. Detergent pouch Mono-material tested by Unilever customers</li> <li>3. Detergent pouch Mono-material are produced for continuous distribution (commercial)</li> </ol>

Unilever Customer's Mono-material Development Project for Comfort Stand-up Pouch	
<b>Objectives</b>	Developed the Comfort stand-up pouch as a new structure Mono-material that can be recycled
<b>Plan</b>	<ol style="list-style-type: none"> <li>1. Unilever sends details of raw materials for use in the project</li> <li>2. Study the properties of Mono-material</li> <li>3. Experiment and collect data on the process of printing, coating, making pouch</li> <li>4. Experiment and collect data on the properties of the stand-up pouch obtained from the developed Mono-material</li> <li>5. Send samples to customers for testing and follow up on the test results.</li> <li>6. Summarize results and approval for trial lot production</li> <li>7. Summarize results and approval for commercial use</li> </ol>
<b>Measurement</b>	<ol style="list-style-type: none"> <li>1. Stand up pouch from Mono-material can be recycled 100%</li> <li>2. Stand up pouch from Mono-material passed the test of Unilever customers</li> <li>3. Stand up pouch from Mono-material are produced for continuous distribution (commercial)</li> </ol>

Project to develop rice packet with Mono-material	
<b>Objectives</b>	Develop rice packet as Mono-material that can be recycled to meet the needs of customers and sustainable growth prospects
<b>Plan</b>	<ol style="list-style-type: none"> <li>1. Approval for the development of new work in the rice packet group with Mono-material</li> <li>2. Study the properties of using rice packets for customers</li> <li>3. Study the properties of the Mono-material</li> <li>4. Experiment and collect data on the process of printing, coating, making pouch</li> <li>5. Experiment and collect data on properties of rice packet obtained from developed Mono-material</li> <li>6. Send samples to customers for testing and follow up on the test results</li> <li>7. Summarize results and seek approval for trial lot production</li> <li>8. Summarize results and seek approval for commercial</li> </ol>
<b>Measurement</b>	<ol style="list-style-type: none"> <li>1. Rice packet from Mono-material can be recycled 100%</li> <li>2. Rice packet from Mono-material passed customer test</li> <li>3. Rice packet from Mono-material are produced for continuous distribution (commercial)</li> </ol>

## (2) Cyber Security and Data Protection

Information technology is considered as a valuable asset of Starflex Public Company Limited. Therefore, information technology must be supervised systematically and efficiently, completely creditably, which is preventing the risk of damage, protecting company assets and reducing data loss, resulting in effective business decisions and increasing competitiveness.

In this regard, the company has respected and given precedence to protection of personal information for officers, customers, business partners and business alliances by protecting the personal information from being misused and maintaining it in safe condition as laws and international standards.

### Key Performance 2022

**Announcement** of information security policies and guidelines including personal data protection and processing policies

### Guidelines for managing the information security

Starflex Public Company Limited (“company”) is committed to supervise and support the development of information security with efficiency and effectiveness to ensure that business operations achieve their objectives and set goals including moving steadily, growing sustainably in line with good corporate governance principles. To achieve such objectives, the company therefore has set the following information security policies:

- (1) Information security - Executives, officers, and third parties involved in the use of information and information technology assets of the organization have a direct duty to support, perform and cooperate in the compliance with the information security policy.
- (2) Conformity - A conformity review of the procedure must be conducted at least once a year.
- (3) Management of information technology assets - Accounting and auditing of information technology assets must be performed regularly at least once a year and such information shall be corrected when there is a change.
- (4) Physical security and environment - The room where the host information system is installed must adhere to a safe environment, protection against external threats, and having proper access control, including providing security equipment to be ready using at all times. The equipment used is protected against power failure and other interruptions which is caused by the failure of the system and various supporting equipment.

- (5) Security for data communication - Specify measures to control and protect the information system to ensure the safety of data transmission and plan to improve the network system to support the future expansion.
- (6) Relationship with external service providers - The company will enter into written agreements with external service providers, including preparing a record to control the hiring contract to be correct and reviewed at least once a year.
- (7) Access Control - The use of the company's information is subject to the specified access rights and the confidentiality hierarchy of the information with which the access rights are granted. This right of access must be reviewed at least once a year.
- (8) Human Resource Security - Use information in line with their duties and responsibilities as the internal structure of the company and be aware of the responsibility to use and maintain the company's information to be accurate and complete as their duties.
- (9) Operational security – Provide backup measures, and prepare a data recovery test plan, and review the plan at least once a year. Additionally, measures for storing computer traffic records will be set to meet the requirements of the Computer Crime Act, including procurement of computer virus protection methods to prevent the company's information from being damaged.
- (10) Information security management to create business continuity – Specify an information security continuity plan including a rehearsal of the information security continuity plan, which is scheduled to rehearse once a year.
- (11) Providing, developing, and transforming the system – Specify measures to change the information system by taking into account the need for information use to meet the policy and make the greatest benefit to the company.
- (12) Management of information problems - Executives, officers and related persons have a duty to use information correctly and appropriately and resolve the problem of using information appropriately without using in any other way that the company undefined.

#### **Guidelines for personal data protection management and processing**

Starflex Public Company Limited has established policies for personal data protection management and processing (privacy policy) to explain how the company treats with personal and sensitive data of applicants and/ or officers, e.g., collecting, use, disclosure, including the rights of officers, etc. In this regard, it is to be understood the company's policies for personal data protection.

### (3) Supply Chain Management

We have realized that the strength of the chain depends on the least strong chain. For this reason, Starflex Public Company Limited has taken part in strengthening business partners throughout the supply chain for towards to strive for excellence practices in all dimensions, whether it is economy, society, or environment. The company has considered that it is a great challenge in driving to positive change. Such restrictions do not make the company to cease or

discourage, but on the other hand, the company is still intentionally driving for developing the potential of partners even better. We will work together, think together and create together to move towards sustainability together.

## Key Performance 2022

### Announcement of Business Partner's Code of Conduct

#### Guidelines for managing sustainable supply chain

Supply chain management of Starflex Public Company Limited has been operated under the framework of responsible supply chain management containing elements that presenting the company's commitment for risk management in the supply chain to achieve supply chain management policy, supplier code of conduct and supply chain management goals, including sustainability evaluation with key suppliers that are important and high risk, and continuously communicating the results of supply chain management.

The company has adopted the Business Partner's Code of Conduct as a guideline to communicate expectations to its main business partners for proper and continuous implementation to strive for international best practices. It is defined the essential functions of sustainable supply chain management to affect values and communication.

#### Business Partner's Code of Conduct

Starflex Public Company Limited ("the company") has an ideology in conducting business with integrity, ethics, honesty, transparency, and adherence to responsibility for society and all groups of stakeholders as the principles of corporate governance, code of conduct and business ethics, which will make the business grow sustainably.

The company therefore has prepared a business partner code of conduct for the company's partners to apply it as a guideline for conducting business with responsibility and creating a harmonious coexistence

between the environment, society, and corporate governance and the economy (ESG) according to the sustainability framework and to achieve sustainable development goals together throughout the business chain.



### Guidelines for critical supplier selection

Starflex Public Company Limited has a large number of business operations involving suppliers and we are committed to raising awareness of responsible supply chain management with critical suppliers as the first priority. The principles to be categorized types of suppliers are as follows:

1. Suppliers who are suppliers of the main raw materials that are essential components.
2. Suppliers who are suppliers of raw materials that cannot be substituted.
3. Suppliers with high trading value.

Additionally, it was identified to find the risky suppliers by assessing sustainability risks throughout the supply chain through the 2-dimensional assessment criteria, i.e., the level of severity of the impact and the likelihood of risks. The risk issues applied in the assessment are taken from reliable channels as follows: 1) news, 2) past performance, 3) industry-related risk factors, and 4) risk trends that have the potential to occur in the future. In this regard, the risk assessment covers raw materials and service providers that are not limited to Tier 1 suppliers who trade directly but also still include other suppliers (Non-Tier 1) as well.



## Summary of Sustainability Indicators (ESG Matrics) in Governance and Economics : Fundamental Indicators

No	Code	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
G1 Policy, Structure and Corporate Governance System										
1	G1.1C	Composition of the Board	History of individual Board of Directors	Yes / No	Core	Yes	Yes	Yes	Yes	
2	G1.2C		Total number of directors	Person	Core	9	9	9	7	
3	G1.3C		Number of independent directors	Person	Core	5	5	5	4	
4	G1.4C		Number of non-executive directors	Person	Core	0	0	0	0	
5	G1.5C		Number of female directors	Person	Core	0	0	0	0	
6	G1.6C		The Chairman of the Board is an independent director.	Yes / No	Core	Yes	Yes	Yes	Yes	
7	G1.7C		The Chairman of the Board and the Managing Director are not the same person.	Yes / No	Core	Yes	Yes	Yes	Yes	
8	G1.8C		The number of independent directors in each committee							
			- Audit Committee	Person	Core	3	3	3	3	

No	Code	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
			- Nomination and Remuneration Committee	Person	Core	2	2	2	-	
			- Risk Management Committee	Person	Core	2	2	2	-	
			- Corporate Governance and Sustainable Development Committee	Person	Core	3	-	-	-	
9	G1.9C	Composition of the Board								
			- Audit Committee	Yes / No	Core	Yes	Yes	Yes	Yes	
			- Nomination and Remuneration Committee	Yes / No	Core	Yes	Yes	Yes	-	
			- Risk Management Committee	Yes / No	Core	Yes	Yes	Yes	-	
			- Corporate Governance and Sustainable Development Committee	Yes / No	Core	Yes	-	-	-	
10	G1.10C		Number of years in office of individual director	Year	Core	-	-	-	-	

No	Code	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
11	G1.11C	Roles and Responsibilities of	Number of meetings of the Board of Directors	Time	Core	5	6	9	7	
12	G1.12C	the Board of	Performance of the Board of Directors	Yes / No	Core	Yes	Yes	Yes	Yes	
13	G1.13C	Directors	Number of meetings of the Audit Committee	Time	Core	7	7	7	7	
14	G1.14C		Performance of the Audit Committee	Yes / No	Core	Yes	Yes	Yes	Yes	
15	G1.15C		Number of meetings of each sub-committee							
		- Nomination and Remuneration Committee	Time	Core	3	3	2	-		
		- Risk Management Committee	Time	Core	4	4	4	-		
		- Corporate Governance and Sustainable Development Committee	Time	Core	2	-	-	-		

No	Code	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
<b>G1 Policy, Structure and Corporate Governance System</b>										
16	G1.16C	Roles and Responsibilities of the Board of Directors	Performance of each sub-committee							
			- Nomination and Remuneration Committee	Yes / No	Core	Yes	Yes	Yes	-	
			- Risk Management Committee	Yes / No	Core	Yes	Yes	Yes	-	
			- Corporate Governance and Sustainable Development Committee	Yes / No	Core	Yes	-	-	-	
17	G1.17R		Result of the implementation of the succession plan	Yes / No	Recommended	Yes	Yes	Yes	Yes	
18	G1.18C	Nomination of Directors	Policies and criteria for recruiting qualified directors in line with corporate strategies	Yes / No	Core	Yes	Yes	Yes	Yes	
19	G1.19C		Analysis of Board Skills and Experience by Nature of Business (Board Skill Matrix)	Yes / No	Core	Yes	-	-	-	
20	G1.20C		Profile of the newly appointed director	Yes / No	Core	Yes	Yes	Yes	Yes	

No	Code	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
21	G1.21C	Remuneration for directors and senior executives	Policy and Criteria for Remuneration of Directors	Yes / No	Core	Yes	Yes	Yes	Yes	
22	G1.22C		The amount of remuneration for individual directors	Million baht	Core	5.82	5.67	5.73	4.52	
23	G1.23C		Other non-monetary remuneration of directors	Yes / No	Core	Yes	Yes	Yes	Yes	
24	G1.24C		Policy and criteria for remuneration of senior executives	Yes / No	Core	Yes	Yes	Yes	Yes	
25	G1.25C	Remuneration for directors and senior executives	The total amount of remuneration for senior executives	Million baht	Core	32.9	28.7	29.3	28.5	
26	G1.26R		Other remuneration and long-term benefits of senior executives	Yes / No	Recommended	Yes	Yes	Yes	Yes	
27	G1.27C	Director development	Policy on director development plan	Yes / No	Core	Yes	Yes	Yes	Yes	
28	G1.28R		Individual director development performance	Yes / No	Recommended	Yes	Yes	Yes	Yes	

No	Code	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
29	G1.29C	Assessment of the performance of the Board of Directors and senior executives	Criteria for evaluating the performance of the Board of Directors	Yes / No	Core	Yes	Yes	Yes	Yes	
30	G1.30C		Assessment results of performance of the committee as a group	Yes / No	Core	Yes	Yes	Yes	Yes	
31	G1.31C		Evaluation results of performance of each sub-committee							
			- Audit Committee	Yes / No	Core	Yes	Yes	Yes	Yes	
			- Nomination and Remuneration Committee	Yes / No	Core	Yes	Yes	Yes	Yes	
			- Risk Management Committee	Yes / No	Core	Yes	Yes	Yes	-	
			- Corporate Governance and Sustainable Development Committee	Yes / No	Core	Yes	-	-	-	
32	G1.32R		Result of performance evaluation of individual directors	Yes / No	Recommended	Yes	Yes	Yes	Yes	
33	G1.33R		Criteria for evaluating the performance of the Managing Director	Yes / No	Recommended	Yes	Yes	Yes	Yes	

No	Code	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
G1 Policy, Structure and Corporate Governance System										
34	G1.34C	Code of Conduct	Code of Conduct	Yes / No	Core	Yes	Yes	Yes	Yes	
35	G1.35C		Anti-Corruption Policy and Guidelines	Yes / No	Core	Yes	Yes	Yes	Yes	
36	G1.36C		Number of business ethics violations or corruption with corrective measures	Number of cases	Core	0	0	0	0	
37	G1.37C		Policies and guidelines for handling complaints and whistle blowing	Yes / No	Core	Yes	Yes	Yes	Yes	
38	G1.38R		Measures to prevent violations of business ethics	Yes / No	Recommended	Yes	Yes	Yes	Yes	
G2 Sustainability Policy and Strategy										
39	G2.1C	Sustainability Policy and Strategy	Corporate Sustainability Policy and Goals	Yes / No	Core	Yes	-	-	-	
40	G2.2R		Corporate Sustainability Issues (Material Topics)	Yes / No	Recommended	Yes	-	-	-	
41	G2.3R		Sustainability Report	Yes / No	Recommended	Yes	-	-	-	
42	G2.4R		Sustainability performance disclosure standards such as GRI standards etc.	Yes / No	Recommend ed	Yes	-	-	-	

No	Code	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
G3 Sustainability Risk Management										
43	G3.1C	Sustainability Risk Management	Sustainability Risk Management Policy and Guidelines	Yes / No	Core	Yes	-	-	-	
44	G3.2C		Risk factors and opportunities from sustainability issues (ESG risks)	Yes / No	Core	Yes	-	-	-	
45	G3.3C		New risk factors (emerging risks) that may affect business in the near future	Yes / No	Core	Yes	-	-	-	
46	G3.4C		Business continuity management plan such as Business Continuity Plan (BCP), etc.	Yes / No	Core	Yes	-	-	-	
G4 Sustainable Supply Chain Management										
47	G4.1C	Sustainable Supply Chain Management	Sustainable supply chain Management policy and practice	Yes / No	Core	Yes	-	-	-	
48	G4.2C		Sustainable Supply Chain Management Plan	Yes / No	Core	Yes	-	-	-	



No	Code	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
49	G4.3R		Percentage of new business partners of the company that passed the sustainability screening	%	Recommended	-	-	-	-	
50	G4.4R		Business Partner’s Code of Conduct	Yes / No	Recommended	Yes	-	-	-	
51	G4.5R		Percentage of key suppliers who have signed a contract to comply with the Business Partner Code of Conduct	%	Recommended	-	-	-	-	
G5 Innovation development										
52	G5.1C	Innovation development	Policies and guidelines for corporate innovation development	Yes / No	Core	Yes	-	-	-	
53	G5.2C		The process of developing and promoting an organization's innovation culture.	Yes / No	Core	Yes	Yes	Yes	Yes	
54	G5.3C		Innovation research and development expenses	Million baht	Core	7.25	10.01	7.91	6.46	
55	G5.4R		Benefits from innovation development	Yes / No	Recommended	Yes	Yes	Yes	Yes	

## Summary of Sustainability Indicators (ESG Metrics) in Governance and Economics: Indicators by industry group (packaging group)

No	Code	GRI Standards	SDGs	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
PAC-G1 Cyber Security and Privacy Protection												
1	PAC-G1.1	Disclosure 418-1	Goal 9: Industry, Innovation and Infrastructure	Cyber Security and Privacy Protection	Cyber Security and Privacy Protection Policies and Practices	Yes / No	Recommended	Yes	Yes	-	-	
2	PAC-G1.3				Measures and guidelines for the use of personal information	Yes / No	Recommended	Yes	Yes	-	-	
3	PAC-G1.4				Percentage of employees trained in cybersecurity and personal data use	%	Recommended	-	-	-	-	Start using data Jul 2023
4	PAC-G1.5				The number of incidents or cases where the company has been attacked by cyber attacks. with corrective measures	Number of cases	Recommended	0	0	1	0	
5	PAC-G1.6				Number of incidents or cases of personal data leakage with corrective measures	Number of cases	Recommended	0	0	0	0	

No	Code	GRI Standards	SDGs	ESG Issues	ESG Indicators	Unit	Reporting Guide	2022 (2565)	2021 (2564)	2020 (2563)	2019 (2562)	Note
PAC-G2 Product quality and recalls												
6	PAC-G2.1	Disclosure 416-1	Goal 12: Responsible Consumption and Production	Product quality and recalls	Policies and guidelines for product quality management according to international standards such as ISO 9001:2015 or other standards, etc.	Yes / No	Recommended	Yes	Yes	Yes	Yes	QMS
					Policies and guidelines for product quality management according to international standards such as ISO 9001:2015 or other standards, etc.	System name	-	FSSC 22000, GHPs, HACCP	FSSC 22000, GHPs, HACCP	FSSC 22000, GMP, HACCP	FSSC 22000, GMP, HACCP	QMS
7	PAC-G2.2				Product recall plan	Yes / No	Recommended	Yes	Yes	Yes	Yes	QMS
8	PAC-G2.3				Number of product recall cases or incidents along with corrective and remedial measures	Number of cases	Recommended	0	0	0	0	QMS

## Management discussion and analysis (MD&A)

Ending 31 December 2020 2021 and 2022

Statement of Financial Position	31 December 2020		31 December 2021		31 December 2022	
	THB million	Percent	THB million	Percent	THB million	Percent
<u>Assets</u>						
<i>Current Assets</i>						
Cash and cash equivalents	168.51	13.11	74.84	4.97	129.08	8.06
Trade and other receivables	261.60	20.36	345.54	22.94	263.35	16.44
Inventories	228.28	17.76	333.85	22.16	333.36	20.81
Derivative assets	-	-	0.32	0.02	-	-
Other current financial assets	0.24	0.02	0.69	0.05	0.18	0.01
Other current assets	24.94	1.94	20.61	1.37	21.38	1.33
<b>Total current assets</b>	<b>683.57</b>	<b>53.19</b>	<b>775.84</b>	<b>51.50</b>	<b>747.35</b>	<b>46.66</b>
<i>Non-current Assets</i>						
Restricted bank deposits	12.23	0.95	12.29	0.82	12.35	0.77
Investment in subsidiary	-	-	-	-	-	-
Investments in joint ventures	-	-	-	-	31.75	1.98
Property, plant and equipment	475.21	36.98	594.11	39.43	739.39	46.16
Right-of-use-assets	59.06	4.60	45.02	2.99	53.15	3.32
Intangible assets	3.05	0.24	2.13	0.14	0.73	0.05
Deferred tax assets	8.20	0.64	8.96	0.59	6.65	0.42
Other non-current financial assets	4.99	0.38	5.00	0.33	5.08	0.32
Other non-current assets	38.80	3.02	63.22	4.20	5.40	0.34
<b>Total non-current assets</b>	<b>601.54</b>	<b>46.81</b>	<b>730.73</b>	<b>48.50</b>	<b>854.50</b>	<b>53.36</b>
<b>Total assets</b>	<b>1,285.11</b>	<b>100.00</b>	<b>1,506.57</b>	<b>100.00</b>	<b>1,601.85</b>	<b>100.00</b>

Statement of Financial Position	31 December 2020		31 December 2021		31 December 2022	
	THB million	Percent	THB million	Percent	THB million	Percent
<u>Liabilities and shareholders' equity</u>						
<i>Current liabilities</i>						
Short-term loans from financial institutions	27.43	2.13	52.73	3.50	29.24	1.83
Trade and other payables	284.97	22.17	294.88	19.57	276.03	17.23
Derivative liabilities	0.98	0.08	-	-	1.30	0.08
Current portion of long-term loans from financial institutions	-	-	54.25	3.60	76.82	4.80
Current portion of lease liabilities	21.10	1.64	13.56	0.90	8.02	0.50
Income tax payable	10.30	0.80	3.52	0.24	7.08	0.43
<b>Total current liabilities</b>	<b>344.78</b>	<b>26.82</b>	<b>418.94</b>	<b>27.81</b>	<b>398.49</b>	<b>24.88</b>
<i>Non-current liabilities</i>						
Liabilities under finance lease	-	-	-	-	-	-
Long-term loans - net of current portion	-	-	70.38	4.67	157.09	9.81
Lease liabilities - net of current portion	26.09	2.03	14.02	0.93	18.22	1.14
Provision for long-term employee benefits	33.65	2.62	42.93	2.85	42.69	2.67
<b>Total non-current liabilities</b>	<b>59.74</b>	<b>4.65</b>	<b>127.33</b>	<b>8.45</b>	<b>218.00</b>	<b>13.62</b>
<b>Total liabilities</b>	<b>404.52</b>	<b>31.47</b>	<b>546.27</b>	<b>36.26</b>	<b>616.49</b>	<b>38.49</b>
<u>Shareholders' equity</u>						
<i>Share capital</i>						
Registered	410.00	31.90	502.25	33.34	502.25	31.35
Issued and fully paid-up	410.00	31.90	410.00	27.21	410.00	25.60
Share premium	302.99	23.58	302.99	20.11	302.99	18.92
<i>Retained earnings</i>						
Appropriated - statutory reserve	26.80	2.09	30.29	2.01	33.00	2.06
Unappropriated	140.80	10.96	217.02	14.41	239.37	14.94
<b>Total shareholders' equity</b>	<b>880.59</b>	<b>68.53</b>	<b>960.30</b>	<b>63.74</b>	<b>985.36</b>	<b>61.52</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,285.11</b>	<b>100.00</b>	<b>1,506.57</b>	<b>100.00</b>	<b>1,601.85</b>	<b>100.00</b>

Statement of Comprehensive Income For the year ended 31 December 2022	31 December 2020		31 December 2021		31 December 2022	
	THB million	Percent	THB million	Percent	THB million	Percent
Revenues						
Sales	1,398.05	98.80	1,677.15	97.10	1,668.86	98.39
Gain on exchange	1.63	0.12	-	-	0.34	0.02
Other income	15.34	1.08	50.16	2.90	26.89	1.59
<b>Total revenues</b>	<b>1,415.02</b>	<b>100.00</b>	<b>1,727.31</b>	<b>100.00</b>	<b>1,696.09</b>	<b>100.00</b>
Cost of sales	1,093.81	77.30	1,414.06	81.86	1,458.00	85.96
<b>Gross profit</b>	<b>304.24</b>	<b>21.50</b>	<b>263.09</b>	<b>15.23</b>	<b>210.86</b>	<b>12.43</b>
Loss on exchange	-	-	0.06	0.00	-	-
Selling expenses	29.52	2.09	34.14	1.97	37.62	2.22
Administrative expenses	116.41	8.23	118.25	6.85	132.85	7.83
<b>Earnings Before Interest, Income Tax and Depreciation (EBITDA)</b>	<b>233.87</b>	<b>16.53</b>	<b>222.49</b>	<b>12.88</b>	<b>124.14</b>	<b>7.32</b>
Depreciation	58.59	4.14	61.68	3.57	56.52	3.33
<b>Earnings Before Income Tax (EBIT)</b>	<b>175.28</b>	<b>12.39</b>	<b>160.81</b>	<b>9.31</b>	<b>67.62</b>	<b>4.00</b>
Finance cost	4.61	0.33	3.90	0.23	2.93	0.17
<b>Profit before income tax (EBT)</b>	<b>170.67</b>	<b>12.06</b>	<b>156.91</b>	<b>9.08</b>	<b>64.69</b>	<b>3.81</b>
Income tax expenses	27.87	1.97	7.49	0.43	9.64	0.57
<b>Net profit</b>	<b>142.80</b>	<b>10.09</b>	<b>149.42</b>	<b>8.65</b>	<b>55.07</b>	<b>3.25</b>
Other comprehensive income (loss) for the year	2.26	0.16	-	-	6.9	0.41
<b>Total comprehensive income for the year</b>	<b>145.06</b>	<b>10.25</b>	<b>149.42</b>	<b>8.65</b>	<b>61.96</b>	<b>3.64</b>

Cash flow statement	2020	2021	2022
<u>Cash flow from operating activities</u>			
Profit before tax	170.68	156.91	64.70
<i>Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities</i>			
Depreciation and amortisation	58.59	61.68	56.52
Allowance for for expected credit losses (reversal)	(0.09)	(0.13)	0.05
Allowance for reduction of inventory to net realisable value (reversal)	2.24	0.19	(1.73)
Loss (gain) on disposal/write-off of equipment	(0.20)	(34.50)	(0.65)
Loss (gain) on disposal/write-off of equipment ROU	-	(1.50)	-
Gain on write-off of right-of-use-assets from contract cancellation	(0.03)	-	-
Provision for long-term employee benefits	8.08	9.94	9.92
Unrealized Loss (gain) from exchange	0.12	(0.17)	1.29
Interest income	(1.52)	(0.34)	(0.25)
Interest expenses	4.61	3.90	2.93
<b>Profit from operating activities before change in operating assets and liabilities</b>	<b>242.48</b>	<b>195.98</b>	<b>132.78</b>
<i>Operating assets (increase) decrease</i>			
Trade and other receivables	(24.93)	(50.82)	69.98
Inventories	(27.04)	(105.76)	2.22
Other current financial assets	(0.24)	(1.43)	0.83
Other current assets	(5.06)	4.33	(0.77)
<i>Operating liabilities increase (decrease)</i>			
Trade and other payables	(3.56)	20.59	(20.25)
<b>Cash from operating activities</b>	<b>181.65</b>	<b>62.89</b>	<b>184.79</b>
Interest income	1.53	0.33	0.26
Cash paid for long-term employee benefits	(0.75)	(0.66)	(1.55)
Cash paid for interest expenses	(5.07)	(3.72)	(2.93)
Cash paid for income tax	(25.86)	(15.03)	(5.49)
<b>Net cash from operating activities</b>	<b>151.50</b>	<b>43.81</b>	<b>175.08</b>

Cash flow statement	2020	2021	2022
<u>Cash flows from investing activities</u>			
Decrease (increase) in restricted bank deposits	6.54	(0.06)	(0.06)
Increase in investment in subsidiary	-	-	-
Increase in investments in joint ventures	-	-	(31.62)
Acquisition of equipment	(152.48)	(174.43)	(185.37)
Proceeds from disposals of equipment	0.20	3.99	12.16
Acquisition of intangible assets	(0.71)	(0.86)	(0.21)
Decrease in other non-current financial assets	7.32	-	(0.08)
Increase in other non-current assets	(32.91)	(24.41)	61.18
<b>Net cash used in investing activities</b>	<b>(172.04)</b>	<b>(195.77)</b>	<b>(144.00)</b>
<u>Cash flows from financing activities</u>			
Decrease in short-term loans from financial institution	(64.08)	25.10	(23.49)
Cash paid for liabilities under finance lease agreements and lease liabilities	(24.88)	(21.74)	(19.87)
Cash received from long-term loan	-	126.38	164.29
Repayment of long-term loan	(98.86)	(1.76)	(55.00)
Interest paid	-	-	(5.87)
Dividend paid	(94.30)	(69.70)	(36.90)
<b>Net cash from (used in) financing activities</b>	<b>(282.12)</b>	<b>58.28</b>	<b>23.16</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(302.66)</b>	<b>(93.68)</b>	<b>54.25</b>
Cash and cash equivalents at beginning of year	471.17	168.51	74.83
<b>Cash and cash equivalents at end of year</b>	<b>168.51</b>	<b>74.83</b>	<b>129.08</b>



Table of key financial ratios

Item	2020	2021	2022
<b><u>Liquidity ratio</u></b>			
Current ratio (times)	1.98	1.85	1.88
Quick ratio (times)	1.25	1.00	0.98
Cash flow liquidity ratio (times)	0.38	0.11	0.43
Account receivable turnover (times)	5.46	5.39	5.35
Collection period (days)	66.99	67.68	68.20
Finished goods turnover ratio (times)	15.21	13.58	11.38
Finished goods turnover ratio (days)	24.00	26.87	32.06
Inventory turnover (times)	5.07	5.03	4.37
Inventory turnover (days)	72.04	72.55	83.52
Accounts payable turnover (times)	3.74	4.88	5.11
Payment period (days)	97.68	74.84	71.46
Cash cycle (days)	(6.69)	19.71	28.80
<b><u>Profitability ratio</u></b>			
EBITDA (%)	16.55	12.88	7.32
Gross profit margin (%)	21.76	15.69	12.64
Operating profit margin (%)	11.32	6.60	2.42
Net profit margin (%)	10.10	8.65	3.25
Return on equity (%)	16.70	16.23	5.66
Capacity utilization rate (%)	74.95	79.81	77.82
Capacity utilization rate (%)	2.97	2.91	2.29
Ratio of other income to total income (%)	1.20	2.90	1.61
Cash to Profitability Ratio (%)	95.70	39.59	433.35

Item	2020	2021	2022
<b><u>Financial ratio</u></b>			
Interest coverage ratio (times)	50.78	57.10	42.37
Debt service coverage ratio (times)	8.53	2.08	1.17
Debt to equity (times)	0.46	0.57	0.63
interest bearing debt to equity : IBD/E ratio (times)	0.03	0.18	0.27
Dividend per share (Baht per share)	0.09	0.09	0.05
Dividend payout ratio (%)	48.81	46.65	67.01
Dividend yield (%)	1.59	1.68	1.51
Ratio of loans from financial institutions to total liabilities (times)	0.37	0.87	0.91
Ratio of 1-year interest-bearing debt to total interest-bearing debt (times)	0.65	0.59	0.39
interest bearing debt to EBITDA ratio (times)	0.32	0.92	2.33
<b><u>Efficiency ratio</u></b>			
Asset turnover (times)	1.05	1.24	1.09
Return on assets (%)	10.63	10.70	3.54
Return on fixed assets (%)	45.02	39.48	16.74

## Total revenues

The total revenues in 2022 Baht 1,696.09 million compared to that of 2021 Baht 1,727.31 million showed a decrease of 1.81 percent. Further details are as follows.

Revenues	Year 2021		Year 2022		Varied (%)
	THB million	Percent	THB million	Percent	
Revenue from sales	1,677.15	97.10	1,668.86	98.39	(0.49)
Profit from exchange rate	-	-	0.34	0.02	-
Other revenue	50.16	2.90	26.89	1.59	(46.39)
<b>Total revenues</b>	<b>1,727.31</b>	<b>100.00</b>	<b>1,696.09</b>	<b>100.00</b>	<b>(1.81)</b>

### Revenues from sales

Sales revenues in 2022 Baht 1,696.09 million compared to that of 2021 Baht 1,727.31 million showed a decrease of 1.81 percent. Sales revenue is divided by 2 main categories of consumer products (1) non-food and (2) food. In 2022, income ratio from Non-Food and Food was 76.21 : 23.79, when compared to that from 2021, the ratio was approximately 78.21 : 21.79

Category	Year 2021		Year 2022		Varied (%)
	THB million	Percent	THB million	Percent	
Revenue from sales	1,677.15	97.10	1,668.86	98.39	(0.49)
Non-Food	1,309.26	75.80	1,258.10	74.18	(3.91)
Food	364.76	21.12	392.82	23.16	7.69

## Costs and expenses

Main expenses of the Company Group consisted of cost of sales, selling expense, administrative expense and financial expenses. Total expenses for 2022 and 2021 were Baht 1,641.04 and 1,577.90 million respectively, a increase by 4.00 percent. Further details are as follows.

Costs and expenses	Year 2021		Year 2022		Varied (%)
	THB million	Percent	THB million	Percent	
Cost of sales	1,414.06	89.62	1,458.00	88.85	3.11
Loss on exchange	0.06	0.00	-	-	(100.00)
Selling expenses	34.14	2.16	37.62	2.29	10.19
Administrative expenses	118.25	7.49	132.85	8.10	12.35
Financial expenses	3.90	0.25	2.93	0.18	(24.87)
Tax expenses	7.49	0.47	9.64	0.59	28.70
<b>Total costs</b>	<b>1,577.90</b>	<b>100.00</b>	<b>1,641.04</b>	<b>100.00</b>	<b>4.00</b>
Percent to total revenue	91.35		96.75		

### Cost of sales and gross profit

In 2022, the Company has cost of sales in the amount of Baht 1,458.00 million or 87.37 percent of the revenue from sales or accounted for the gross profit margin of 12.63 percent while in 2021 the Company had cost of sales of Baht 1,414.06 million, accounting for 84.31 percent of the revenue from sales. Or accounting for the gross profit margin equal to 15.69 percent, the main cause of the decrease in gross margin. This is due to increased raw material costs as a result of rising oil. However, these problems had been handle by purchasing and stocking raw materials more in advance, and by adjusting selling price with all customers.

Cost of sales and gross profit	Year 2021		Year 2022		Varied (%)
	THB million	Percent	THB million	Percent	
Revenue from sales	1,677.15	100.00	1,668.86	100.00	(0.49)
Cost of sales	1,414.06	84.31	1,457.99	87.36	3.11
<b>Gross profit</b>	<b>263.09</b>	<b>15.69</b>	<b>210.87</b>	<b>12.64</b>	<b>(19.85)</b>
Revenue from product sales	1,674.02	100.00	1,650.92	100.00	(1.38)
Cost of product sales	1,410.95	84.29	1,441.78	87.33	2.19
<b>Gross profit from product sales</b>	<b>263.07</b>	<b>15.71</b>	<b>209.14</b>	<b>12.67</b>	<b>(20.50)</b>
Revenues - Trading	3.13	100.00	17.94	100.00	473.16
Cost - Trading	3.11	99.36	16.22	90.41	421.54
<b>Gross profit from revenues - trading</b>	<b>0.02</b>	<b>0.64</b>	<b>1.72</b>	<b>9.59</b>	<b>8,500.00</b>

#### Selling expenses

The Company's cost of sales of Baht 37.62 million in 2022 and Baht 34.14 million in 2021, An increase of 10.19 percent. The reason for the increase sales expenses in 2022 is due to employee salaries, compensation and benefits this includes the pallet rental, forklift rental fees and transportation costs to deliver products to customers with increasing volume on demand and rising oil.

#### Administrative expenses

The Company's administrative expenses amounting to Baht 132.85 million and Baht 118.25 million in 2022 and 2021, an increase of 12.35 percent, The main reason of increasing in the administrative expenses was the consulting fees referred to the investment project in Vietnam.

#### Financial expenses

Financial expense was at Baht 2.93 million in 2022 and Baht 3.90 million in 2021, a decrease by 24.87 percent. Because of the company's debt restructuring and managed its working capitals more effectively.

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**Net profit**

From the above-mentioned operating results, in 2022 and in 2021, the Company has a net profit of Baht 55.07 million and Baht 149.42 million, which is 3.25 percent and 8.65 percent net profit, respectively. There were two main reasons caused gross profits and net profits decreasing; first, the rising of raw material costs affected from the rising of the oil price and the rising of the US. Dollar exchange rate. Later, regards on a process of relocate all company's owned machines to a new plant, by doing this, it temporarily caused production cost increasing. However, these problems had been handle by purchasing and stocking raw materials more in advance, and by adjusting selling price with all customers. However, the management has couped with these problems by stocking more raw materials in advance.

**Return on equity**

The company's return on equity falls marginally, with a return on equity of 5.66 percent in 2022 and 16.23 percent in 2021. The reason for the decrease in return on equity is that the company paid dividends to shareholders in the amount of Baht 36.90 million in 2022, a decrease from the year 2021, when dividends were paid to shareholders in the amount of Baht 69.70 million, while net profit decreased from the reasons mentioned above.

## Financial status

### Assets

Total assets of the Company at ending of 2022 and 2021 amounted to Baht 1,601.85 million and Baht 1,506.57 million respectively. The important assets of the Company include account receivables and other receivables amounted to Baht 263.35 million, account receivables and other receivables amounted to Baht 345.54 million, Inventories amounted to Baht 333.36 million and property, plant and equipment amounted to Baht 739.39 million. As of ending 2021, ratio of the said important assets to assets were 16.44, 20.81 and 46.16 percent respectively. The total assets decreased from 2020 because of the property, plant and equipment increased by Baht 145.28 million.

Trade account receivables	As of 31 Dec 2021		As of 31 Dec 2022	
	THB million	Percent	THB million	Percent
Undue	192.77	60.42	162.96	65.26
Overdue	126.27	39.58	86.75	34.74
Not over 3 months	118.71	37.21	78.57	31.46
3-6 months	-	-	-	0.00
6-12 months	0.14	0.04	0.48	0.19
More than 12 months	7.42	2.33	7.70	3.08
<b>Total trade account receivables</b>	<b>319.04</b>	<b>100.00</b>	<b>249.71</b>	<b>100.00</b>
Less: Allowance for doubtful accounts	(7.34)	(2.30)	(7.39)	(2.96)
<b>Trade accounts receivable, net</b>	<b>311.70</b>	<b>97.70</b>	<b>242.32</b>	<b>97.04</b>

According to the table above, most of account receivables are undue account. The ratio between account receivables and trade account receivables before deduction of allowance for doubtful accounts was 65.26 percent as at the end of 2022 and 60.42 percent as at the end of 2021. Overdue account represented 34.74 and 39.58 percent of trade account receivable before deduction of allowance for doubtful accounts as at end of 2022 and 2021 respectively. Most of outstanding debt are not past 3 month due while those past 12 month due amounted to Baht 7.70 million was Thai Neo Med Company Limited and Lamination (Thailand) Co., Ltd. of which the Company is currently In the process of prosecuting legal proceedings. However the Company has a policy to make a 100 percent allowance for doubtful accounts for 360 days of outstanding receivables.

As at ending of 2022, the Company set Baht 7.39 million as an allowance for doubtful account. Increase from Baht 7.34 million in 2021 due to a debtor is overdue for more than 12 months.

Inventory	As of 31 Dec 2021		As of 31 Dec 2022	
	THB million	Percent	THB million	Percent
<b>Inventory</b>	<b>345.55</b>	<b>100.00</b>	<b>343.33</b>	<b>100.00</b>
Ready-made products	132.80	38.43	136.87	39.87
Work in process	36.60	10.59	82.69	24.08
Raw materials	171.08	49.51	118.97	34.65
Factory agenda	3.60	1.04	4.64	1.35
Goods in transit	1.47	0.43	0.16	0.05
Less: Allowance for diminution in value of inventory	(11.70)	(3.39)	(9.96)	(2.90)
<b>Inventory - net</b>	<b>333.85</b>	<b>96.61</b>	<b>333.36</b>	<b>97.10</b>

An inventory before deduction of allowance for diminution in inventory value as ending of 2022 and 2021 was Baht 343.33 and 345.55 million respectively. The Company's inventory included finished goods, work in process and raw materials, representing 39.87, 24.08 and 34.65 percent of total inventory as of ending 2022. From the table above, it can be seen that the quantity of finished products has slightly increased. Since the past the Company aware of rising oil prices and plans to manage the stock of raw materials and finished goods inventories.

The Company set an allowance for diminution in inventory value by considering the life of inventory and net realizable value. For the inventory with life less than 300 days, the Company would compare cost and net realizable value (NRV) where the difference would be set as an allowance for diminution in inventory value.

In addition, allowance for diminution in value of work in process and finished good with life over 300 days, are based on their value. For raw materials, the allowance for diminution in value is based on shelf life or practical shelf life of each raw material type. When the life of material exceeds shelf life, the whole value of raw material is set as an allowance for diminution in value.

Allowance for diminution in value of inventory in 2022 and 2021 were Baht 9.96 and 11.70 million respectively, representing 2.90 percent and 3.39 percent of the inventory. The ratio of an allowance for



diminution in inventory value for year 2022 decreased as a result of the inventory management implementation by eliminating unused finished goods and raw materials.

#### Property, plant and equipment

The Company owns property, plant and equipment value Baht 739.39 million at ending of 2022 and Baht 594.11 million at ending of 2021, representing 46.16 percent and 29.43 percent of total assets respectively. In 2022 the Company purchased machinery to increase production efficiency. Which can produce a wide variety of products according to customer requirements create new business opportunities generate new sales according to company policy and also invest more in the construction of a new factory.

#### **Liquidity**

Cash Flow	12 month period ending 31 December 2021 THB million	12 month period ending 31 December 2022 THB million
Net cash received from (used in) operating activities	43.81	175.08
Net cash used in investing activities	(195.77)	(144.00)
Net cash received from (used in) financing activities	58.28	23.17
<b>Cash and cash equivalents increase (decrease)-net</b>	<b>(93.68)</b>	<b>54.25</b>

Net cash received from operating activities was Baht 175.08 million in 2022 and Baht 43.81 million in 2021. The cash received was a result of decreasing operating activities, following the increase of reduced trade accounts receivable, efficient collection of payments.

In 2022, net cash flow from financing activities increased Baht 23.17 million due to receive loan amount of Baht 23.49 million, loan payment Baht 55.00 million, payment of lease liabilities Baht 19.87 million and dividend payment Baht 36.90 million.

<u>Liquidity ratio</u>	Year 2021	Year 2022
Current ratio (times)	1.85	1.88
Quick ratio (times)	1.00	0.98
Collection period (days)	67.68	68.20
Payment period (days)	74.84	71.46
Cash cycle (days)	19.71	28.80

The liquidity ratio of the Company decreased to 1.88 times and 1.95 times at ending of 2022 and 2021 while quick ratio was 0.98 times and 1.00 times respectively. the reason that the liquidity ratio has decreased significantly due to investment in the purchase of equipment, machinery and investment in the construction of new factories.

Cash cycle of the Company significantly increased from 19.71 days in 2021 to 28.80 days in 2022 mainly payment period has decreased from 74.84 days in 2020 to 71.46 days in 2022, as a result of payment for the construction of a new factory.

#### Source of fund

##### Liabilities

At the end of 2022 and 2021, the Company had total liabilities of Baht 616.49 million and Baht 546.27 million respectively. The increase of liabilities at ending of 2022 mainly due to the Company's use of credit for its business operations, including factory construction. In 2022, the Company had short-term and long-term loans from financial institutions in the amount at Baht 263.16 million increase when compare with year 2020 amount of Baht 177.36 million.

##### Shareholders' equity

At the end of 2022 and 2021, shareholders' equity was Baht 985.36 million and Baht 960.30 million respectively an increase of 2.61 percent due to the increase in retained earnings from the operating results of 2022 of Baht 55.07 million and the Company pays an interim dividend of Baht 36.90 million.

##### The Optimal Capital Structure

At the end of 2022 and 2021, the debt to equity ratio was 0.63 times and 0.57 times respectively. The significant shrinkage increased debt from long-term loans for investment in the construction of the expansion plant. As a result, the debt to equity ratio increased.

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## General information and other material facts

### Starflex Public Company Limited

Registrar	Thailand Securities Depository Company Limited 93 Ratchadaphisek Rd, Khwaeng Din Daeng, Khet Din Daeng, Bangkok 10400 Telephone: 0-2900-9000 Website: <a href="http://www.set.or.th/tsd">www.set.or.th/tsd</a>
Auditor	EY Office Limited Lake Rajada Office Complex, 33 rd Floor, 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110 Telephone: 0-2264-0777 Website: <a href="http://www.ey.com/th">www.ey.com/th</a>
Internal Control Auditor	P&L Corporation Company Limited  281/157 Moo 8, The Fifth Avenue Condominium Tower B, 2nd Floor, Bangkok-Nonthaburi Road, Bangkhen, Nonthaburi 11000 Telephone: 0-2526-0777 Website: <a href="http://www.plcorporation.com">www.plcorporation.com</a>
Legal Advisor	PS Legal and Associate Company Limited 589/94 Central City Tower, 18th Floor, Debaratana Road Bangna Nuea, Bang Na, Bangkok 10260 Telephone: 082-502-3267
Legal Disputes	-None-



## Part 2

# Corporate Governance

## Corporate Governance Policy

The company realizes the importance of good corporate governance as the required matter to promote the company's operation for efficiency, transparency, improving competitiveness, and sustainable growth, which leads to the confidence of all stakeholders whether the company's operation is fairness and considering the best interests of all stakeholders, namely employees, investors, shareholders, and others. Therefore, the board of directors has agreed to provide a good corporate governance policy complying with principles and guidelines for good corporate governance for listed companies for 2017 which the Securities and Exchange Commission provided for guiding the organization management.

That will build confidence in whether the company's operation is fairness, transparency and considering all shareholders and stakeholders with the following matters:

**Principle 1: Realizing the roles and responsibilities of the board of directors as the organizational leader who creates sustainable value for the business.**

To understand the roles and realize the responsibilities of organizational leaders for the board of directors, the company, therefore, has clearly defined roles and responsibilities to the board of directors. Besides the roles and responsibilities under the law that required the board of directors to have the power and duty to responsibly, carefully, and honestly manage the company in accordance with the law, objectives, articles of association, and resolutions of the shareholders' meeting, the company has defined that the board of directors has authority and responsibilities for establishing a vision, mission, goals, policies, the direction of operations, strategic plans, framework and annual budgets of the company, including control and monitoring the performance to comply with the laws, policies, framework and specified annual budgets, and evaluating the performance as well as monitoring for the said performance report.

Moreover, the company has appointed a sub-committee and working team to support, examine, and monitor performance and management for complying with laws, policies, plans, and the specified annual budgets. This consists of Executive Committee, Audit Committee, Risk Management Working Team, The Corporate Governance and Sustainability Development Committee. Additionally, the company has clearly defined the scope of authority and responsibilities of the sub-committee. Also, the company has provided the charter for the sub-committee and has been proceeding for the board of directors and sub-committee to be aware of the said charter. The company has defined to regularly review the said charter every year to revise it for complying with the direction of the company.

The board of directors has provided business ethics and good corporate governance policies as the guideline for ethical business operation monitoring, respecting the rights and responsibilities of shareholders and stakeholders, and operating the business for society and the environment, including adaptability under variation.

**Principle 2: Defining the objectives and main goals of business for sustainability**

The board of directors has set the organizational vision and mission which is clear and suitable for communicating with all stakeholders to understand the organizational objectives and main goals and for being adhered to as a performance principle by the personnel at all levels to achieve the specified objectives and main goals.

The company has the policy to review and consider setting strategic plans and budgets every year to ensure that such strategic plans and budgets are in line with economic conditions and organizational potential, including support to create an innovation and apply innovation and technology with the business.

Moreover, the board of directors also has the duty to control and monitor the performance in accordance with the specified strategies and budgets, including monitoring the allocation of important resources.

**Principle 3: Efficiently strengthen the board of directors**

The company has the policy to determine appropriately the structure of the board of directors in accordance with the business and size of the company and that is required by law. The composition of the board of directors has a proportion between executive directors and non-executive directors that reflects an appropriate balance of power. Additionally, the position of president and chief executive officer of the company shall not be the same person to clarify the responsibilities between corporate governance policy and routine management.

In this regard, for the purpose that directors can sufficiently devote time to perform their duties in the company, the company, therefore, has determined that each director can take a position in another listed company not greater than 5 and they must attend the board of director meeting not less than 75% of the total board of directors' meetings held in that year. The company has specified to hold a board of directors' meetings not less than 6 times per year.

The Board of Directors will perform its duties by recruiting persons who have appropriate knowledge, expertise, and experience and can perform the duty which is beneficial to the business of the company to propose to the shareholders' meeting for consideration to appoint as a director of the company. Once the company registers as a listed company in The Securities Exchange of Thailand, the company will disclose information about directors and executives, namely age, educational background, experience, shareholding percentage, number of years for occupying directorship, number of meeting attendances, both monetary and non-monetary remuneration for the board of directors, occupying the directorship in other listed companies, roles and responsibilities, and reporting the sub-committees performance in annual company's report.

Moreover, the company has appointed the company secretary to monitor and give counsel to directors and executives regarding compliance with laws, requirements, rules, and follow up to ensure that it is performed correctly and consistently, and has a duty to hold a board of directors' meeting and shareholders' meeting, including coordinate to comply with the resolution the said meeting, and the other duties required by laws.

For monitoring subsidiaries and/or associated companies, the company will send directors or executives who have qualifications and experience suitable for business operations to be representatives for the

management of the said subsidiaries and/or associated companies to formulate important policies and control the business operations of such subsidiaries and/or such associated companies. In this regard, the directors who are representatives of the company have the duty to monitor subsidiaries and/or associated companies for ensuring the management or performance complying with policies required by the company, including consideration for complying with resolutions of the board of directors' meeting and/or shareholder's meeting which approved for the important matters to subsidiaries and/or associated companies for the greatest benefit of the company and the sustainable growth of the company.

Table indicating skills, knowledge, and expertise (Skill Matrix) of the board of directors, Starflex Public Company Limited

ลำดับ	รายชื่อกรรมการ	ตำแหน่ง	ทักษะ ความรู้ ความเชี่ยวชาญ								ประสบการณ์การทำงาน																
			1.บัญชี/การเงิน/การธนาคาร	2.เศรษฐศาสตร์	3.บริหารธุรกิจ /บริหารองค์การ/กำกับดูแลกิจการ	4.วิศวกรรมศาสตร์	5.การตลาด	6.รัฐศาสตร์ การเมือง การปกครอง	7.IT,Digital,คอมพิวเตอร์	8.วิทยาศาสตร์/สังคม/สิ่งแวดล้อมและความปลอดภัย	ประธานกรรมการบริษัท	ประธานกรรมการบริหาร	รองประธานกรรมการบริหาร	ประธานกรรมการตรวจสอบ	กรรมการตรวจสอบ	ประธานกรรมการสรรหา	กรรมการสรรหา	ประธานกรรมการบริหารความเสี่ยง	กรรมการบริหารความเสี่ยง	ประธานบริษัท/กับาลและการพัฒนา	กรรมการบริษัท/กับาลและการพัฒนา	กรรมการ	กรรมการอิสระ	ประธานเจ้าหน้าที่บริหาร	กรรมการผู้จัดการ	ประธานเจ้าหน้าที่สายบัญชีและการเงิน	เลขานุการบริษัท
1	นายปรกรณ์ มาลากุล ณ อยุธยา	ประธานกรรมการบริษัท		☑	☐			☐		●				●	●							●	●				
2	นายปรินทร์ธรณ์ อภิธนาศรีวงศ์	ประธานกรรมการบริหาร	☑		☑						●											●		●			
3	นายเอก พิจารณจิตร์	รองประธานกรรมการบริหาร	☑	☑	☐							●										●		●			
4	พลเอกมนตรี สังขทรัพย์	ประธานกรรมการตรวจสอบ/ประธานกรรมการสรรหา			☐			☑					●		●		●					●	●				
5	นายสมโภชน์ วัลยะเสวี	กรรมการ/ประธานเจ้าหน้าที่บริหาร	☑		☑	☑								●			●	●	●		●	●	●	●			
6	นายสมชาย วงศ์ศรีมี	กรรมการ/ประธานเจ้าหน้าที่บริหารสายบัญชีและการเงิน	☑		☐	☑												●				●	●		●	●	
7	นายขจิตภูมิ สุดศก	กรรมการ/ประธานกรรมการบริหารความเสี่ยง	☐		☐		☑							●		●	●			●	●	●					
8	นายรงค์ หิรัญพานิช	กรรมการ	☑		☑		☑		☑					●			●		●		●	●		●			
9	นายชัยฤทธิ์ สิมะโรจน์	กรรมการ/ประธานกรรมการบริษัทกิลาฯ			☑	☑								●					●		●	●		●			
รวม			6	2	9	3	2	2	1	1																	

- หมายเหตุ
- ☑ การศึกษา
  - ☐ ความเชี่ยวชาญ (มีประสบการณ์การทำงานในสาขานั้นไม่ต่ำกว่า 3 ปี)
  - ☑ การศึกษาและมีความเชี่ยวชาญ
  - มีประสบการณ์การทำงาน

update 17-11-2565



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**Principle 4: Recruiting and developing senior executives and personnel management**

The company has clearly set the successor plan for the important executive position including the chief executive officer position in order to business continuity and it has policies for appropriate remuneration to motivate the chief Executive officer and executives who are important to the organization to work hard for the greatest benefit of the company and shareholders of the company.

The company has the policy to provide knowledge enhancement for the directors and the important executives by allocating each person to attend training which holds by various agencies to enhance knowledge and new perspectives, including providing an executive officers development program in order to benefit considering the succession plan.

The Board of directors will provide an annual performance evaluation for the chief executive officer and the important executives as a criterion for consideration of remuneration and developing capabilities to increase work efficiency.

**Criteria and process for recruiting the Chief Executive Officer**Criteria

1. Selected from personnel within the organization who have passed the first consideration criteria.
2. A person who has held the position of Chief Officer in various lines.
3. Have a very good annual performance evaluation score, Grade A, before going to the target position.
4. Be accepted by executives personnel in the organization and stakeholders (especially shareholders and customers).
5. Commitment and development of work principles to make progress for the organization.

Preliminary Qualification

1. Have at least a master's degree. If education is lower than a master's degree to be discretionary in considering other qualifications.
2. Experienced in management in senior management positions.
3. Leadership, vision, morality and ethics at an excellent level.

Define abilities, qualifications and characteristics.

1. Be able to plan and manage the overall picture of the organization according to the goals set.
2. Able to plan effective organizational development strategies continuously and sustainably.
3. Able to fully devote to work for the organization.
4. Can work under high pressure efficiently.

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**Criteria for performance appraisal of the Chief Executive Officer/ Chief Financial and Accounting Officer**
Chief Executive Officer

1. Leadership
2. Strategies
3. Strategy implementation
4. Financial Planning and Performance
5. Relationship with the Board of Directors
6. External relations
7. Management and relations with personnel
8. Succession
9. Knowledge of products and services
10. Personal attributes

Chief Financial and Accounting Officer

1. Administration
2. Reports and Analysis
3. Strategy implementation
4. Financial Performance
5. Supporting company activities
6. Self and team development

**Principle 5: Supporting innovation and responsible business practice.**

The Board of directors has given precedence to creating organizational culture, supported the creation of innovations that create mutual benefits for the company, customers, partners, and related parties, including social and environmental responsibility. The company has thoroughly taken into account the service quality development, human resource development, environmental considerations and social responsibility to make a balance between business profits and social return.

Board of directors has realized all groups of stakeholders' rights whether they are internal or external stakeholders. In this regard, for the purpose that create a good understanding and cooperation between the company and stakeholders which is the benefit for business operation and build confidence including increase for the competitiveness of the company in the long term, the company, therefore, has set the following policies and guidelines:

<b>Shareholders</b>	: The company has committed to operate the business for the greatest benefit of the company and entire shareholders with knowledge and skills to manage effectively, honestly, and fairly to major and minor shareholders
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by considering a good performance with a steady growth and maintaining the competitiveness.

**Officers**

: The company has realized the importance of all officers in the company who participate for driving the company to develop the business operations in the future. The company, therefore, has focused on continuously developing the potential and knowledge and skills of officers, and has cultivated a good attitude and conscious, including has considered to give a compensation in appropriate with the knowledge and skills of each officer and comparable to companies in the same business practice.

**Customers**

: The company is attentive and responsible to customers by emphasizing on providing products and/or manufacturing quality and standardized products which can meet fully the demand of customers, keeping the customer's confidential. Moreover, the company has also given precedence to fix selling prices and appropriate and equal condition to customer.

**Partners and Creditors** : The company has treated its partners and creditors with fairness, equality and honesty for business operations without taking an advantage, mutual maintaining benefits with partners and creditors, including establishing business ethics and complying trade condition and/or strict contractual agreements made mutually to develop business relationship which make the mutual benefits.

**Competitors**

: The company has complied to good competition rules and required laws to maintain criterion for code of conduct of competition and avoid dishonest method for destroying competitors.

**Community and Society** : The company has focused continuously on cultivating conscience, responsibility to the community and society in the company, including has supported the activity that make a benefit to public and has not performed anything conflicted with and against the law.

**Environment**

: The company has complied strictly with various laws and regulations relevant to environment and has given continuously precedence to control the impact on environment. The company has the policies to support various activities which promotes quality, occupational, health and the environment, and has maintained a working environment to be safe for life and assets to officers.

Board of directors will provide the organizational framework governance and management of information technology in accordance with company's demand, including monitor to create the additional

information technology for increasing business opportunities and developing operations and risk management to make the company can achieve the objectives and main goals of the organization.

#### Principle 6: Appropriate risk management and internal control systems

Board of directors has established policies to provide an internal control system covering all aspects, namely finance and compliance with relevant laws, rules and regulations, and provide adequate checks and balances device to protect and maintain the company's assets at all times; provide the specification of step for approval authority and responsibilities with mutual checks and balances of executives and officers; specification of written operating regulations. The company has hired external auditors to be in charge of auditing the operations of all departments to be compliance with established regulation, including evaluating the efficiency and adequacy of the internal control for various departments in the company.

The company has appointed a risk management working team to consider and analyze risks that may occur to the company and propose risk management measures to prevent any impact on the company's business and monitor the risk management complying with the established risk management policies.

Board of directors has given precedence to anti-corruption by specifying it as the clear policy and communicating with involved persons to be noted and adherence. On August 10<sup>th</sup>, 2022, the company announced its intention and participated in the Collective Action Coalition against Corruption, which is one of the projects to solve national corruption problems. The government and the National Anti-Corruption Commission (NACC) cooperated with 8 leading organization of Thai private sector, namely Thai Institute of Directors Association, the Thai Chamber of Commerce, the International Chamber of Commerce, the Thai Listed Companies Association, the Thai Bankers Association, the Federation of Thai Capital Market Organizations, the Federation of Thai Industries and the Tourism Industry Council of Thailand, founded “Collective Action Coalition against Corruption” or called CAC, which stands for Collective Action Coalition against Corruption and assigned the IOD as a project secretary to drive CAC. One of the important frameworks is expanding action coalition, increasing the number of listed company in the stock exchange and increasing the number of companies small and medium enterprise (SME). Nowadays, it is on process for preparation to certification. Moreover, the company has established the whistle blowing policy as a device for monitoring involved persons to comply with various policies established to the corporate governance.

The company has provided whistle blowing measures about action against laws, moral and business ethics, or behavior that may imply corruption of directors, executives and officers in the organization by



providing a variety of convenient and suitable communication channels to provide opportunities for officers and stakeholders to whistleblowing to the company. Whistleblower has to detail the matter that would like to notify, address, telephone number which can be contacted and send them complaint receiving channel as specified by the company.

**Principle 7: Maintaining the financial credit and disclosure**

Board of directors is committed to ensure compliance with laws, rules, and regulations related to information disclosure. The company will focus on the disclosure with accurate, complete and transparent for financial and non-financial information in order to be noted equally by all stakeholders.

Board of directors is responsible for the preparation of annual reports, annual information disclosure form (Form 56-1 One Report), reports for company's finance and financial information appearing in the annual report, providing the financial report complying with generally accepted accounting standard by applying appropriate accounting policies and consistently adhering to them and by using careful discretion for providing, including requiring a sufficient disclosure of important information in the notes to the financial statements. Board of directors has assigned the Audit Committee to control the quality of financial report and to be as the commentator to Board of directors.

Moreover, board of directors has also given precedence to the business's financial liquidity and company's solvency. The management has always monitored and assessed the financial status and business's liquidity and reported quarterly to be noted by board of directors.

Once the company is registered as a listed company the Stock Exchange of Thailand, the company will publicize company's information to shareholders and public through channels and media for publicizing the information of the Stock Exchange of Thailand and the company's website. Also, Mr. Somchai Wongrasamee, Chief Financial and Accounting Officer, is assigned to contact and provide the information with accurate, complete and truthful to shareholders, investors, securities analysts or related agencies including any persons.

**Principle 8: Encouraging to participate and communicate with shareholders**

The company has given precedence to the shareholders' rights without any performance that violates or diminishes the rights of shareholders. Besides the basic rights of shareholders, e.g., the right to buy, sell or transfer the shares they holding, right to receive profit sharing from the company, right to attend the shareholders' meeting, the company has given precedence to the rights of shareholders to receive information about the Company with accurate, complete, adequate, on time and equal. To make the consider in matters concerned, the board of company, therefore, has specified the following policies:

1. The company will hold a shareholders' meeting to allow shareholders for considering the important matters as required by law or matters that may affect the business of the company.
2. The company will send the meeting invitation together with supporting information to the shareholders in advance of the meeting according to the period specified by the laws, notifications, or

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relevant regulations to allow the shareholders to fully study the information prior to the meeting date. Additionally, the company will allow the shareholders to submit questions in advance of the meeting date by specifying rules for submitting questions and publishing them on the company's website and gathering the important questions to inquire at the meeting.

3. The company will allow the minor shareholders to nominate candidates to be elected as directors or propose additional meeting agendas prior to the shareholders' meeting by specifying clear rules and publishing them to the shareholders in advance and will clarify to the shareholders' meeting at that time for the reasons ignoring to contain the agendas proposed by shareholders as the company's agendas.

4. In the case where shareholders are unable to attend the meeting in person, the company will provide convenience to shareholders who are unable to attend the meeting in person by allowing them to appoint a proxy to any person or arrange for at least 1 independent director, whom the name together with information indicated in the shareholders' meeting invitation, to be a proxy to attend the meeting and vote on behalf of such shareholders.

5. In the case where the company has foreign shareholders, the company will prepare the meeting invitation letter together with supporting information in English version and deliver to foreign shareholders together with delivery of Thai version.

6. Increasing channels for shareholders to receive news via the company's website to which the meeting invitation will be published to shareholders at least 28 days prior to the meeting date in order that shareholders can conveniently and completely download information on the meeting agendas.

7. The company will facilitate both of appropriate place and time to all shareholders equally for attending the meeting.

8. For the shareholders' meeting, it will be hold complying with the laws and the articles of association by considering and voting for the specified agendas respectively, avoiding to change the substance information or add non-required agendas, and allowing the shareholders has the equal rights to inquire, give comments or various suggestions.

9. The company will use ballots for important agendas and provide independent persons, e.g., external auditors, legal advisor, to be as a voter inspector at the meeting.

10. The company will encourage all directors and related executives to attend the meeting to answer questions from shareholders together.

11. Take the minutes of meeting with complete, accurate, fast, transparent, and record the list of directors and executives who attended the meeting, voting and vote counting methods, meeting resolutions, voting results, including the important questions and suggestions in minutes of meeting in order that shareholders can review completely within 14 days from the shareholders' meeting date. Moreover, the company will arrange to record a video of the meeting for reference. Once the company is registered as the listed company on the Stock Exchange of Thailand, the company will submit the minutes of the said meeting to the Stock Exchange of Thailand or relevant departments within the specified period, including publish the shareholders' meeting in company's website to allow shareholder considering.

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## Code of Conduct

The company is committed to operate the business with morality, ethics, honesty, transparency, adherence for responsible to society and all groups of stakeholders in accordance with principle of corporate governance and good governance which the Code of Conduct is considered as part of the duties and responsibilities for company to make in writing to be consistent with the objectives, values, vision and mission of the company. To be a guideline for directors, executives and officers to understand the company's business ethics and strictly adhere, follow up to be seriously and concretely performed; whether there is a violation, the sanction is done in accordance with articles of association. The substantial guidelines for Code of Conduct are as follows:

### 1. Human rights and non-discrimination

The company has realized the importance of respecting human rights of all individuals by treating everyone equally, non-discrimination, supporting and promoting human rights, avoiding to violate human rights, including focusing on labors; treating equally the company's officers in accordance with labor laws and regulations relevant to labor.

### 2. Safety of products and services

The company has taken steps to ensure that the products meet safety standards in accordance with the law, including having standards equivalent to industry and related international standards and meeting the requirement agreed with the customer on design process and produce products.

### 3. Occupational health, safety and environment

Occupational health and safety - The company has given precedence to occupational health. and the safety of the company's officers, business partners, customers, communities and stakeholders throughout the process of business operations by impact assessment related to occupational health and safety of all activities, taking care of place of business, manufacturing process, technology, machinery, equipment and raw materials to be safe, not affecting to health, and instilling continuously conscience in the company's officers to follow the guideline set out.

Environment – The company is committed to protect the environment throughout the business process by environmental impact assessment of all activities, design, manufacturing process, machinery, equipment, and applying appropriate technology to prevent environmental impacts arising from business operations, and instilling continuously conscience in the company's officers to follow the guideline set out.

### 4. Anti-Corruption

The company has given precedence to operate a business with accurate, straightforward, transparent, honest, verifiable, and free from corruption by complying with relevant laws and the company's anti-corruption policy, including avoiding to discredit the company.

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## 5. Giving or receiving gifts, reception, or any other benefits

The company has given precedence to giving or receiving gifts, reception, or any other benefits for business partners, business alliances, or business associates following the traditions including related laws; they must be of reasonable value and not motivated to make an unfair decision.

## 6. Conflicts of Interest

Due to the fact that the company has focused on acting the right thing, the performance of company's officers must adhere to the best interests of the company by complying with laws, regulations, and ethics, and avoiding performing anything that causes a conflict of interest which may affect any decision.

## 7. Anti-Unfair Competition

The company has given precedence to make fair business by considering ethics for business operations and trade competition law with both customers and business partners of the company, including continuously operating the business complying with the policies and guidelines of the company.

## 8. Money Laundering

The company has adhered to the rules and laws related to money laundering, in the other words, the company will not accept transfers or support the acceptance of transfers or change the condition of property involved in the commission of an offense in order to prevent anyone from using the company as a channel or tool for transfer, concealing, or disguising the source of illegally acquired property.

## 9. Management of Data and Intellectual Properties

Information Management - The company has given precedence to information management within the company by recording or reporting information following the policies, regulations, and procedures specified by the company and completely true to the laws. In this regard, the information, that must be kept, will be kept in a secure condition, easy to handle, and able to be a reference upon request.

Intellectual Properties – The company has considered intellectual property as valuable and important property. The company's officers have a duty to protect and maintain the intellectual property for preventing to be used or published without permission, including respect and not infringing on the intellectual property of others.

## 10. Disclosure and Confidentiality

Personal Information - The company has respected the privacy rights of its officers and those involved. Therefore, the personal information of the company's officers and those involved, e.g., status, personal history work history, financial information, health information, or other personal information, must be protected from being used, disclosed, or transferred to other persons which violate legal rights.



Use of Insider Information – The company has focused on the company’s officers’ use of appropriate insider information which is important by taking into account the impact on stakeholders and legality, and not using the said information for personal or other benefits.

Information Disclosure – The company has given precedence to disclose information about the company, adhering to the principle of fairness, transparency, and verifiability and ensuring that the disclosure of the information is correct, clear, lawful, and equal to disclose for all methods, e.g., in writing, verbal, press conference, or the other appropriate channels.

#### **11. Security of Information and Information System**

The company has focused on the company’s officers to use efficiency and safety of the information system complying with information security policies by maintaining it from being abused or used without authorization.

In this regard, the company has defined the duties and responsibilities of all directors, executives, and officers to acknowledge, understand and comply with the policies set forth in the Code of Conduct. All levels of executives must take responsibility and adhere to it as an important matter to act for the officers who are subordinates to understand and comply with the Code of Conduct.

The company has not desired to do any action against the laws and conflict with good ethics. In cases where directors, executives, and officers violate the specified Code of Conduct, they will be seriously disciplined and may be punished with a legal penalty whether the said performance is illegal.

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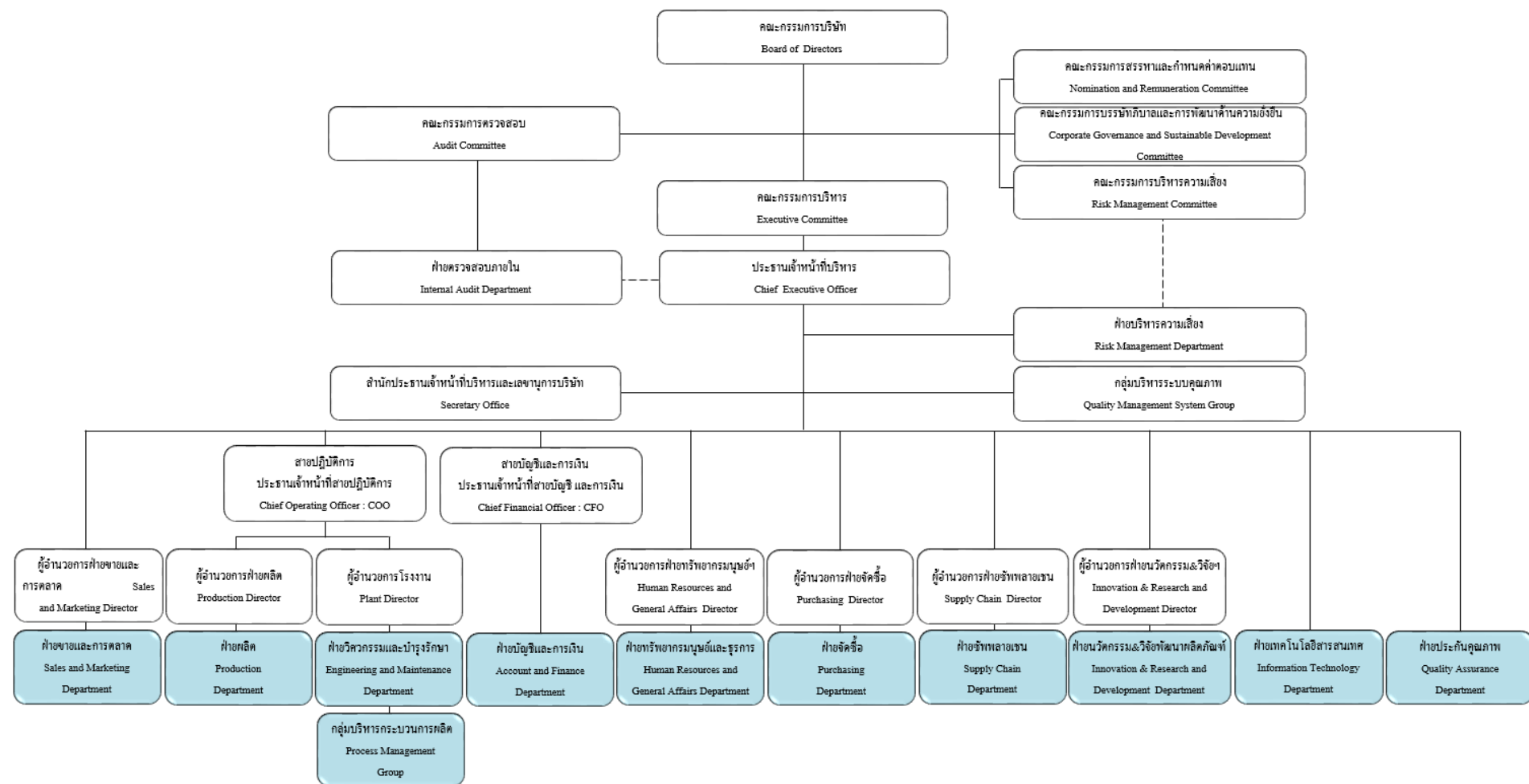
## Significant Change and Development of policies, guidelines, and corporate governance systems in the year 2022

In the board of directors' meeting in 2022, the board of directors reviewed and announced the following policies related to corporate governance in accordance with Corporate Governance Code for the listed companies in 2017 (Corporate Governance Code) provided by the Securities and Exchange Commission (SEC) and to be appropriate with the objectives and strategies of the company:

- Policies on good corporate governance
- Policies on governance and management of subsidiaries and associated companies
- Policies on whistleblowing
- Policies on the use of insider information
- Policies on personal data protection and processing
- Policies on enterprise risk management
- Policies on anti-corruption
- Policies and guidelines on sustainable development
- Policies and guidelines on stakeholders
- Policies on innovation
- Policies on taxation
- Policies on human rights and treatment of the labors
- Measures or procedures for approval on related party transaction
- Policies on the company's dividend contribution
- Policies on social responsibility
- Policies on nomination and remuneration
- Policies on succession planning
- Policies on investment in subsidiaries or associated companies
- Policies on information security
- Policies on officer development
- Policies on giving and receiving gifts or any other benefits
- Policies on climate change
- Policies on environmental management

## Corporate governance structure

Organizational structure as of 31 December 2022



## Management Structure

### 1. Board of Directors

The Board of Directors consists of 9 members as follows:

Name	Position
1. Mr. Pakorn Malakul Na Ayudhya	Chairman of the Board of Directors/ Independent Directors
2. Mr. Printhorn Apithanasriwong	Chairman of the Board of Executive Directors
3. Gen. Montee Sungkasap	Chairman of the Audit Committee/ Chairman of the Nomination and Remuneration Committee/ Independent Directors
4. Mr. Ek Picharnchitra	Vice Chairman of the Executive Board of Directors
5. Mr. Kajhitphome Sudsok	Chairman of the Risk Committee/ Audit Committee/ Nomination and Remuneration Committee/ Corporate Governance and Sustainability Development Committee /Independent Directors
6. Mr. Rong Hirunpanich	Audit Committee/ Risk Committee/ Corporate Governance and Sustainability Development Committee/ Independent Directors
7. Mr. Chairit Simaroj	Chairman of Corporate Governance and Sustainability Development Committee /Independent Directors
8. Mr. Sompote Valyasevi	Chief Executive Officer/ Executive Board of Directors/ Risk Management Committee/ Nomination and Remuneration Committee / Corporate Governance and Sustainability Development Committee
9. Mr. Somchai Wongrassamee	Chief Financial Officer/ Executive Board of Directors/ Risk Management Committee/ Company Secretary

### The Authorized Directors to Sign to Bind The Company

Mr. Printhorn Apithanasriwong or Mr. Sompote Valyasevi or Mr. Somchai Wongrassamee, two directors jointly sign and affix the Company's seal.

### 2. Audit Committee

The Audit Committee of the Company consists of 3 directors as follows:

Name	Position
1. Gen. Montee Sungkasap	Chairman of the Audit Committee
2. Mr. Kajhitphome Sudsok	Audit Committee
3. Mr. Rong Hirunpanich	Audit Committee

With Ms. Nongnaphas Toocharoen is the secretary of the Audit Committee.

### 3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company consists of 3 directors as follows:

Name	Position
1. Gen.Montee Sungkasap	Chairman of the Nomination and Remuneration Committee
2. Mr. Kajhitphome Sudsok	Nomination and Remuneration Committee
3. Mr. Sompote Valyasevi	Nomination and Remuneration Committee

With Mr. Pichetpong Sritapun is the secretary of the Nomination and Remuneration Committee.

### 4. Risk Management Committee

The Risk Committee of the Company consists of 7 directors as follows:

Name	Position
1. Mr. Kajhitphome Sudsok	Chairman of the Risk Management Committee
2. Mr. Rong Hirunpanich	Risk Management Committee
3. Mr. Sompote Valyasevi	Risk Management Committee
4. Mr. Somchai Wongrassamee	Risk Management Committee
5. Mr. Pichetpong Sritapun	Risk Management Committee
6. Mr. Chirdpong Malatham	Risk Management Committee
7. Mr. Noppanut Manutsongthum	Risk Management Committee

With Mr. Nitikrit Panya-uthai, Acting Secretary of the Risk Management Committee which was appointed by the Risk Management Committee Meeting No. 2/2022 on 3 May 2022.

### 5. Corporate Governance and Sustainability Development Committee

The Corporate Governance and Sustainability Development Committee of the Company consists of 7 directors as follows:

Name	Position
1. Mr. Chairit Simaroj	Chairman of Corporate Governance and Sustainability Development Committee
2. Mr. Kajhitphome Sudsok	Corporate Governance and Sustainability Development Committee
3. Mr. Rong Hirunpanich	Corporate Governance and Sustainability Development Committee
4. Mr. Sompote Valyasevi	Corporate Governance and Sustainability Development Committee
5. Mr. Pichetpong Sritapun	Corporate Governance and Sustainability Development Committee
6. Mr. Nopphadon Khanacharoen	Corporate Governance and Sustainability Development Committee
7. Mr. Niraphan Limwanitrat	Corporate Governance and Sustainability Development Committee

With Mr. Nitikrit Panya-uthai, Acting Secretary of the Corporate Governance and Sustainability Development Committee which was appointed by the Corporate Governance and Sustainability Development Committee Meeting No. 4/2022 on 10 August 2022.

## 6. Executive Board of Directors

The Executive Board of Directors of the Company consists of 6 directors as follows:

Name	Position
1. Mr. Printhorn Apithanasriwong	Chairman of the Executive Board of Directors
2. Mr. Ek Picharnchitra	Vice Chairman of the Executive Board of Directors
3. Mr. Sompote Valyasevi	Executive Board of Directors
4. Mr. Somchai Wongrassamee	Executive Board of Directors
5. Mr. Noppanut Manutsongthum	Executive Board of Directors
6. Mr. Pichetpong Sritapun	Executive Board of Directors

## 7. Executive

The Executive of the Company consists of 7 person as follows:

Name	Position
1. Mr. Sompote Valyasevi	Chief Executive Officer
2. Mr. Somchai Wongrassamee	Chief Financial Officer
3. Mr. Chirdpong Malatham	Production Director
4. Mr. Noppanut Manutsongthum	Sales and Marketing Director
5. Mr. Pichetpong Sritapun	Human Resources Director
6. Mr. Nopphadon Khanacharoen	Innovation and Product Director
7. Mr. Sompote Techaboonako	Supply Chain Director
8. Niraphan Limwanitrat	Plant Director
9. Mr. Charoon Sengdonprai	Accounting and Finance Senior Manager

## Employee

### Employee Numbers

As of 31 December 2022, the Company has a total of 559 employees (excluding 9 executives), divided by main line as follows:

Line of work	Number of employees (person)		
	Full-time employees	Daily employees	Total
1. Office of the Chief Executive Officer and Secretary	4	-	4
2. Internal Audit Department	2	-	2
3. Risk Management Department	1		1
4. Production Department and Process Management Group	341	-	341
5. Quality Assurance Department	54	-	54
6. Quality System Management Group	4		4
7. Product Innovation and Research and Development Department	12	-	12
8. Purchasing Department	8	-	8
9. Supply Chain	41	-	41
10. Maintenance Department	16	-	16
11. Accounting and Finance Department	15	-	15
12. Information Technology Department	7	-	7
13. Sales and Marketing	17	-	17
14. Human Resources and Administration Department	35	-	35
15. Safety Agency	2	-	2
<b>Total</b>	<b>559</b>	<b>-</b>	<b>559</b>

### Labor Disputes Year 2022 as of 31 December 2022

-None-

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## Employee Remuneration

In 2022, the Company pays compensation to employees. (Excluding the Company's executives) in the amount of Baht 240.93 million as compensation in the form of salary, commissions, overtime, bonuses, contributions to the social security fund and contributions to the provident fund.

## Provident Fund

To take care of employees for the long-term and to make sure they have a good quality of life after retiring, SFLEX has provided a provident fund for its employees. SFLEX and its subsidiaries have established provident funds under the management of UOB Asset Management (Thailand) Company Limited.

## The Company Secretary, Person Supervising Accounting, Head of Internal Audit and Head of Investor Relations.

### The Company Secretary

With Mr. Somchai Wongrasamee acting as the Company secretary, the duties and responsibilities of the Company secretary are as follows:

1. Supervise and advise directors and executives on compliance with laws, regulations, rules and regulations of the Company. and follow up to ensure proper and consistent practice.
2. Responsible for arranging meetings of the Board of Directors and shareholder meeting including overseeing and coordinating to ensure compliance with the resolutions of the meeting.
3. To ensure that the disclosure of information in the responsible part is in accordance with the regulations and requirements of the Stock Exchange of Thailand. and the Securities and Exchange Commission including relevant laws
4. Prepare and maintain the following documents
  - 4.1 Director registration
  - 4.2 Notice of Board of Directors Meeting and Minutes of Board of Directors Meeting
  - 4.3 Notice of the shareholders' meeting and minutes of the shareholders' meeting
  - 4.4 Company annual report
  - 4.5 Report on the interests of executive directors
5. Other actions as prescribed by law or notification of the Capital Market Supervisory Board.

### Person Supervising Accounting

Mr. Charoon Sengdonprai, Accounting and Finance Senior Manager. He is the person who is assigned to be directly responsible for the supervision of the Company's accounting by Mr. Charoon joining the Company's accounting work from 1 June 2017.



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**Head of Internal Audit**

Ms.Nongnaphas Toocharoen, who is the Head of Internal Audit, is assigned to be responsible for the performance of the Company's internal auditors. Prepare reports and suggestions to improve in accordance with the Company's internal control plans and policies.

**Head of Investor Relations and contact information**

Investor Relations:

Name : Mr. Somchai Wongrassamee  
Address : 189/48-49 Moo 3, Bangprieng, Bang Bo, Samut Prakarn 10560  
Telephone : 0-2708-2555  
Fax number : 0-2708-2355  
Email : contactus@starflex.co.th

**Audit Fee**

The 2022 Annual General Meeting of Shareholders held on 7 April 2022 appointed EY Office Company Limited, which is an auditor licensed by the SEC Office, to be the auditor of the Company and its subsidiaries for Year 2022 and approve the remuneration from the Company's audit and acknowledge the audit fee of the Company and its subsidiaries in the amount of Baht 2.0 million.

**Non-audit Fee**

For the fiscal year ended 31 December 2022, the Company and its subsidiaries had expenses for other service fees (Non-audit fees) from EY Office Company Limited, which were compensation for checking compliance with the conditions of BOI promotion certificates, amount 0.10 million baht

However, the person or company related to the auditor and the audit firm that the auditor is affiliated with above is not a person or company related to the Company. or subsidiaries according to the accounting standard on disclosure of related persons or companies

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## Report on key operating results related to corporate governance

### Board of Directors and Sub-Committees

The Company has 6 boards of directors comprising of the Board of Directors, Audit Committee, the Nomination and Remuneration Committee, Risk Committee and Executive Committee. All members of the boards are fully qualified pursuant to the Public Company Act B.E. 1992 and according to the announcement of the relevant capital market committee. Scope of duty and responsibility of each board are as follow.

### Board of Directors

#### Scope of duty of the Board of Directors

1. The Board of Directors has the power, duty and responsibility in managing and conducting business operation of the Company in accordance with the law, objectives and articles of association, including resolution of the shareholders' meeting with honesty, integrity and to safeguard the corporate benefits.
2. Prepare balance sheet and income statement of the Company as of ending date of accounting period which has been audited by the auditor, then propose to the meeting of shareholders for consideration and approval.
3. Determine target, direction, policy, business operation plan, budget of the Company. Monitor and supervise the management and administration of the Management to ensure compliance with policy, work plan and the assigned budget efficiently and effectively.
4. Consider, review, and approve the policies, directions, strategies, and business plans of the Company as proposed by the Management.
5. Follow up business operation to ensure conformity to the work plan and budget assign on a regular basis.
6. Arrange to have appropriate and effective accounting system, prepare reliable financial report and auditing provide, arrange to have adequate and appropriate internal control and internal audit system.
7. Determine risk management policy that cover the entire organization. Supervise to have control system or procedures in the risk management with supporting measures and control procedures to mitigate impacts on business operation properly.
8. The Board of Directors duty is to consider administrative structure, has the power to appoint sub-committee, Chief Executive Officer, and other committee as necessary, and to determine scope of duty for them. The authorization under scope of duty determined must not allow the sub-committee, Chief Executive Officer and committee to consider and approve the transaction that may have conflict of interest or any other conflict of benefits with the Company or a subsidiary (if any) except the approval on a transaction which is under policy and criteria as considered and approved by the Board of Directors.
9. Prepare annual report of the boards and arrange and disclose financial statement to demonstrate financial status and operating result of the previous year and propose to the shareholders' meeting for consider and approval.

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10. The boards may authorize one or more directors to perform any action for them to the extend of the board's supervision. The boards may authorize such person as considered appropriate by them and within the reasonable period of time. The said authorization is subject to the revocation, cancellation, amendment or adjustment by the board as considered appropriate.

The authorization must not allow such person to consider and approve the transaction in which he or the person who may have a conflict of interest or may have a conflict, interest or a conflict of interest in any other matter, to be made with the Company and or a subsidiary (if any) as defined in the notification of the Capital Market Supervisory Board (CMSB) and/or The Stock Exchange of Thailand and/or any other notifications of relevant authority except such transaction is proceeded under policy and criteria as considered and approved by the board.

### **Self-Assessment of Directors**

The Company arranges performance assessment and review for the Board of Directors and sub-committee on an annual basis, at least once a year to enable the directors to consider their work, problems and obstacles occurred during the previous year. The assessment will enhance improved efficiency at work since they will realize more of their responsibility, and improve relationship between the Board of Directors and the Management. The performance assessment of the Board of Directors is divided in 2 types which are board assessment and self-assessment.

### **Procedures and criteria for performance assessment**

The Company Secretary will submit the performance assessment form of the Board of Directors and sub-committee. After receiving all assessment form, the Company Secretary will summarize and present assessment result to the sub-committees for consideration on work performance during the previous year and report such to the said sub-committee, including performance of the Board of Directors to the Company for consider.

### **The Board performance assessment include:**

1. Structure and qualifications of the Board that enhance efficiency of their work which are whether number of directors is suitable to the nature of business, knowledge and experience of the board, definition of independent directors, number of independent directors, qualifications and appointment of the secretary.
2. Proceed to enable effective performance of the Board during the meeting, which include the suitable time frame of the Board's meeting, the receipt of meeting documents and sufficient time for studying details, environment in the meeting room.
3. The Board of Directors shall prioritize, pays attention to consider, review and proceed any important matters of the Company adequately. This includes corporate governance, business direction, strategy

and operation plan, the transaction with conflict of interest, related transactions, risk management, whistle-blowing policy, Preparation of financial statement in accordance with accounting standards.

4. Other matters include self-development of directors and executives, relationship between the Board of Directors and the Management.

**The performance assessment form of the individual director comprises of:**

1. Structure and qualifications of the Board that enhances performance efficiency are qualifications, knowledge and experience that consistent to business nature and well understanding of good corporate governance.
2. Proceed to enable the boards efficiently perform their duties during the meeting which include to study documents and information prior to the meeting, to provide opinions which are useful in the meeting at appropriate extend, to abstain attending the meeting and voting in the transaction that their have interest.
3. The roles and responsibilities of the Board of Directors are to efficiently perform the duties in accordance with the law, rules, and charter, put the best effort when working for the Company, refrain from interfering operation of the Management, control and monitor operation of the Management at appropriate extend.

Self-assessment for the entire board and individual contain 5 levels of opinions as described below:

- |   |   |  |
|---|---|--|
| 0 | = | Strongly disagree or no action is taken on the matter      |
| 1 | = | Disagree or slightly proceed the matter                    |
| 2 | = | Agree or have proceeded in that matter at certain level    |
| 3 | = | Agree to an extent or actions are well taken on the matter |
| 4 | = | Strongly agree or well proceed or the matter               |

The bank left for additional opinions:

Performance assessment	Results (percent)
<b>Board of Directors</b>	
1. Board of Directors (Entire board)	95.15
2. Board of Directors (Individual)	90.15

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## Audit Committee

### Scope of Duty and Responsibility of the Audit Committee

1. Review to ensure the accuracy and adequacy of the financial report always
2. Review to ensure proper and effective internal control system and internal audit system of the Company, consider the independence of the Internal Audit Unit, approve on the appointment, relocation, dismissal of the Head of Internal Audit Unit or any other agencies being responsible for internal control.
3. Review to ensure the Company's compliance with the laws related to securities and stock exchange, SET's regulations or other laws related to the Company's business.
4. Consider, select, propose an independent person as an auditor of the Company and propose compensation rate for the auditor. Attend the meeting with the auditor without attendance of the Management at least once a year.
5. Consider related transactions or the transaction that may cause conflict of interest to be in conformity with the law and SET's regulations to ensure that such transaction is reasonable and return highest benefit to the Company.
6. Prepare report of the Audit Committee and disclose in the Annual Report of the Company, where such report must be signed by Chairman of the Audit Committee and must comprise the followings information.
  - (1) Opinions on accuracy, adequacy, reliability of the financial report;
  - (2) Opinions on adequacy of internal control system;
  - (3) Opinion on compliance with the securities and stock exchange law, SET's regulation or the law related to business of the Company;
  - (4) Opinions on the suitability of the auditor;
  - (5) Opinions on the transaction that may contain a conflict of interest;
  - (6) The number of the Audit Committee's meeting and attendance of each member of the Audit Committee;
  - (7) Opinions or overall observation which the Audit Committee received from performing their duty in accordance with the Charter;
  - (8) Any other transactions that shareholders and general investors should know under the scope of duty and responsibility assigned by the Board of Directors;
7. Perform any other duty as assigned by the Board of Directors upon approval of the Audit Committee;

**The self-assessment form of the Audit Committee comprises consist of:**

1. The structure and qualifications of the Audit Committee is appropriate enhancing effectiveness of the Audit Committee. For instance, the number of the Audit Committee members is suitable and they possess knowledge, experience which consistent to the duty. The number of Independent Directors in the Audit Committee is proper. Nomination procedures for the Audit Committee is transparent, fair independent from an influence of any person.
2. The meeting of the Audit Committee is organized to enhance their performance effectively during the meeting. For instance, to acknowledge the schedule of the Audit Committee of each year in advance, the number of the meeting is appropriate, each meeting is conducted within appropriate duration, attendant receive meeting document in advance, allowing them to study the details, environment of the meeting encourages attendant to express their opinion in positive way, a director with an interest is not allowed to making a decision on the related transaction.
3. The Audit Committee concentrates on consideration, review, and compliance adequately. In other word, the Audit Committee reviews to ensure the financial statement is accurate and reliable, ensures the Company's compliance to the law and regulations, ensures the correct internal audit system, considers related transactions and the transaction with a conflict of interest to assure the consistent to criteria, provides opinions in appointment or removal of the Internal Audit Unit, considers, selects, propose for appointment or removal and propose compensation for the auditor, proceed to enable the Management has in place complaint receipt channel appropriately.

Self-assessment for the entire board and individual contain 5 levels of opinions as described below:

- |   |   |  |
|---|---|--|
| 0 | = | Strongly disagree or no action is taken on the matter      |
| 1 | = | Disagree or slightly proceed the matter                    |
| 2 | = | Agree or have proceeded in that matter at certain level    |
| 3 | = | Agree to an extent or actions are well taken on the matter |
| 4 | = | Strongly agree or well proceed or the matter               |

The bank left for additional opinions:

Performance assessment	Results (percent)
Audit Committee	100.00

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## Nomination and Remuneration Committee

### Scope of Duty and Responsibility of Nomination and Remuneration Committee

#### Recruitment

1. Consider the structure, size, composition including qualifications of the Company's directors, sub-committees and high-level executives according to the necessity and appropriateness of the Company
2. Determine the policies, rules and procedures for recruiting and selecting the Company's directors, sub-committees and senior management to propose to the Board of Directors and/or propose for approval to the shareholders' meeting.
3. Consider the nomination and selection of qualified persons for the position company director, sub-committees, Chief Executive Officer and senior executives who have completed their terms and/or have vacant positions and/or appoint more by specifying the method of recruiting with rules and transparency in accordance with relevant regulations and laws.
4. Appeal to the qualified person according to the specified qualifications criteria to ensure that such person is willing to take the position of the Company's director. If appointed by the shareholders.
5. Propose a list of selected persons to the Board of Directors. to consider appointing a director of the Company in place of the directors who vacate office.
6. Prepare a succession plan and appropriate management continuity for the position of Chief Executive Officer to be presented to the Board of Directors' meeting for approval.
7. To perform any other tasks related to the nomination and remuneration as assigned by the Board of Directors.

#### Remuneration

1. Prepare rules and policies for determining the remuneration of the Board of Directors and sub-committees to propose to the Board of Directors and/or propose for approval to the shareholders' meeting.
2. Determine necessary and appropriate remuneration, both monetary and non-monetary, of the Board of Directors individually each year by considering the suitability of the duties responsibility, performance and comparison with the Company in a similar business and expected benefits from directors to propose to the Board of Directors for consideration and to propose to the shareholders' meeting for approval.
3. Responsible for the Board of Directors and has a duty to give explanations answering questions about the remuneration of directors at the shareholders' meeting.
4. Consider the evaluation criteria for the Chief Executive Officer and chief officers of various departments as assigned by the Board of Directors.
5. Report on principles/rationale for the determination of remuneration for directors and executives. according to the regulations of the stock exchange. This will be disclosed in the annual registration statement (Form 56-1 one report).
6. Determine the annual remuneration of the Chief Executive Officer and other Chief Executive Officers according to the payment criteria have been considered and present to the Board of Directors to approve.

7. Consider the salary increase budget, change in wages, compensation and annual reward of the Company before being presented for approval by the Board of Directors every year.
8. Consider the suitability and give approval in the case of offering for sale of new securities to directors and employees based on the principles of fairness to shareholders and to incentivize directors and employees to perform their duties in order to create long-term added value for shareholders and be able to retain quality personnel.
9. To perform any other tasks related to the determination of remuneration as assigned by the Board of Directors.

**The self-assessment form of the Nomination and Remuneration Committee comprises consist of:**

1. The structure and qualifications of the Nomination and Remuneration Committee is appropriate enhancing effectiveness of the Nomination and Remuneration Committee. For instance, the number of the Nomination and Remuneration Committee members is suitable and they possess knowledge, experience which consistent to the duty. The number of Independent Directors in the Nomination and Remuneration Committee is proper. Nomination procedures for the Nomination and Remuneration Committee is transparent, fair independent from an influence of any person.
2. The meeting of the Nomination and Remuneration Committee is organized to enhance their performance effectively during the meeting. For instance, to acknowledge the schedule of the Nomination and Remuneration Committee of each year in advance, the number of the meeting is appropriate, each meeting is conducted within appropriate duration, attendant receive meeting document in advance, allowing them to study the details, environment of the meeting encourages attendant to express their opinion in positive way, a director with an interest is not allowed to making a decision on the related transaction.
3. The Nomination and Remuneration Committee concentrates on consideration, review, and compliance adequately. In other word, determine the qualifications of directors or senior executives. Arrange for development and succession projects for directors and executives. Continuous planning and development of directors. Consider the guidelines for determining the remuneration of directors and high-level executives and determine methods and criteria for determining remuneration, etc.

Self-assessment for the entire board and individual contain 5 levels of opinions as described below:

- |   |   |  |
|---|---|--|
| 0 | = | Strongly disagree or no action is taken on the matter      |
| 1 | = | Disagree or slightly proceed the matter                    |
| 2 | = | Agree or have proceeded in that matter at certain level    |
| 3 | = | Agree to an extent or actions are well taken on the matter |
| 4 | = | Strongly agree or well proceed or the matter               |

The bank left for additional opinions:

Performance assessment	Results (percent)
Nomination and Remuneration Committee	97.37



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## Risk Management Committee

### Scope of Duty and Responsibility of the Risk Management Committee

1. Determine policies, guidelines and overall risk management framework of the Company. This covers important types of risks such as strategic risk, operational risk, financial risk, regulatory risk and other risks that affect the organization to present to the Board of Directors for approval.
2. Determine strategies and methods for managing risks of the Company in each matter in accordance with the risk management policy. Which can assess, monitor and prevent risks to an appropriate level and have guidelines to be able to handle with events when they occur.
3. Assess and review potential risks including the trend of impacts that may have on the Company both external and internal risks on issues such as strategic risk, operational risk, financial risk regulatory risk and other risks that affect the organization.
4. Monitor and review the risk management policy, including the plan and how to respond in the event of an emergency. At least once a year to confirm that the risk management approach is appropriate for the event and that it has been adequately implemented.
5. Every quarter, the Board of Directors or the Audit Committee should receive a progress report on risk management and what needs to be done to improve compliance with the policy and strategy, if appropriate.
6. In the area of corporate risk management, provide advice and support to the Company's management committee, including encouraging and supporting the continual and regular improvement and development of the internal risk management system.
7. Promoting an appropriate culture of risk management and internal control.
8. Review the Charter of the Risk Management Committee and to be presented to the Board of Directors for approval at least once a year.
9. Perform any other duties as assigned by the Board of Directors.

**The self-assessment form of the Risk Management Committee comprises consist of:**

1. The structure and qualifications of the Risk Management Committee are appropriate. This makes the work of the Risk Management Committee more efficient, i.e. the number of Risk Management Committee members is appropriate, knowledgeable, experienced and appropriate for the performance of their duties. The number of independent directors in the Risk Management Committee is appropriate. The process of nominating qualified persons to be the risk management committee. Be transparent, fair, not under the influence of any person.
2. The risk management committee meeting has been conducted to enable the risk management committee to perform the meetings effectively. The number of meetings is appropriate. Each meeting agenda is of sufficient duration. receive meeting documents in advance have time to study The atmosphere in the meeting encourages constructive opinions. Stakeholder Directors do not participate in the decision making of the transaction.
3. Roles, duties and responsibilities of the Risk Management Committee has given importance Take the time to consider, review and implement adequately, namely, supervising and implementing the organization's risk management in accordance with the strategic plans and business goals. as well as changing circumstances. Recommend, monitor and assess risk management results to the organization's risk management working group. consider the potential risks including establishing effective risk control measures.

Self-assessment for the entire board and individual contain 5 levels of opinions as described below:

- |   |   |  |
|---|---|--|
| 0 | = | Strongly disagree or no action is taken on the matter      |
| 1 | = | Disagree or slightly proceed the matter                    |
| 2 | = | Agree or have proceeded in that matter at certain level    |
| 3 | = | Agree to an extent or actions are well taken on the matter |
| 4 | = | Strongly agree or well proceed or the matter               |

The bank left for additional opinions:

Performance assessment	Results (percent)
Risk Management Committee	93.49

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## Corporate Governance and Sustainable Development Committee

### Scope of duties and responsibilities of the Corporate Governance and Sustainable Development Committee

1. Define goals, policies, and action plans for Sustainable Development (SD) of the Company covering environmental, social, and business operations with good governance (Environmental / Social / Governance & Economic or ESG) and long-term value creation for stakeholders (Stakeholder), including communication in order to present the board of directors
2. Give advice and encourage the company's operations to be in line with the sustainable development policy for success according to the set goal, including encouraging the board of directors, executives, and employees to follow the company's sustainable development guidelines effectively.
3. Assess and review goals, policies, and plans for sustainable development to suit business conditions, and comply with laws or international best practices and recommendations of various institutions, including considering relevant proposals of shareholders and their responses.
4. Supervise, follow up, and evaluate the results of sustainable development operations to be balanced and efficient for maximum benefit to the Company and its stakeholders, including reporting periodically the progress of the performance to the board of directors.
5. Set policies on good corporate governance and business ethics and present the board of directors for approval along with giving advice and encouraging practice at all levels and annually reviewing such policies to be appropriate complying with international laws and best practices, including providing the evaluation and reporting for complying with good corporate governance and business ethics policies on a regular basis.
6. Supervise the disclosure of information about the Company's sustainable development to stakeholders, including the performance result of the Corporate Governance and Sustainable Development Committee in the annual report and the company's annual sustainability report.
7. Review the charter and related policies in order to always be appropriate and updated.
8. Perform any other tasks as assigned by the board of directors.

**Notes:** The self-assessment form of the Corporate Governance and Sustainable Development Committee as a group for the year 2022 has not yet been determined. In this regard, the board of directors has resolved to appoint the Corporate Governance and Sustainable Development Committee at the board of directors' meeting no. 4/2022 on August 10, 2022.

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## Executive Board of Directors

### Scope of duty of the Executive Board of Directors

1. Consider and scrutinize proposal of the Management and propose business goals, policies, and business plans, including the Company's annual budget to the Board of Directors for approval.
2. Control, supervise and monitor operation result of the Company to ensure the coherence to policy, target, business plan, business strategy and assigned budget, management authority as approved by the Board of Directors effectively and in support of the business condition.
3. Consider and approve normal business operations of the Company. For instance, the investment is proceeded within the budget assigned or approved by the Board of Directors. Budget limit for each transaction is in accordance with the list of approval by the Board of Directors.
4. Review profits and loss of the Company, propose the interim or annual dividend payment and propose to the Board of Directors for approval.
5. Present organizational structure that is suitable to business operation of the Company to the Board of Directors for approval.
6. Having an authority to authorize one or more person to perform any action under supervision of the Executive Committee or to authorize to enable such person having the authority as considered appropriate by the Executive Committee and within the time as approved by the Executive Committee. The Executive Committee may revoke, cancel, amend or adjust the authorized person or the authorization as considered reasonable.
7. Perform other duties as assigned by the Board of Directors from time to time.

The assignment of authority, duty and responsibility of the Executive Committee must not be in the manner that allow the authorized person to approve the transaction that him or the person who may have a conflict of interest (as per definition prescribed in the notification of the Capital Market Supervisory Board (CMSB) and/or the Stock Exchange of Thailand and/or relevant agency), benefit or that may have any other conflict of interest with the Company, subsidiary company and/or related company (if any). The Executive Committee has no power to approve for such matter. Instead, the matter must be forwarded to the Board of Directors' meeting and/or shareholders' meeting (as the case may be) for approval, except the approval is for the transaction which is proceeded to the extend of usual business and trading course as per notification of the Capital Market Supervisory Board (CMSB) and/or the Stock Exchange of Thailand and/or relevant agency.

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## Chief Executive Officer

### Scope of duty of the Chief Executive Officer

1. Supervise and control daily affairs and/or management of the Company
2. Prepare policy, business plan, business strategy and annual budget of the Company and propose to the Executive Committee and the Board of Directors for consideration and approval.
3. Supervise and control daily affairs of the Company according to policies and budget approved by the Board of Directors. Review, monitor and evaluate operation result of the Company to ensure conformity to the policy set forth and the good corporate governance. Report the management result and progress of work to the Executive Committee, Audit Committee and the Board of Directors.
4. Consider and approve normal business operations of the Company as per budget assigned for investment approved by the Board of Directors. Budget limit for each transaction is in accordance with the list of approval by the Board of Directors, but shall not exceed the annual budget approved by the Board of Directors. Enter into any contracts related to such matter.
5. Authorized to consider and approve the expenses for the normal business operations of the Company according to the budget approved by the Board of Directors and according to the approval authority as granted by the Board of Directors.
6. Authorized to approve manpower rate, employment rates, compensation, bonuses, performance assessment, and appointment/relocating employees as per approval from the Board of Directors.
7. Authorized to issue orders, regulations, announcements and records to ensure the Company's operations is in accordance with the policy and for the benefit of the Company and to maintain discipline within the Company.
8. Authorized to appoint a board or working group for benefit and efficiency of the good and transparent management. Authorized to delegate one or more person to perform any action under supervision of the Chief Executive Officer to authorize to enable such person having the authority as considered appropriate by the Chief Executive Officer and within the time as approved by the Chief Executive Officer. The Chief Executive Officer may revoke, cancel, amend or adjust the authorized person or the authorization as considered reasonable.
9. Perform other duties as assigned by the Executive Committee or the Board of Directors.

The proceed on any matter in which the Chief Executive Officer or the person authorized by the Chief Executive Officer or the person who may have a conflict (as per definition described in notification of the Capital Market Supervisory Board (CMSB) and/or Stock Exchange of Thailand and/or relevant agency), interest or a conflict of interest with the Company and/or a subsidiary and/or related company (if any), the Chief Executive Officer has no authority to approve on such matter. Instead, the matter must be proposed in the Board of Directors' meeting and/or shareholders' meeting (as the case may be) for approval except the approval is to the extend of usual course of business and trading condition as per notification of the Capital Market Supervisory Board (CMSB) and/or the Stock Exchange of Thailand and/or relevant agency.

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### **Nomination and Appointment of Directors and Top Executives**

Selection of the person for directorship is proceeded in the shareholders' meeting in which the Board of Directors will consider taking into account experience, knowledge, skill and qualification as required by law. Since the Company has no Nomination Committee to select a person for such position, the shareholders' meeting will select the directors according to the criteria and procedures as defined in the articles of association.

### **Composition and Appointment of the Board of Directors**

The composition, nomination, appointment, removal or dismissal of the Company's directors are stipulated in the articles of association which summarized as follows:

1. The members of the Board of Directors is appointed by shareholders.
2. The Board of Directors comprises of at least 5 members and not less than half of total directors must have domicile in the Kingdom and must possess the qualifications as stipulated by law.
3. It is the Company policy that the Chairman of the Board of Directors and Chief Executive Officer is not the same person to magnify the responsibility between determining corporate governance and daily management.
4. The Board of Directors consists of proper proportion of Independent Directors suitable for corporate governance which should not be less than one third of total board, and not less than 3 members according to the requirement of the Securities and Exchange Commission, Thailand.
5. Appointment of directors is subject to the articles of association, and relevant law. The nomination process must be transparent and precise. The consideration on each candidate should include educational background and experience in one's profession with adequate information to support judgment of the Board of Directors and shareholders.
6. Retiring directors are eligible for re-election

### **Composition and appointment of Independent Directors**

The Board of Directors will initially consider qualifications of the person to undertake Independent Directors as per qualifications and prohibited characteristics of directors of the Public Company Act, the law of securities and stock exchange, notification of the Capital Market Supervisory Board (CMSB) including notification, regulation and/or related rules. In addition, the Board of directors will select the member of the Independent Directors from a person with competent knowledge, experience and other factors, and propose to the shareholders' meeting for consideration and appointment. the Company has the policy to appoint the Independent Directors at least one-third of total directors, and must not be less than 3 persons to fill the board.

### **Qualifications of Independent Directors**

1. Holds shares not exceeding one percent of total voting shares of the Company, its parent company, subsidiaries, associates, or a juristic person of the person who may have a conflict of interest, provided that shares held by related parties of an independent director shall be included.

2. Is not or has never been an executive director, employee, staff, advisor who receives salary, nor controlling party of the Company, its parent company, subsidiaries, associates, same-level subsidiaries, or a juristic person that may have a conflict unless the position has been terminated for over two years prior submitting application to the SEC.
3. Is not the person who has relationship by means of descent or legal registration under the status of father, mother, spouse, sibling, and children. The prohibitive persons also include spouses of daughters and sons of the management, major shareholders, controlling party or the person who is in the process of nomination as the management or controlling party of the Company or its subsidiaries.
4. Does not have or never had business relationship with the Company, its parent company, subsidiaries, associates, or a juristic person that may be in conflict which may harm an independent decision-making, including not being or never been a significant shareholder, non-independent director or executive of the person who has business relation with the Company, unless having exempted from the aforementioned nature for not less than 2 years before the date of submitting the application to the SEC.
5. Is not or has never been an auditor of the Company, its parent company, subsidiaries, associates, major shareholders, non-independent director, executive or managing partner of the auditing firm which employs an auditor of the Company, its parent company, subsidiaries, associates, major shareholders, or a juristic person that may have a conflict unless having exempted from the aforementioned nature for not less than 2 years before the date of submitting the application to the SEC.
6. Is not or has never been the professional service provider, including but not limited to legal consultant or financial advisor who received the service fee more than Baht 2 million per year from the Company, its parent company, subsidiaries, associates, major shareholders, or a juristic person that may have a conflict or in case professional service provider is a juristic person, this shall include the major shareholder, non-independent director, executives or managing partner or such professional service provider, unless the position has been terminated for at least two years prior to submission of the application to the SEC.
7. Is not a director who is nominated as the representative of directors of the Company, major shareholders, or any other shareholders related to major shareholders.
8. Does not operate the same and competitive business with the business of the Company, or its subsidiaries, or is not a significant partner of the partnership, or is not an Executive Director, employee, staff, advisor who receives salary, nor holds shares exceeding 1% of total voting shares of any other companies which operate the same and competitive business with the business of the Company, or its subsidiaries.
9. Does not have any quality causing the disability to give an independent opinion regarding the business operation of the Company.

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### **Composition and Appointment of the Audit Committee**

The Audit Committee is appointed by the Board of Directors, consisting of at least 3 Audit Committee members appointed by Independent Directors. The committee members must have the required knowledge and qualifications as according to the Securities and Exchange Act, including regulatory announcements and/or the regulations of the Stock Exchange of Thailand. In addition, Independent Directors who are members of the Audit Committee must have additional qualifications as follows:

1. Is not or has never been an a director assigned by the Board of Directors to make a decision on business operation of the Company, its parent company, subsidiaries, associates, same-level subsidiaries, or juristic persons that may have conflicts.
2. Is not a Director of the parent company, subsidiaries, or same-level subsidiary company, which is a listed company.
3. Have sufficient knowledge and experience to be able to perform duties as the audit committee; at least one Audit Committee member must have sufficient knowledge and experience to review the credibility of the financial statements.

Each Audit Committee has a service term of 3 years or equal to the tenure of a Director of the Company.

### **Composition and Appointment of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee must be appointed by the Board of Directors. It consists of not less than 3 directors, of which more than half of the total number of directors should be independent directors. And Chairman of the Nomination and Remuneration Committee Should be an independent director for transparency and true independence in the performance of duties. The director should not be an executive (Non-executive director) is in the Nomination and Remuneration Committee. The Nomination and Remuneration Committee can appoint 1 employee of the Company to act as the secretary of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee must have additional qualifications as follows:

1. The Chairman of the Board of Directors should not be the chairman or a member of the Nomination and Remuneration Committee so that the duties of the Nomination and Remuneration Committee are truly independent.
2. Have Knowledge, ability, honesty and ethics in business operations. Has a vision to monitor changes related to compensation and recruitment of directors and senior management internationally. to improve the recruiting policy and determine the Company's remuneration.
3. Have maturity and stability and dare to express different opinions and be independent.
4. Able to devote enough time to perform duties to ensure the success of the Nomination and Remuneration Committee according to the objectives.



5. Be independent and impartial in the selection and selection of persons who deserve to be nominated for the position of the Company's director in replacement of the Company's director who has retired. or other cases.

#### **Composition and Appointment of the Risk Management Committee**

The Risk Management Committee must be appointed by the Board of Directors, which consists of the Company's directors and/or executives of not less than 3 persons, with at least 1 independent director. The Chairman of the Risk Management Committee must also be appointed by the Board of Directors and can also appoint a Secretary of the Risk Management Committee to assist in the operation. And coordinate with the Risk Management Committee for meeting appointments to prepare meeting agendas deliver meeting documents and record the meeting as well as perform any other duties as assigned by the Chairman of the Risk Management Committee. The Risk Management Committee must have additional qualifications as follows:

1. Have knowledge of risk management and have good organizational management skills.
2. A person who is trusted and generally accepted.
3. Knowledge and understanding of business products and services of the Company as well.
4. Have a good understanding of management principles. Have judgment and decision-making skills can analyze problems and give suggestions appropriately.
5. Be creative able to express opinions and listen to the opinions of others.
6. Able to dedicate time to work as the risk management committee of the Company enough.

#### **Composition and Appointment of the Corporate Governance and Sustainable Development Committee**

The Corporate Governance and Sustainable Development Committee must be appointed by the Board of Directors, which consists of the Company's directors and/or executives of not less than 3 persons, with at least 1 independent director. The Chairman of the Corporate Governance and Sustainable Development Committee must also be appointed by the Board of Directors and can also appoint a Secretary of the Corporate Governance and Sustainable Development Committee to assist in the operation. And coordinate with the Corporate Governance and Sustainable Development Committee for meeting appointments to prepare meeting agendas deliver meeting documents and record the meeting as well as perform any other duties as assigned by the Chairman of the Corporate Governance and Sustainable Development Committee. The Corporate Governance and Sustainable Development Committee must have additional qualifications as follows:

1. Have knowledge of good corporate governance and sustainability management and have good organizational management skills.
2. A person who is trusted and generally accepted.
3. Knowledge and understanding of business products and services of the Company as well.

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4. Have a good understanding of management principles. Have judgment and decision-making skills can analyze problems and give suggestions appropriately.
  5. Be creative able to express opinions and listen to the opinions of others.
  6. Able to dedicate time to work as the risk management committee of the Company enough.

## Meeting Attendance and Remuneration of Individual Committees

### Board of Directors Meeting

In 2022, the Company held 7 Board of Directors' meetings with details of meeting attendance of each director as follows:

Name	Position	Number of times attending the meeting / total number of meetings
		Year 2022
1. Mr. Pakorn Malakul Na Ayudhya	Chairman of the Board of Directors	6/7
2. Mr. Printhorn Apithanasriwong	Chairman of the Board of Executive Directors	7/7
3. Gen. Montee Sungkasap	Chairman of the Audit Committee/ Chairman of the Nomination and Remuneration Committee/ Independent Directors	7/7
4. Mr. Ek Picharnchitra	Vice Chairman of the Executive Board of Directors	7/7
5. Mr. Kajhitphome Sudsok	Chairman of the Risk Management Committee / Audit Committee/ Nomination and Remuneration Committee/ Corporate Governance and Sustainable Development Committee/ Independent Directors	7/7
6. Mr. Rong Hirunpanich	Audit Committee/ Risk Management Committee/ Corporate Governance and Sustainable Development Committee/ Independent Directors	7/7
7. Mr. Chairit Simaroj	Chairman of the Corporate Governance and Sustainable Development Committee/ Independent Directors	7/7
8. Mr. Sompote Valyasevi	Chief Executive Officer/ Executive Board of Directors/ Risk Management Committee / Nomination and Remuneration Committee/ Corporate Governance and Sustainable Development Committee	7/7
9. Mr. Somchai Wongrassamee	Chief Financial Officer/ Executive Board of Directors / Risk Management Committee / Company Secretary	7/7

### Audit Committee Meeting

In 2022, the Company held 7 Audit Committee meetings with details of attendance of each director as follows:

Name	Position	Number of times attending the meeting / total number of meetings
		Year 2022
1. Gen. Montee Sungkasap	Chairman of the Audit Committee	7/7
2. Mr. Kajhitphome Sudsok	Audit Committee	7/7
3. Mr. Rong Hirunpanich	Audit Committee	7/7

### Nomination and Remuneration Committee Meeting

In 2022, the Company has held 3 meetings of the Nomination and Remuneration Committee, details of the meeting attendance of each director are as follows:

Name	Position	Number of times attending the meeting / total number of meetings
		Year 2022
1. Gen. Montee Sungkasap	Chairman of the Nomination and Remuneration Committee	3/3
2. Mr. Kajhitphome Sudsok	Nomination and Remuneration Committee	3/3
3. Mr. Sompote Valyasevi	Nomination and Remuneration Committee	3/3

### Risk Management Committee Meeting

In 2022, the Company held 4 meetings of the Risk Management Committee, with details of meeting attendance of each director as follows:

Name	Position	Number of times attending the meeting / total number of meetings
		Year 2022
1. Mr. Kajhitphome Sudsok	Chairman of the Risk Management Committee	4/4
2. Mr. Rong Hirunpanich	Risk Management Committee	4/4
3. Mr. Sompote Valyasevi	Risk Management Committee	4/4
4. Mr. Somchai Wongrassamee	Risk Management Committee	4/4
5. Mr. Chirdpong Malatham	Risk Management Committee	4/4
6. Mr. Noppanut Manutsongthum	Risk Management Committee	4/4
7. Mr. Pichetpong Sritapun	Risk Management Committee	4/4

### Corporate Governance and Sustainable Development Committee Meeting

In 2022, the Company held 2 meetings of the Corporate Governance and Sustainable Development Committee, with details of meeting attendance of each director as follows:

Name	Position	Number of times attending the meeting / total number of meetings
		Year 2022
1. Mr. Chairit Simaroj	Chairman of the Corporate Governance and Sustainable Development Committee	2/2
2. Mr. Kajhitphome Sudsok	Corporate Governance and Sustainable Development Committee	2/2
3. Mr. Rong Hirunpanich	Corporate Governance and Sustainable Development Committee	2/2
4. Mr. Sompote Valyasevi	Corporate Governance and Sustainable Development Committee	2/2
5. Mr. Niraphan Limwanitrat	Corporate Governance and Sustainable Development Committee	1/2
6. Mr. Nopphadon Khanacharoen	Corporate Governance and Sustainable Development Committee	2/2
7. Mr. Pichetpong Sritapun	Corporate Governance and Sustainable Development Committee	2/2

**Note:** The board of directors has resolved to appoint the Corporate Governance and Sustainable Development Committee at the board of directors' meeting no. 4/2022 on August 10, 2022.

## Directors and Executives Remuneration

### Board of Directors' remuneration

In 2022, the Company has paid remuneration to the Board of Directors in the amount of 5,820,000 Baht, consisting of meeting allowances, monthly remuneration for the chairman and director's gratuity. The remuneration that each director receives is as follows:

Name	Position	2021	2022
1. Mr. Pakorn Malakul Na Ayudhya	Chairman of the Board of Directors/ Independent Directors	1,215,000	1,192,000
2. Mr. Printhorn Apithanasriwong	Chairman of the Board of Executive Directors	740,000	735,000
3. Gen. Montee Sungkasap	Chairman of the Audit Committee/ Chairman of the Nomination and Remuneration Committee/ Independent Directors	1,114,000	1,118,000
4. Mr. Ek Picharnchitra	Vice Chairman of the Executive Board of Directors	656,000	597,000
5. Mr. Kajhitphome Sudsok	Chairman of the Risk Management Committee / Audit Committee/ Nomination and Remuneration Committee/ Corporate Governance and Sustainable Development Committee/ Independent Directors	805,000	988,000
6. Mr. Rong Hirunpanich	Audit Committee/ Risk Management Committee/ Corporate Governance and Sustainable Development Committee/ Independent Directors	670,000	695,000
7. Mr. Chairit Simaroj	Chairman of the Corporate Governance and Sustainable Development Committee/ Independent Directors	470,000	495,000
<b>Total</b>		<b>5,670,000</b>	<b>5,820,000</b>

The 2022 Annual General Meeting of Shareholders held on April 7, 2022 resolved to determine the directors' remuneration for the year 2022 as follows:

Position	Meeting Allowance (THB/ Person/ Time)	Monthly Remuneration (THB)	Reward
Chairman of the Board of Directors	30,000	30,000	The Board of Directors considers allocating the directors as appropriate in the amount not exceeding Baht 3.9 million.
Board of Directors	25,000	-	
Chairman of the Executive Board of Directors	20,000	-	
Vice Chairman of the Executive Board of Directors	15,000	-	
Chairman of the Audit Committee	25,000	20,000	
Audit Committee	20,000	-	
Chairman of the Nomination and Remuneration Committee	15,000	-	
Nomination and Remuneration Committee	10,000	-	
Chairman of the Risk Management Committee	20,000	-	
Risk Management Committee	15,000	-	

### Executive Compensation

In 2022, the Company paid remuneration to management in the amount of Baht 32.9 million. Such compensation includes salary, bonus, contributions to the provident fund.

Year	Number of Executives (persons)	Compensation (THB)
2020	7	29,320,820
2021	8	28,654,011
2022	9	32,916,495

### Remuneration Policy and Methods

The Board of Directors determines the remuneration policy for directors and executives such as the Chief Executive Officer, Chief Accounting and Finance Officer, Chief Operating Officer. Directors' remuneration must be presented to the shareholders' meeting for approval.

The Board of Directors will receive a remuneration as meeting allowance based on the number of meetings attended. and gratuity which must not exceed the limit approved by the shareholders' meeting. And the chairman of the audit committee will receive additional remuneration as monthly remuneration. In determining the director's remuneration, consideration is given to the duties, responsibilities, and performance of duties of the directors that



benefit the Company. Directors who are assigned more responsibilities will receive additional compensation that is appropriate for their duties and responsibilities.

In terms of Executive Compensation, Board of Directors to consider and approve the remuneration of senior management 3 positions comprising Chief Executive Officer, Chief Accounting and Finance Officer and Chief Operation Officer which considers the duties and responsibilities and performance according to the set goals including the overall performance of the Company Such compensation must be comparable to companies operating in the same industry. And is at a level sufficient to retain executives who meet the qualifications required by the Company, as well as incentivize them to perform quality work and good standards.

#### **Governance of Subsidiaries and Associated Companies**

The Company has delegated representatives possess qualifications and experience fit to the business direction of each company according to proportion of shareholding to determine key policies and oversee business operation. The directors who represents the Company shall perform their duties in governing subsidiaries and/or associated companies, proceed to accomplish the matters or operations as set forth by the Company, using their discretion based on resolution of the Board of Directors' meeting and/or shareholders' meeting which passed on important matters for the subsidiaries and/or associated companies for the highest benefits and sustainable growth of the Company. The Company's representatives are those approved by the meeting of the Board of

#### **Policies on Insider Information**

1. No directors, executives, staff, and employees of the Company shall disclose confidentiality and/or resort to inside information of the Company for the benefit of oneself or other persons whether directly or indirectly, with or without benefit in return.
2. No directors, executives, staff and employees of the Company including their spouse or a person who cohabit as a husband and wife, minor child(ren) and a related juristic person shall use inside information of the Company which affects or may affect the securities price of the Company which has not yet been disclosed to the public, for the purchase, sales, offering for purchase, offering for sales or invite another person for purchase, sales, offering for purchase, offering for sales the Company's securities whether directly or indirectly prior disclosure to the public notwithstanding such action is for benefits of oneself or other or to allow other person such action in return of one's benefit. Violator is subject to penalty as per discipline measure of the Company.
3. The executives has acknowledged and accepted their duty in reporting their holdings of the securities, including their spouse or a person who cohabits as a husband and wife, minor child(ren) including related juristic person, as well as any change to their holding to the Securities and Exchange Commission, Thailand and the Stock Exchange of Thailand pursuant to Section 59 and the penalty of the Securities and Stock Exchange Act (No. 5) B.E. 2559.

4. No directors and executives of the Company including their spouse or a person who cohabits as a husband and wife, minor child(ren) including related juristic person trade the Company's securities during a 1 month period prior to disclosure of the financial statement to the public.

The Company will notify directors, executives, staff and employees of the above accordingly.

#### **Monitoring to Ensure Compliance with Corporate Governance Policies and Practices**

The Company focuses on corporate governance by stipulating relevant policies and guidelines in the Company's Corporate Governance Policy and Code of Conduct. As well as to promote the practice to build trust with stakeholders. The Group has followed up to ensure compliance with good corporate governance covering the following matters 1) Caring for employees and non-discrimination 2) Anti-unfair competition 3) Caring for the environment Hygiene and safety in the organization. 4) Information security. The follow-up results showed that the Company has fully implemented the guidelines for each issue.

In addition, the Company has also followed up to ensure compliance with good corporate governance in 4 areas as follows:

##### **(1) Prevention of Conflicts of Interest**

The Company has established a policy that requires the Board of Directors, executives, and employees to follow orders in the Company's best interests. If someone has a stake in or is engaged with the issue under review, they must notify the secretary's office or director of operations. Those in charge of such affairs are aware of the situation and do not engage in the decision-making process. In 2021, the Company found no situations that could lead to conflicts of interest.

##### **(2) Using Inside Information for Exploitation**

- The Company has notified directors and executives of the duty to report changes in securities holdings to the SEC in accordance with Section 59 of the Securities and Exchange Act B.E. Record changes and summarize the number of securities of individual directors and executives.
- The Company has regulations prohibiting the use of financial statements or other information that affects the price of the Company's securities to disclosure to third parties or those who are not involved. Prohibited trading in securities during 1 month before the financial statements or other information that affect the Company's stock price will be published to the public. And must not trade in the Company's securities until a period of 24 hours has elapsed since all such information has been disclosed to the public. In 2021, no director or executive was found to disseminate the financial statements or other information to third parties or people who are not involved in any way.

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### **(3) Anti-Corruption**

The Company published the anti-corruption policy on May 11, 2021, informing directors, executives, employees, business partners, business representatives, and the general public. Committed about being involved in the anti - corruption in all forms. Demanding transparency and clarity in the direction and structure of anti-corruption operations, based on principles and best practices, and awareness of the major hazards and damage caused by corruption.

In addition, the Company has published the anti-corruption policy on the Company's website. The Company provides internal communication training for all employees to acknowledge anti-corruption matters. It has also created a channel for reporting corruption clues in 4 channels, such as the notification through the receiving box which is distributed at important points within the Company area, notify the Company secretary, notify the Audit Committee and direct email contact to the Audit Committee [auditcom@starflex.co.th](mailto:auditcom@starflex.co.th)

### **(4) Whistleblowing**

The Company has established a mechanism to receive complaints and for whistleblowing with regards to personnel not complying with the law, rules, regulations or Code of Conduct, or for behavior that may imply corruption. The mechanism includes appropriate protection measures for whistleblowers in accordance with the Whistleblowing Policy. The Company provides multiple channels for complaints: they can be made through a website, by phone, e-mail and in writing.

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## Internal Control and Related Parties Transaction

### Internal Control

#### Opinions of the Board of Directors on the company's internal control system

The company has given precedence to internal control systems for management and operational levels to prevent damage that may occur to the company. In the Audit Committee's meeting no. 3/2022 on May 9, 2022, the Audit Committee reviewed the assessment of the adequacy of the company's internal control system for the year 2022 and was of the opinion that the internal control system is appropriate and sufficient for business operations. Also, in the board of directors' meeting no. 3/2022 on May 11, 2022, which all 3 members of the Audit Committee also attended, the board of directors considered and acknowledged the results of the assessment of the adequacy of the company's internal control system and the board of directors' opinion can be summarized that as the assessment of the company's internal control system in various aspects, 5 elements, according to the framework of internal control practices of COSO (The Committee of Sponsoring Organization of the Tread way Commission), consisting of:

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

The board of directors was of the opinion that the company has an internal control system that is sufficient and appropriate. The company has provided sufficient officers to implement such a system effectively and enable the company's business operations to be effective in accordance with the principles of good corporate governance and transparency. Additionally, the company also has a system to monitor the operations of the company to be in line with the goals, objectives, laws, and relevant requirements to ensure that the company's assets can be protected from being used by directors or executives improperly or without authority, including having an adequate supervisory system for transactions with persons who may have conflicts or connected persons.

#### Actions on the company's internal control system

In this regard, the company has an Audit Committee to review for ensuring that the company has appropriate and effective internal control and internal audit systems, including reviewing the operations of the company to comply with the law on securities and stock exchange, regulations of the Stock Exchange of Thailand, and laws related to the Company's business operations. The Audit Committee will hold a meeting at least every quarter to consider and proceed with accurate financial reports and complete and adequate disclosure of information, including consideration of related parties' transactions or transactions that may have conflicts of interest to comply with the law and the requirements of the Capital Market Supervisory Board and

Stock Exchange of Thailand. In the meeting, auditors will be attended to make notes for the audit of the company's accounts.

In 2022, the company has continually developed an internal control system, including work systems and control measures for various important work processes since the previous years in order to strengthen the internal control system to be more efficient, sufficient, and suitable for the changing environment.

#### **An opinion on the internal control system of the internal auditor**

The internal auditors have inspected and followed up on various aspects of the company's management systems and they have provided suggestions for the company improving in order to increase checks and balances for all operations, which will continuously improve the quality of the internal control system to ensure that the company completely complies with the rules and regulations of the relevant laws and that will result in the company having a good corporate governance system. The internal auditor reported audit results and monitoring results of various management systems to the Audit Committee for acknowledgment.

#### **Head of the internal audit of the company**

The company established the Internal Audit Department on January 1, 2020. The Internal Audit Department is an independent unit for reporting directly to the Audit Committee. At present, Ms. Nonnaphat Tucharoen is the company's internal audit department manager. She has 13 years of experience in internal auditing and has an understanding of the activities and operations of the company. The Audit Committee, therefore, has considered that Ms. Nonnaphat Tucharoen is qualified to perform such duties appropriately and adequately, and has hired P&L Internal Audit Co., Ltd. to audit the company's internal control system in 2022. The internal auditor has provided a report on the evaluation and auditing of the company's internal control system and has reported directly to the Audit Committee on a quarterly basis. The company has always made improvements to the operational systems in various departments to be in line with the suggestions of the internal auditor. In this regard, the consideration and approval for the appointment, removal, and transfer of the person in charge of the company's internal audit unit must be passed or approved by the Audit Committee. The company has disclosed the history and information of the person holding the position of head of the internal audit of the company and internal auditors hired from outside as per Appendix 3: Details of Internal Audit Head.

#### **Related transaction**

##### **Policies and procedures for related-party transaction approval**

In the event that there is a related transaction of the Company With a person who may have a conflict of interest, which is a transaction that is a commercial agreement in the same way that a sensible person would do with a normal counterparty in the same situation. With the bargaining power without influence of being a director, executive or related person, the Company can operate normally under the principles that the Board

of Directors has considered, approved and prepared a summary report to report to the Board. The Audit Committee and the Board of Directors are informed every quarter.

Policy and procedures for approving related transactions that are not normal commercial transactions  
The Company will provide an opinion by the Audit Committee on the necessity and appropriateness of the transaction. In the event that the Audit Committee does not have expertise in considering related transactions that may occur, the Company will consider a person with special expertise, such as a property appraiser, auditor, law firm, etc., to give an opinion on the matter. Such connected transactions to the Audit Committee for the Audit Committee to use in making decisions and giving opinions to the Board of Directors or shareholders, as the case may be, to approve such transactions before entering into the transaction.

addition, the Company has set measures to prevent executives or stakeholders from participating in approving transactions that they have direct and indirect interests, and the Board of Directors ensures that the Company comply with the law on securities and exchange and regulations, notifications, orders or requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand. Including compliance with the disclosure requirements of connected transactions and the acquisition or disposition of important assets of the Company as well as complying with the accounting standards prescribed by the Federation of Accounting Professions and the Certified Public Accountant of Thailand. And will disclose the connected transactions in the notes to the financial statements that have been audited or reviewed by the Company's auditors.

#### **Policy and trend of future related party transactions**

In the future, the Company may perform related transactions. The related transactions will follow in order to support the Company's business operations. as well as for the benefit of the Company such as guarantees made by major shareholders and/or directors. Such guarantees are in accordance with the conditions stipulated by commercial banks and/or financial institutions. The major shareholders and/or directors do not charge any guarantee fees for such loans from the Company. The Audit Committee will review the compliance with the rules and give opinions on the reasonableness of the transactions every quarter.

However, if the Company is required to do related transactions with entities whom may have a conflict in the future. The Company will establish various criteria in accordance with normal trading and a market price that can be referenced and compared to the same type of transaction that the Company does with third parties. For related transactions are not in normal business that may occur in the future, the Company will arrange an audit committee to review the compliance with the rules and give reasons for doing such transactions before the Company will enter into that transaction. It will proceed according to the measures and procedures for

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approval of related transactions as stated above. However, in order to avoid future conflicts of interest, the Board of Directors must follow the Securities and Exchange Act, the regulations of the Capital Market Committee and the Stock Exchange of Thailand, as well as the requirements for disclosure of related transactions and the acquisition or disposition of the Company's assets, as well as accounting standards established by the Federation of Accountants.

### Details of Related transactions

Related transactions of the Company with a person who may have conflicts in the ending period as at 31 December 2021 and 2022 are summarized as follows:

A person who may have conflict of interest	Relationship	Transaction Type	Transaction Amount (THB million)		Necessity and Reasonableness of the Transaction	Attend the meeting to consider	
			2021	2022		Audit Committee	Board of Directors
Mr. Printhorn Apithanasriwong	As Chairman of the Board of Executive Directors, holding 196,673,200 shares in the Company, or to 23.985% of the total shares subscribed as of 31 December 2022.	Guarantee for financial lease agreement Contract Limit Remaining Balance	19.46 11.82	19.46 8.22	Mr. Printhorn Apithanasriwong has entered into a personal guarantee for the machinery and car leasing agreements for the Company, without charging compensation for a guarantee from the Company. <u>The Audit Committee</u> has considered and is of the opinion that Mr. Printhorn Apithanasriwong guarantees is based on the necessity for the benefit of the Company. The hire-purchase contract of machinery and automobiles are for use in the Company's business operations. There is no payment for the guarantee of the financial lease. Therefore this transaction is appropriate.	Audit Committee Meeting No. 1/2023, 20 Jan. 2023	Board of Directors Meeting No. 1/2023, 22 Feb. 2023



A person who may have conflict of interest	Relationship	Transaction Type	Transaction Amount (THB million)		Necessity and Reasonableness of the Transaction	Attend the meeting to consider	
			2021	2022		Audit Committee	Board of Directors
Mr. Ek Picharnchitra	As Vice Chairman of the Executive Board of Directors, holding 78,974,500 shares in the Company, equivalent to 9.631% of the total number of shares subscribed as of 31 December 2022	Guarantee for financial lease agreement Contract Limit Remaining Balance	11.29 7.30	11.29 5.45	Mr. Ek Picharnchitra has entered into a personal guarantee for the machinery and car leasing agreements for the Company, without charging compensation for a guarantee from the Company.  <u>The Audit Committee</u> has considered and is of the opinion that Mr. Ek Picharnchitra guarantees is based on the necessity for the benefit of the Company. The hire-purchase contract of machinery and automobiles are for use in the Company's business operations. There is no payment for the guarantee of the financial lease. Therefore this transaction is appropriate.	Audit Committee Meeting No. 1/2023, 20 Jan. 2023	Board of Directors Meeting No. 1/2023, 22 Feb. 2023

A person who may have conflict of interest	Relationship	Transaction Type	Transaction Amount (THB million)		Necessity and Reasonableness of the Transaction	Attend the meeting to consider	
			2021	2022		Audit Committee	Board of Directors
PS Plus Consulting Company limited	A subsidiary which has a registered capital of Baht 20 million, with SFLEX holding 199,970 shares, representing 99.99 percent of the shares sold.	1. Rental income	0.06	0.15	There is a building lease agreement at 188/1 Moo 3 Soi Bang Phliang Phatthana Project. Kheha-Ladwai Road, Bang Phriang Subdistrict, Bang Bo District, Samut Prakan Province Usable area of 132 square meters, amounting to 12,540 Baht/month and contract service of 10,000 Baht/month, effective from January 1, 2022 - December 31, 2022.  <u>The Audit Committee</u> has considered and is of the opinion that the transaction processed in the normal business, which will be brought to the Board of Directors for further consideration.	Audit Committee Meeting No. 1/2023, 20 Jan. 2023	Board of Directors Meeting No. 1/2023, 22 Feb. 2023
		2. Service income	0.05	0.12			

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## Report of the Board of Directors' Responsibilities for the Financial Statements

The Board of Directors gives priority to discharging its supervisory duties and responsibilities in accordance with the Company's Good Corporate Governance Policy. Financial reports and information disclosed in the 2021 Annual Report contain accurate, complete, adequate details, and are prepared in compliance with the generally – accepted accounting Standards using appropriate accounting policies that are consistently applied based on prudent consideration. The Board has assigned the Audit Committee to review the Company's latest financial statements. Said financial reports have been reported to be carefully prepared in accordance with the generally-accepted accounting principles using appropriate accounting policies, and been assessed for them appropriateness of overall items presented in the statements, with adequate information disclosed in the notes to the financial statements. The Audit Committee's opinions regarding such matters are stated in the Company's Annual Report and also the Annual Registration Statement for the year 2021.

Additionally, the Board has set up an efficient and affection internal control system to ensure complete and accurate recording of accounting transactions, as well as an asset control system to prevent frauds or material damages.

In summary, the Board is of an opinion that the Company's overall internal control systems are at a satisfactory level to establish reasonable confidence in the reliability of the Company's financial statements of 31 December 2021. The external auditor has audited the aforementioned statements according to the generally – accepted auditing standards and viewed that the financial statements present fairly, in all material respects, the financial position and financial performance in accordance with generally-accepted accounting principles.



Mr. Pakorn Malakul Na Ayudhya

**Chairman of the Board of Director  
Starflex Public Company Limited**

## Part 3 Financial Statements

Starflex Public Company Limited and its subsidiary

Report and consolidated financial statements

31 December 2022

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## Independent Auditor's Report

To the Shareholders of Starflex Public Company Limited

### Opinion

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Starflex Public Company Limited and its subsidiary and of Starflex Public Company Limited as at 31 December 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

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

### 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 this matter are described below.

#### *Revenue recognition*

Revenue from sales is a significant account because the amount of revenue from sales is material and directly affects the Group's profit or loss. The Group has major revenues from production and distribution of flexible packaging which are prone to fluctuations in price, market competition, and demand.

I examined the Group's revenue recognition by assessing and testing its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I selected representative samples of sales agreements to determine whether the revenue recognition was in accordance with the conditions set forth in the sales agreements, and in line it with the Group's revenue recognition policy. On a sampling basis, I also examined supporting documents for actual sales transactions occurring during the year and near the end of the accounting period. I sent confirmation requested for the balances of accounts receivables as at the end of the year and reviewed credit notes that the Group issued after the period-end date. Moreover, I performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period.

#### **Other Information**

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

My opinion on the financial statements does not cover the other information and I 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.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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**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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

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

My objectives are to obtain reasonable assurance about whether the 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

I also provide those charged with governance with a statement that 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.

*S. Ratananurak*

Satida Ratananurak

Certified Public Accountant (Thailand) No. 4753

EY Office Limited

Bangkok: 22 February 2023

## Starflex Public Company Limited and its subsidiary

## Statement of financial position

As at 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	7	129,077,934	74,830,394	122,418,588	72,439,348
Trade and other receivables	8	263,346,140	345,544,372	259,047,281	342,357,497
Inventories	9	333,360,129	333,852,238	326,103,951	327,566,603
Derivative assets	35	-	315,599	-	315,599
Other current financial assets		178,400	688,579	178,400	688,579
Other current assets		21,378,796	20,611,441	21,378,796	20,611,432
Total current assets		747,341,399	775,842,623	729,127,016	763,979,058
Non-current assets					
Restricted bank deposits	10	12,351,685	12,290,770	12,351,685	12,290,770
Investment in subsidiary	11	-	-	11,000,000	6,500,000
Investments in joint ventures	12	31,749,700	-	31,624,700	-
Property, plant and equipment	13	739,389,171	594,108,739	739,380,900	594,094,196
Right-of-use assets	14	53,153,668	45,025,414	53,153,668	45,025,414
Intangible assets	15	727,529	2,130,933	710,359	2,100,764
Deferred tax assets	26	6,648,110	8,958,872	6,648,110	8,958,872
Other non-current financial assets		5,082,766	4,997,766	5,082,766	4,997,766
Other non-current assets	16	5,404,026	63,217,676	5,404,026	63,217,676
Total non-current assets		854,506,655	730,730,170	865,356,214	737,185,458
Total assets		1,601,848,054	1,506,572,793	1,594,483,230	1,501,164,516

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

## Starflex Public Company Limited and its subsidiary

## Statement of financial position (continued)

As at 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	17	29,238,398	52,730,688	29,238,398	52,730,688
Trade and other payables	18	276,026,108	294,885,333	269,092,595	289,064,359
Derivative liabilities	35	1,300,047	-	1,300,047	-
Current portion of long-term loans from financial institutions	19	76,824,452	54,248,404	76,824,452	54,248,404
Current portion of lease liabilities	14	8,020,305	13,558,322	8,020,305	13,558,322
Income tax payable		7,077,957	3,517,350	6,991,734	3,517,350
Total current liabilities		398,487,267	418,940,097	391,467,531	413,119,123
Non-current liabilities					
Long-term loans from financial institutions - net of current portion	19	157,092,943	70,377,419	157,092,943	70,377,419
Lease liabilities - net of current portion	14	18,215,221	14,017,499	18,215,221	14,017,499
Provision for long-term employee benefits	20	42,686,991	42,936,431	42,686,991	42,936,431
Total non-current liabilities		217,995,155	127,331,349	217,995,155	127,331,349
Total liabilities		616,482,422	546,271,446	609,462,686	540,450,472

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

## Starflex Public Company Limited and its subsidiary

## Statement of financial position (continued)

As at 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Liabilities and shareholders' equity					
(continued)					
Shareholders' equity					
Share capital					
Registered	21				
1,004,500,000 ordinary shares of Baht 0.5 each		502,250,000	502,250,000	502,250,000	502,250,000
Issued and fully paid-up					
820,000,000 ordinary shares of Baht 0.5 each		410,000,000	410,000,000	410,000,000	410,000,000
Share premium		302,988,161	302,988,161	302,988,161	302,988,161
Retained earnings					
Appropriated - statutory reserve	22	33,002,958	30,287,399	33,002,958	30,287,399
Unappropriated		239,374,513	217,025,787	239,029,425	217,438,484
Total shareholders' equity		985,365,632	960,301,347	985,020,544	960,714,044
Total liabilities and shareholders' equity		1,601,848,054	1,506,572,793	1,594,483,230	1,501,164,516

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

## Starflex Public Company Limited and its subsidiary

## Statement of comprehensive income

For the year ended 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales	27	1,668,862,584	1,677,153,812	1,650,919,265	1,674,027,898
Gain on exchange		344,310	-	344,310	-
Other income		26,888,921	50,160,047	27,155,342	50,271,854
<b>Total revenues</b>		<b>1,696,095,815</b>	<b>1,727,313,859</b>	<b>1,678,418,917</b>	<b>1,724,299,752</b>
<b>Expenses</b>					
Cost of sales		1,457,989,448	1,414,056,176	1,441,780,644	1,410,953,957
Selling and distribution expenses		37,620,991	34,143,283	37,320,028	34,143,283
Administrative expenses		132,850,566	118,251,386	132,527,492	117,926,801
Loss on exchange		-	57,638	-	57,638
<b>Total expenses</b>	24	<b>1,628,461,005</b>	<b>1,566,508,483</b>	<b>1,611,628,164</b>	<b>1,563,081,679</b>
<b>Operating profit</b>		<b>67,634,810</b>	<b>160,805,376</b>	<b>66,790,753</b>	<b>161,218,073</b>
Finance cost	25	(2,930,523)	(3,896,529)	(2,930,523)	(3,896,529)
<b>Profit before income tax expenses</b>		<b>64,704,287</b>	<b>156,908,847</b>	<b>63,860,230</b>	<b>157,321,544</b>
Income tax expenses	26	(9,635,329)	(7,493,672)	(9,549,057)	(7,493,672)
<b>Profit for the year</b>		<b>55,068,958</b>	<b>149,415,175</b>	<b>54,311,173</b>	<b>149,827,872</b>

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

## Starflex Public Company Limited and its subsidiary

## Statement of comprehensive income (continued)

For the year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain	20	8,619,158	-	8,619,158	-
Less: Income tax effect	26	(1,723,831)	-	(1,723,831)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		6,895,327	-	6,895,327	-
<b>Other comprehensive income for the year</b>		<b>6,895,327</b>	<b>-</b>	<b>6,895,327</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>61,964,285</b>	<b>149,415,175</b>	<b>61,206,500</b>	<b>149,827,872</b>
<b>Earnings per share</b>	29				
Basic earnings per share		0.07	0.18	0.07	0.18
Diluted earnings per share		0.07	0.18	0.07	0.18

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

## Starflex Public Company Limited and its subsidiary

## Statement of changes in shareholders' equity

For the year ended 31 December 2022

(Unit: Baht)

		Consolidated financial statements				
		Issued and fully paid-up share capital	Share premium	Retained earnings		
	<u>Note</u>			Appropriated	Unappropriated	
					Total	
<b>Balance as at 1 January 2021</b>		410,000,000	302,988,161	26,802,399	140,795,572	880,586,132
Profit for the year		-	-	-	149,415,175	149,415,175
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	149,415,175	149,415,175
Dividend paid	30	-	-	-	(69,699,960)	(69,699,960)
Unappropriated retained earnings transferred to statutory reserve	22	-	-	3,485,000	(3,485,000)	-
<b>Balance as at 31 December 2021</b>		410,000,000	302,988,161	30,287,399	217,025,787	960,301,347
<b>Balance as at 1 January 2022</b>		410,000,000	302,988,161	30,287,399	217,025,787	960,301,347
Profit for the year		-	-	-	55,068,958	55,068,958
Other comprehensive income for the year		-	-	-	6,895,327	6,895,327
Total comprehensive income for the year		-	-	-	61,964,285	61,964,285
Dividend paid	30	-	-	-	(36,900,000)	(36,900,000)
Unappropriated retained earnings transferred to statutory reserve	22	-	-	2,715,559	(2,715,559)	-
<b>Balance as at 31 December 2022</b>		410,000,000	302,988,161	33,002,958	239,374,513	985,365,632



Starflex Public Company Limited and its subsidiary  
Statement of changes in shareholders' equity (continued)  
For the year ended 31 December 2022

(Unit: Baht)

	<u>Note</u>	Separate financial statements			
		Issued and fully paid-up share capital	Share premium	Retained earnings	
				Appropriated	Unappropriated
					Total
<b>Balance as at 1 January 2021</b>		410,000,000	302,988,161	26,802,399	140,795,572
Profit for the year		-	-	-	149,827,872
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	-	149,827,872
Dividend paid	30	-	-	-	(69,699,960)
Unappropriated retained earnings transferred to statutory reserve	22	-	-	3,485,000	(3,485,000)
<b>Balance as at 31 December 2021</b>		410,000,000	302,988,161	30,287,399	217,438,484
<b>Balance as at 1 January 2022</b>		410,000,000	302,988,161	30,287,399	217,438,484
Profit for the year		-	-	-	54,311,173
Other comprehensive income for the year		-	-	-	6,895,327
Total comprehensive income for the year		-	-	-	61,206,500
Dividend paid	30	-	-	-	(36,900,000)
Unappropriated retained earnings transferred to statutory reserve	22	-	-	2,715,559	(2,715,559)
<b>Balance as at 31 December 2022</b>		410,000,000	302,988,161	33,002,958	239,029,425

## Starflex Public Company Limited and its subsidiary

**Statements of cash flows**

For the year ended 31 December 2022

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities</b>				
Profit before tax	64,704,287	156,908,847	63,860,230	157,321,544
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	56,518,133	61,676,653	56,498,861	61,663,542
Allowance for expected credit losses (reversal)	47,194	(126,423)	47,194	(126,423)
Allowance for reduction of inventory to net realisable value (reversal)	(1,731,497)	191,627	(1,731,497)	191,627
Gain on disposal/write-off of equipment	(651,953)	(34,507,500)	(651,953)	(34,507,500)
Gain on disposal of right-of-use assets	-	(1,497,999)	-	(1,497,999)
Provision for long-term employee benefits	9,916,308	9,942,850	9,916,308	9,942,850
Unrealised loss (gain) on exchange	1,298,929	(168,443)	1,298,929	(168,443)
Interest income	(251,167)	(340,442)	(247,108)	(340,442)
Interest expenses	2,930,523	3,896,529	2,930,523	3,896,529
Profit from operating activities before changes in operating assets and liabilities	132,780,757	195,975,699	131,921,487	196,375,285
Operating assets (increase) decrease				
Trade and other receivables	69,983,931	(50,812,836)	71,095,915	(47,625,961)
Inventories	2,223,606	(105,762,197)	3,194,150	(99,476,562)
Other current financial assets	825,778	(1,432,496)	825,778	(1,432,496)
Other current assets	(774,977)	4,336,432	(774,985)	4,336,441
Operating liabilities increase (decrease)				
Trade and other payables	(20,246,992)	20,589,671	(21,234,531)	14,768,698
Cash flows from operating activities	184,792,103	62,894,273	185,027,814	66,945,405
Interest received	258,790	331,954	254,730	331,954
Long-term employee benefits paid	(1,546,590)	(661,040)	(1,546,590)	(661,040)
Interest paid	(2,935,994)	(3,719,846)	(2,935,994)	(3,719,846)
Corporate income tax paid	(5,487,791)	(15,035,754)	(5,487,742)	(15,035,754)
<b>Net cash flows from operating activities</b>	<b>175,080,518</b>	<b>43,809,587</b>	<b>175,312,218</b>	<b>47,860,719</b>

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

**Starflex Public Company Limited and its subsidiary**
**Statements of cash flows (continued)**
**For the year ended 31 December 2022**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Cash flows from investing activities</b>				
Increase in restricted bank deposits	(60,915)	(60,614)	(60,915)	(60,614)
Increase in investment in subsidiary	-	-	(4,500,000)	(6,500,000)
Increase in investments in joint ventures	(31,624,700)	-	(31,624,700)	-
Acquisition of equipment	(185,369,431)	(174,429,907)	(185,369,431)	(174,411,085)
Proceeds from disposals of equipment	12,167,107	3,987,545	12,167,107	3,987,545
Acquisition of intangible assets	(208,600)	(855,237)	(208,600)	(816,237)
Increase in other non-current financial assets	(85,000)	-	(85,000)	-
Decrease (increase) in other non-current assets	61,179,155	(24,415,826)	61,179,155	(24,415,826)
<b>Net cash used in investing activities</b>	<b>(144,002,384)</b>	<b>(195,774,039)</b>	<b>(148,502,384)</b>	<b>(202,216,217)</b>
<b>Cash flows from financing activities</b>				
Cash received from short-term loans from financial institutions	173,190,296	288,241,902	173,190,296	288,241,902
Repayment of short-term loans to financial institutions	(196,682,586)	(263,142,489)	(196,682,586)	(263,142,489)
Cash paid for lease liabilities	(19,869,596)	(21,742,540)	(19,869,596)	(21,742,540)
Cash received from long-term loans	164,293,800	126,381,200	164,293,800	126,381,200
Repayment of long-term loans	(55,002,229)	(1,755,377)	(55,002,229)	(1,755,377)
Interest paid	(5,860,279)	-	(5,860,279)	-
Dividend paid	(36,900,000)	(69,699,960)	(36,900,000)	(69,699,960)
<b>Net cash from financing activities</b>	<b>23,169,406</b>	<b>58,282,736</b>	<b>23,169,406</b>	<b>58,282,736</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>54,247,540</b>	<b>(93,681,716)</b>	<b>49,979,240</b>	<b>(96,072,762)</b>
Cash and cash equivalents at beginning of year	74,830,394	168,512,110	72,439,348	168,512,110
<b>Cash and cash equivalents at end of year (Note 7)</b>	<b>129,077,934</b>	<b>74,830,394</b>	<b>122,418,588</b>	<b>72,439,348</b>
	-	-	-	-
<b>Supplemental cash flows information</b>				
Non-cash transactions from investing activities				
Accounts payable from purchasing equipment	2,277,142	1,139,429	2,277,142	1,139,429
Increase in right-of-use assets	19,072,666	2,120,373	19,072,666	2,120,373

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

## Starflex Public Company Limited and its subsidiary

### Notes to consolidated financial statements

For the year ended 31 December 2022

#### 1. General information

Starflex Public Company Limited (“the Company”) was incorporated as a limited company under Thai laws and registered the transformation to a public company under the Public Limited Companies Act on 28 March 2019 and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of flexible packaging. The registered head office of the Company is at 189/48-49 Moo.3 Theparak Road, T. Bangpreang, A. Bangbor, Samutprakan.

#### 2. Basis of preparation

- 2.1 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.

#### 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Starflex Public Company Limited (“the Company”) and the following subsidiary company (“the subsidiary”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2022</u> Percent	<u>2021</u> Percent
<u>Held by the Company</u>				
P S Plus Consulting Company Limited	Purchasing and Trading of flexible packaging	Thailand	100	100

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- b) The Company is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
  - c) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
  - d) The financial statements of the subsidiary is prepared using the same significant accounting policies as the Company.
  - e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- 2.3 The separate financial statements present investment in subsidiary and joint ventures under the cost method.

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

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

During the year, the Group has adopted the revised financial reporting standards and interpretations 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 providing accounting guidance for users of the standards.

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

#### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023**

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 2023. 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 management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

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#### **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 upon 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 discounts to customers.

###### *Interest income*

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

###### *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**

Finished goods and work in process are valued at the lower of cost (under the first in, first out method) and net realisable value. The cost of inventories includes all production costs and attributable factory overheads.

Raw materials and supplies are valued at the lower of cost (first in, first out method) and net realisable value and are charged to production costs whenever consumed.

##### **4.4 Investment in subsidiary and joint ventures**

Investments in joint ventures are accounted for in the consolidated financial statements using the equity method.

Investment in subsidiary and joint ventures are accounted for in the separate financial statements using the cost method.

#### 4.5 Property, plant and equipment and depreciation

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance for impairment loss (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:

Plant	-	20 years
Plant improvement	-	10 - 20 years
Machinery and equipment	-	5 - 20 years
Furniture and office equipment	-	3 - 5 years
Motor vehicles	-	5 years

Depreciation is included in determining income. No depreciation is provided on land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### 4.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### 4.7 Intangible assets

Intangible assets acquired are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 - 10 years

## 4.8 Leases

At inception of contract, the Group 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 Group as a lessee**

The Group 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 Group 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 less any lease incentives received.

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.

Plant, plant improvement	-	2 - 3 years
Machinery and equipment	-	5 years
Furniture and office equipment	-	3 - 5 years
Motor vehicles	-	2 - 5 years

If ownership of the leased asset is transferred to the Group 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.

### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group'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, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

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

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.

#### **4.9 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.

#### **4.10 Foreign currencies**

The consolidated and separate 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.

#### **4.11 Impairment of non-financial assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, and other intangible assets 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.

#### **4.12 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 and other long-term employee benefit**

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*Defined contribution plans*

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

*Defined benefit plans and other long-term employee benefit*

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plan. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plan is determined by professionally qualified independent actuaries based on actuarial techniques, using the projected unit credit method.

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

Actuarial gains and losses arising from other long-term benefit are recognised immediately in profit and loss.

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 Group recognises restructuring-related costs.

**4.13 Provisions**

Provisions are recognised when the Group 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.

**4.14 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 Group 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 Group reviews and reduces 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 Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.15 Financial instruments**

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

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

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

##### ***Financial assets at amortised cost***

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

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

##### ***Financial assets at FVOCI (debt instruments)***

The Group measures financial assets at FVOCI if the financial asset is held to collect contractual cash flows and to sell the financial asset 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.

Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The

remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

***Financial assets at FVTPL***

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

**Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Group'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 Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

**Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group 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 Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead 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.

#### **Offsetting of financial instruments**

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

#### **4.16 Derivatives**

The Group uses derivatives, such as forward currency contracts to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

#### **4.17 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## **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 judgements and estimates are as follows:

### **Allowance for diminution in inventory value**

In determining an allowance for diminution in inventory value, the management needs to make judgement in estimating loss from slow moving and deteriorated inventories including the effect from declining in net realisable value of inventories.

### **Post-employment benefits under defined benefit plans and other long-term employee benefits**

The obligation under the defined benefit plan and other long-term employee benefit plans 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 Group 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 Group and the related parties.

	(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
<u>Transactions with subsidiary company</u>					
(eliminated from the consolidated financial statements)					
Warehouse rental income	-	-	150	63	At the contractual price
Service fees income	-	-	120	50	At the contractual price
<u>Transactions with related parties</u>					
Purchases of equipment	-	2,693	-	2,693	At the contractual price
<u>Transactions with related person</u>					
Sales of assets	-	3,050	-	3,050	At the contractual price

As at 31 December 2022 and 2021, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Other receivables - related parties</u> (Note 8)				
Directors	-	3,264	23	3,264
Total other receivables - related parties	-	3,264	23	3,264

### Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	<u>2022</u>	<u>2021</u>
Short-term employee benefits	34,258	29,593
Post-employment benefits and other long-term benefits	2,445	2,387
Total	<u>36,703</u>	<u>31,980</u>

### 7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash	132	145	110	110
Bank deposits - saving accounts	119,667	67,819	113,060	65,493
Bank deposits - fixed deposit accounts	623	622	623	622
Bank deposits - current accounts	8,656	6,244	8,626	6,214
Total	<u>129,078</u>	<u>74,830</u>	<u>122,419</u>	<u>72,439</u>

As at 31 December 2022, bank deposits in saving and fixed deposit accounts carried interests between 0.15 - 0.55 percent per annum (2021: between 0.05 - 0.25 percent per annum).



## 8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	162,957	192,774	160,046	191,137
Past due				
Up to 3 months	78,574	118,709	77,558	117,599
6 - 12 months	477	140	477	140
Over 12 months	<u>7,701</u>	<u>7,419</u>	<u>7,701</u>	<u>7,419</u>
Total trade accounts receivable - unrelated parties	249,709	319,042	245,782	316,295
Less: Allowance for expected credit losses	<u>(7,392)</u>	<u>(7,345)</u>	<u>(7,392)</u>	<u>(7,345)</u>
Trade accounts receivable - unrelated parties - net	<u>242,317</u>	<u>311,697</u>	<u>238,390</u>	<u>308,950</u>
<u>Other receivables</u>				
Other receivables - related parties (Note 6)	-	3,264	23	3,264
Other receivables - unrelated parties	20,634	30,143	20,634	30,143
Other receivables - Revenue department	<u>395</u>	<u>440</u>	<u>-</u>	<u>-</u>
Total other receivables	<u>21,029</u>	<u>33,847</u>	<u>20,657</u>	<u>33,407</u>
Trade and other receivables - net	<u><u>263,346</u></u>	<u><u>345,544</u></u>	<u><u>259,047</u></u>	<u><u>342,357</u></u>

The normal credit term is 30 to 100 days.

Set out below is the movement in the allowance for expected credit losses of trade receivables.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Beginning balance	7,345	7,471	7,345	7,471
Provision for expected credit losses	<u>47</u>	<u>(126)</u>	<u>47</u>	<u>(126)</u>
Ending balance	<u><u>7,392</u></u>	<u><u>7,345</u></u>	<u><u>7,392</u></u>	<u><u>7,345</u></u>

## 9. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Finished goods	136,874	132,803	(7,362)	(6,667)	129,512	126,136
Work in process	82,689	36,602	(1,107)	(1,298)	81,582	35,304
Raw materials	118,970	171,078	(1,495)	(3,730)	117,475	167,348
Supplies	4,635	3,598	-	-	4,635	3,598
Goods in transit	156	1,466	-	-	156	1,466
Total	<u>343,324</u>	<u>345,547</u>	<u>(9,964)</u>	<u>(11,695)</u>	<u>333,360</u>	<u>333,852</u>

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Finished goods	129,618	126,518	(7,362)	(6,667)	122,256	119,851
Work in process	82,689	36,602	(1,107)	(1,298)	81,582	35,304
Raw materials	118,970	171,078	(1,495)	(3,730)	117,475	167,348
Supplies	4,635	3,598	-	-	4,635	3,598
Goods in transit	156	1,466	-	-	156	1,466
Total	<u>336,068</u>	<u>339,262</u>	<u>(9,964)</u>	<u>(11,695)</u>	<u>326,104</u>	<u>327,567</u>

During the current year, the Group reversed the write-down of cost of inventories by Baht 1.7 million and for the Company by Baht 1.7 million to reduced the amount of inventories recognised as expenses during the year (2021: the Group reduced cost of inventories by Baht 0.2 million and for the Company only: Baht 0.2 million, to reflect the net realisable value, which was included in cost of sales).

## 10. Restricted bank deposits

As at 31 December 2022, the Company pledged the fixed deposit account amount of Baht 12.4 million (2021: Baht 12.3 million) to secure its credit facilities of short-term loans as described in Note 17.

## 11. Investment in subsidiary

Details of investment in subsidiary as presented in the separate financial statements are as follows:

(Unit: Thousand Baht)

Company	Paid-up capital	Shareholding percentage	Cost	
		%	<u>2022</u>	<u>2021</u>
P S Plus Consulting Co., Ltd.	11,000	100	11,000	6,500
Total			<u>11,000</u>	<u>6,500</u>

On 17 December 2020, the Company's Board of Directors passed a resolution approving the new subsidiary with the registered capital of Baht 2 million (20,000 ordinary shares of Baht 100 each), in which the Company holds 100% interest. This company registered its establishment with the Ministry of Commerce on 23 February 2021.

On 29 September 2021, the Company's Board of Directors passed a resolution to increase the registered share capital of subsidiary by Baht 18 million (180,000 ordinary shares of Baht 100 each), from Baht 2 million (20,000 ordinary shares of Baht 100 each) to Baht 20 million (200,000 ordinary shares of Baht 100 each). Such subsidiary company registered the increase in share capital with the Ministry of Commerce on 27 October 2021.

The Company paid for 50% of newly registered share capital amounted to Baht 4.5 million and Baht 4.5 million in October 2021 and August 2022, respectively.

## 12. Investments in joint ventures

### 12.1 Details of investments in joint ventures:

(Unit: Thousand Baht)

Joint venture	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		2022	2021	2022	2021	2022	2021
		(%)	(%)				
S Digital Asset Co., Ltd.	Investment in Digital assets	50	-	125	-	125	-
Star Union Packaging Co., Ltd.	Manufacture and distribution of flexible packaging	50	-	31,625	-	31,625	-
				<u>31,750</u>	<u>-</u>	<u>31,750</u>	<u>-</u>

(Unit: Thousand Baht)

Joint venture	Nature of business	Separate financial statements			
		Shareholding percentage		Carrying amounts based on cost method	
		2022	2021	2022	2021
		(%)	(%)		
Star Union Packaging Co., Ltd.	Manufacture and distribution of flexible packaging	50	-	<u>31,625</u>	<u>-</u>

On 28 April 2022, the Company and Thai Union Graphic Company Limited jointly established Star Union Packaging Company Limited ("Joint venture"). Such company has a registered share capital of Baht 1 million in which the Company held a 50 percent interest. During the year, the Company fully paid for its share capital amounted to Baht 0.5 million.

Subsequently, on 31 October 2022, such Joint venture registered the increase in share capital from Baht 1 million to Baht 250 million and called up 25 percent of its share capital. The Company additionally invested in proportion to the original investment, amounting to Baht 31.1 million.

On 17 May 2022, the subsidiary of the Company and SCI Venture Company Limited jointly established S Digital Asset Company Limited ("Joint venture"). Such company has a registered share capital of Baht 1 million in which the subsidiary of the Company held a 50 percent interest. Such company called up 25 percent of its share capital.

## 12.2 Summarised financial information about joint ventures

Summarised information about financial position

(Unit: Million Baht)

	Star Union Packaging Co., Ltd.	
	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	26	-
Other non-current assets	14	-
Property, plant and equipment	24	-
<b>Net assets</b>	64	-
Shareholding percentage	50%	-
<b>Share of net assets</b>	32	-
Elimination entries	-	-
<b>Carrying amounts of joint venture based on equity method</b>	32	-

Summarised information about comprehensive income

(Unit: Thousand Baht)

For the years ended

31 December

	Star Union Packaging Co., Ltd.	
	<u>2022</u>	<u>2021</u>
Interest income	11	-
Administrative expenses	(133)	-
Loss	(102)	-
Other comprehensive income	-	-
<b>Total comprehensive income</b>	(102)	-

### 13. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Land	Plant	Plant improvement	Machinery and equipment	Furniture and office equipments	Motor vehicles	Assets under installation
<b>Cost</b>							
1 January 2021	152,820	101,382	77,647	376,984	27,212	10,926	59,390
Additions	-	-	242	42,858	3,993	2,228	114,317
Disposals/write-off	-	-	(320)	(102,629)	(877)	(7,023)	-
Transfers in (out)	-	-	20,154	15,374	-	-	(35,528)
31 December 2021	152,820	101,382	97,723	332,587	30,328	6,131	138,179
Additions	-	-	587	62,101	3,623	7	119,890
Disposals/write-off	-	-	(727)	(3,215)	(881)	(503)	-
Transfers in (out)	-	-	1,519	10,292	809	-	(12,620)
Capitalised interest	-	-	-	-	-	-	5,992
31 December 2022	152,820	101,382	99,102	401,765	33,879	5,635	251,441
<b>Accumulated depreciation:</b>							
1 January 2021	-	27,132	41,228	236,877	18,116	7,802	-
Depreciation for the year	-	5,066	5,503	28,310	4,065	803	-
Depreciation on disposals/write-off	-	-	(149)	(101,815)	(874)	(7,023)	-
31 December 2021	-	32,198	46,582	163,372	21,307	1,582	-
Depreciation for the year	-	5,066	5,952	27,419	4,328	1,197	-
Depreciation on disposals/write-off	-	-	(373)	(924)	(569)	(503)	-
31 December 2022	-	37,264	52,161	189,867	25,066	2,276	-
<b>Net book value:</b>							
31 December 2021	152,820	69,184	51,141	169,215	9,021	4,549	138,179
31 December 2022	152,820	64,118	46,941	211,898	8,813	3,359	251,441
<b>Depreciation for the year</b>							
2021 (Baht 39 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)							43,747
2022 (Baht 40 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)							43,962

(Unit: Thousand Baht)

	Separate financial statements						
	Land	Plant	Plant improvement	Machinery and equipment	Furniture and office equipments	Motor vehicles	Assets under installation
<b>Cost</b>							<b>Total</b>
1 January 2021	152,820	101,382	77,647	376,984	27,212	10,926	59,390
Additions	-	-	242	42,858	3,974	2,228	114,317
Disposals/write-off	-	-	(320)	(102,629)	(877)	(7,023)	-
Transfers in (out)	-	-	20,154	15,374	-	-	(35,528)
31 December 2021	152,820	101,382	97,723	332,587	30,309	6,131	138,179
Additions	-	-	587	62,101	3,623	7	119,890
Disposals/write-off	-	-	(727)	(3,215)	(881)	(503)	-
Transfers in (out)	-	-	1,519	10,292	809	-	(12,620)
Capitalised interest	-	-	-	-	-	-	5,992
31 December 2022	152,820	101,382	99,102	401,765	33,860	5,635	251,441
<b>Accumulated depreciation:</b>							
1 January 2021	-	27,132	41,228	236,877	18,116	7,802	-
Depreciation for the year	-	5,066	5,503	28,310	4,061	803	-
Depreciation on disposals/write-off	-	-	(149)	(101,815)	(874)	(7,023)	-
31 December 2021	-	32,198	46,582	163,372	21,303	1,582	-
Depreciation for the year	-	5,066	5,952	27,419	4,322	1,197	-
Depreciation on disposals/write-off	-	-	(373)	(924)	(569)	(503)	-
31 December 2022	-	37,264	52,161	189,867	25,056	2,276	-
<b>Net book value:</b>							
31 December 2021	152,820	69,184	51,141	169,215	9,006	4,549	138,179
31 December 2022	152,820	64,118	46,941	211,898	8,804	3,359	251,441
<b>Depreciation for the year</b>							
2021 (Baht 39 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)							43,743
2022 (Baht 40 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)							43,956

As at 31 December 2022, the Group had an outstanding balance of new plants under construction amounting to Baht 251 million (2021: Baht 138 million) (the Company only: Baht 251 million, 2021: Baht 138 million). The construction has been financed with a loan from a financial institution. Borrowing costs amounting to Baht 6.0 million were capitalised during the year ended 31 December 2022 (2021: Nil) (the Company only: Baht 6.0 million, 2021: Nil). The weighted average rate of 3.86% has been used to determine the amount of borrowing costs eligible for capitalisation.

As at 31 December 2022, the Group had certain equipment which have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 151 million and for the Company amounted to Baht 151 million (2021: Baht 100 million and for the Company amounted to Baht 100 million).

As at 31 December 2022, the Group has mortgaged their property, plant and equipment amounting to approximately Baht 292 million (2021: Baht 303 million) as collateral against credit facilities received from financial institutions (the Company only: Baht 292 million, 2021: Baht 303 million).

#### 14. Leases

The Group as a lessee, has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 1 - 5 years.

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

Movement of right-of-use assets for the years ended 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)				
	Consolidated/Separate financial statements				
	Plant and plant improvement	Machinery and equipment	Motor vehicles	Furniture and office equipment	Total
1 January 2021	12,107	41,854	3,787	1,315	59,063
Additions	-	915	1,205	-	2,120
Depreciation for the year	(8,327)	(5,285)	(2,168)	(378)	(16,158)
31 December 2021	3,780	37,484	2,824	937	45,025
Additions	-	15,165	3,909	-	19,074
Depreciation for the year	(3,396)	(5,323)	(1,935)	(291)	(10,945)
31 December 2022	384	47,326	4,798	646	53,154



## 14.2 Lease liabilities

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2022</u>	<u>2021</u>
Lease liabilities	28,393	28,702
Less: Deferred interest expenses	(2,158)	(1,126)
Total	26,235	27,576
Less: Portion due within one year	(8,020)	(13,558)
Lease liabilities - net of current portion	<u>18,215</u>	<u>14,018</u>

Movements of the lease liability account during the years ended 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2022</u>	<u>2021</u>
Balance at beginning of year	27,576	47,198
Additions	18,529	2,120
Accretion of interest	968	1,608
Repayments	(20,838)	(23,350)
Balance at end of year	<u>26,235</u>	<u>27,576</u>

A maturity analysis of lease payments is disclosed in Note 35.2 under the liquidity risk.

## 14.3 Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2022</u>	<u>2021</u>
Depreciation expense of right-of-use assets	10,945	16,158
Interest expense on lease liabilities	969	1,608
Expense relating to short-term leases	1,591	2,502
Expense relating to leases of low-value assets	906	853

#### 14.4 Others

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 23.3 million (2021: Baht 26.7 million) (the Company only: Baht 23.3 million, 2021: Baht 26.7 million), including the cash outflow related to short-term leases and leases of low-value assets.

#### 15. Intangible assets

The net book value of intangible assets as at 31 December 2022 and 2021 is presented below.

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cost - Computer software	15,776	15,567	15,737	15,528
Less: Accumulated amortisation	(15,048)	(13,436)	(15,027)	(13,427)
Net book value	<u>728</u>	<u>2,131</u>	<u>710</u>	<u>2,101</u>

A reconciliation of the net book value of intangible assets for the years 2022 and 2021 is presented below.

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Net book value as at 1 January	2,131	3,047	2,101	3,047
Acquisition during the year - cost	209	856	209	817
Amortisation during the year	(1,612)	(1,772)	(1,600)	(1,763)
Net book value as at 31 December	<u>728</u>	<u>2,131</u>	<u>710</u>	<u>2,101</u>

#### 16. Other non-current assets

As at 31 December 2022, other non-current assets consist of deposits on construction of plant and machinery, amounting to Baht 5.4 million (2021: Baht 63.2 million).

## 17. Short-term loans from financial institutions

	(Percent per annum)		(Unit: Thousand Baht) Consolidated/Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term loans from financial institutions	2.10	2.10	29,238	32,731
Promissory notes	-	2.50	-	20,000
Total			<u>29,238</u>	<u>52,731</u>

Movements of the short-term loans during the year ended 31 December 2022 are summarised below.

	(Unit: Thousand Baht) Consolidated /Separate financial statements	
Balance as at 1 January 2022	52,731	
Add: Increase during the year	173,190	
Less: Repayment during the year	(196,683)	
Balance as at 31 December 2022	<u>29,238</u>	

As at 31 December 2022, short-term loan from a financial institution are secured by the pledge of fixed deposits.

As at 31 December 2022, the Group has short-term credit facilities which have not yet been drawn down amounted to Baht 446 million (2021: Baht 422 million) (the Company only: Baht 446 million, 2021: Baht 422 million).

## 18. Trade and other payables

	Consolidated		(Unit: Thousand Baht) Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Trade payables - unrelated companies	213,939	235,602	207,455	229,933
Other payables - unrelated companies	26,426	29,226	26,426	29,226
Accrued expenses	31,756	24,877	31,308	24,727
Payable - Revenue department	3,905	5,180	3,904	5,178
Total trade and other payables	<u>276,026</u>	<u>294,885</u>	<u>269,093</u>	<u>289,064</u>

## 19. Long-term loans from financial institutions

	(Unit: Thousand Baht)	
	Consolidated/ Separate financial statements	
	<u>2022</u>	<u>2021</u>
Long-term loans from financial institutions	233,917	124,626
Less: Current portion	(76,824)	(54,248)
Long-term loans, net	<u>157,093</u>	<u>70,378</u>

Movements of the long-term loans during the years ended 31 December 2022 and 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated/ Separate financial statements	
	<u>2022</u>	<u>2021</u>
Beginning balance	124,626	-
Additional borrowings	164,293	126,381
Repayments	(55,002)	(1,755)
Ending balance	<u>233,917</u>	<u>124,626</u>

As at 31 December 2022, the Group has long-term credit facilities which have not yet been drawn down amounted to Baht 78 million (the Company only: Baht 78 million).

### Long-term loans of the Company

- a) In September 2021, the Company entered into a long-term loan agreement with a local financial institution, granting credit facilities of Baht 30 million on which interest is charged at annual rates based on specified rate in the agreement. The term of long-term loan agreement is 4 years and due within September 2025. Repayment of principal and interest is to be made on a monthly basis for 48 consecutive months, with the Company to pay Baht 0.7 million of principal and interest for the 1st - 47th month and the remaining principal and interest to be paid in the 48th month. This loan is an unsecured loan. As at 31 December 2022, the outstanding balance of the aforesaid loan is Baht 21.0 million.

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- b) In December 2021, the Company entered into a long-term loan agreement with a local financial institution, granting credit facilities of Baht 39.5 million on which interest is charged at annual rates based on specified rate in the agreement. The term of long-term loan agreement is 5 years and due within August 2026. Repayment of principal and interest is to be made on a monthly basis for 57 consecutive months, with the Company to pay only interest for 1st - 3rd month and Baht 0.7 million of principal and interest for the 4th - 56th month and the remaining principal and interest to be paid in the 57th month. This loan is a secured loan consists of equipment with a carrying value of Baht 46 million and requires the Company to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreement. As at 31 December 2022, the outstanding balance of the aforesaid loan is Baht 32.7 million.
- c) In December 2021, the Company entered into a long-term loan agreement with a local financial institution, granting credit facilities of Baht 190 million on which interest is charged at annual rates based on specified rate in the agreement. The term of long-term loan agreement is 5 years and due within November 2026. Repayment of principal and interest is to be made on a monthly basis for 59 consecutive months, with the Company to pay Baht 3.5 million of principal and interest for the 1st - 58th month and the remaining principal and interest to be paid in the 59th month. As at 31 December 2022, the outstanding balance of the aforesaid loan is Baht 152.5 million.
- d) In December 2021, the Company entered into a long-term loan agreement with a local financial institution, granting credit facilities of Baht 110 million on which interest is charged at annual rates based on specified rate in the agreement. The term of long-term loan agreement is 5 years. Repayment of principal and interest is to be made on a monthly basis in amount of Baht 2.1 million. As at 31 December 2022, the outstanding balance of the aforesaid loan is Baht 27.7 million.

The c) and d) loans are secured loan by mortgaged of property and plant with a carrying value of Baht 246 million.

## 20. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	Consolidated/Separate financial statements					
	2022			2021		
	Post- employee nt benefits	Other long-term employee benefits	Total	Post- employemen t benefits	Other long-term employee benefits	Total
<b>Provision for long-term employee benefits at beginning of year</b>	40,298	2,638	42,936	31,424	2,230	33,654
Included in profit or loss:						
Current service cost	8,437	773	9,210	8,758	695	9,453
Interest cost	675	52	727	459	31	490
Past service costs and losses on settlement	120	-	120	-	-	-
Actuarial gain	-	(140)	(140)	-	-	-
Included in other comprehensives income:						
Actuarial gain arising from Financial assumptions changes	(4,388)	-	(4,388)	-	-	-
Demographic assumptions changes	(1,146)	-	(1,146)	-	-	-
Experience adjustment	(3,085)	-	(3,085)	-	-	-
Benefits paid during the year	(1,240)	(307)	(1,547)	(343)	(318)	(661)
<b>Provision for long-term employee benefits at end of year</b>	<b>39,671</b>	<b>3,016</b>	<b>42,687</b>	<b>40,298</b>	<b>2,638</b>	<b>42,936</b>

The Group expects to pay Baht 7.5 million of long-term employee benefits during the next year (2021: Baht 9.4 million) (the Company only: Baht 7.5 million, 2021: Baht 9.4 million).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 19 years (2021: 19 years) (the Company only: 19 years, 2021: 19 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	Consolidated/ statements	Separate financial statements
	<u>2022</u>	<u>2021</u>
Discount rate	2.13	1.46
Salary increase rate	5.00	6.00
Turnover rate	0.00 - 28.00	0.00 - 34.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below:

	(Unit: Million Baht)			
	Consolidated/Separate financial statements			
	2022		2021	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(3.00)	3.38	(3.08)	3.50
Salary increase rate	3.09	(2.80)	3.58	(3.21)
Turnover rate	(3.26)	1.93	(3.34)	2.20

## 21. Share capital

On 3 November 2021, the Extraordinary General Meeting of Shareholders for the year 2021 of the Company passed a resolution on the following matters.

1. Issuance of up to 184,500,000 warrants to the Company's existing shareholders by way of a rights issue are presented below.
  - The first warrants (SFLEX-W1) up to 82,000,000 warrants at the rate of 1 warrant for every 10 ordinary shares without offering price. The warrants have a term of 18 months, an exercise ratio of 1 warrant per 1 new ordinary share and an exercise price of Baht 4.50 per share.

- The second warrants (SFLEX-W2) up to 102,500,000 warrants at the rate of 1 warrant for every 8 ordinary shares without offering price. The warrants have a term of 4 years, an exercise ratio of 1 warrant per 1 new ordinary share and an exercise price of Baht 10.00 per share.
- 2. An increase of the Company's registered share capital not exceeding 184,500,000 shares at par value of Baht 0.50 by allocating additional ordinary shares of 82,000,000 shares and 102,500,000 shares to support the exercise of warrant to purchase the ordinary shares of the Company for SFLEX-W1 and SFLEX-W2, respectively. The Company registered the increase in share capital with the Ministry of Commerce on 16 November 2021.

## 22. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside 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. During current year, the Company has set aside the statutory reserve of Baht 2.7 million (2021: Baht 3.5 million).

## 23. Treasury stocks

On 28 December 2022, the meeting of the Company's Board of Directors approved the share repurchase program for financial management purpose in the maximum amount not exceeding Baht 100 million or approximately 30 million shares, which is approximately 3.66% of total issued shares at par value of Baht 0.50 per share by repurchasing in the Stock Exchange of Thailand, which the repurchase price shall not be exceeding 115 percent of the average closing stock price prior to 5 working days on the date of repurchase of treasury stocks. The repurchase period is from 4 January 2023 to 2 June 2023.



## 24. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated financial statements		(Unit: Thousand Baht)	
			Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Raw materials and consumables used	1,124,982	1,032,184	1,124,982	1,032,184
Changes in inventories of finished goods and work in process increase	49,654	57,809	48,683	51,524
Salaries, wages and other employee benefits	266,462	263,819	266,462	263,819
Depreciation and amortisation expenses	56,518	61,677	56,499	61,664
Freight and transportation of goods expenses	15,592	17,107	15,291	17,026
Loss on exchange	-	58	-	58

## 25. Finance cost

	Consolidated financial statements		(Unit: Thousand Baht)	
			Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Interest expenses on borrowings	1,962	2,289	1,962	2,289
Interest expenses on lease liabilities	969	1,608	969	1,608
<b>Total finance cost</b>	<b>2,931</b>	<b>3,897</b>	<b>2,931</b>	<b>3,897</b>

## 26. Income tax

Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Current income tax:</b>				
Current income tax charge	9,209	8,289	9,123	8,289
Adjustment in respect of income tax of previous year	(161)	(34)	(161)	(34)
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	587	(761)	587	(761)
<b>Income tax expenses reported in profit or loss</b>	<u>9,635</u>	<u>7,494</u>	<u>9,549</u>	<u>7,494</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follow:

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax relating to actuarial gains	<u>1,724</u>	<u>-</u>	<u>1,724</u>	<u>-</u>

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

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Accounting profit before tax	<u>64,704</u>	<u>156,909</u>	<u>63,860</u>	<u>157,322</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	12,941	31,382	12,772	31,464
Adjustment in respect of income tax of previous year	(161)	(34)	(161)	(34)
Effects of:				
Promotional privileges (Note 27)	(2,880)	(23,724)	(2,880)	(23,724)
Non-deductible expenses	6,222	795	6,222	795
Additional expense deductions allowed	(7,152)	(281)	(7,152)	(281)
Others	665	(644)	748	(726)
Total	<u>(3,145)</u>	<u>(23,854)</u>	<u>(3,062)</u>	<u>(23,936)</u>
Income tax expenses reported in profit or loss	<u>9,635</u>	<u>7,494</u>	<u>9,549</u>	<u>7,494</u>

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht) Statements of financial position	
	Consolidated/Separate financial statements	
	<u>2022</u>	<u>2021</u>
<b>Deferred tax assets</b>		
Allowance for expected credit losses	1,478	1,469
Allowance for diminution in value of inventories	1,993	2,339
Accumulated depreciation - equipment	(5,388)	(3,486)
Other payable - deferred revenue	28	50
Provision for long-term employee benefits	<u>8,537</u>	<u>8,587</u>
Total	<u>6,648</u>	<u>8,959</u>

## 27. Promotional privileges

The Company has received the promotional privileges under the Investment Promotion Act B.E. 2520 as approved by the Board of Investment as follows:

Certificate No.	63-0658-1-04-1-0
Date	22 June 2020
1. Promotional privileges for	Manufacture of multilayer plastics packaging
2. Significant privileges	
2.1 Exemption from corporate income tax on income derived from the promoted operations (commencing from the date of earning operating income after receiving the promotional privileges) and exemption from income tax on dividend paid from the income of the promoted operations throughout the period in which the corporate income tax is exempted.	3 years and not exceed 50 percent of the investment or Baht 39.17 million (will expire on 22 June 2023)
2.2 Allowance to carry-forward the annual loss from promoted operations incurred during the corporate income tax exemption period to offset with net income incurred thereafter (after exemption period in 2.1).	5 years
2.3 Exemption from import duty on machines which are approved by Board of Investment commencing from the first import date.	3 years
3. Date of first earning operating income	1 July 2020

The Company has to comply with certain conditions and restrictions specified under the promotional certificate.

The Company's operating revenues for the years ended 31 December 2022 and 2021, divided between promoted and non-promoted operations, are summarised below.

	Promoted operations		Non-promoted operations		(Unit: Thousand Baht) Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Sales						
Domestic sales	1,496,723	1,369,200	154,196	304,828	1,650,919	1,674,028
Total sales	<u>1,496,723</u>	<u>1,369,200</u>	<u>154,196</u>	<u>304,828</u>	<u>1,650,919</u>	<u>1,674,028</u>

## 28. Warrants

On 14 January 2022 and 21 January 2022, the Company issued and allocated warrants for rights to purchase the Company's ordinary shares No. 1 (SFLEX-W1) and No. 2 (SFLEX-W2), respectively, totaling 184,499,354 units to the existing shareholders of the Company. Details are as follows:

### Warrants SFLEX-W1

Type	Name registered and transferrable
Number of issue warrants	81,999,956 units
Offering price per unit	Baht 0 per unit
Maturity of warrants	1 year 6 months from the date of issuance and allocation
Conversion ratio	1 ordinary share per 1 unit of warrant
Exercise price	Baht 4.50 per share, subject to change in accordance with the conditions of rights adjustments
Expiry date	13 July 2023
Conditions and period of exercise	Every 6 months, with the first exercise date on 12 July 2022, and final exercise date on 13 July 2023

### Warrants SFLEX-W2

Type	Name registered and transferrable
Number of issue warrants	102,499,398 units
Offering price per unit	Baht 0 per unit
Maturity of warrants	4 years from the date of issuance and allocation
Conversion ratio	1 ordinary share per 1 unit of warrant
Exercise price	Baht 10.00 per share, subject to change in accordance with the conditions of rights adjustments
Expiry date	20 January 2026
Conditions and period of exercise	One time, on the last business day on 20 January 2026

During the year, no warrant had been exercised; therefore, as at 31 December 2022 there were 184,499,354 units unexercised warrants outstanding.

## 29. 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.

Diluted earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the sum of the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

The warrants SFLEX-W1 and SFLEX-W2 were excluded from the potential ordinary shares for the year ended 31 December 2022 since their exercise prices were in excess of the fair value of the ordinary shares.

## 30. Dividend

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
<u>For the year 2022</u>			
Dividends for 2021	Annual General Meeting of the shareholders on 7 April 2022	36,900	0.045
Total dividends paid		36,900	0.045
<u>For the year 2021</u>			
Dividends for 2020	Annual General Meeting of the shareholders on 8 April 2021	36,900	0.045
Interim dividends No. 1	Board of Directors' meeting on 10 August 2021	32,800	0.040
Total dividends paid		69,700	0.085

## 31. 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.

For management purposes, the Group is organised into business units based on its products and have three reportable segments as follows:

- The packaging products for food
- The packaging products for non-food
- Other

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating revenue and on a basis consistent with that used to measure operating revenue in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Group's operating segments for the years ended 31 December 2022 and 2021.

(Unit: Thousand Baht)

	Food packaging		Non-food packaging		Other		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Revenue</b>								
Revenue from external customers	392,819	364,765	1,258,100	1,309,263	17,944	3,126	1,668,863	1,677,154
<b>Total revenue</b>	<u>392,819</u>	<u>364,765</u>	<u>1,258,100</u>	<u>1,309,263</u>	<u>17,944</u>	<u>3,126</u>	<u>1,668,863</u>	<u>1,677,154</u>
<b>Operating information</b>								
<b>Segment gross profit</b>	10,366	802	198,773	262,272	1,735	24	210,874	263,098
Other income							26,889	50,160
Gain (loss) on exchange							344	(58)
Selling and distribution expenses							(37,621)	(34,143)
Administrative expenses							(132,851)	(118,251)
Finance cost							(2,931)	(3,897)
<b>Profit before income tax expenses</b>							<u>64,704</u>	<u>156,909</u>
Income tax expenses							<u>(9,635)</u>	<u>(7,494)</u>
<b>Profit for the year</b>							<u><u>55,069</u></u>	<u><u>149,415</u></u>

### Geographic information

The Group mainly operates in Thailand. As a result, all the revenues as reflected in these financial statements pertain exclusively to this geographical reportable segment.

### Major customers

For the year 2022, the Group has revenue from 4 major customers in amount of Baht 1,177 million (2021: 4 major customers in amount of Baht 1,130 million).

## 32. Provident fund

The Company and its employees have established a provident fund under the Provident Fund Act BE 2530. The Company and its employees will contribute to the fund monthly at the rate of 2 to 5 of basic salary. The provident fund is managed by UOB Asset Management Company Limited and will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2022 amounting to Baht 6.1 million (2021: Baht 5.8 million) were recognised as expenses.

## 33. Commitments and contingent liabilities

### 33.1 Capital commitments

As at 31 December 2022, the Group had capital commitments relating to the construction of factory buildings and acquisition of machinery and equipment of approximately Baht 10.1 million (2021: Baht 98.0 million) and the Company only of approximately Baht 10.1 million (2021: the Company only: Baht 98.0 million).

### 33.2 Lease commitments

As at 31 December 2022 and 2021, the Group has future lease payments of low-value assets required under these leases contracts that have not yet commenced as follows:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
In up to 1 year	0.4	2.5	0.4	2.5
In over 1 and up to 5 years	0.1	0.4	0.1	0.4



### 33.3 Long-term service commitments

- a) The Company has commitments under several service agreements in respect of the security service, maintenance service of computer software and other services. The terms of the agreements are averagely 1 year. As at 31 December 2022, future minimum payments under these agreements were Baht 0.7 million (2021: Baht 3.8 million).
- b) The Company has commitments under service agreements regarding the consulting of Baht 2.9 million (2021: Baht 4.2 million).

### 33.4 Guarantees

As at 31 December 2022, there were outstanding bank guarantees of approximately Baht 4.4 million (2021: Baht 3.5 million) issued by banks in respect of certain performance bonds as required in the normal course of business to guarantee electricity use.

### 33.5 Other commitment

As at 31 December 2022, the Group had outstanding commitments in respect of uncalled portion of investment in joint venture and investment in subsidiary of approximately Baht 102.9 million and the Company only Baht 102.4 million.

### 34. Fair value hierarchy

As at 31 December 2022 and 2021, the Company had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)
	As at 31 December 2022
	Level 2                  Total

## Financial liabilities measured at fair value

## Derivatives

Forward exchange contracts	1.3	1.3
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	(Unit: Million Baht)
	As at 31 December 2021
	Level 2                  Total

## Financial assets measured at fair value

## Derivatives

Forward exchange contracts	0.3	0.3
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During the current year, there were no transfers within the fair value hierarchy.

## 35. Financial instruments

### 35.1 Derivatives

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2022</u>	<u>2021</u>
<b>Derivative assets</b>		
Derivatives assets not designated as hedging instruments		
Foreign exchange forward contracts	-	316
<b>Total derivative assets</b>	-	316
<b>Derivative liabilities</b>		
Derivatives liabilities not designated as hedging instruments		
Foreign exchange forward contracts	1,300	-
<b>Total derivative liabilities</b>	1,300	-

#### Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally not over 6 months.

### 35.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, trade and other payables, short-term and long-term loans and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

#### *Credit risk*

The Group is exposed to credit risk primarily with respect to trade and other receivables, deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

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### Trade receivables

The Group 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.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for Companyings of various customer segments with similar credit risks. The Group classifies customer segments by customer rating. 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. Generally, trade receivables are written-off if past due for more than 360 days and not subject to enforcement activity.

### Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

### ***Foreign currency risk***

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The Group had balances of financial assets and liabilities denominated in foreign currencies as follows:

As at 31 December 2022				
<i>Foreign currency</i>	Financial assets (Million)	Financial liabilities (Million)	Exchange rate as at 31 December 2022 (Baht per 1 foreign currency unit) <u>Buying rate</u> <u>Selling rate</u>	
<i>US dollar</i>	-	0.8	34.3913	34.7335

As at 31 December 2021				
<i>Foreign currency</i>	Financial assets (Million)	Financial liabilities (Million)	Exchange rate as at 31 December 2021 (Baht per 1 foreign currency unit) <u>Buying rate</u> <u>Selling rate</u>	
<i>US dollar</i>	-	1.1	33.2469	33.5929

As at 31 December 2022 and 2021, the Group had the outstanding foreign exchange contracts outstanding as summarised below.

As at 31 December 2022			
<i>Foreign currency</i>	Bought amount (Million)	Contractual exchange rate from amount brought (Baht per 1 foreign currency unit)	Contractual maturity rate
<i>US dollar</i>	0.7	34.56 - 37.62	April - June 2023

As at 31 December 2021			
<i>Foreign currency</i>	Bought amount (Million)	Contractual exchange rate from amount brought (Baht per 1 foreign currency unit)	Contractual maturity rate
<i>US dollar</i>	1.1	32.85 - 33.46	January - June 2022

#### Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2022 and 2021.

Currency	2022		2021	
	Change in FX rate (%)	Effect on profit before tax (Thousand Baht)	Change in FX rate (%)	Effect on profit before tax (Thousand Baht)
US dollar	+9	(2,218)	+ 6	(2,395)
US dollar	-9	2,218	- 6	2,395

### Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, restricted bank deposits, short-term borrowings, and lease liabilities. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2022 and 2021, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2022					
	Fixed interest rates		Floating	Non-		Interest
	Within	1 - 5	interest	interest	Total	rate
	1 year	years	rate	bearing		(percent per annum)
<b>Financial assets</b>						
Cash and cash equivalents	-	-	120	9	129	0.15 - 0.55
Trade and other receivables	-	-	-	263	263	-
Restricted bank deposits	-	-	12	-	12	0.50
Other non-current financial assets	-	-	-	5	5	-
	-	-	132	277	409	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	29	-	-	-	29	2.10
Trade and other payables	-	-	-	276	276	-
Long-term loans from financial institutions	-	-	234	-	234	MLR - 1% and 2.00 - 4.25
Liabilities under lease agreements	8	18	-	-	26	1.31 - 6.23
	37	18	234	276	565	

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2021						
	Fixed interest rates		Floating	Non-		Interest
	Within	1 - 5	interest	interest	Total	rate
	1 year	years	rate	bearing		(percent per annum)
<b>Financial assets</b>						
Cash and cash equivalents	-	-	69	6	75	0.05 - 0.25
Trade and other receivables	-	-	-	346	346	-
Restricted bank deposits	-	-	12	-	12	0.50
Other non-current financial assets	-	-	-	5	5	-
	-	-	81	357	438	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	53	-	-	-	53	2.10
Trade and other payables	-	-	-	295	295	-
Long-term loans from financial institutions	-	-	125	-	125	MLR - 1% and 2.00 - 3.75
Liabilities under lease agreements	14	14	-	-	28	1.31 - 6.00
	67	14	125	295	501	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2022						
	Fixed interest rates		Floating	Non-		Interest
	Within	1 - 5	interest	interest	Total	rate
	1 year	years	rate	bearing		(percent per annum)
<b>Financial assets</b>						
Cash and cash equivalents	-	-	113	9	122	0.15 - 0.55
Trade and other receivables	-	-	-	259	259	-
Restricted bank deposits	-	-	12	-	12	0.50
Other non-current financial assets	-	-	-	5	5	-
	-	-	125	273	398	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	29	-	-	-	29	2.10
Trade and other payables	-	-	-	269	269	-
Long-term loans from financial institutions	-	-	234	-	234	MLR - 1% and 2.00 - 4.25
Liabilities under lease agreements	8	18	-	-	26	1.31 - 6.23
	37	18	234	269	558	

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2021					
	Fixed interest rates		Floating	Non-		Interest
	Within	1 - 5	interest	interest	Total	rate
	1 year	years	rate	bearing		(percent per annum)
<b>Financial assets</b>						
Cash and cash equivalents	-	-	66	6	72	0.05 - 0.25
Trade and other receivables	-	-	-	342	342	-
Restricted bank deposits	-	-	12	-	12	0.50
Other non-current financial assets	-	-	-	5	5	-
	-	-	78	353	431	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	53	-	-	-	53	2.10
Trade and other payables	-	-	-	289	289	-
Long-term loans from financial institutions	-	-	125	-	125	MLR - 1% and 2.00 - 3.75
Liabilities under lease agreements	14	14	-	-	28	1.31 - 6.00
	67	14	125	289	495	

### Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank loans and lease contracts. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2022 and 2021 based on contractual undiscounted cash flows.

(Unit: Thousand Baht)

	As at 31 December 2022					
	Consolidated financial statements			Separate financial statements		
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>						
Short-term loans from financial institutions	29,238	-	29,238	29,238	-	29,238
Trade and other payables	276,026	-	276,026	269,093	-	269,093
Long-term loans	76,824	157,093	233,917	76,824	157,093	233,917
Lease liabilities	8,020	18,215	26,235	8,020	18,215	26,235
<b>Total non-derivatives</b>	<b>390,108</b>	<b>175,308</b>	<b>565,416</b>	<b>383,175</b>	<b>175,308</b>	<b>558,483</b>
<b>Derivatives</b>						
Derivative liabilities: net settled	1,300	-	1,300	1,300	-	1,300



(Unit: Thousand Baht)

	As at 31 December 2021					
	Consolidated financial statements			Separate financial statements		
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>						
Short-term loans from						
financial institutions	52,731	-	52,731	52,731	-	52,731
Trade and other payables	294,885	-	294,885	289,064	-	289,064
Long-term loans	54,248	70,378	124,626	54,248	70,378	124,626
Lease liabilities	14,242	14,460	28,702	14,242	14,460	28,702
<b>Total non-derivatives</b>	<b>416,106</b>	<b>84,838</b>	<b>500,944</b>	<b>410,285</b>	<b>84,838</b>	<b>495,123</b>
<b>Derivatives</b>						
Derivative assets: net settled	316	-	316	316	-	316

### 35.3 Fair values of financial instruments

Since the majority of the Group's financial instruments 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.

### 36. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value and it meets financial covenants attached to the loan agreements. The Group has complied with these covenants throughout the reporting periods.

As at 31 December 2022, the Group's debt-to-equity ratio was 0.6:1 and the Company's was 0.6:1 (2021: 0.6:1 and the Company's was 0.6:1).

### 37. Event after the reporting period

On 22 February 2023, a meeting of the Company's Board of Directors passed a resolution to propose the payment of a dividend of Baht 0.03 per shares or a total of Baht 24.6 million from the Company's 2022 operating result. The dividend payment will later be proposed for approval in the Annual General Meeting of the Company's shareholders.

### 38. Approval of financial statements

These financial statements were authorised for issue by the Board of directors on 22 February 2023.

## Part 4 Certification of Information

## Certification of Information

The Company has carefully reviewed the information in this annual report. The Company hereby certifies that such information is correct, complete, not false and not misleading or lack of information that should be notified in material matters.

1. Financial statements and financial information that summarized in the annual report present fairly, in all material respects, the financial position of Starflex Public Company Limited and its subsidiary, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.
2. The Company has established a good information disclosure system to ensure that the Company has disclosed the information in the important parts both of the Company and its subsidiary correctly and completely as well as to control and supervise the implementation of the system.
3. The Company has set up a good internal control system and supervise to ensure compliance with the system and the Company has informed the internal control system assessment information as of the latest available date to the auditor and the Audit Committee of the Company. This covers deficiencies and significant changes in the internal control system including unlawful conduct that may affect the preparation of the Company's financial reports and subsidiary.

In this regard, as evidence that all documents are the same set of documents that the Company has been verified. The Company has assigned Mr. Somchai Wongrassamee to sign this document on every page. If any document does not have the signature of Mr. Somchai Wongrassamee, the Company shall be deemed not to be the information that the Company certifies the accuracy of the above information.

Name	Position	Signature
Mr. Somchai Wongrassamee	Chief Financial Officer/ Executive Board of Directors / Risk Management Committee / Company Secretary	 <hr/> (Mr.Somchai Wongrassamee)

## Attachment 1: Details of directors, executives and controlling persons



**Board of Directors**

**Mr. Pakorn Malakul Na Ayudhya**

**Chairman of the Board of Directors /Independent Director**

Date of Appointment 11 May 2018

**Education:**

- Bachelor Degree in Economic Queen's University

**Diploma:**

- National Defense College, Class 8

**Work Experience:**

*2018 – Present*

- Chairman of the Board of Director,  
**Starflex Public Company Limited**

*2017 – Present*

- The Subcommittee Screening of Director of State Enterprises  
**Prime Minister's Office**

*2014 – Present*

- Chairman of the Board of Director, and Independent Director  
**Interlink Telecom Public Company Limited**

*2012 – Present*

- Vice Chairman  
**Institute of research and Development for Public Enterprise**

*2007 – Present*

- Chairman  
**Associate of Capital Market Academy**

*2007 – Present*

- Deputy Chairman, Chairman of the Nomination and Remuneration Committee, Member of the Audit Committee  
**Standard Charter Bank (Thai) Public Company Limited**

**IOD Training:**

- The Role of Chairman Program (RCP) 2002

**The Company's Shareholding (as at 31 December 2022) : 2,140,000Shares (0.26%)**

**Family Relationship among Directors and Executives : -**

**Illegal record in the last 10 year : -**



#### Board of Directors

**Mr. Printhorn Apithanasriwong**

**Chairman of the Board of Executive Directors**

Date of Appointment: 20 August 2003

#### Education:

- Bachelor Degree in Commerce and Accountancy  
Chulalongkorn University
- Master of International Business  
St. Louis University

#### Work Experience:

*2003 – Present*

- Chairman of the Board of Executive Directors  
**Starflex Public Company Limited**

*2021 – Present*

- Board of director  
**PS Plus Consulting Company limited**

*2019 – Present*

- Chairman of the Board of Directors  
**PKN Holding Company Limited**

*1991 – Present*

- Board of director and Chief Executive Officer  
**Starprint Public Company Limited**

*2016 – 2019*

- Chairman of the Board of Directors and Chief Executive Officer  
**PKN Holding Company Limited**

#### IOD Training:

- Finance for Non-Finance Director (FND) 2004
- Director Accreditation Program (DAP) 2004
- Director Certification Program (DCP) 2005

**The Company's Shareholding (as at 31 December 2022) : 196,673,200 Shares (23.98%)**

**Family Relationship among Directors and Executives : -**

**Illegal record in the last 10 year :**



**Board of Directors**

**Gen. Montee Sungkasap**

**Chairman of the Audit Committee/ Chairman of the  
Nomination and Remuneration Committee/  
Independent Director**

Date of Appointment: 11 May 2018

**Education:**

- Bachelor Degree  
Chulachomklao Royal Military Academy
- Master of Arts  
Military

**Diploma:**

- National Defense College (English), Year 1998
- National Defense College (Thailand), Class 44

**Work Experience:**

*2018 – Present*

- Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee and Independent Directors

**Starflex Public Company Limited**

**2022 – Present**

Chairman of Nomination and Remuneration Committee / Independent

**The Navakij Insurance Public Company Limited.**

*2018 – Present*

- Chairman of the Board of Director, Chairman of the Risk Committee and Independent Directors
- NFC Public Company Limited**

*2011 – Present*

- Advisory Board of Broadcasting Committee

**Television Business and the National Telecommunications Commission (NBTC)**

**IOD Training:**

- Board Nomination and Compensation Program 2020
- Advance Audit Committee Program (AACP) 2018
- Director Certification Program (DCP) 2018
- The Role of Chairman Program (RCP) 2007

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The Company's Shareholding (as at 31 December 2021) : 100,000 Shares (0.01%)

Family Relationship among Directors and Executives : -

Illegal record in the last 10 year : -





#### Board of Directors

**Mr. Kajhitphome Sudsok**

**Chairman of the Risk Committee/ Audit Committee/  
Nomination and Remuneration Committee/ Corporate  
Governance and Sustainability Development Committee/  
Independent Director**

Date of Appointment: 11 May 2018

#### Education:

- Bachelor of Marketing, Faculty of Commerce and Accountancy  
Chulalongkorn University
- Master of International Marketing (MBA)  
Certificate of Financial Management City University, U.S.A.

#### Work Experience:

*2018 – Present*

- Chairman of the Risk Committee, Audit Committee, Nomination and Remuneration Committee,  
Corporate Governance and Sustainability Development Committee and Independent Directors  
**Starflex Public Company Limited**

#### IOD Training:

- |  |      |
|--|------|
| ➤ Role of the Chairman Program (RCP)           | 2020 |
| ➤ Strategic Board Master Class (SBM)           | 2020 |
| ➤ Risk Management Program for Corporate Leader | 2019 |
| ➤ Advanced Audit Committee Program (AAP)       | 2018 |
| ➤ Director Certification Program (DCP)         | 2018 |
| ➤ Ethical Leadership Program (ELP)             | 2015 |

**The Company's Shareholding (as at 31 December 2022) : 400,000 Shares (0.05%)**

**Family Relationship among Directors and Executives : -**

**Illegal record in the last 10 year : -**



## Board of Directors

**Mr. Rong Hirunpanich**

**Audit Committee/ Risk Committee/ Corporate Governance  
and Sustainability Development Committee /**

**Independent Director**

Date of Appointment: 24 June 2020

### Education:

- Bachelor of Business Administration  
(Business Computer)  
Assumption University of Thailand
- Master of Business Administration  
(Finance & Marketing Management)  
Sripatum University

### Work Experience:

*2020 – Present*

- Audit Committee/ Risk Committee/ Corporate Governance and Sustainability Development  
Committee/ Independent Directors  
**Starflex Public Company Limited**

*2020 – Present*

- Executive Vice President Head of Internal Audit  
**Thai Credit Bank Public Company Limited**

*2013 – 2020*

- Senior Director of Internal Audit Group  
**Thai Credit Bank Public Company Limited**

### IOD Training:

- Director Certification Program (DCP) 2020
- Corporate Governance for Executives (CGE) 2020

**The Company's Shareholding (as at 31 December 2022) : -**

**Family Relationship among Directors and Executives : -**

**Illegal record in the last 10 year : -**



**Board of Directors**

**Mr. Ek Picharnchitra**

**Vice Chairman of the Executive Board of Directors**

Date of Appointment: 26 May 2010

**Education:**

- Bachelor Degree in Economics  
Thammasat University
- Master of Monetary Policy  
Middle Tennessee State University (honor)

**Work Experience:**

*2020 – Present*

- Vice Chairman of the Executive Board of Directors  
**Starflex Public Company Limited**

*2017 – 2020*

- Chief Executive Officer  
**Starflex Public Company Limited**

*2002 – 2019*

- Board of Director  
**Starprint Public Company Limited**

**IOD Training:**

- Director Certification Program (DCP)      2017

**The Company's Shareholding (as at 31 December 2022) : 78,974,500 Shares (9.63%)**

**Family Relationship among Directors and Executives : -**

**Illegal record in the last 10 year : -**



**Board of Directors**

**Mr. Chairit Simaroj**

**Chairman of Corporate Governance and Sustainability**

**Development Committee / Independent Director**

Date of Appointment: 24 June 2020

**Education:**

- Bachelor of Engineering (Mechanical)  
Kasetsart University
- Master of Business  
University of Indianapolis, U.S.A.

**Work Experience:**

*2020 – Present*

- Chairman of Corporate Governance and Sustainability Development Committee/ Independent Director

**Starflex Public Company Limited**

*2018 – Present*

- Audit Committee and Independent Director

**Buriram United Company Limited**

*2002 – Present*

- Managing Director

**Susco Public Company Limited**

**IOD Training:**

- Director Certification Program (DCP)      2003

**The Company's Shareholding (as at 31 December 2022) : -**

**Family Relationship among Directors and Executives : -**

**Illegal record in the last 10 year : -**



## Board of Directors

**Mr. Sompote Valyasevi**

Chief Executive Officer/ Executive Board of Directors/

Risk Management Committee/

Nomination and Remuneration Committee/

Corporate Governance and Sustainability Development  
Committee

Date of Appointment: 11 May 2018

## Education:

- Bachelor of Engineering  
Kasetsart University
- Master of Business Administration  
University of Dallas, USA
- Doctor of Business Administration,  
The Joint Doctoral Program in Business Administration (JDBA) cooperated by Chulalongkorn University,  
Thammasat University and National Institute of Development Administration

## Work Experience:

*2020 – Present*

- Chief Executive Officer/ Executive Board of Directors/ Risk Management Committee/  
Nomination and Remuneration Committee  
**Starflex Public Company Limited**

*2022 – Present*

- Corporate Governance and Sustainability Development Committee  
**Starflex Public Company Limited**

*2018 – 2020*

- Audit Committee and Independent Director  
**Starflex Public Company Limited**

*2020 – 2022*

- Executive Board of Directors  
**A2 Technologies Company Limited**  
**APCS Technologies Company Limited**

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*2020 – 2022*

- Independent Director

**Asia Precision Public Company Limited**

*2022 – Present*

- Associate Judge

**The Juvenile and Family Court Pathum Thani province**

*2021– Present*

- Chairman of the Board of Directors / Chairman of the Audit Committee/ Independent Director

**I2 Enterprise Public Company Limited**

*2022 – Present*

- / Chairman of the Audit Committee/ Independent Director

**Bitec Enterprise Company Limited**

*2553 – Present*

- Managing Director

**VIA 564 Company Limited**

*2010 – Present*

- Advisor to Chairperson of The Committee on Budgeting Study and Budget Administration Follow up

**House of Representatives**

*2017 – 2019*

Advisor to The Sub-committee on Human Rights and Consumer Protection

**The National Legislative Assembly**



**Board of Directors**

**Mr. Somchai Wongrassamee**

**Chief Financial Officer/ Executive Board of Directors/**

**Risk Management Committee/ Company Secretary**

Date of Appointment: 8 May 2017

**Education:**

- Bachelor Degree in Electronics of Engineering  
King Mongkut's Institute of Technology Ladkrabang
- Master of Finance (MBA)  
University of Dallas
- Doctoral Degree in Engineering Management  
Heriot-Watt University

**Work Experience:**

*2021 – Present*

- Company Secretary  
**Starflex Public Company Limited**

*2017 – Present*

- Chief Financial Officer, Executive Board of Directors and Risk Management Committee  
**Starflex Public Company Limited**

*2022 – Present*

- Chairman of Risk Management Committee / Audit Committee / Nomination and Remuneration Committee / Independent Director  
**I2 Enterprise Public Company Limited**

*2020 – Present*

- Audit Committee / Independent Director  
**A2 Technologies Company Limited**

**IOD Training:**

- Director Certification Program (DCP)      2017
- Director Accreditation Program (DAP)      2012

**The Company's Shareholding (as at 31 December 2022) : 500,000 Shares (0.06%)**

**Family Relationship among Directors and Executives : -**

**Illegal record in the last 10 year : -**



**Executives**

**Mr. Chirdpong Malatham**

**Production Director/ Risk Management Committee**

**Education:**

- Bachelor Degree in Printing Technology  
Ragamangala Institute of Technology
- Master Degree of Science (Information Technology Management)  
King Mongkut's Institute of Technology Ladkrabang

**Work Experience:**

*2021 – Present*

- Risk Management Committee and Plant Director

**Starflex Public Company Limited**

*2006 – 2021*

- Assistant Plant Manager

**Inteccard Technology Co.,Ltd**

**IOD Training:**

- None -

**The Company's Shareholding (as at 31 December 2022) : -**

**Family Relationship among Directors and Executives : -**

**Illegal record in the last 10 year : -**





#### Executives

Mr. Noppanut Manutsongthum

Sales and Marketing Director/ Executive Committee/  
Risk Management Committee

#### Education:

- Bachelor of Business Administration  
(Finance and Banking)  
Siam University

#### Work Experience:

*2018 – Present*

- Board of the Executive, Risk Committee and  
Sales and Marketing Director  
**Starflex Public Company Limited**

*2012 – 2017*

- Sales and Marketing Manager  
**Starflex Company Limited**

#### IOD Training:

- None -

The Company's Shareholding (as at 31 December 2022) : -

Family Relationship among Directors and Executives : -

Illegal record in the last 10 year : -



#### Executives

Mr. Pichetpong Sritapun

Human Resources Director/ Executive Committee/

Risk Management Committee

#### Education:

- Bachelor of Engineering (Civil Engineering)  
Rajamangala Institute of Technology
- Master of Business Administration (Finance)  
Oklahoma City University, U.S.A.

#### Work Experience:

*2018 – Present*

- Board of the Executive, Risk Committee and Human Resources Director  
**Starflex Public Company Limited**

*2008 – 2017*

- Resources Assistant Manager  
**Starflex Company Limited**

#### IOD Training:

- Corporate Reporting Program (CRP)      2017
- Board Reporting Program (BRP)      2017

The Company's Shareholding (as at 31 December 2022) : 100,000 Shares (0.01%)

Family Relationship among Directors and Executives : -

Illegal record in the last 10 year : -



#### Executives

Mr. Nopphadon Khanacharoen

Innovation and Product Director

#### Education:

- Bachelor of Science (Chemistry)  
Ramkhamhaeng University

#### Work Experience:

*2020 – Present*

- Innovation and Product Director  
**Starflex Public Company Limited**

#### IOD Training:

- None -

The Company's Shareholding (as at 31 December 2022) : 7,129 Shares (0.001%)

Family Relationship among Directors and Executives : -

Illegal record in the last 10 year : -



#### Executives

Mr. Charoon Sengdonprai

Accounting and Finance Senior Manager

#### Education:

- Bachelor of Business Administration (Accounting)  
Ramkhamhaeng University

#### Work Experience:

*2021 – Present*

- Accounting and Finance Senior Manager  
**Starflex Public Company Limited**

*2018 – 2021*

- Accounting and Finance Manager  
**Starflex Public Company Limited**

*2005 – Present*

- Director  
**Accounting Perfect Company Limited**

#### IOD Training:

- None -

The Company's Shareholding (as at 31 December 2022) : 300,000 Shares (0.04%)

Family Relationship among Directors and Executives : -

Illegal record in the last 10 year : -



#### Executives

Mr. Sompaj Techaboonako

Supply Chain Director

#### Education:

- Bachelor of Engineering Electrical  
Royal Melbourne Institute of Technology

#### Work Experience:

*2021 – Present*

- Supply Chain Director  
**Starflex Public Company Limited**

*2018 – 2020*

- Managing Director  
**Blueoceaners Consultants Company Limited**

#### IOD Training:

- None -

The Company's Shareholding (as at 31 December 2022) : 414,300 Shares (0.05%)

Family Relationship among Directors and Executives : -

Illegal record in the last 10 year : -



#### Executives

Mr. Niraphan Limwanitrat

Plant Director

#### Education:

- Bachelor of Engineering in Electronics  
King's Mongkut Institute of Technology Ladkrabang
- Master of Business Administration  
Bangkok University

#### Work Experience:

- 2022 – Present*
  - Plant Director  
Starflex Public Company Limited
- 2021*
  - Plant Consultant  
Starflex Public Company Limited
- 2018 – 2021*
  - Managing Director  
Momentum Marketing Service Company Limited

#### IOD Training:

- None -

The Company's Shareholding (as at 31 December 2022) : -

Family Relationship among Directors and Executives : -

Illegal record in the last 10 year : -

## Attachment 2: Details of the directors of subsidiaries

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**PS Plus Consulting Company limited**

Information of the Board of Directors and the person with the authority to control the Company as of 31 December 2022 is as follows:

	Name	Position
1	Mr. Printhorn Apithanasriwong	Board of Directors
2	Mr. Sompote Valyasevi	Board of Directors
3	Mr. Somchai Wongrassamee	Board of Directors



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

## Details of the Head of Internal Audit

The Company has assigned Ms. Nongnaphas Toocharoen to be the head of the Company's internal audit department. The details of the Head of Internal Audit are as following:

Name/ Position	Education / Certificate/ Training	Work experience	
		Period	Position/ Company
Ms. Nongnaphas Toocharoen Head of Internal Audit	<b>Education / Certificate:</b> - Bachelor of Business Administration (Accounting) Rajamangala University of Technology Tawan-ok(Chakrabongse Bhuvanath) <b>Training:</b> - Certified Professional Internal Audit of Thailand (CPIAT) from Institute of Internal Auditors (Thailand) - Internal Auditing Certificate Program (IACP) from TFAC - Roles and responsibilities of the Personal Data Protection Officer (DPO) according to the Personal Data Protection Act (PDPA) - Fraud Audit from Institute of Internal Auditors (Thailand) - IT Governance and IT Risk Management 4.0 (1/20) Federation of Accounting Professions Under The Royal Patronage of His Majesty The King - Develop a Modern Internal Audit Plan by List of Audit Objectives from Institute of Internal Auditors (Thailand) - Safety Officer Management Level - Financial Auditing for Internal Auditors or Non Accountants from Institute of Internal Auditors (Thailand)	2018 - Present	Section Manager Internal Audit Starflex Public Company Limited
		2017 - 2018	Supervisor Finance Audit / Internal Audit Summit Auto Body Industry Co., Ltd.
		2012 - 2017	Internal Audit NHK Spring (Thailand) Co., Ltd.
		2009 - 2012	Internal Audit Supervisor Kim Yoo Seng Co Ltd

The Company hired P&L Corporation Company Limited to be auditor the Company’s internal control system. The details of the head of internal Audit that assigned by P&L Corporation Company Limited are as following:

Name/ Position	Education / Certificate/ Training	Work experience	
		Period	Position/ Company
P&L Corporation Company Limited Ms. Wanwimol Chongsuriyaphas  Head of Internal Audit	<b>Education / Certificate:</b> - Master of Business Administration for Executives National Institute of Development Administration - Bachelor of Accounting (2nd Class Honors) Dhurakij Pundit University - Internal Auditing Certificate Program – IACP from TFAC - Certified Professional Internal Audit of Thailand (CPIAT) from Institute of Internal Auditors (Thailand) <b>Training:</b> - Quality Assurance and Improvement Program (QAIP) from Institute of Internal Auditors (Thailand) - PDPA for Internal Auditing from Political Science Association of Kasetsart University - Certifie of Business Management for Internal Audit in Digital 4.0 from TFAC - Certifie of “How to Setting Modern Audit Plan By Audit Criteria” from Institute of Internal Auditors (Thailand) - Clinic IA : Topic “Fraud Audit and Caution for Auditor” from Institute of Internal Auditors (Thailand)	2013 – Present           2006 – Presen	Board of Executive Directors P&L IT Audit Company Limited Director P&L Corporation Company Limited

Name/ Position	Education / Certificate/ Training	Work experience	
		Period	Position/ Company
	<ul style="list-style-type: none"> <li>- Clinic IA : Topic “COSO 2014” from Institute of Internal Auditors (Thailand)</li> <li>- Audits and Audit Considerations When Entities Use Computers to Process Information (2/2018) from TFAC</li> <li>- Integrated Audit) 1/2018 from TFAC</li> <li>- COSO 2013 (ADVANCED COURSE 2/18) from TFAC</li> <li>- Training program for obtaining a certificate in internal auditing (17) from TFAC</li> <li>- Prepared Course for Certified Internal Auditor: Pre – CIA from Chulalongkorn University</li> <li>- Workshop : Cost Management for Adding Value and Sustainability (4/18) from TFAC</li> <li>- Data Analytics for Internal Auditor (2/17) from TFAC</li> </ul>		

## Attachment 4: Assets for business undertaking and details of asset appraisal

**Property appraisal data during the fiscal year 2022**

1. Building construction plan where the Company is located Bang Phriang Phatthana Project, Bang Phriang-Lad Wai Road, Tambon Bang Phriang, Amphoe Bang Bo, Samut Prakan

Usable area	13,548.73 square meters
Valuer Company	Kasikorn Bank Public Company Limited
Valuer	Mr. Jaroonsak Fongthong, No. Wor.Tor. 197, signed his name. in the property appraisal report No. 64-FSCR-KBANK-259
Date	2 June 2021
Objectives	For credit consideration
Appraisal priceas of the survey date	31,746,785.09 Baht
Appraisal priceas when completed	195,204,921.00 Baht

2. Land with buildings where the Company is located Bang Phriang Phatthana Project, Bang Phriang-Lad Wai Road, Tabon Bang Phriang, Amphoe Bang Bo, Samut Prakan

Total area	18-3-86 rai or 7,586 square wah
Valuer Company	Land and Houses Bank Public Company Limited
Valuer	Mr. Raphon Chanthavee, No. Wor.Tor. 407, signed his name. in the property appraisal report No. KT-64/01460
Date	12 October 2021
Objectives	For credit consideration
Appraisal price	211,557,000 Baht

## Summary of important contracts in doing business

### 1 Office Rental

Contracting party	Mr. Somchai Mepremwattana as the “lessor” Starflex Public Company Limited as the “lessee”
Contract date	: 1 March 2020
Relationship with the Company	: None
Property	: Condominiums according to government documents, Title Deed No. 243044, Unit No. 1093/147 (new number is 589/147), 27th floor (buttons in elevator and floor number is 26th floor), Central City Tower, condominium registration no. 24/2537. Khwaeng Bangna, Khet Phra Khanong, Bangkok Total area of approximately 355.34 square meters
objectives	: Used as the Company's office
Term	: 3 years starting from 1 March 2020 to 28 February 2023.
Terms of Termination	: If the lessee defaults on the rent payment or breaches the contract or fails to comply with the lessee's legal obligations or the lessee is sequestered by the court order or the lessee is sued in bankruptcy The lessor has the right to terminate the lease immediately.

## 2 Warehouse Rental

Contracting party	KRC Development Company Limited as a “lessor” Starflex Public Company Limited as the “lessee”
Contract date	: 1 May 2021
Relationship with the Company	: None
Property	: Building No. 188/1, Moo 3, Soi Bang Phliang Phatthana Project, Kheha-Lad Wai Road, Tambon Bang Phriang, Amphoe Bang Bo, Samut Prakan. Usable area 4,750 square meters
objectives	: Used as the Company's warehouse
Term	: 1 year 8 months starting from 1 May 2021 to 31 December 2022
Terms of Termination	: If the lessee desires to cancel the lease of the building before the rental period mentioned in this contract expires, the lessee must notify the lessor in writing at least 60 days before the lease expires.
Contracting party	Firm Estate and Letting Service Co., Ltd. as a "lessor" Starflex Public Company Limited as the “lessee”
Contract date	: 20 May 2021
Relationship with the Company	: None
Property	: Building No. 188/189, Moo 4, Tambon Bang Phriang, Amphoe Bang Bo, Samut Prakan. Usable area 2,400 square meters
objectives	: Used as the Company's warehouse
Term	: 1 year starting from 1 June 2021 to 31 May 2022 (Cancelled the rental)
Terms of Termination	: If the lessee desires to cancel the lease of the building before the rental period mentioned in this contract expires, the lessee must notify the lessor in writing at least 3 months before the lease expires.



### 3 Factory and Office Building Rental

Contracting party	N.S.P.K. Co., Ltd. as the “lessor” Starflex Public Company Limited as the “lessee”
Contract date	: 1 April 2019
Relationship with the Company	: None
Property	: Factory Building, Office Building and Building Improvement, No. 470/3-4 Moo. 5, Tambon Prakasa Mai, Amphoe Mueang Samut Prakan, Samut Prakan 10280. total area 5,300 square meters
objectives	: Used as a place for the production of the Company's products
Term	: 3 years starting from 1 April 2019 to 31 March 2022 (Cancelled the rental)
Terms to renewal contract	: The lessee has the right to renew the contract for a period of three years. with a letter of intent to renew the contract to the lessor at least 30 days in advance before the expiration of the original contract and the lessor agrees to extend the contract to the lessee according to the original conditions in all respects Except for the rent which the parties will agree on the price up and down according to the economic conditions at that time.
Terms of Termination (lessee)	: If the lessee desires to cancel the lease of the building before the rental period mentioned in this contract expires, the lessee must notify the lessor in writing at least 90 days before the lease expires.
Terms of Termination (lessor)	: In the event that the lessee does not pay the rent for three months in a row. The lessor has the authority to promptly terminate the lease. or if one party misbehaves in ways that are not specified in the contract The other party has the right to inform the amendment to the other party by designating a reasonable time period in each circumstance. The non-defaulting party has the right to promptly terminate the contract if it cannot be repaired as indicated.

#### 4 Utilities Lease Agreement

Contracting party	N.S.P.K. Co., Ltd. as the “lessor” Starflex Public Company Limited as the “lessee”
Contract date	: 1 April 2019
Relationship with the Company	: None
Property	: Factory Building, Office Building and Building Improvement, No. 470/3-4 Moo. 5, Tambon Prakasa Mai, Amphoe Mueang Samut Prakan, Samut Prakan 10280.
objectives	: Used as a place for the production of the Company's products
Term	: 3 years starting from 1 April 2019 to 31 March 2022 (Cancelled the rental)
Terms to renewal contract	: The lessee has the right to renew the contract for a period of three years. with a letter of intent to renew the contract to the lessor at least 30 days in advance before the expiration of the original contract and the lessor agrees to extend the contract to the lessee according to the original conditions in all respects Except for the rent which the parties will agree on the price up and down according to the economic conditions at that time.
Terms of Termination (lessee)	: If the lessee desires to cancel the lease of the building before the rental period mentioned in this contract expires, the lessee must notify the lessor in writing at least 90 days before the lease expires.
Terms of Termination (lessor)	: In the event that the lessee does not pay the rent for three months in a row. The lessor has the authority to promptly terminate the lease. or if one party misbehaves in ways that are not specified in the contract The other party has the right to inform the amendment to the other party by designating a reasonable time period in each circumstance. The non-defaulting party has the right to promptly terminate the contract if it cannot be repaired as indicated.

## 5 Insurance Contract

### 5.1 All Risk Insurance

#### 1. Factory and Warehouse

Insurance Company	: Tokio Marine Safety Insurance (Thailand) PCL and Joint Insurance Company
The Insured Name	: Starflex Public Company Limited
Insurance Type	: All Risk Insurance
Location of Property Insured	: (1) Starflex Factory and (2) Bang Phriang Warehouse
Property Insured	: Building (excluding foundation) including all additions and improvements to the building that is a common property, parking lot, gates, fences, permanent signs, guard towers, shrines, gardens, swimming pools (excluding pool water), restaurants, fitness centers, carpets Chandeliers, ceiling fans and stand Other decoration materials electrical appliance Factory equipment, office, office equipment, computers, computer systems, notebook computers and various setting equipment coin washing machine vending machine Train or tuk-tuk that is used to deliver in the business of forklifts, including various utilities such as electrical systems, generators, electric boilers, water supply systems and pipes Shared and split air conditioning systems air conditioner Cooling system, telephone system, elevator-escalator system and control system Security system, CCTV, alarm system, fire suppression system, sanitation system wastewater treatment system Water pump system with water pressure regulator, TV antenna, satellite system, lightning rod and all assets used in business and under the care of the Insured.
Amount Insured	: 979,311,415.02 Baht
Period of Insurance	: 31 January 2022 to 31 January 2023
Policy coverage	: Physical loss or damage to insured property from perils such as fire, lightning, explosion, collision by vehicle, hail, water damage, windstorm, earthquake, aircraft smoke, wildfire, riot and strike. Danger due to acts of vandalism and malicious intent and accidental damage from other external causes which is not excluded under the property insurance policy.

## 2. New warehouse, Bang Phriang

Insurance Company	: Allianz Ayudhya General Insurance PCL
The Insured Name	: Starflex Public Company Limited
Insurance Type	: All Risk Insurance
Location of Property Insured	: New warehouse, Bang Phriang
Property Insured	: 1. Office equipment 2. Stock various products including products that are in production finished goods various raw materials various packing materials including promotional products Sample products and all kinds of products for sale
Amount Insured	: 50,450,000.00 Baht
Period of Insurance	: 1 August 2021 to 31 May 2022 Cancelled
Policy coverage	: Loss or damage of insured property from perils caused by fire, lightning, explosion, flood, earthquake or volcanic eruption or underwater wave or tsunami, wind storm, aircraft disaster, vehicle disaster, smoke, hail, forest fire The dangers of protests strike Riots or acts of malicious intent (except for acts of political, religious or ideological motives), burglary in which traces of tampering appear from a building by entering or Leaving the building, theft, gang robbery and including all types of accidents caused by external factors that are not specified in the standard property risk insurance policy.

### 3. Factory 2 (Prakasa Mai)

Insurance Company	: Allianz Ayudhya General Insurance PCL
The Insured Name	: Starflex Public Company Limited
Insurance Type	: All Risk Insurance
Location of Property Insured	: Factory 2 (Prakasa Mai)
Property Insured	: 1. Buildings (including foundations), including improvements, additions to buildings, fences, walls, gates, guard towers, garages, shrines, furniture, fixtures and fixtures. Appliances and electrical equipment office equipment Computer and transformer accessories generator Utilities such as electrical systems, water systems, telephone systems, air conditioning systems, fire extinguishing systems, and other assets within the care of the Company as a keeper 2. Various machines used in production including spare parts and accessories 3. Stock of various products including products that are in production finished goods various raw materials various packing materials including promotional products Sample products and all kinds of products for sale
Amount Insured	: 73,487,156.79 Baht
Period of Insurance	: 11 June 2021 to 31 March 2022 (Cancelled)
Policy coverage	: Loss or damage of insured property from perils caused by fire, lightning, explosion, flood, earthquake or volcanic eruption or underwater wave or tsunami, wind storm, aircraft disaster, vehicle disaster, smoke, hail, forest fire The dangers of protests strike Riots or acts of malicious intent (except for acts of political, religious or ideological motives), burglary in which traces of tampering appear from a building by entering or Leaving the building, theft, gang robbery and including all types of accidents caused by external factors that are not specified in the standard property risk insurance policy.

#### 4. Central City Tower

Insurance Company	: Tokio Marine Safety Insurance (Thailand) PCL
The Insured Name	: Starflex Public Company Limited
Insurance Type	: All Risk Insurance
Location of Property Insured	: Condominiums according to government documents, Title Deed No. 243044, Unit No. 1093/147 (new number is 589/147), 27th floor (push button in elevator and floor number is 26th floor), Central City Tower, condominium registration no. 24/2537. Bangna Subdistrict, Phra Khanong District, Bangkok.
Property Insured	: Building (excluding foundation) including all additions and improvements to the building that is the property of the Insured Fixing fixtures, ceilings, ceilings, floor coverings, building mirrors, other mirrors, furniture, carpets, pictures and other decorative materials. electrical appliance generator Transformer Plumbing and plumbing systems Shared and split air conditioning systems air conditioner Refrigeration system, telephone system, security system, CCTV, alarm system, fire suppression system, sanitation system, antenna, TV, satellite receiver system, lightning rod and Thaksin are all used in the business and are under the care of the Insured.
Amount Insured	: 14,500,000.00 Baht
Period of Insurance	: 29 January 2022 to 29 January 2023
Policy coverage	: Physical loss or damage to insured property from perils such as fire, lightning, explosion, collision by motor vehicle, hail, water damage, windstorm, earthquake, aircraft smoke, wildfire, riot and strike. Danger due to acts of vandalism and malicious intent and accidental damage from other external causes which is not excluded under the property insurance policy.

## 5.2 Business Interruption Insurance

### 1. Starflex Factory and Warehouse

Insurance Company	: Tokio Marine Safety Insurance (Thailand) PCL and Joint Insurance Company
The Insured Name	: Starflex Public Company Limited
Insurance Type	: Business Interruption Insurance
Location of Property Insured	: (1)Starflex Factory and (2) Bangpieng Warehouse
Property Insured	: Gross Profit
Maximum Indemnity Period	: 12 months
Amount Insured	: 100,000,000.00 Baht
Period of Insurance	: 31 January 2022 to 31 January 2023
Policy coverage	: Loss or damage of gross profit and/or increased operating expenses due to business interruption which is a direct consequence of damage incurred to property used by the insured to conduct business.

### 2. Factory 2 (Prakasa Mai)

Insurance Company	: Allianz Ayudhya General Insurance PCL
The Insured Name	: Starflex Public Company Limited
Insurance Type	: Business Interruption Insurance
Location of Property Insured	: Factory 2 (Prakasa Mai)
Property Insured	: Gross Profit
Maximum Indemnity Period	: 12 months
Amount Insured	: 10,000,000.00 Baht
Period of Insurance	: 11 June 2021 to 31 March 2022 (Cancelled)
Policy coverage	: Loss or damage of gross profit and/or increased operating expenses due to business interruption which is a direct consequence of damage incurred to property used by the insured to conduct business at the insured place and are covered under an asset insurance policy.

### 5.3 Public Liability Insurance

#### 1. Starflex Factory and Warehouse




Insurance Company	: Tokio Marine Safety Insurance (Thailand) PCL and Joint Insurance Company
The Insured Name	: Starflex Public Company Limited
Insurance Type	: Public Liability Insurance
Location of Property Insured	: (1)Starflex Factory and (2) Bangpieng Warehouse
Amount Insured	: 20,000,000.00 Baht
Period of Insurance	: 31 January 2022 to 31 January 2023
Policy coverage	: Covering the legal liability of the insured to death or injury to the body or illness or damage to the property of third parties The above statutory liability must be incurred by accident. relating to the business or business of the insured within the scope of the risks insured and occurs during the insurance period at the insured territory specified in the insurance policy schedule. according to the conditions of the third party liability insurance policy.




#### 2. Factory 2 (Prakasa Mai)



Insurance Company	: Tokio Marine Safety Insurance (Thailand) PCL
The Insured Name	: Starflex Public Company Limited
Insurance Type	: Public Liability Insurance
Location of Property Insured	: Condominiums according to government documents, Title Deed No. 243044, Unit No. 1093/147 (new number is 589/147), 27th floor (push button in elevator and floor number is 26th floor), Central City Tower, condominium registration no. 24/2537. Bangna Subdistrict, Phra Khanong District, Bangkok.
Amount Insured	: 3,000,000.00 Baht
Period of Insurance	: 29 January 2022 to 29 January 2023
Policy coverage	: Covering the legal liability of the insured to death or injury to the body or illness or damage to the property of third parties The above statutory liability must be incurred by accident. relating to the business or business of the insured within the scope of the risks insured and occurs during the insurance period at the insured territory specified in the insurance policy schedule. according to the conditions of the third party liability insurance policy









Attachment 5: Corporate Governance Policy and Guidelines (full version) and Business Ethics (full version)




No.	Corporate Governance Policy and Guidelines	URL Website	QR CODE
Category 1 Charter			
1	Board of Directors Charter	<a href="https://www.starflex.co.th/storage/content/corporate-governance/charter/20220527-sflex-charter-board-of-directors-th.pdf">https://www.starflex.co.th/storage/content/corporate-governance/charter/20220527-sflex-charter-board-of-directors-th.pdf</a>	
2	Audit Committee Charter	<a href="https://www.starflex.co.th/storage/content/corporate-governance/charter/20220527-sflex-charter-audit-committee-th.pdf">https://www.starflex.co.th/storage/content/corporate-governance/charter/20220527-sflex-charter-audit-committee-th.pdf</a>	
3	Executive Committee Charter	<a href="https://www.starflex.co.th/storage/content/corporate-governance/charter/20220527-sflex-charter-audit-committee-th.pdf">https://www.starflex.co.th/storage/content/corporate-governance/charter/20220527-sflex-charter-audit-committee-th.pdf</a>	




No.	Corporate Governance Policy and Guidelines	URL Website	QR CODE
Category 1 Charter			
4	Nomination and Remuneration Committee Charter	<a href="https://www.starflex.co.th/storage/content/corporate-governance/charter/20220527-sflex-charter-nomination-and-remuneration-committee-th.pdf">https://www.starflex.co.th/storage/content/corporate-governance/charter/20220527-sflex-charter-nomination-and-remuneration-committee-th.pdf</a>	
5	Risk Management Committee Charter	<a href="https://www.starflex.co.th/storage/content/corporate-governance/charter/20220527-sflex-charter-risk-committee-th.pdf">https://www.starflex.co.th/storage/content/corporate-governance/charter/20220527-sflex-charter-risk-committee-th.pdf</a>	
6	Corporate Governance and Sustainable Development Committee Charter	<a href="https://www.starflex.co.th/storage/content/corporate-governance/charter/20221121-sflex-charter-cg-and-sustain-th.pdf">https://www.starflex.co.th/storage/content/corporate-governance/charter/20221121-sflex-charter-cg-and-sustain-th.pdf</a>	

No.	Corporate Governance Policy and Guidelines	URL Website	QR CODE
Category 2 Business Ethics			
1	SFLEX's Code of Conduct	<a href="https://www.starflex.co.th/storage/content/corporate-governance/20221121-sflex-code-of-conduct-th.pdf">https://www.starflex.co.th/storage/content/corporate-governance/20221121-sflex-code-of-conduct-th.pdf</a>	
2	Business Partner's Code of Conduct	<a href="https://www.starflex.co.th/storage/content/corporate-governance/20221121-sflex-business-partners-code-of-conduct-th.pdf">https://www.starflex.co.th/storage/content/corporate-governance/20221121-sflex-business-partners-code-of-conduct-th.pdf</a>	



No.	Corporate Governance Policy and Guidelines	URL Website	QR CODE
Category 3 Policies and guidelines			
1	Good Corporate Governance Policy	<a href="https://www.starflex.co.th/storage/content/corporate-governance/20220527-sflex-corporate-governance-policy-th.pdf">https://www.starflex.co.th/storage/content/corporate-governance/20220527-sflex-corporate-governance-policy-th.pdf</a>	
2	Policy on governance and management of subsidiaries and associated companies	<a href="https://www.starflex.co.th/storage/content/corporate-governance/20220527-sflex-management-of-subsidiaries-policy-th.pdf">https://www.starflex.co.th/storage/content/corporate-governance/20220527-sflex-management-of-subsidiaries-policy-th.pdf</a>	
3	Whistle Blowing Policy and complaints	<a href="https://www.starflex.co.th/storage/content/corporate-governance/20220527-sflex-sf-whistleblowing-th.pdf">https://www.starflex.co.th/storage/content/corporate-governance/20220527-sflex-sf-whistleblowing-th.pdf</a>	

No.	Corporate Governance Policy and Guidelines	URL Website	QR CODE
Category 3 Policies and guidelines			
4	Policy on the use of insider information	<a href="https://www.starflex.co.th/storage/content/corporate-governance/20220527-sflex-the-control-of-internal-information-th.pdf">https://www.starflex.co.th/storage/content/corporate-governance/20220527-sflex-the-control-of-internal-information-th.pdf</a>	
5	Policy on personal data protection and processing	<a href="https://www.starflex.co.th/storage/content/corporate-governance/20220527-sflex-sf-privacy-policy-th.pdf">https://www.starflex.co.th/storage/content/corporate-governance/20220527-sflex-sf-privacy-policy-th.pdf</a>	
6	Enterprise Risk Management Policy	<a href="https://www.starflex.co.th/storage/content/corporate-governance/20220527-sflex-risk-management-policy-th.pdf">https://www.starflex.co.th/storage/content/corporate-governance/20220527-sflex-risk-management-policy-th.pdf</a>	

No.	Corporate Governance Policy and Guidelines	URL Website	QR CODE
Category 3 Policies and guidelines			
7	Anti-Corruption Policy	<a href="https://www.starflex.co.th/storage/content/corporate-governance/20221121-sflex-anti-corruption-policy-th.pdf">https://www.starflex.co.th/storage/content/corporate-governance/20221121-sflex-anti-corruption-policy-th.pdf</a>	
8	Policies and guidelines for sustainable development	<a href="https://www.starflex.co.th/storage/content/corporate-governance/20220815-sflex-sustainability-policy-and-guideline-th.pdf">https://www.starflex.co.th/storage/content/corporate-governance/20220815-sflex-sustainability-policy-and-guideline-th.pdf</a>	
9	Policy and Guidelines for Stakeholders	<a href="https://www.starflex.co.th/storage/content/corporate-governance/20220815-sflex-stakeholder-engagement-policy-th.pdf">https://www.starflex.co.th/storage/content/corporate-governance/20220815-sflex-stakeholder-engagement-policy-th.pdf</a>	

No.	Corporate Governance Policy and Guidelines	URL Website	QR CODE
Category 3 Policies and guidelines			
10	Innovation policy	<a href="https://www.starflex.co.th/storage/content/corporate-governance/20220815-sflex-innovation-policy-th.pdf">https://www.starflex.co.th/storage/content/corporate-governance/20220815-sflex-innovation-policy-th.pdf</a>	
11	Tax policy	<a href="https://www.starflex.co.th/storage/content/corporate-governance/20220815-sflex-tax-policy-th.pdf">https://www.starflex.co.th/storage/content/corporate-governance/20220815-sflex-tax-policy-th.pdf</a>	
12	Policy on Human Rights and Labor Practices	<a href="https://www.starflex.co.th/storage/content/corporate-governance/20220815-sflex-human-rights-and-labor-practices-policy-th.pdf">https://www.starflex.co.th/storage/content/corporate-governance/20220815-sflex-human-rights-and-labor-practices-policy-th.pdf</a>	



No.	Corporate Governance Policy and Guidelines	URL Website	QR CODE
Category 3 Policies and guidelines			
13	Climate change policy	<a href="https://www.starflex.co.th/storage/content/corporate-governance/20221121-sflex-climate-change-policy.pdf">https://www.starflex.co.th/storage/content/corporate-governance/20221121-sflex-climate-change-policy.pdf</a>	
14	Environmental Management Policy	<a href="https://www.starflex.co.th/storage/content/corporate-governance/20221121-sflex-environmental-policy.pdf">https://www.starflex.co.th/storage/content/corporate-governance/20221121-sflex-environmental-policy.pdf</a>	

## Attachment 6: Report of the Sub Committee

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## Report of the Audit Committee

The Audit Committee of Starflex Public Company Limited has been appointed by the resolution of the board of directors, consisting of 3 independent directors who are fully qualified as stipulated in the Audit Committee charter as follows:

- |                           |                                 |
|---------------------------|---------------------------------|
| 1. Gen. Montee Sungkasap  | Chairman of the Audit Committee |
| 2. Mr. Kajhitphome Sudsok | Member of the Audit Committee   |
| 3. Mr. Rong Hirunpanich   | Member of the Audit Committee   |

And Ms. Nongnaphas Toocharoen (Section Manager Internal Audit) is the secretary of the Audit Committee.

The Audit Committee has performed its duties under the scope of duties and responsibilities as specified in the Audit Committee charter and as assigned by the board of directors carefully, with knowledge, competence, and independence, without any restrictions and conditions for obtaining information, according with the regulations and relevant laws of the Stock Exchange of Thailand, and they will get full cooperation from the management, internal auditor and auditor of the company.

In 2022, the Audit Committee held a total of 7 meetings, having all members of the Audit Committee attending all the time with management, auditor, and internal auditors as appropriate. Also, operating results will be reported to the board of directors on a quarterly basis. In summary, the main points of the audit committee's performance are as follows:

### 1. Financial Reports

The Audit Committee reviewed the quarterly financial statements and the annual financial statements for 2022 by asking questions and listening to explanations from the management. and the auditor on the completed correctness of the financial statements and the adequacy of information disclosure, including considering the independence of the auditor's performance and considering all issues found from the audit of the auditor, which the Audit Committee agreed with the auditor that such financial reports are materially accurate and reliable in accordance with generally accepted accounting standards.

### 2. Internal control system

The Audit Committee reviewed information on operations and internal control systems to assess the adequacy and effectiveness of the internal control system. This will help support the operation to achieve the company's policy goals by considering the internal audit report according to the approved work plan, which covers the major work systems of the company. As per the review of the Audit Committee, no significant defects were found. The company has proper custody of its assets and has complied with the law on securities and stock exchange, requirements of the Stock Exchange of Thailand, laws and regulations related to the business of the company, has assigned authority, and has been approved to operate in accordance with the established criteria and according to good internal control system and good corporate governance, including making improvements to be in line with the changing situation effectively.

### 3. Monitoring of internal audit operation

The Audit Committee has considered the mission and scope of work, roles, and responsibilities, and independence of the internal audit department and internal auditors from the management to be in line with the internal audit guidelines of the Stock Exchange of Thailand and has considered approving the annual internal audit plan, appropriateness of the annual expenditure budget, and has followed up on the performance and audit results of the Internal Audit Department on a regular basis, including giving advice and following up on corrective action on significant issues, including ensuring that the Internal Audit Department has appropriate and sufficient officers. The Audit Committee is of the opinion that the company has an internal audit system with adequacy, appropriateness, and affective being in line with the standards.

### 4. Transaction for related parties or conflicting with the interest

The Audit Committee has reviewed, supervised, and commented on the transactions that may have conflicts of interest with the company on a quarterly basis based on the principles of reasonableness, transparency, and adequate information disclosure and it will be in line with the requirements of the Stock Exchange of Thailand. In this regard, the Audit Committee is of the opinion that the transaction is a normal business transaction and makes the utmost benefit to the company.

### 5. Auditor

The Audit Committee has considered and selected to propose the appointment of an auditor and provide opinions to the board of directors for further approval at the annual general meeting of shareholders. The audit committee has considered the auditor's qualifications, skills, knowledge, capability, and experience for auditing, credibility, and independence, including the quality of audit work in the past year and the appropriateness of the remuneration, which the rate has been considered in comparison with other comparable auditors, and has agreed to propose the appointment of the company EY Office Limited.

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|----------------------------------|---|
| 1. Ms. Satida Ratananurak        | Certified Public Accountant No. 4753 and/or |
| 2. Ms. Sarinda Hirunprasurtwutti | Certified Public Accountant No. 4799 and/or |
| 3. Ms. Siriwan Nitdamrong        | Certified Public Accountant No. 5906 and/or |

be an auditor and express an opinion on the company's financial statements in 2022.

### 6. Self-assessment of the Audit Committee

The Audit Committee has assessed the performance according to the charter of the Audit Committee and is of the opinion that the Audit Committee has completely complied with the charter and reported the performance as well as presented suggestions by regular reports to the board of directors. Moreover, the Audit Committee reviews the charter of the Audit Committee annually.

The Audit Committee has performed all its duties as assigned by the board of directors and is of the opinion that the company has reported accurate financial and operational information with an internal control system, internal audit, compliance with laws, requirements, and relevant regulations, disclosure of accurate related party transactions, and performance which be in line with the good corporate governance system that is adequate, transparent and reliable, including continuous development and improvement of the operational system to quality and suitability for the business environment.



(Gen. Montee Sungkasap)

Chairman of the Audit Committee

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## Report of the Nomination and Remuneration Committee

The board of directors of Starflex Public Company Limited (“the company”) has appointed the Nomination and Remuneration Committee consisting of 3 members and the Chairman of the Nomination and Remuneration Committee is an independent director. The Nomination and Remuneration Committee has performed duties as assigned by the board of directors which is set forth in the Nomination and Remuneration Committee charter.

In 2022, the Remuneration Committee held 3 meetings to perform duties assigned by the board of directors and reported the meeting resolution to the board of directors all the times which can be summarized as follows:

1. Consider the structure, size, composition, and qualifications of the company’s directors, sub-committee, and senior management as necessary and appropriate.
2. Set policies, criteria, and methods for recruiting and selecting company directors, sub-committee, and senior management to propose to the board of directors and/or propose to the shareholders' meeting for approval, depending on the case.
3. Consider recruiting and selecting qualified persons to hold positions for the company's directors, sub-committee and chief executive officer and high-ranking executives who have completed their terms and/or vacancies and/or additional appointments by specifying the recruitment method with criteria and transparency in accordance with relevant regulations and laws.
4. Propose the list of selected persons to the board of directors to be considered for appointment as a director of the company replacing the retiring director.
5. Prepare an appropriate plan for succession and management continuity for the position of the chief executive officer to present to the board of directors' meeting for approval.
6. Set up criteria and policies for determining the remuneration of the board of directors and sub-committees to propose to the board of directors and/or proposed to the shareholders' meeting for approval, depending on the case.
7. Set necessary and appropriate remuneration, both monetary and non-monetary, for the individual directors each year by considering suitability to duties, responsibilities, performance, and comparison with the company which is similar business and benefits expected from directors to propose to the board of directors for consideration and present to the shareholders' meeting for approval.
8. Consider the performance evaluation criteria for the chief executive officer and chief executive officer for various departments as assigned by the board of directors.

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9. Establish a table of criteria for consideration of remuneration and benefits of the chief executive officer and chief officers of various departments and present it to the board of directors for approval.
  10. Consider suitability and give approval, in case of offering new securities to directors and employees by adhering to the principles of fairness to shareholders and being incentives for directors and employees to perform their duties in order to create long-term added value for shareholders and retain qualified officers.
  11. Perform any other tasks related to remuneration as assigned by the board of directors.

For performing the duties and responsibilities specified in the charter of the Nomination and Remuneration Committee, the Nomination and Remuneration Committee has performed its duties with detail, prudence, transparency, and taking into account the best interests of the company and its shareholders.



(Gen. Montee Sungkasap)

Chairman of the Nomination and Remuneration Committee

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## Report of the Risk Management Committee

Dear Shareholders of Starflex Public Company Limited,

Starflex Public Company Limited (“the company”) has realized the importance of risk management and has appointed a risk management committee to assist in managing the company's important risks, including the company's important risks, as well as setting guidelines, processes, policies, including monitoring results and managing such significant risks to be at the appetible level.

The Risk Management Committee has a total of 7 members, comprising 2 independent directors and 5 management members, with Mr. Khajitpoom Sudsok, an independent director, being the chairman of the Risk Management Committee since his appointment in 2020. The Risk Management Committee holds 4 meetings from January to December, be in line with the scope of duties and responsibilities specified in the Risk Management Committee charter. The chairman of the Risk Management Committee reported progress and operations related to controlling and supervising risk management of the company to the Audit Committee and the board of directors in order to acknowledge.

In this regard, the important performance of the Risk Management Committee is as follows:

- Review and consider the company's risk governance structure, guidelines for risk assessment, policy, and risk assessment manual, and the management and the person responsible for each risk.
- Review and improve the enterprise risk management manual by applying international standard risk management guidelines under COSO Enterprise Risk Management; Integrating with Strategy and Performance; 2017 Version.
- Follow up, advise, and review the company's corporate risk management, including risk information and reporting to ensure that enterprise risk management is in line with the correct and complete guidelines and able to manage risks and the likelihood of risks occurring.
- Arrange to corruption risk assessment along with providing a plan to reduce the risk level to prevent fraud and corruption, including conducting risk management in line with sustainability development according to the company's policy.
- Monitor the impact of the COVID-19 epidemic on the operations and business of the company closely, including the Company's continual risk management plan.
- Acknowledgment of quarterly risk management, including considering the opinions on the overall risk that the company can accept and the company's strategy regarding various important risks, e.g., financial risk, strategic risk, compliance risk, operational risk, social risk, economic risk, environmental risks, and reputational risk as well as a risk management action plan.



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- Continuously support and promote training and create risk awareness for officers to understand and apply knowledge of risk management to their work until it becomes a corporate culture.
  - Review the disclosure of information about risk management, which will be specified in the annual information disclosure form (56-1 One Report).

In summary, the Risk Management Committee has an opinion that the company, in 2022, has an appropriate risk management system consisting of a good risk governance structure, risk management tool, policies, and guidelines to promote risk management. This method allows the company to formulate an action plan, proper risk management, and continuous monitoring and review of the implementation of the corporate risk management plan. Therefore, it is believed that the company's risk management will be able to manage risks and the likelihood of risks very well.



(Mr. Kajhitphome Sudsok)

Chairman of the Risk Management Committee

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## Report of the Corporate Governance and Sustainable Development Committee

Dear Shareholders of Starflex Public Company Limited,

Starflex Public Company Limited (“Company”) is well aware of responsible business conduct and taking into account all groups of stakeholders, whether it is customers, officers, partners, society and communities, to focus on business development towards sustainability by taking the philosophy of sufficiency economy and sustainable development goals (SDGs) to be integrated and applied to reduce environmental and social impacts, including conducting business with good governance (Environmental / Social / Governance & Economic or ESG).

In the board of directors' meeting no. 4/2022, it was resolved to appoint the Corporate Governance and Sustainable Development Committee, totaling 7 members, consisting of 3 independent directors and 3 management members with a risk management section manager acting as the secretary of the Corporate Governance Committee for overseeing the creation of good corporate governance according to the principles of corporate governance and sustainable development. In the previous year, there were 2 meetings of the board of directors in which they performed their duties carefully according to the responsibilities assigned by the board of directors. In this regard, the important performance of the Corporate Governance and Sustainability Development Committee is as follows:

- Set goals, policies, and action plans for Sustainable Development (SD) of the Company covering environmental, social, and business governance. (Environmental / Social / Governance & Economic or ESG).
- Consider and approve the Corporate Governance Committee's charter, including policies, business ethics, and business partner code of conduct to support corporate governance and sustainable development in the amount of 10 copies and present to the board of directors for approval.
- Supervise, monitor, and evaluate the results of sustainable development, including reporting the progress of the action to the board of directors for acknowledgment.
- Encourage and support participation in the sustainability assessment of listed companies for the year 2022 in order to announce the list of sustainable stocks THSI (Thailand Sustainability Investment).
- Encourage and support the declaration of intent to join the Private Sector Collective Action against Corruption (CAC) in order to be part of efforts to combat corruption by the Thai business sector. It is currently in the process of preparing documents for certification from CAC.
- Follow up and provide opinions on material sustainability assessments, as well as the preparation of a sustainability report of the company by including as part of the annual information disclosure form 56-1 One Report

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- Continuously support and promote training and create awareness of sustainability for officers to understand and apply sustainability knowledge to work until it becomes a corporate culture.
  - Review the disclosure of corporate governance and sustainable development information, which will be specified in the annual information disclosure form 56-1 One Report.

In summary, the Corporate Governance and Sustainable Development Committee is of the opinion that the company, in 2022, has operated in accordance with the company's sustainable development policy and guidelines systematically In line with the framework and guidelines for sustainable development according to international sustainability principles, as well as promoting good corporate governance and ethical business operations with respect for rights and responsibility towards stakeholders and shareholders to create and maintain good performance, build stability and financial sustainability for the company.



(Mr. Chairit Simaroj)

Chairman of the Corporate Governance Committee  
and sustainable development